ICBC

SUSTAINING THE MOMENTUM TO FORGE AHEAD

2018 LAPORAN TAHUNAN
ANNUAL REPORT

PT BANK ICBC INDONESIA

Keberlanjutan Tema
Theme Continuity

2014
Standing Tall
In A Challenging Time

Berdiri Kokoh di Tengah
Tantangan

2015
A Year of Transformation

Tahun Transformasi

2016
Supporting & Servicing
Indonesia Economy

Mendukung & Melayani
Perekonomian Indonesia

2017
Foundation Laid
for the Next 10 Years

Yayasan Laid untuk 10
Tahun Berikutnya

SUSTAINING THE MOMENTUM TO FORGE AHEAD

"Perseroan terus melanjutkan pengembangan usaha sepanjang tahun 2018 antara lain melalui strategi kemitraan dengan perusahaan BUMN dan perusahaan berkategori *blue chip*, peningkatan dana murah dan mempercepat pertumbuhan segmen bisnis konsumer. Sejalan dengan perluasan kerja sama, Perseroan berfokus pada peningkatan kualitas aset untuk untuk menjaga pertumbuhan bisnis yang berkelanjutan.

ICBC continues its business development throughout 2018 by among others forging the partnership strategy with the SOEs and blue chip companies. The Company also enhances the performance of its low cost funds and accelerates its consumer business growth. Aligned with this, the Company also focuses on asset quality improvement so as to maintain sustainable business growth.

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PERFORMANCE HIGHLIGHTS

PERTUMBUHAN USAHA BERKESINAMBUNGAN

Sustainable Business Growth

Untuk mencapai pertumbuhan bisnis pada tahun 2018, Bank terus meningkatkan sumber pendanaan yang stabil; mengadopsi platform teknologi dari perusahaan induk; memperkuat bisnis perbankan Konsumen serta pengendalian internal.

To achieve business growth in 2018, The Bank continues to increasing stable funding sources; adopting the technology platform of the parent company; strengthening the Consumer Banking business as well as internal control.

RINGKASAN KINERJA KEUANGAN 2018

Financial Performance Highlights 2018

Rp101,64 ▲
miliar/billion

Ekuitas
Equity

Ekuitas Bank meningkat sebesar Rp101,64 miliar atau tumbuh 1,77% menjadi Rp5,86 triliun, dari tahun sebelumnya sebesar Rp5,75 triliun.

The Bank's equity increased by Rp101.64 billion or grew 1.77% to Rp5.86 trillion from the previous year figure of Rp5.75 trillion.

Rp36,54 ▲
triliun/trillion

Kredit
Loans

Kredit Bank meningkat 4,20% di tahun 2018 menjadi Rp36,54 triliun dari Rp35,07 triliun pada tahun 2017.

The Bank's loans rose by 4.20% in 2018 to Rp36.54 trillion from Rp35.07 trillion in 2017.

Rp54,84 ▼
triliun/trillion

Aset
Assets

Total Aset Bank pada tahun 2018 mencapai Rp54,84 triliun atau 2,15% menurun dari tahun sebelumnya sebesar Rp56,04.

The Bank Total Assets reached Rp54.84 trillion in 2018 or 2.15% decrease from the previous year of Rp56.04.

Rp13,78 ▲
triliun/trillion

Pinjaman Yang Diterima
Borrowings

Pinjaman yang diterima Bank meningkat 382,01% di tahun 2018 menjadi Rp13,78 triliun dari sebelumnya Rp2,86 triliun pada tahun 2017.

The Bank's borrowings increased by 382.01% in 2018 to Rp13.78 trillion from Rp2.86 trillion in 2017.

Ringkasan Kinerja Keuangan 2018
Financial Performance Highlights 2018

Rp30,59 ▼
triliun/trillion

Dana Pihak Ketiga (DPK)
Third Party Funds (TPF)

DPK Bank tercatat sebesar Rp30,59 triliun pada tahun 2018, menurun dibanding Rp33,04 triliun pada tahun 2017.

The Bank's TPF was Rp30.59 trillion in 2018, a decrease compared to Rp33.04 trillion in 2017.

Rp8,71 ▲
triliun/trillion

Giro dan Tabungan
Current accounts and saving accounts

Giro dan tabungan meningkat berturut-turut sebesar 41,37% dan 46,84% dibandingkan dengan tahun 2017, total menjadi Rp8,71 triliun

Current accounts and saving accounts consecutively increased by 41.37% and 46.84% compare to 2017 result, in total becoming Rp8,71 trillion

Rp114,78 ▼
miliar/billion

Laba Bersih
Net Income

Bank membukukan laba bersih sebesar Rp114,78 miliar di tahun 2018.

The Bank posted net income of Rp114.78 billion in 2018.

Rp3,18 ▲
triliun/trillion

Pendapatan Bunga
Interest Income

Pendapatan bunga Bank meningkat 5,34% di tahun 2018 menjadi Rp3,18 triliun dibandingkan Rp3,02 triliun di tahun 2017.

The Bank's interest income grew 5.34% in 2018 to Rp3.18 trillion compared to Rp3.02 trillion in 2017.

IKHTISAR KEUANGAN
Financial Highlights

Rp Juta | in Rp Million

URAIAN	2018	2017	2016	2015	2014	DESCRIPTION
LAPORAN POSISI KEUANGAN						FINANCIAL POSITION
ASET						ASSETS
Kas	63,490	88,399	85,086	117,849	84,026	Cash
Giro Pada Bank Indonesia	3,848,283	3,888,038	3,231,563	3,437,641	2,968,184	Current Accounts With Bank Indonesia
Giro Pada Bank-BankLain	3,456,397	3,314,446	2,294,992	2,661,773	1,573,133	Current Accounts With Other Banks
Penempatan Pada Bank Indonesia dan Bank-Bank Lain	5,410,777	5,135,049	1,850,355	3,306,914	3,293,353	Placements With Bank Indonesia and Other Banks
Aset Derivatif	267,422	5,980	10,963	24,289	965	Derivative Assets
Tagihan Akseptasi	595,160	1,519,878	1,170,532	1,566,045	1,796,823	Acceptance Receivables
Efek-Efek untuk Tujua Investasi	3,791,167	6,248,877	6,286,166	4,058,933	4,833,979	Investment Securities
Kredit Yang Diberikan	36,542,280	35,068,608	33,031,655	29,841,876	23,881,274	Loans Receivable
Aset Tetap – Bersih	246,968	280,695	321,486	371,887	388,676	Fixed Assets - Net
Aset Pajak Tangguhan – Bersih	307,645	191,903	-	-	-	Deferred Tax Assets - Net
Aset Lain-Lain – Bersih	306,585	297,331	338,258	324,788	227,342	Other Assets – Net
Jumlah Aset	54,836,174	56,039,204	48,621,056	45,711,995	39,047,755	Total Assets
LIABILITAS DAN EKUITAS						LIABILITIES AND EQUITY
LIABILITAS						LIABILITIES
Liabilitas Segera	2,355	6,544	2,000	7,788	3,149	Obligation Due Immediately
Simpanan Nasabah	30,588,043	33,044,505	24,748,652	21,880,671	26,894,001	Deposits from Customers
Simpanan dari Bank-Bank Lain	2,227,491	4,235,045	4,205,683	5,911,484	2,255,810	Deposits from Other Banks
Liabilitas Derivatif	538	2,865	5,494	5,070	1,482	Derivative Payable
Efek-Efek yang Dijual Dengan Janji Dijual Kembali	-	88,979	263,690	486,564	-	Securities Sold with Agreements to Repurchase
Liabilitas Akseptasi	595,160	1,519,878	1,170,532	1,566,045	1,796,823	Acceptance Payable
Utang Pajak Penghasilan	3,972	174,068	251,325	9,349	34,999	Income Tax Payable
Pinjaman yang Diterima	13,780,073	2,858,866	5,013,287	3,207,000	2,675,160	Borrowings
Efek-efek yang Diterbitkan	-	6,783,641	6,969,670	7,124,322	499,319	Securities Issued
Liabilitas Pajak Tangguhan	-	-	17,237	119,942	42,700	Deferred Tax Liabilities
Liabilitas Lain-Lain dan Beban yang Masih Harus Dibayar	560,162	417,136	402,022	387,562	321,893	Other Liabilities and Accrued Expenses

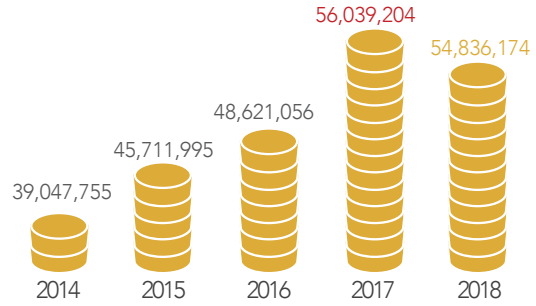
Ikhtisar Keuangan
Financial Highlights

Rp Juta | in Rp Million

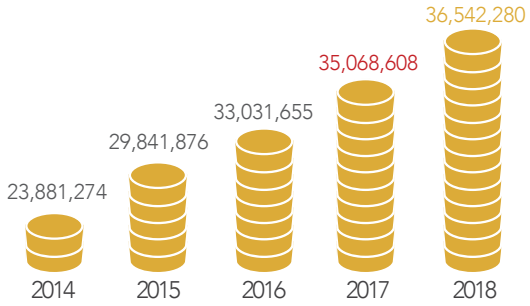
URAIAN	2018	2017	2016	2015	2014	DESCRIPTION
Pinjaman Subordinasi	1,222,300	1,153,238	1,145,163	1,171,725	1,052,725	Subordinated Loan
Jumlah Liabilitas	48,980,094	50,284,765	44,194,755	41,877,522	35,578,061	Total Liabilities
EKUITAS						EQUITY
Modal Saham	3,706,150	3,706,150	2,692,250	2,692,250	2,692,250	Share Capital
Modal Dibayar Dimuka	-	-	15,500	15,500	-	Advanced Capital
Cadangan Nilai Wajar - Bersih	(16,121)	1,993	(18,474)	(63,005)	(24,601)	Fair Value Reserve - Net
Saldo Laba	2,166,051	2,046,296	1,737,025	1,189,728	802,045	Retained Earnings
Jumlah Ekuitas	5,856,080	5,754,439	4,426,301	3,834,473	3,469,694	Total Equity
Jumlah Liabilitas dan Ekuitas	54,836,174	56,039,204	48,621,056	45,711,995	39,047,755	Total Liabilities and Equity
LAPORAN LABA RUGI KOMPREHENSIF						COMPREHENSIVE INCOME (LOSS)
PENDAPATAN DAN BEBAN OPERASIONAL						OPERATING INCOME AND EXPENSES
Pendapatan Bunga	3,178,646	3,017,384	2,653,680	2,367,189	2,071,325	Interest Income
Beban Bunga	(2,073,643)	(1,722,565)	(1,439,805)	(1,356,574)	(1,340,603)	Interest Expenses
Pendapatan Bunga – Bersih	1,105,003	1,294,819	1,213,875	1,010,615	730,722	Interest Income - Net
Pendapatan Operasional Lainnya	418,292	453,081	442,849	312,756	149,771	Other Operating Income
Beban Kerugian Penurunan Nilai	(841,992)	(783,417)	(380,147)	(250,439)	(36,693)	Provision For Impairment Losses
Beban Operasional	(520,280)	(535,957)	(537,233)	(538,304)	(463,304)	Operating Expenses
Laba Sebelum Pajak Penghasilan	161,023	428,526	739,344	534,628	380,496	Income Before Income Tax
Beban Pajak Penghasilan	(46,241)	(117,210)	(192,433)	(145,876)	(106,012)	Income Tax Expense
Laba Bersih	114,782	311,316	546,911	388,752	274,484	Net Income
Pendapatan Komprehensif Lainnya						Other Comprehensive Income
Penghasilan Komprehensif Lain, Setelah Pajak Penghasilan	(13,141)	18,422	44,917	(39,473)	20,069	Other Comprehensive Income, Net of Income Tax
Jumlah Laba Komprehensif	101,641	329,738	591,828	349,279	294,553	Total Comprehensive Income

Ikhtisar Keuangan
Financial Highlights

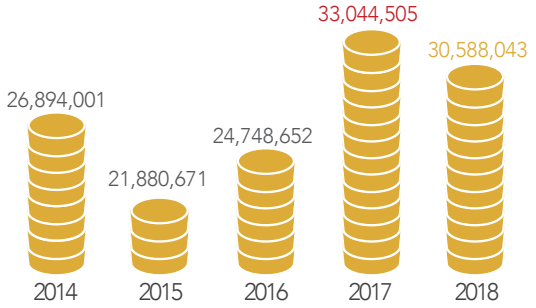
JUMLAH ASET
Total Assets
(Rp juta/Rp million)



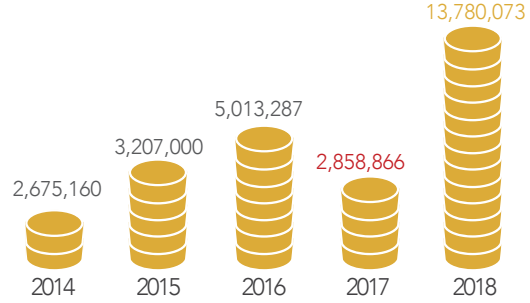
KREDIT YANG DIBERIKAN
Loans Receivable
(Rp juta/Rp million)



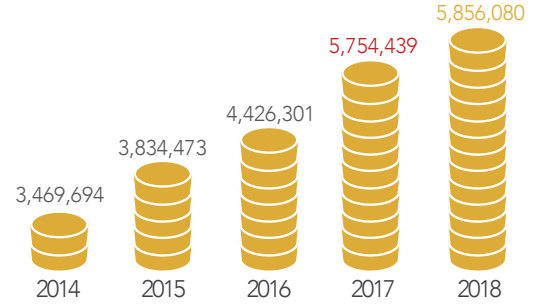
DANA PIHAK KETIGA
Third Party Fund
(Rp juta/Rp million)



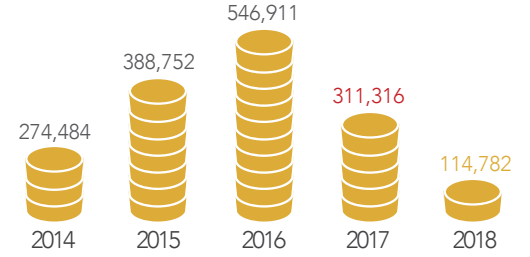
PINJAMAN YANG DITERIMA
Borrowings
(Rp juta/Rp million)



JUMLAH EKUITAS
Total Equity
(Rp juta/Rp million)



LABA BERSIH
Net Income
(Rp juta/Rp million)



Ikhtisar Keuangan
Financial Highlights

RASIO KEUANGAN UTAMA
KEY FINANCIAL RATIO

dalam persentase | in percentage

URAIAN	2018	2017	2016	2015	2014	DESCRIPTION
PERMODALAN						CAPITAL
Rasio Kecukupan Pemenuhan Modal Minimum1	16.2	17.7	15.9	14.4	16.7	Capital Adequacy Ratio
AKTIVA TETAP TERHADAP MODAL						FIXED ASSETS TO EQUITY
Non Performing Loan (NPL) - Gross	3.5	2.9	3.1	5.2	0.3	Non Performing Loan (NPL) - Gross
Non Performing Loan (NPL) - Nett	2.4	2.0	2.1	4.2	0.1	Non Performing Loan (NPL) - Net
Rasio Aset Produktif Bermasalah	2.8	2.0	2.4	3.9	0.2	Classified Earning Asset to Earning Asset Ratio
RENTABILITAS						PROFITABILITY
Loan to Deposit Ratio (LDR)	119.3	105.9	135.2	137.9	89.1	Loan to Deposit Ratio (LDR)
Return on Asset (ROA)	0.3	0.8	1.6	1.2	1.1	Return on Asset (ROA)
Return on Equity (ROE)	2.2	6.2	16.1	12.4	9.2	Return on Equity (ROE)
Net Interest Margin (NIM)	2.3	3.0	3.2	2.9	2.7	Net Interest Margin (NIM)
BOPO	97.6	89.4	81	83.1	83.7	Operating Expense to Operating Income
KEPATUHAN						COMPLIANCE
Giro Wajib Minimum - IDR	6.7	6.9	6.8	7.9	8.1	Statutory Reserves - IDR
Giro Wajib Minimum - Valas	8.9	8.7	8.4	9	8.5	Statutory Reserves - Forex
Posisi Devisa Netto	1.1	0.6	0.5	2.9	1.8	Net Open Position

IKHTISAR BISNIS DAN OPERASIONAL
BUSINESS AND OPERATIONAL HIGHLIGHTS

KOMPONEN	2018	2017	2016	2015	2014	COMPONENT
Jumlah Kantor Cabang	19	20	21	22	23	Number of Branch Office
Jumlah ATM	30	30	31	31	30	Number of ATM
Jumlah Nasabah	37.472	34.047	31.109	27.421	22.588	Number of Customer
Jumlah Karyawan	595	649	701	763	772	Number of Employee
Tingkat Kesehatan Bank	2	2	2	2	2	Bank Soundness Level
Hasil Self-Assessment GCG	2	2	2	2	2	GCG Self-Assessment Result

IKHTISAR SAHAM
Stock Highlights

Bank bukan merupakan perusahaan terbuka, sehingga sampai dipublikasikannya Laporan Tahunan 2018 ini, Bank tidak menerbitkan saham untuk dimiliki oleh masyarakat.

The Bank is not a public listed entity, thereby as of the publication of this 2018 Annual Report, The Bank has not issued any shares for public ownership.

IKHTISAR OBLIGASI
Bonds Highlights

Bank bukan merupakan perusahaan terbuka, sehingga sampai dipublikasikannya Laporan Tahunan 2018 ini, Bank tidak menerbitkan saham untuk dimiliki oleh masyarakat.

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Surat Berharga yang Diterbitkan dan Telah Jatuh Tempo
Issued Securities and Had Been Matured

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							

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

PROYEK PEMBIAYAAN 2018

2018 Financing Projects

Pembiayaan Sindikasi General Capital Expenditure kepada Perusahaan Listrik Negara (PLN)

Bank dan ICBC Asia selaku Senior Mandated Lead Arranger menyalurkan kredit sindikasi kepada Perusahaan Listrik Negara (PLN) sebesar USD150 juta untuk membiayai general capital expenditure tahun 2018, dari total sindikasi sebesar USD1,62 miliar.

General Capital Expenditure Syndicated Financing to National Electricity Company (PLN)

The Bank and ICBC Asia as the Senior Mandated Lead Arranger channeled syndicated loan to PLN amounting to USD150 million to finance general capital expenditure in 2018, from a total syndication of USD1.62 billion.

Pembiayaan Sindikasi Jalan Tol Balikpapan – Samarinda di Kalimantan Timur

Bank turut mendukung program pemerintah dalam pembangunan infrastruktur melalui penyaluran kredit sindikasi kepada PT Jasa Marga Balikpapan Samarinda untuk pembangunan jalan tol yang menghubungkan kota Balikpapan dan Samarinda di provinsi Kalimantan Timur sebesar Rp400 miliar.

Syndicated Financing of Balikpapan – Samarinda Toll Road in East Kalimantan

The Bank also supports the government's program in infrastructure development through syndicated loan distribution to PT Jasa Marga Balikpapan Samarinda for the construction of toll road that connects the cities of Balikpapan and Samarinda in the East Kalimantan province of Rp400 billion.

Proyek Pembiayaan 2018
2018 Financing Projects

Pembiayaan Sindikasi Jalan Tol Cikopo – Palimanan

Bank berpartisipasi sebesar Rp366 miliar dalam sindikasi PT Lintas Marga Sedaya dari total pembiayaan sebesar Rp8,88 triliun. Pembiayaan sindikasi tersebut akan digunakan untuk refinancing dan membiayai pembangunan Airport Link Tol BIJB Kertajati dari jalan tol ruas Cikopo - Palimanan.

Syndicated Financing of Cikopo - Palimanan Toll Road

The Bank participated in a syndication of PT Lintas Marga Sedaya for Rp366 billion, from a total financing of Rp8.88 trillion. The syndicated financing will be used for refinancing and financing the construction of the BIJB Kertajati Airport Link Toll Road from the Cikopo - Palimanan toll road.

Pembiayaan Sindikasi Jalan Tol Semanan - Sunter – Pulo Gebang

Bank turut serta dalam membiayai pembangunan jalan tol untuk ruas Semanan - Sunter – Pulo Gebang melalui PT JTD Jaya Pratama. Pembangunan jalan tol sepanjang 31,16 km tersebut akan dibagi dalam 3 (tiga) seksi, yaitu :

1. Seksi A (Ruas Kelapa Gading - Pulo Gebang)
2. Seksi B (Ruas Semanan - Grogol)
3. Seksi C (Ruas Grogol - Kelapa Gading)

Syndicated Financing of Semanan - Sunter – Pulo Gebang Toll Road

The Bank participated in financing the construction of toll road for the Semanan - Sunter – Pulo Gebang section through PT JTD Jaya Pratama. The construction of 31.16 km toll road will be divided into 3 (three) sections, namely:

1. Section A (Kelapa Gading – Pulo Gebang Section)
2. Section B (Semanan – Grogol Section)
3. Section C (Grogol – Kelapa Gading Section)

Proyek Pembiayaan 2018
2018 Financing Projects

Pembiayaan Sindikasi Jalan Tol Ruas Pekanbaru - Dumai

Bank turut berpartisipasi dalam pembiayaan sindikasi kepada PT Hutama Karya sebesar Rp400 miliar dari total pembiayaan sindikasi sebesar Rp4,5 triliun. Pinjaman tersebut akan digunakan oleh PT Hutama Karya untuk membangun ruas tol Pekanbaru - Dumai di provinsi Riau.

Syndicated Financing of Pekanbaru – Dumai Toll Road

The Bank participated in syndicated financing to PT Hutama Karya for Rp400 billion from the total syndicated financing of Rp4.5 trillion. The loan will be used by PT Hutama Karya to build the Pekanbaru – Dumai toll road in Riau province.

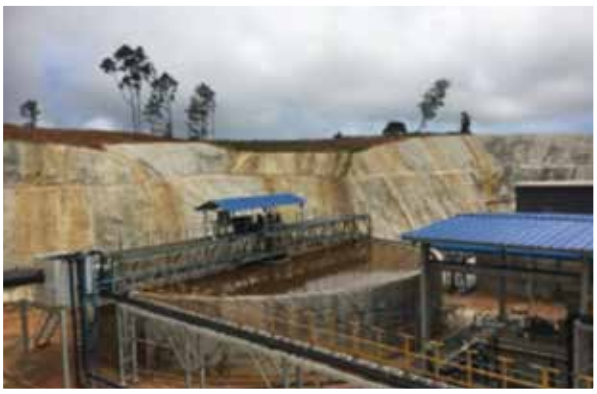
Pembiayaan Sindikasi Jalan Tol Ruas Bakauheni – Terbanggi

Bank menyalurkan pembiayaan kepada PT Hutama Karya sebesar Rp300 miliar dari total pembiayaan sindikasi sebesar Rp8,1 triliun. Pinjaman tersebut akan digunakan oleh PT Hutama Karya untuk membangun ruas tol Bakauheni - Terbanggi di Lampung Selatan.

Syndicated Financing of Bakauheni – Terbanggi Toll Road

The Bank distributed financing to PT Hutama Karya for Rp300 billion from the total syndicated financing of Rp8.1 trillion. The loan will be used by PT Hutama Karya to build the Bakauheni – Terbanggi toll road in South Lampung.

Proyek Pembiayaan 2018
2018 Financing Projects



Pembiayaan Bilateral kepada PT RHB MVP Classic Development

Proyek ini dimiliki oleh China Railway Int'l Group yang bernama The Terrace Diamond Building. Cakupan proyek terdiri dari ruang kantor, area komersial, apartemen, dan apartemen berlayanan yang berlokasi di area prestisius CBD Mega Kuningan. Total pinjaman sebesar USD26,3 juta dan total biaya proyek USD68 juta.

Bilateral Financing to PT RHB MVP Classic Development

The property development project owned by China Railway Int'l Group, namely The Terrace Diamond Building that consists of office spaces, commercial areas, apartments, and serviced apartments. Located at the most prestigious CBD Mega Kuningan, with total bank loan of USD26.3 million and total project cost of USD68 million.

Pembiayaan Bilateral kepada PT Servindo Jaya Utama

Bank memberikan pinjaman sebesar USD80 juta untuk proyek Bijih Besi Taliabu yang merupakan pabrik pengolahan bijih besi terkemuka berlokasi di Pulau Taliabu Maluku Utara. Total biaya proyek USD354 juta dengan kapasitas 35 juta ton per tahun. Proyek ini dimiliki oleh Salim Group.

Bilateral Financing to PT Servindo Jaya Utama

The Bank provides financing of USD80 million to the Taliabu Iron Ore project; a high grade iron ore processing mills located in Taliabu Island in North Maluku with a total project cost of USD354 million and will have a total capacity of 35 million tonnes annually. The project is ultimately owned by Salim Group.

PENGHARGAAN
Award

"Bank Berpredikat "Sangat Bagus" Atas Kinerja Keuangan Selama Tahun 2017" dari Infobank.

"The Bank Obtained a "Very Good" Rating of Financial Performance in 2017" from Infobank.

PERISTIWA PENTING 2018

2018 Event Highlights

JANUARI | JANUARY

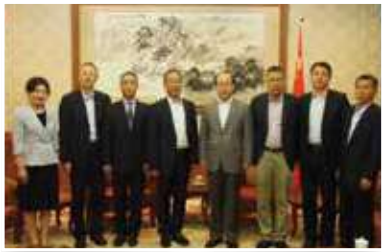
Jeff S.V. Eman, Direktur terpilih sebagai penerima penghargaan ICBC Honorary Global Employee: Management Achievement Award dari ICBC Ltd.

Jeff S.V. Eman, Director received the ICBC Honorary Global Employee: Management Achievement Award from ICBC Ltd.

MARET | MARCH

Kunjungan ke ICBC Indonesia oleh Bp. Bai Tao, Deputy General Manager of China Investment Corporation & CEO of Central Huijin Corporation, dan Bp. Guan Xueqing, Secretary of the Board.

Mr. Bai Tao, Deputy General Manager of China Investment Corporation & CEO of Central Huijin Corporation, and Mr. Guan Xueqing, Secretary of the Board of ICBC Limited paid a visit to ICBC Indonesia.



MARET | MARCH

Bank bersama dengan tim delegasi Bp. Wang Lin (SEVP) dari ICBC Limited melakukan kunjungan ke ICBC Indonesia dan Kedutaan Tiongkok.

The Bank with delegation team of Mr. Wang Lin (SEVP) from ICBC Limited paid a visit to ICBC Indonesia and China Embassy.

FEBRUARI | FEBRUARY

Dalam rangka merayakan Tahun Baru Imlek, Bank mengadakan acara makan siang bersama dengan para karyawan yang dimeriahkan dengan pertunjukkan barongsai.

The Bank celebrated Chinese New Year by organizing a lunch event with all its employees with the lion dance performance as the opening ceremony.

MARET | MARCH

ICBC Limited menyelenggarakan forum ICBC Round Table Disccussion dengan tema "Pembaharuan pasar Tiongkok dan bisnis global ICBC.

ICBC Limited held a forum of ICBC Round Table Discussion with the topic of "China Market and ICBC Business Update".

MARET, JULI & NOVEMBER | MARCH, JULY & NOVEMBER

Sebagai usaha untuk berkontribusi kepada masyarakat, Bank bekerjasama dengan Palang Merah Indonesia mengadakan program donor darah sebanyak 3 kali di kantor pusat.

As a way to give back to the community, The Bank in collaboration with Indonesian Red Cross (PMI) held a blood donation program 3 times in the head office.

Peristiwa Penting 2018
2018 Event Highlights

APRIL | APRIL

Bank menandatangani Memorandum of *Understanding* (MoU) dengan Bank Mandiri dalam rangka kerjasama untuk transaksi IDR-RMB dan layanan perbankan lainnya.

The Bank signed a Memorandum of Understanding (MoU) with Bank Mandiri in co-operation on IDR-RMB transactions and other banking services.

MEI | MAY

Bank mengadakan kunjungan ke Panti Asuhan Adinda untuk memberikan sumbangan dan sekaligus mengadakan literasi keuangan kepada anak-anak panti asuhan.

The Bank visited the Adinda Orphanage to give donations and conduct financial literacy for orphanage children.

JULI | JULY

Bank melakukan kunjungan ke kantor Menko Maritime di Gedung BPPT I bertemu dengan Bp. Luhut Binsar Pandjaitan.

The Bank made a visit to the office of Coordinating Minister of Maritime Affairs at the BPPT I building to meet Mr. Luhut Binsar Pandjaitan.

APRIL | APRIL

Sebagai wujud usaha Bank kepada Program Tanggung Jawab Sosial Perusahaan (CSR), Bank menyelenggarakan vaksinasi dan health talk Difteri untuk para karyawan.

As part of Corporate Social Responsibility (CSR), The Bank organized a Diphtheria vaccination and health talk day for its employees.

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 the relationships amongst its management and employees.

AGUSTUS | AUGUST

Bank berkontribusi kepada masyarakat sebagai bagian dari Program Tanggung Jawab Sosial Perusahaan (CSR) melalui pemberian donasi kepada korban bencana alam gempa Lombok.

The Bank took the opportunity in giving back to the community as part of its Corporate Social Responsibility (CSR) program by making donations to the victims of Lombok earthquake.

Peristiwa Penting 2018
2018 Event Highlights

AGUSTUS | AUGUST

Bank memperoleh predikat "Sangat Bagus" untuk kinerja tahun 2017 dari majalah Infobank.

The Bank was awarded by Infobank magazine for its outstanding financial performance in 2017 with "Very Good" predicate.

OKTOBER | OCTOBER

Bank mengadakan *Robbery Drill Training* yang dilaksanakan di kantor cabang Medan dengan tujuan untuk memberikan pemahaman kepada karyawan dalam menangani tindakan perampokan di bank. Program serupa juga dijalankan di cabang lainnya.

The Bank organized Robbery Drill Training in Medan branch office aim at providing understanding for the employees in handling bank robbery. Similar program was carried out in other branches.

DESEMBER | DECEMBER

Bank kembali mempererat kerjasama dengan BCA melalui penandatanganan Perjanjian Fasilitas Kredit sebesar eq. Rp1 triliun sebagai tambahan dari fasilitas kredit sebesar eq. Rp1.35 triliun yang sebelumnya telah diberikan.

The Bank strengthened its cooperation with BCA through Bilateral Loan Agreement amounting to eq. Rp1 trillion in addition to the existing bilateral loan amounting to eq. Rp1.35 trillion.

SEPTEMBER | SEPTEMBER

Delegasi ICBC Limited, dipimpin oleh Bp. Hu Hao (SEVP), dan ICBC Indonesia melakukan peninjauan lapangan ke proyek Kereta Cepat Indonesia China (KCIC) untuk Jakarta - Bandung.

Delegation of ICBC Limited, led by Mr. Hu Hao (SEVP), and ICBC Indonesia conducted a field survey of the Indonesia China Speed Train (KCIC) project for Jakarta - Bandung.

DESEMBER | DECEMBER

Bank menyelenggarakan *workshop* dan pelatihan untuk semua departemen unit dan seluruh cabang ICBC, yang bertujuan untuk mengevaluasi kinerja Bank di tahun 2018 serta diskusi tentang rencana strategis Bank di tahun 2019.

The Bank organized workshop and training for business departments and all ICBC branches to evaluate The Bank's performances in 2018 and to discuss The Bank's strategic plan in 2019.

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Statements of Accountability of 2018 Annual Report by the Board of Commissioners and Board of Directors

LAPORAN MANAJEMEN

MANAGEMENT REPORTS

SUSTAINING THE MOMENTUM TO FORGE AHEAD

Setelah mencanangkan tema 'Foundation Laid for the next 10 years', Bank menyiapkan diri untuk mempertahankan momentum pertumbuhan. Melalui kerjasama kedua negara yang solid, Bank terus melangkah dengan pasti guna mendorong aspirasi untuk terus berkembang serta mengambil peluang di masa depan dan terus memperkuat fondasi. Komitmen ini dapat Bank laksanakan dengan dukungan insan yang mumpuni, produk yang berkualitas dan pelayanan yang terbaik.

Following the Foundation Laid for the next 10 years, the Bank is ready to sustain growth momentum. Through the strong partnership between the two countries, we are forging ahead with affirmation to foster the Bank's aspirations to take the opportunities forward and continuing to solidify our foundations. All are done with the support of quality people, quality products and quality services.

LAPORAN DEWAN KOMISARIS

BOARD OF COMMISSIONER'S REPORT

Penyelenggaraan kegiatan perbankan yang baik disertai dasar penerapan GCG yang kuat telah berdampak positif terhadap kinerja Bank secara keseluruhan pada tahun 2018, serta memperkuat posisi Bank baik dalam persaingan industri perbankan lokal maupun global. Oleh karena itu, optimisme dan persepsi positif perlu terus diperkuat untuk menempuh masa depan Bank yang lebih baik.

The implementation of good banking activities, paired with strong GCG implementation have delivered positive impact on The Bank's overall performance in 2018, as well as strengthen The Bank's position both in the local and global banking industry. As such, optimism and positive perception needs to be strengthened for The Bank's better future.

WANG KUN
Presiden Komisaris
President Commissioner

Laporan Dewan Komisaris
Board of Commissioners' Report

Para Pemegang Saham dan Pemangku Kepentingan yang terhormat,

Mewakili Dewan Komisaris, perkenankan kami menyampaikan laporan pengawasan terhadap pengelolaan Bank ICBC Indonesia (Bank) tahun buku 2018 yang terangkum dalam Laporan Dewan Komisaris ini. Paparan ini merupakan komitmen kami dalam akuntabilitas dan transparansi sebagaimana diamanatkan dalam Undang-Undang No. 40 tahun 2007, Peraturan Otoritas Jasa Keuangan terkait dan Anggaran Dasar Bank.

PANDANGAN ATAS PROSPEK USAHA

Sepanjang tahun 2018, perekonomian global tumbuh tidak merata dan penuh dengan ketidakpastian. Pertumbuhan ekonomi dunia diperkirakan menurun ke level 3,7% di penghujung tahun 2018. Namun dalam situasi perekonomian dunia yang penuh dengan dinamika, Indonesia telah menunjukkan ketahanan dan stabilitas yang terjaga serta momentum pertumbuhan ekonomi yang berkesinambungan. Laju pertumbuhan ekonomi Indonesia telah beranjak ke level 5,17% pada tahun 2018 dari posisi 5,07% di tahun 2017. Laju pertumbuhan ekonomi Indonesia tahun 2018 ini merupakan yang tertinggi dalam lima tahun terakhir.

Ke depan, perekonomian Indonesia pada tahun 2019 diproyeksi masih ada ruang untuk bertumbuh. Hal ini didukung oleh masih kuatnya permintaan domestik baik itu konsumsi maupun investasi. Di samping itu kinerja *net* ekspor akan membaik seiring dengan berlanjutnya peningkatan ekspor dan menurunnya impor di sisi lain. Sementara itu, stabilitas sistem keuangan terjaga ditopang oleh permodalan perbankan yang kuat, peningkatan penyaluran kredit dengan risiko yang terkendali, dan likuditas yang memadai. Ketahanan ekonomi Indonesia yang kian kuat dalam menghadapi risiko dampak rambatan ekonomi global, dan adanya penguatan fondasi perbankan Indonesia menjadi lebih kokoh, yang mendorong kinerja keuangan Bank semakin solid selama tahun 2018.

Distinguished Shareholders and Stakeholders,

On behalf of the Board of Commissioners, please allow me to present a supervisory report on the management of Bank ICBC Indonesia (The Bank) for the 2018 fiscal year, summarized in this Report. This presentation is our commitment to accountability and transparency as mandated in the Law No. 40 of 2007, related Financial Services Authority Regulations and The Bank's Articles of Association.

INSIGHTS ON BUSINESS PROSPECTS

Throughout 2018, the world's economy demonstrated an uneven and uncertain growth. The global economic growth was expected to decline to 3.7% by the end of 2018. However, in the constantly changing economic situation, Indonesia has managed to maintain its resilience and stability and kept the momentum of sustainable economic growth. Indonesia's economic growth rate has moved up to 5.17% in 2018, from 5.07% in 2017, making the 2018 economic growth rate as the highest in the last five years.

Looking ahead, Indonesia's economy is projected to remain growing in 2019. This is supported by the sustained domestic demand, for both consumption and investment. While the net export's performance will improve along with the continued increase in exports, and on the other hand, declining imports. Meanwhile, the financial system stability was maintained with support from strong banking capital, increased lending with controlled risks, and adequate liquidity. The Bank's financial performance in 2018 strengthened by an increasingly robust Indonesia's economic resilience in addressing the risks and impact of global economy as well as Indonesia's stronger banking foundations.

PENILAIAN ATAS KINERJA DIREKSI

Secara keseluruhan, Dewan Komisaris menilai Direksi telah mampu membawa Bank mengarungi tahun 2018 yang penuh tantangan dengan baik. Penilaian ini tentu tak lepas dari capaian beberapa indikator utama kinerja keuangan Bank selama tahun 2018.

Dewan Komisaris mendukung upaya yang dilakukan oleh Direksi terutama dalam memperkuat fondasi Bank. Dalam situasi dan kondisi perekonomian yang belum sepenuhnya kondusif, permodalan menjadi isu utama yang harus dicermati untuk keberlangsungan usaha Bank ke depannya. Akhir tahun 2018, Direksi berhasil menguatkan ekuitas Bank menjadi Rp5,86 triliun, sehingga posisi rasio kecukupan modal (CAR) Bank masih terjaga pada level yang jauh di atas ketentuan minimum yaitu 16,21%. Angka ini mengindikasikan masih adanya ruang bagi Bank meningkatkan intermediasi yang diimbangi kemampuan penyerapan risiko lebih baik.

Dewan komisaris menghargai upaya Direksi dalam meningkatkan bisnis kredit Bank ke tingkat yang lebih baik pada tahun 2018 dibanding periode sebelumnya. Tidak bisa dipungkiri bahwa tidak mudah untuk meningkatkan bisnis kredit yang di saat bersamaan harus diimbangi dengan menjaga kualitas kredit. Namun, Dewan Komisaris melihat hal itu bisa dilakukan dengan bijaksana oleh Direksi pada tahun 2018. Kredit Bank mencatat pertumbuhan sebesar 4,34% menjadi Rp37,21 triliun pada tahun 2018. Sedangkan rasio kredit bermasalah (NPL) Bank berada pada level 3,50% pada tahun 2018.

ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE

On our point of view, overall, the Board of Directors has been successful in leading The Bank through the challenging 2018. This assessment is undoubtedly related to the achievement of several key indicators of The Bank's financial performance in 2018.

Board of Commissioners support the efforts of the Board of Directors especially in strengthening The Bank's foundation. Indeed, in economic conditions that have not always been conducive to growth capital is a major issue that requires observation for the Bank's future business sustainability. As of the end of 2018, the Board of Directors managed to strengthen The Bank's equity to Rp5.86 trillion, which has maintained The Bank's capital adequacy ratio (CAR) at a level far above the minimum requirement of 16.21%. This figure indicates that there remain rooms for The Bank to expand its intermediary activities, offset by better risk absorption capabilities.

Board of Commissioners value the Board of Directors' efforts in improving the level of The Bank's credit business in 2018 compared to the previous year. Admittedly, it is not easy to grow the credit business whilst maintaining credit quality. However, the Board of Commissioners has seen that how task was successfully accomplished by the Board of Directors in 2018. The Bank's loans grew 4.34% to Rp37.21 trillion in 2018, while the ratio of The Bank's non-performing loans (NPL) was at 3.50% in 2018.

Dari aspek likuiditas, Dewan Komisaris mengapresiasi Direksi yang mampu meningkatkan dana murah (CASA). Giro dan tabungan Bank tumbuh masing-masing sebesar 41,37% dan 46,84% (*yoy*). Sehingga porsi CASA Bank terhadap Dana Pihak Ketiga (DPK) meningkat menjadi 28,48% pada tahun 2018.

Sejalan dengan pertumbuhan bisnis kredit, perolehan laba bersih Bank tercatat sebesar Rp114,78 miliar pada tahun 2018. Hasil yang positif ini terutama diperoleh dari peningkatan pendapatan bunga dan pendapatan operasional selain bunga selama tahun 2018.

PENGAWASAN TERHADAP IMPLEMENTASI STRATEGI USAHA

Sepanjang tahun 2018, hasil pengawasan Dewan Komisaris terhadap implementasi strategi usaha yang dilakukan oleh Direksi secara komprehensif masih berada pada rel nya. Dari sisi Global Market, misalnya, strategi yang diterapkan oleh Direksi berhasil meningkatkan kontribusi Global Market terhadap performa finansial Bank secara menyeluruh. Pada akhir tahun 2018, peningkatan pendapatan bunga bersih sebesar 25% dari tahun sebelumnya menjadi Rp 276,4 miliar. Pendapatan jasa juga mengalami kenaikan yang cukup signifikan sebesar 134% dari target yang ditetapkan menjadi Rp 134,1 miliar.

PANDANGAN ATAS PROSPEK USAHA YANG DISUSUN OLEH DIREKSI

Dewan Komisaris memandang prospek usaha yang disusun Direksi sudah sesuai dan dapat mengakomodir dinamika tantangan dan peluang ke depan. Baik itu dari sisi rencana penerbitan produk baru, rencana aktivitas baru, maupun dalam hal rencana pengembangan jaringan.

In terms of liquidity, the Board of Commissioners also appreciates the Board of Directors for increasing low-cost funds (CASA). The Bank deposits and savings grew 41.37% and 46.84% (yoy) respectively. Subsequently, the portion of The Bank's CASA to Third Party Funds (TPF) has increased to 28.48% in 2018.

In line with the credit business growth, The Bank recorded net profit of Rp114.78 billion in 2018. This positive result was mainly derived from an increase of interest income and non-interest operating incomes during 2018.

SUPERVISION OF BUSINESS STRATEGY IMPLEMENTATION

Throughout 2018, as supervised by the Board of Commissioners, the implementation of business strategy carried out by the Board of Directors is comprehensively on the right track. In terms of Globa Market, for example, the strategy implemented by the Board of Directors has succeeded in increasing the contribution of Global Market to the Bank's overall financial performance. At the end of 2018, increasing net interest income by 25% from previous year to Rp 276.4 billion. Fee income also increased significantly by 134% from budget to Rp 134.1 billion.

INSIGHT ON BUSINESS PROSPECTS PREPARED BY THE BOARD OF DIRECTORS

The Board of Commissioners views the business prospects prepared by the Board of Directors as appropriate and able to accommodate the dynamic challenges and opportunities in the future. Both in terms of the plan to issue new products, new activities, or network development plans.

PENERAPAN TATA KELOLA PERUSAHAAN YANG BAIK

Penerapan tata kelola perusahaan yang baik (GCG) dan berkualitas menciptakan akuntabilitas yang tinggi di hadapan para pemangku kepentingan. Baik dalam pemaparan rencana pengembangan usaha maupun penyampaian hasil kinerja. Menyadari pentingnya akuntabilitas dalam setiap tahapan operasional, Dewan Komisaris berkomitmen untuk meningkatkan kualitas penerapan GCG dengan melaksanakan seluruh aturan perundangan-undangan, kebijakan dan pedoman kerja sesuai kaidah pengelolaan perusahaan terkini untuk menjamin pertumbuhan usaha yang berkualitas dalam jangka panjang. Dewan Komisaris menyadari bahwa penyelenggaraan kegiatan perbankan yang baik disertai dasar penerapan GCG yang kuat akan berdampak positif terhadap kinerja Bank secara keseluruhan. Dan pada gilirannya akan memperkuat posisi Bank baik dalam persaingan industri perbankan domestik maupun global.

Sesuai Surat Edaran Otoritas Jasa Keuangan No. 13/SEOJK.03/2017 tentang Pelaksanaan Tata Kelola Perusahaan Bagi Bank Umum, Bank melaksanakan *self-assessment* terhadap 11 aspek penilaian pelaksanaan GCG sesuai dengan periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan per semester. Penilaian 11 aspek ini menjadi dasar penilaian kualitas manajemen Bank atas pelaksanaan prinsip-prinsip GCG, dengan memperhatikan materialitas permasalahan terhadap penerapan GCG secara *bank-wide*, sesuai skala, karakteristik and kompleksitas usaha Bank.

Pada tahun 2018, Bank melaksanakan *self-assessment* GCG untuk periode semester kedua tahun 2018 dengan hasil akhir penilaian 2 atau kategori "Baik". Dengan demikian Bank telah berhasil mencapai rating 2 selama lima tahun terakhir. Pencapaian rating tersebut dapat kami simpulkan bahwa penerapan praktik GCG di lingkup Bank telah berjalan dengan baik didukung dengan

IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

The implementation of high-quality good corporate governance (GCG) creates high accountability among the stakeholders, in terms of both the presentation of business development plans as well as the delivery of performance results. Realizing the importance of accountability at every operational stage, the Board of Commissioners is committed to improving the quality of GCG by adhering to all legislations, policies and work guidelines in accordance with the latest corporate management guides to ensure excellent business growth in the long term. The Board of Commissioners realizes that the implementation of good banking activities, paired with strong GCG implementation will have a positive impact on The Bank's overall performance. This in turn will strengthen The Bank's position both in the domestic and global banking industry.

In compliance with the Financial Services Authority Circular No. 13/SEOJK.03/2017 concerning the Implementation of Governance for Commercial Banks, The Bank implements self-assessment on the 11 evaluation aspects of GCG implementation to follow the period of Risk-Based Bank Rating (RBBR) conducted every semester. These 11 aspects are the basis in evaluating the quality of The Bank's management implementation of the GCG principles, by taking into account the materiality issue of the GCG implementation on a bank-wide basis, appropriate to The Bank's business scale, characteristics and complexity.

In 2018, The Bank implemented GCG self-assessment for the second semester of 2018 with the result of 2 or "Good" category. As such, The Bank has succeeded in achieving the rating of 2 over the past five years. With this achievement, we can conclude that the GCG implementation within The Bank has been properly performed, supported by consistent sustainability.

kesinambungan yang konsisten. Ada pun hasil penilaian semester kedua tahun 2018 terdapat perbedaan hasil dibandingkan dengan penilaian pada semester pertama tahun 2018. Diantaranya adalah pada pilar Transparansi terjadi perbaikan *rating* yang sebelumnya tercatat *rating* 2 menjadi *rating* 1 pada periode semester kedua tahun 2018. Hal ini dikarenakan Bank telah memiliki dan mempresentasikan rencana jangka panjang Bank kepada Otoritas Jasa Keuangan (OJK).

Program pelatihan CARAL (Compliance, AML, Risk, Audit, Legal) serta program pertukaran pegawai lokal dan asing, merupakan beberapa solusi yang dapat digunakan untuk meningkatkan kualitas dan pengkinian pengetahuan dari Dewan Direksi

PENERAPAN WHISTLEBLOWING SYSTEM

Dewan Komisaris menempatkan *Whistleblowing System* (WBS) sebagai satu hal yang urgen dalam kelansungan operasional Bank. Peran Dewan Komisaris dalam pengembangan WBS adalah melakukan arahan dalam penyusunan *Standard Operational Procedure* (SOP) dan sistem yang digunakan. Selain itu, Dewan Komisaris juga berperan sebagai Pengarah dalam penerapan WBS oleh Tim Pengelola WBS. Menurut pandangan Dewan Komisaris, penerapan WBS Bank sudah berjalan dengan baik. Meski demikian, penerapan WBS tetap harus lebih ditingkatkan efektivitasnya ke depan.

PERUBAHAN SUSUNAN DEWAN KOMISARIS DAN DIREKSI

Pada tahun 2018, Bank menyelenggarakan satu kali Rapat Umum Pemegang Saham (RUPS) Tahunan. Agenda dan hasil keputusan RUPS antara lain menerima pengunduran diri anggota Dewan Komisaris, Christina Harapan selaku Komisaris Independen terhitung sejak tanggal 31 Mei 2018, serta mengangkat penggantinya H. Yunno Kusumo, SE.AKT.MA yang berlaku efektif sejak diperolehnya persetujuan sesuai ketentuan yang

Whereas result from the second semester of 2018 was different compared to the assessment in the first semester of 2018, in which the Transparency rating has improved from 2 to 1 in the second semester of 2018. This was due to the implementation and presentation of The Bank's corporate plan to the Financial Services Authority (OJK).

CARAL (Compliance, AML, Risk, Audit, Legal) training program and exchange program of local and expatriate employees, was some solutions to improve quality and knowledge upgrade for all the Board of Directors member

IMPLEMENTATION OF WHISTLEBLOWING SYSTEM

The Board of Commissioners views the Whistleblowing System (WBS) as central to the Bank's operational sustainability. The Board of Commissioners' role in developing the WBS is to direct the preparation of the Standard Operating Procedures (SOP) and the system used. In addition, the Board of Commissioners also directs the WBS implementation by the WBS Team. In our point of view, the WBS implementation in The Bank has been performing well. However, the implementation of the WBS still needs to be further enhanced in the future.

CHANGES IN THE BOARD OF COMMISSIONERS COMPOSITION

In 2018, The Bank held one Annual General Meeting of Shareholders (GMS). The agenda and results of the GMS decision included accepting the resignation of members of the Board of Commissioners, Christina Harapan as Independent Commissioner as of May 31, 2018, and replacing her successor, H. Yunno Kusumo, SE., AKT., MA effective since the approval has been obtained, in compliance with the prevailing rules and regulations. All

berlaku. Seluruh pergantian Manajemen kunci Bank telah dilakukan dan dilegal-formalkan melalui Akta No. 137 tanggal 29 Agustus 2018.

FREKUENSI DAN CARA PEMBERIAN NASIHAT KEPADA ANGGOTA DIREKSI

Dewan Komisaris telah melaksanakan pengawasan terhadap pelaksanaan tugas dan tanggung jawab Direksi secara berkala maupun sewaktu-waktu, serta memberikan nasihat kepada Direksi selama tahun 2018.

Dewan Komisaris juga telah melakukan pengawasan terhadap pelaksanaan Rencana Bisnis yang dijalankan oleh Direksi selama tahun 2018. Pengawasan dilakukan terhadap aspek-aspek penting antara lain; penilaian 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; dan pendapat Dewan Komisaris mengenai upaya untuk meningkatkan kinerja Bank.

Dewan Komisaris telah aktif berperan dalam hal pengawasan operasional Bank. Pada tahun 2018, rapat Komite Pemantau Risiko dan Komite Audit yang berada di bawah Dewan Komisaris telah dilaksanakan dengan masing-masing 40 topik dan 18 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 mencermati 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.

changes to the Bank's key management members have been carried out and formalized by virtue of Deed No. 137 dated August 29, 2018.

ADVISORY FREQUENCY AND METHOD THE BOARD OF DIRECTORS

The Board of Commissioners has supervised over the implementation of the Board of Directors' duties and responsibilities periodically and at any time, as well as providing advice to the Board of Directors in 2018.

The Board of Commissioners has also supervised the implementation of the Business Plan carried out by the Board of Directors in 2018. The oversight is carried out on important aspects including; assessment of qualitative and quantitative aspects of the execution of the Business Plan, including the assessment of external factors that affect The Bank's operations; results of the Board of Commissioners' assessment on factors affecting The Bank's performance; and the Board of Commissioners' opinion regarding efforts to improve The Bank's performance.

The Board of Commissioners has been actively involved in overseeing The Bank operations. In 2018, meetings of the Risk Monitoring Committee and Audit Committee under the Board of Commissioners have been conducted, each covering 40 topics and 18 topics of primary concern have been discussed and reviewed. Meetings of the Remuneration and Nomination Committee under the Board of Commissioners have also been held.

In addition, to appropriately address the important issues in The Bank, the Board of Commissioners has held several other meetings such as the completion of NPL, the progress of DC/DRC migration, and several other discussions. To further strengthen communication and coordination between the Board of Directors and the Board of Commissioners, Communication Meeting of the boards have also been held.

APRESIASI

Atas nama Dewan Komisaris, kami ingin menghaturkan terima kasih kepada para Pemegang Saham atas amanat yang telah diberikan selama tahun 2018. Kami juga berterima kasih kepada seluruh Pemangku Kepentingan atas kerjasama yang telah terjalin baik hingga saat ini. Apresiasi yang tinggi turut kami sematkan kepada jajaran Direksi dan segenap Karyawan Bank ICBC Indonesia atas upayanya yang tak kenal lelah dan penuh asa dalam menghadapi tantangan berat di tahun 2018.

Optimisme dan persepsi positif perlu terus kita perkuat untuk menyongsong masa depan Bank yang lebih baik. Ketahanan akan semakin kuat dan pertumbuhan kinerja akan semakin tinggi sehingga membawa Bank menuju organisasi yang sehat, kuat, efisien, dan berkontribusi besar dalam momentum kemajuan perekonomian Indonesia.

APPRECIATION

On behalf of the Board of Commissioners, we would like to express our gratitude to the Shareholders for their mandate bestowed upon us throughout 2018. We also thank all Stakeholders for their continued good collaboration. We would like to also convey our appreciation to the Board of Directors and all the employees of The Bank for their tireless and spirited efforts in facing tough challenges in 2018.

We need to focus on our optimism and positive attitude to create a better future for The Bank. Resilience and higher performance growth will further elevate The Bank into a sound, strong, efficient organization that brings great contribution to Indonesia's economic momentum.

Jakarta, 30 April 2019
Atas Nama Dewan Komisaris
On Behalf of the Board of Commissioners

Wang Kun
Presiden Komisaris
President Commissioners

DEWAN KOMISARIS

Board of Commissioners

.01
WANG KUN
Presiden Komisaris
President Commissioner

.02
HENDRA WIDJOJO
Komisaris Independen
Independent Commissioner

.03
YUNNO KUSUMO
Komisaris Independen
Independent Commissioner

LAPORAN DIREKSI

BOARD OF DIRECTOR'S REPORT

Selama tahun 2018, Bank tetap fokus pada penyaluran kredit yang berkontribusi pada perekonomian Indonesia. Kami menjalin dan meningkatkan kemitraan dengan bank-bank Badan Usaha Milik Negara (BUMN) dan swasta di Indonesia untuk menyalurkan pinjaman sindikasi guna membiayai proyek lokal besar, yang menjadi prioritas pemerintah dan secara langsung mendukung perekonomian. Kami juga memberikan pinjaman kepada BUMN Indonesia, perusahaan blue-chip, perusahaan BUMN Tiongkok di Indonesia dan perusahaan dengan reputasi baik yang beroperasi di Indonesia.

In 2018, The Bank remains focused on channelling loans which contributed to the Indonesian economy. We establish and enhance partnerships with state-owned and private-owned banks in Indonesia to disburse syndicated loans to finance large local projects, which are the government's priority and that directly support the economy. We also provide loans to Indonesian SOEs, blue chip companies, and Chinese state-owned companies in Indonesia as well as reputable companies operating in Indonesia.

ZHANG JINXING
Presiden Direktur
President Director

Laporan Direksi
Board of Director's Report

Laporan Direksi
Board of Director's Report

Para Pemegang Saham dan Pemangku Kepentingan yang Terhormat,

Mewakili jajaran Direksi PT Bank ICBC Indonesia (Bank), izinkan kami menyampaikan laporan tahunan tentang pengelolaan Bank di sepanjang tahun buku 2018 berikut pencapaian-pencapaian kuncinya.

Tahun 2018 menjadi tahun pertama bagi Bank memulai dekade kedua perjalanannya berkiprah di industri perbankan nasional. Jika dalam sepuluh tahun pertama keberadaannya Bank fokus menyiapkan fondasi yang solid, pada tahun ini Bank mulai mendirikan kebijakan-kebijakan usaha strategis yang kokoh dan bijaksana, yang kelak akan menjadi landasan pertumbuhan ke depan, serta menjadi cerminan dari komitmen jangka panjang kami di Indonesia.

Melanjutkan strategi pertumbuhan bisnis pada tahun sebelumnya, Bank tetap fokus pada penyaluran kredit yang berkontribusi pada perekonomian Indonesia. Kami menjalin dan meningkatkan kemitraan dengan bank-bank Badan Usaha Milik Negara (BUMN) dan swasta di Indonesia untuk menyalurkan pinjaman sindikasi guna membiayai proyek lokal besar, yang menjadi prioritas pemerintah dan secara langsung mendukung perekonomian. Kami juga memberikan pinjaman kepada BUMN Indonesia, perusahaan *blue-chip*, perusahaan BUMN Tiongkok di Indonesia dan perusahaan dengan reputasi baik yang beroperasi di Indonesia.

Sebagaimana kita ketahui bersama, perekonomian global belum sepenuhnya pulih dari pengaruh krisis keuangan yang menderanya sekitar satu dekade yang lalu. Tahun 2018 diawali dengan optimisme, namun kemudian kehilangan momentum pasca penerapan sejumlah tarif perdagangan oleh beberapa negara maju, terutama Amerika Serikat (AS), yang dibalas dengan aksi serupa oleh negara-negara besar lainnya, termasuk Tiongkok. Peningkatan retorika proteksionisme di bidang perdagangan memunculkan ketidakpastian seputar kebijakan perdagangan.

Dear Esteemed Shareholders and Stakeholders,

On behalf the Board of Directors of PT Bank ICBC Indonesia (The Bank), allow us to present an annual report on The Bank's management throughout the 2018 financial year as well as its key achievements.

2018 marked the first year for The Bank to begin its second decade of its journey in the national banking industry. After focusing on laying out a solid foundation during the first ten years of its existence, this year The Bank started to build sturdy and prudence business strategic policies that will become our future growth platforms and also reflect our long-term commitment in Indonesia.

To continue the previous year's strategy of business growth, The Bank remains focused on channeling loans which contributed to the Indonesian economy. We establish and enhance partnerships with state-owned and private-owned banks in Indonesia to disburse syndicated loans to finance large local projects, which are the government's priority and that directly support the economy. We also provide loans to Indonesian SOEs, blue chip companies, and Chinese state-owned companies in Indonesia as well as reputable companies operating in Indonesia.

As we all know, the global economy has not fully recovered from the effects of financial crisis that affected it about a decade ago. 2018 began with optimism, but then lost momentum after the implementation of a number of trade tariffs by several developed countries, especially the United States (US), which was reciprocated with similar actions by other major countries, including China. The increase in protectionist rhetoric in the trade sector has raised uncertainties surrounding trade policies.

International Monetary Fund (IMF) dalam World Economic Outlook (WEO) periode Januari 2019 memperkirakan perekonomian global pada tahun 2018 dan 2019 tumbuh masing-masing sebesar 3,7% dan 3,5%. Di tengah dinamika perekonomian global, perekonomian Indonesia pada tahun 2018 masih menunjukkan tren ekspansi dengan pencapaian sebesar 5,17%, merupakan yang tertinggi dalam lima tahun terakhir. Permintaan domestik menjadi pendorong utama pertumbuhan. Sementara itu, Bank Indonesia mencatat inflasi terjaga di level 3,13% dan Rupiah secara keseluruhan terdepresiasi sebesar 5,7%, dengan posisi tertekan kuat pada Oktober 2018 di level Rp15.300 per USD1.

Industri perbankan nasional menunjukkan kinerja yang baik. Data Otoritas Jasa Keuangan (OJK) mengenai bank umum memperlihatkan rasio kecukupan modal cukup tinggi, yakni sebesar 22,89%. Pertumbuhan kredit mencapai 12,05%, sedangkan rasio pinjaman bermasalah (*non performing loan*/NPL) gross turun menjadi 2,37%, terendah dalam empat tahun terakhir. Di sisi lain, pertumbuhan dana pihak ketiga (DPK) melambat menjadi sebesar 6,45% dibandingkan dengan 2017 yang sebesar 9,36%. Tren peningkatan suku bunga masih berlanjut selama tahun 2018 yang didorong oleh kenaikan suku bunga kebijakan (BI 7-Day Repo Rate atau BI 7-DRR) sebesar 175 bps dari 4,25% pada tahun 2017 menjadi 6,00% pada akhir 2018.

STRATEGI DAN KEBIJAKAN STRATEGIS

Bank terus mengupayakan peningkatan kinerja melalui pengelolaan aset dan operasional kerja yang lebih efisien dan efektif. Untuk itu, Bank melancarkan serangkaian strategi dan inisiatif serta menetapkan sejumlah prioritas yang diharapkan membawa Bank pada kondisi yang lebih baik.

Dengan mempertimbangkan *risk appetite*, *risk tolerance*, kemampuan internal, dan dukungan sumber daya ICBC Ltd yang luas, Bank mengarahkan usahanya untuk mengembangkan dan memperkuat segmen BUMN dan Korporasi dengan menyediakan layanan perbankan

The International Monetary Fund (IMF) in the World Economic Outlook (WEO) for the January 2019 period estimated that the global economy in 2018 and 2019 would grow by 3.7% and 3.5% respectively. Amid the dynamics of the global economy, Indonesia's economy in 2018 still showed an expansionary trend with 5.17% growth, the highest in the last five years. Domestic demand has been the main driver of growth. Meanwhile, Bank Indonesia has maintained inflation level at 3.13% while Rupiah as a whole was depreciated by 5.7%, with the lowest point in October 2018 at Rp15,300 per USD1.

The national banking industry showed sound performance. Data from the Financial Services Authority (OJK) regarding commercial banks showed a sufficient capital adequacy ratio of 22.89%. Credit growth reached 12.05%, while ratio of gross non-performing loans (NPLs) dropped to 2.37%, the lowest in the last four years. On the other hand, the growth of third party funds (TPF) slowed down to 6.45% compared to 2017, which amounted to 9.36%. The upward trend in interest rates continued throughout 2018 driven by a rise in policy rates (BI 7-Day Repo Rate or BI 7-DRR) by 175 bps from 4.25% in 2017 to 6.00% at the end of 2018.

STRATEGY AND STRATEGIC POLICY

The Bank continues to improve performance through more efficient and effective asset management and operational operations. To that end, The Bank launched a series of strategies and initiatives and set a number of priorities that are expected to bring The Bank to better conditions.

Taking into account risk appetite, risk tolerance, internal capabilities and the support of ICBC Ltd broad resources, The Bank focuses on its efforts to develop and strengthen the SOE and Corporate segment by providing global banking services to customers inside

global kepada nasabah di dalam dan luar Indonesia, termasuk kebutuhan finansial antara Indonesia dan Tiongkok. Segmen ini menyumbang sekitar 84,33% dari total kredit Bank, yaitu sebesar Rp31,5 triliun. Dari sisi pendanaan, Perbankan Korporasi menyumbang sekitar 60,2% terhadap total DPK Bank di tahun 2018.

Kelebihan segmen Perbankan Korporasi akan terus digali guna mengembangkan jumlah nasabah dan segmen bisnis lainnya. Melalui pemanfaatan hubungan baik dengan nasabah korporasi, Bank menjaring nasabah baru, baik individu maupun UKM, yang memiliki hubungan bisnis dengan nasabah korporasi tersebut. Strategi ini diharapkan dapat menjadi efek bola salju, meningkatkan kontribusi penyaluran kredit UKM di segmen Perbankan Komersil, pada saat yang sama juga meningkatkan jumlah nasabah pada segmen Perbankan Konsumer.

Bank akan terus memperluas basis pelanggan dan jaringan melalui pembinaan hubungan dengan lembaga pemerintahan, berkolaborasi aktif dengan asosiasi industri yang ditargetkan seperti Kamar Dagang China, KADIN, Perbanas, lalu dengan sejumlah penasihat keuangan terkemuka dan perusahaan asuransi.

Bank juga membidik peningkatan kontribusi perbankan ritel dengan mengembangkan saluran penjualan dan mengintegrasikan layanan untuk menjadi model perbankan baru baik itu untuk pengiriman produk, layanan, maupun pemasaran. Bank siap menjadi agen penjual bagi produk *wealth management*, mengembangkan *mobile banking*, serta meningkatkan basis nasabah-nasabah spesifik.

Kendati demikian, Bank tetap menjalankan prinsip kehati-hatian. Bank memprioritaskan pertumbuhan kredit secara lebih selektif melalui pemilihan nasabah dengan profil risiko rendah, seperti BUMN dan perusahaan *blue-chip*. Penyaluran kredit juga diupayakan mengalir pada sektor-sektor yang secara langsung mendukung perekonomian Indonesia, khususnya yang menjadi prioritas pemerintah seperti proyek infrastruktur.

and outside Indonesia, including financial needs between Indonesia and China. This segment accounts for around 84.33% of The Bank's total loans, which amounted to Rp31.5 trillion. In terms of funding, Corporate Banking contributed around 60.2% of The Bank's total deposits in 2018.

The advantages of the Corporate Banking segment will continue to be explored in order to develop the number of customers and other business segments. By utilizing good relations with corporate customers, The Bank captures new customers, both individuals and SMEs, who have existing business relationships with these corporate customers. This strategy is expected to snowball, increasing the contribution of SME lending in the Commercial Banking segment, while at the same time increasing the number of customers in the Consumer Banking segment.

The Bank will continue to expand its customer base and network through fostering relationships with government institutions, collaborating with targeted industry associations such as the Chinese Chamber of Commerce, KADIN, Perbanas, and with a number of leading financial advisors and insurance companies.

The Bank also aims to increase retail banking contribution by developing sales channels and integrating services to create a new banking model for product, service and marketing. The Bank is ready to become a sales agent for wealth management products, develops mobile banking, and increases the base of specific customers.

Nevertheless, The Bank still applies the principle of prudence. The Bank prioritizes a more selective credit growth through the selection of customers with low risk profiles, such as state-owned enterprises and blue chip companies. Lending is also sought to flow in sectors that directly support the Indonesian economy, especially those that are the government's priorities such as infrastructure projects.

Untuk meningkatkan kualitas kredit, Bank akan terus mengambil sejumlah langkah untuk menurunkan NPL termasuk restrukturisasi, *collection*, dan pemulihan aset. Bank terus memperkuat sistem pengawasan guna melakukan tindakan pencegahan ataupun memastikan reaksi cepat apabila terjadi penurunan kualitas aset yang masuk ke kategori "Dalam Perhatian Khusus", "Kurang Lancar", "Diragukan" dan "Macet". Bank pun memacu kinerja Special Asset Management, yang bertanggung jawab melakukan intensifikasi penagihan, restrukturisasi dan bilamana diperlukan *write-off*.

Pengembangan infrastruktur TI tetap dilanjutkan, diantaranya adalah mengembangkan fasilitas *Data Center* sekaligus *Disaster Recovery Center*, sebagaimana ketentuan regulator. Di sisi manajemen operasional, inisiatif perbaikan telah dilakukan dengan meningkatkan kerja fungsi sistem utama dari manual menjadi otomatis atau semi otomatis.

Pada level organisasi, Bank melanjutkan sejumlah strategi terdahulu yakni menitikberatkan kontrol operasional yang ketat, efisien dan efektif untuk mendukung tujuan bisnis maupun keuangannya, meningkatkan budaya manajemen risiko, mewujudkan tata kelola perusahaan yang baik, serta memperkuat tiga lini pertahanan Bank (*front-middle-back*).

PERBANDINGAN ANTARA HASIL DAN TARGET

Bank mencatatkan kinerja yang relatif baik dan dapat dilihat dari sejumlah indikator utama. Jumlah ekuitas pada akhir 2018 meningkat 1,77% menjadi Rp5,86 triliun. Kenaikan ekuitas ini menjaga posisi permodalan Bank berada pada level yang sehat dengan rasio kecukupan modal (CAR) sebesar 16,21%. Kekuatan modal tersebut diharapkan mampu menjadi bantalan yang dapat meminimalisasi risiko Bank.

Per 31 Desember 2018, jumlah aset Bank tercatat sebesar Rp54,84 triliun, turun 2,15% dari tahun sebelumnya Rp56,04 triliun. Penurunan jumlah aset disebabkan oleh menurunnya permintaan pinjaman serta menurunnya dana pihak ketiga yang didorong oleh persaingan suku bunga yang sangat ketat di industri perbankan.

To improve credit quality, The Bank will continue to take a number of measures to reduce NPLs including restructuring, collection and asset recovery. The Bank continues to strengthen the supervision system to take preventive actions or ensure a quick reaction should there be a decrease in the quality of assets that fall into "Special Attention", "Substandard", "Doubtful" and "Bad" categories. The Bank also boosts the performance of Special Asset Management, which is in charge for billing intensifying, restructuring and write-off when necessary.

Development of IT infrastructure continues, including developing Data Center as well as Disaster Recovery Center facilities, as regulated by regulators. On the operational management, improvement initiatives have been carried out by improving the work of the main system functions from manual to automatic or semi-automatic.

At the organizational level, The Bank maintains a number of existing strategies, namely emphasizing strict, efficient and effective operational controls to support its business and financial goals, improving the culture of risk management, implementing a good corporate governance, and strengthening The Bank's three lines of defense (front-middle-back).

RESULTS AND TARGETS COMPARISON

The Bank recorded a relatively good performance as shown by a number of key indicators. At the end of 2018, total equity has increased 1.77% to Rp5.86 trillion. This increase in equity has maintained The Bank's capital position at a sound level with a capital adequacy ratio (CAR) of 16.21%. The capital strength is expected to be a safe cushion that can minimize The Bank's risks.

As of December 31, 2018, The Bank's total assets was Rp54.84 trillion, 2.15% lower from the previous year's figure of Rp56.04 trillion. This decrease was due to the declining loan demand as well as declining third party funds driven by very tight interest rate competition in the banking industry.

Pada saldo aset terdapat kenaikan jumlah kredit yang disalurkan Bank, yakni sebesar 4,20% menjadi Rp36,54 triliun. Penyaluran kredit menyumbang kontribusi terbesar bagi aset, dimana pada 2018 mencapai 66,64% terhadap total aset Bank.

Pada periode yang sama jumlah liabilitas sebesar Rp48,98 triliun, turun 2,60% dari tahun sebelumnya Rp50,28 triliun. Penurunan liabilitas ini terutama disebabkan DPK Bank tahun 2018 melandai 7,43% dibandingkan tahun 2017 menjadi Rp30,59 triliun, sebagai akibat dari penurunan jumlah deposito sebesar 18,73% menjadi Rp21,88 triliun. Deposito merupakan kontributor DPK terbesar, dengan porsi 72%, sedangkan giro dan tabungan yang mempunyai porsi masing-masing 24% dan 4% tetap tumbuh sebesar 41% dan 47%. Adapun jumlah nasabah naik hingga 10% pada akhir tahun.

Pada sisi pendapatan, Bank membukukan pendapatan bunga sebesar Rp3,18 triliun, naik 5,34%. Sementara itu, laba sebelum pajak turun 62,43% menjadi Rp161,02 miliar sebagai upaya Bank menambah jumlah penyisihan cadangan kerugian penurunan nilai (CKPN) diatas target, dalam rangka meningkatkan kehati-hatian Bank dan sebagai langkah antisipasi kedepannya. Bank mengalokasikan dana *impairment* sebesar Rp841,99 miliar dan menghapus buku atas pinjaman sebagai upaya meningkatkan kualitas kredit. Inisiatif tersebut membantu Bank mencapai rasio NPL gross sebesar 3,50%, atau lebih baik dari proyeksi Revisi Rencana Bisnis Bank yang berada pada 3,63%. Sedangkan rasio NPL net Bank di level 2,42% pada akhir tahun 2018. Global Market berhasil meningkatkan kontribusinya terhadap performa finansial Bank secara menyeluruh. Pada akhir tahun 2018, peningkatan pendapatan bunga bersih sebesar 25% dari tahun sebelumnya menjadi Rp276,4 miliar. Pendapatan jasa juga mengalami kenaikan yang cukup signifikan sebesar 134% dari target yang ditetapkan menjadi Rp134,1 miliar.

In the balance of assets, The Bank total lending increased by 4.20% to Rp36.54 trillion. Lending makes up the largest contribution to assets, which in 2018 reached 66.64% of The Bank's total assets.

In the same period, total liabilities was recorded at Rp48.98 trillion, or a 2.60% decrease from Rp50.28 trillion in the previous year. This decrease was mainly due to the decrease of The Bank's third party funds in 2018 by 7.43% compared to 2017 to Rp30.59 trillion, resulted from the decrease of time deposits by 18.73% to Rp21.88 trillion. Time deposits is the largest contributor to third party funds, making up 72% of the total, while current accounts and savings accounts take 24% and 4% respectively, and continue to grow by 41% and 47%. The number of customers has risen by 10% at the end of the year.

On the revenue, The Bank recorded interest income of Rp3.18 trillion, a 5.34% increase. Meanwhile, income before tax decreased by 62.43% to Rp161.02 billion as a result of the Bank's effort to increase the impairment above the target, in order to increase the Bank's prudence and anticipate the future. The Bank allocated impairment funds of Rp841.99 billion and written-off of loans in an effort to improve credit quality. These initiatives have enabled The Bank to achieve a gross NPL ratio of 3.50%, or improved than the projection of The Bank's Business Plan Revision, which was set at 3.63%. While The Bank's net NPL ratio is at 2.42% by the end of 2018. Global Market has succeeded in increasing their contribution to the Bank's overall financial performance. At the end of 2018, increasing net interest income by 25% from previous year to Rp276.4 billion. Fee income also increased significantly by 134% from budget to Rp134.1 billion.

PROSPEK USAHA BANK

Perekonomian Indonesia pada 2019 diproyeksikan tumbuh sebesar 5,3% hingga 5,4%. Proyeksi tersebut mencerminkan optimisme terhadap kondisi perekonomian nasional. Dengan optimisme itulah kami yakin pula Bank dapat terus tumbuh selaras dengan pertumbuhan di industri.

Guna mencapai proyeksi yang diharapkan, Bank bertekad untuk memfasilitasi pertumbuhan di seluruh sektor ekonomi dan juga seluruh wilayah Indonesia melalui penyaluran kredit yang tepat sasaran. Berbekal 11 tahun beroperasi di Indonesia, Bank telah meningkatkan manajemen bisnis, membentuk tim berbakat, mengembangkan pelanggan, yang bakal menjadi fondasi yang baik untuk berkembang lebih jauh dalam 10 tahun ke depan.

TATA KELOLA PERUSAHAAN

Penerapan tata kelola perusahaan yang baik (*good corporate governance*/GCG) yang berkualitas menciptakan akuntabilitas yang tinggi di hadapan para pemangku kepentingan, baik dalam pemaparan rencana pengembangan usaha maupun dalam menyampaikan kinerja. Menyadari pentingnya akuntabilitas dalam setiap tahapan operasional, Bank berkomitmen untuk meningkatkan kualitas penerapan GCG dengan melaksanakan seluruh aturan perundangan-undangan, kebijakan dan pedoman kerja sesuai kaidah pengelolaan perusahaan terkini untuk menjamin pertumbuhan usaha yang berkualitas dalam jangka panjang.

Selain itu, Bank memahami bahwa industri perbankan memiliki peran penting dalam perekonomian nasional. Oleh karena itu, kualitas governance yang tidak baik akan berdampak negatif bagi perekonomian nasional. Bank menyadari bahwa penyelenggaraan kegiatan perbankan yang baik disertai dasar penerapan GCG yang kuat akan berdampak positif terhadap kinerja Bank secara keseluruhan, yang pada akhirnya akan memperkuat posisi Bank baik dalam persaingan industri perbankan lokal maupun global.

THE BANK'S BUSINESS PROSPECT

Indonesia's economy in 2019 is projected to grow by 5.3% to 5.4%. These projections reflect optimism on the national economic condition. With that, we are confident that The Bank can continue to grow with the industry's growth.

To achieve the expected projections, The Bank is determined to facilitate growth in all sectors of the economy as well as all regions of Indonesia through targeted loans. With 11 years of operations in Indonesia, The Bank has improved its business management, formed a talented team and developed customer base that have set a strong foundation for further development in the next 10 years.

CORPORATE GOVERNANCE

The implementation of quality good corporate governance (GCG) creates high accountability for the stakeholders, both in the presentation of business development plans and in performance delivery. Realizing the importance of accountability at every operational stage, The Bank committed to improving the quality of GCG implementation by implementing all laws, policies and work guidelines in accordance with the latest corporate management rules to ensure long term quality business growth.

In addition, Banking industry holds a pivotal role in the national economy; hence The Bank acknowledges that bad governance will render negative impact to our economy. Good banking implementation and strong GCG application will deliver positive performances for The Bank, which eventually will strengthen The Bank's position both domestically and in the global banking industry competition.

Laporan Direksi
Board of Director's Report

Dalam rangka meningkatkan kualitas penerapan GCG secara konsisten dan berkesinambungan, Bank telah memilki pedoman GCG yang mencakup tahapan-tahapan yang telah dicapai dalam membangun nilai-nilai tata kelola berdasarkan ketentuan Penerapan Tata Kelola bagi Bank Umum. Dalam tiga tahun terakhir Bank telah melaksanakan beberapa inisiatif dalam penyempurnaan pelaksanaan GCG.

Bank juga melaksanakan *self-assessment* GCG dengan tujuan mengukur kedalaman implementasi praktik GCG sekaligus mendapatkan umpan baik bagi perbaikannya di masa mendatang. Berkaitan dengan upaya peningkatan pelaksanaan GCG, Bank juga telah membentuk Komite Kepatuhan dan AML/CFT.

Penerapan praktik-praktic GCG tersebut diyakini oleh Bank sebagai instrumen yang dapat diandalkan dalam mengatur segala aspek bisnis yang dijalankan oleh Bank melalui sistem internal yang melibatkan Dewan Komisaris, Direksi dan segenap karyawan Bank sehingga diharapkan dapat menciptakan keseimbangan dalam operasional usaha Bank secara menyeluruh.

PERUBAHAN KOMPOSISI DIREKSI

Pada tahun 2018, terjadi perubahan komposisi Direksi. Bank mengangkat Zhang Jinxing sebagai Presiden Direktur efektif per 20 April 2018, menggantikan Yu Guangzhu yang menjabat sebagai Plt Presiden Direktur sejak 1 November 2017. Bank juga menerima pengunduran diri Liang Qinjun dari posisi Direktur terhitung sejak 31 Mei 2018.

To improve the quality of consistent and continuous GCG implementation, The Bank has established GCG guideline, which includes the stages that have been achieved in building the values of governance based on the provisions of Governance Implementation for the Commercial Banks. In the last three years The Bank has implemented several initiatives to improve the implementation of GCG.

The Bank also conducted GCG self-assessment that aims to measure the depth of GCG practice at the same time to attain feedbacks for future improvements. Concerning with efforts to improve the implementation of GCG, the Bank has also established a Compliance Committee and AML/CFT.

The Bank believes that implementation of these GCG practices is an instrument that can be relied upon in managing The Bank's business aspects via an internal system involving the Board of Commissioners, Directors and all of The Bank employees so that a balance in The Bank's overall business operations can be achieved.

CHANGES IN THE BOARD OF DIRECTORS COMPOSITION

In 2018, there was a change in the composition of the Board of Directors. The Bank appointed Zhang Jinxing as President Director effectively as of April 20, 2018, replacing Yu Guangzhu who had served as Acting President Director since November 1, 2017. The Bank also accepted the resignation of Liang Qinjun from the Director's position starting May 31, 2018.

APRESIASI

Kami percaya pencapaian kinerja Bank sepanjang tahun 2018 merupakan buah kerja keras dan komitmen seluruh karyawan Bank, yang telah berhasil menerjemahkan kepercayaan nasabah dan masukan dari seluruh pemangku kepentingan ke dalam sikap, tindakan, dan jiwa melayani tanpa henti.

Untuk itu, kami atas nama Direksi dan seluruh jajaran Bank ICBC Indonesia menghaturkan terima kasih kepada pemegang saham, Dewan Komisaris, seluruh karyawan, para regulator, serta para nasabah dan mitra kerja yang telah mendukung kiprah Bank dalam 11 tahun keberadaanya di Indonesia. Semoga pencapaian ini mampu memposisikan Bank untuk menjadi lebih kokoh dan mampu berkontribusi lebih baik lagi bagi perkembangan perekonomian Indonesia.

APPRECIATION

We believe The Bank's performance achievements throughout 2018 are possible because of the hard work and commitment of all Bank employees, who have succeeded in interpreting the customers' trust and input from all stakeholders into conduct, action, and dedication to serve.

As such, on behalf of the Board of Directors and management of The Bank, we would like to express our appreciation to all of the shareholders, the Board of Commissioners, all employees, regulators, as well as customers and partners who have supported The Bank's dedication in 11 years of its service in Indonesia. We hope this achievement will render robust positioning of The Bank and able to contribute further to the development of the Indonesian economy.

Jakarta, 30 April 2019
Atas Nama Direksi
On Behalf of the Board of Directors

Zhang Jinxing
Presiden Direktur
President Director

DIREKSI
Board of Directors

.01
ZHANG JINXING
Presiden Direktur
President Director

.02
YU GUANGZHU
Direktur
Director

.03
JEFF S.V. EMAN
Direktur
Director

.04
XIN HAIYAN
Direktur
Director

Direksi
Board of Directors

.05
THOMAS ARIFIN
Direktur
Director

.06
SANDY TJIPTA MULIANA
Direktur
Director

.07
FRANSISCA NELWAN MOK
Direktur
Director

PERNYATAAN TANGGUNG JAWAB LAPORAN TAHUNAN 2018 OLEH DEWAN KOMISARIS DAN DIREKSI

Statements of Accountability of 2018 Annual Report by the Board of Commissioners and Board of Directors

Jakarta, 30 April 2019

DEWAN KOMISARIS Board of Commissioners

WANG KUN
Presiden Komisaris
President Commissioner

HENDRA WIDJOJO
Komisaris Independen
Independent Commissioner

YUNNO KUSUMO
Komisaris Independen
Independent Commissioner

Kami yang bertanda tangan di bawah ini menyatakan bahwa semua informasi dalam Laporan Tahunan PT Bank ICBC Indonesia tahun 2018 telah dimuat secara lengkap dan kami bertanggung jawab penuh atas kebenaran isi Laporan Tahunan Perseroan.

Demikian pernyataan ini dibuat dengan sebenarnya.

We, the signatories, hereby stated that all information contained in the 2018 Annual Report of PT Bank ICBC Indonesia has been comprehensively presented and that we are fully accountable for the accuracy of the contents of the Company's Annual Report.

This statement is made truthfully.

Jakarta, 30 April 2019

DIREKSI Board of Directors

ZHANG JINXING
Presiden Direktur
President Director

YU GUANGZHU
Direktur
Director

JEFF S.V EMAN
Direktur
Director

XIN HAIYAN
Direktur
Director

THOMAS ARIFIN
Direktur
Director

SANDY TJIPTA MULIANA
Direktur
Director

FRANSISCA NELWAN MOK
Direktur
Director

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PENYALURAN KREDIT

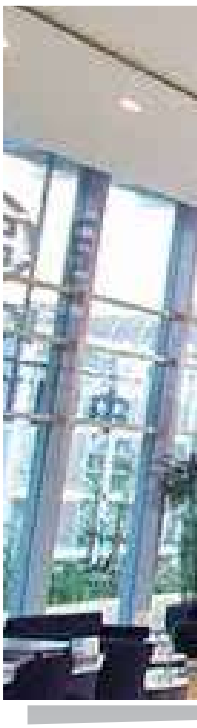
Credit Distribution

Bank mengupayakan pencapaian target penyaluran kredit pada sektor-sektor yang secara langsung mendukung perekonomian Indonesia khususnya pada sektor-sektor yang menjadi prioritas pemerintah sesuai dengan salah satu target strategi utama Bank melalui pengembangan inovasi produk dan layanan, termasuk FX lanjutan dan layanan *cash management*, serta sindikasi terutama fokus pada proyek infrastruktur. Oleh karena itu, Bank ICBC Indonesia memprioritaskan pertumbuhan kredit secara lebih selektif melalui pemilihan nasabah dengan profil risiko rendah, seperti BUMN dan perusahaan-perusahaan *blue chip*.

The Bank strives to achieve lending targets on sectors that are directly boosting the Indonesian economy specifically in the government's priority sectors in accordance with The Bank's main strategies. This is done through the development of product and services innovation, including FX next generation and cash management as well as syndication loan focusing mainly on infrastructure projects. As such, Bank ICBC Indonesia prioritizes a selective loan growth through the acquisition of low risk profile customers, such as the SOEs and blue chip companies.

IDENTITAS PERUSAHAAN
Corporate Identity

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 Ltd. 98,61% PT Intidana Wijaya 1,39%
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)	01.108.047.0-073.000
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	595 karyawan | employees (per 31 December 2018)
Jaringan Cabang Branch Network	15 Kantor Cabang | Branch Offices 3 Kantor Cabang Pembantu | Sub-Branch Offices 1 Kantor Kas | Cash Office



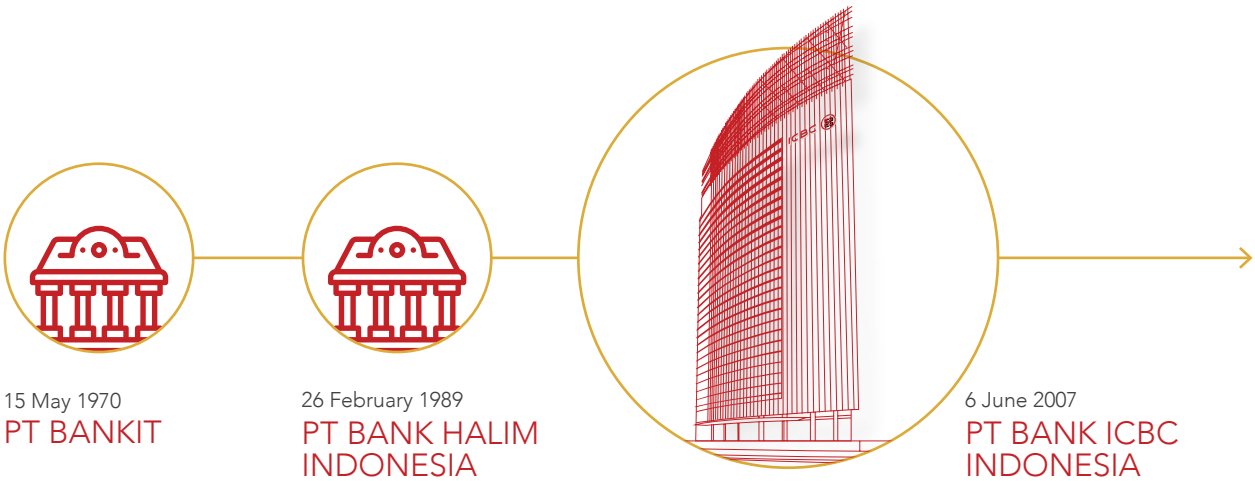
Identitas Perusahaan
Corporate Identity

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

RIWAYAT SINGKAT PERUSAHAAN

Company Brief History

Riwayat Singkat Perusahaan
Company Brief History



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 Ltd. berubah nama menjadi PT Bank ICBC Indonesia.

SEKILAS BANK ICBC 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 Ltd.) pada 28 September 2007 yang kemudian diubah namanya menjadi PT Bank ICBC Indonesia. ICBC Ltd. dinamakan "Bank Terbaik di Tiongkok" oleh majalah *The Banker* dari Inggris selama 3 (tiga) tahun berturut-turut (2014-2016). ICBC Ltd. juga merupakan"Bank Devisa Terbaik" menurut versi majalah *Global Finance* dari Amerika Serikat 2016. ICBC Ltd. menguasai 98,61% saham Bank ICBC Indonesia sedangkan sisanya sebesar 1,39% dimiliki oleh PT Intidana Wijaya.

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 Ltd., it changed its name to PT Bank ICBC Indonesia

BANK ICBC INDONESIA AT A GLANCE

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

Riwayat Singkat Perusahaan
Company Brief History

Proses akuisisi Bank Halim Indonesia oleh ICBC Ltd. 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.

Bank ICBC Indonesia mengambil manfaat dari posisi geografisnya yang strategis, jaringan yang memadai, dukungan sistem perbankan dari ICBC Ltd., 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 2018, Bank ICBC Indonesia telah memiliki 19 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 595 orang. Guna mempermudah akses bagi Nasabah ke rekening tabungan, Bank ICBC Indonesia mengintegrasikan jaringan ATM-nya dengan jaringan ATM ICBC Ltd. dan ATM Bersama. Dengan demikian, Nasabah Bank ICBC Indonesia dapat menggunakan Kartu ATM ICBC Indonesia tidak hanya di 30 terminal ATM ICBC di Indonesia saja, namun juga di lebih dari 100.000 ATM ICBC Ltd di Tiongkok dan lebih dari 139.000 ATM dari bank-bank lain yang tergabung kedalam jaringan ATM Bersama.

The acquisition of Bank Halim Indonesia by ICBC Ltd. 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.

The Bank benefits from its strategic geographical position, adequate networking, banking system support from ICBC Ltd., 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 2018, The Bank has 19 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 595 people. To facilitate access for Customers to savings accounts, The Bank has integrated its ATM network with ICBC Ltd. and ATM Bersama's networks. Thus, The Bank Customers can use ICBC Indonesia ATM Cards not only in ICBC 30 ATMs terminal in Indonesia, but also in more than 100,000 ICBC Ltd ATMs in China and more than 139,000 other bank ATMs incorporated into the ATM Bersama network.

Riwayat Singkat Perusahaan
Company Brief History

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 Ltd. 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).

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 Ltd.

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 Ltd.'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 customers from Corporate and Commercial, Retail, as well as Small and Medium Enterprises (SME).

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, strengthening internal monitoring, and acceleration of technology transfers from ICBC Ltd.

KEGIATAN USAHA BERDASARKAN ANGGARAN DASAR

Business Activities Based on The Articles of Association

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:

a. Menghimpun dana dari masyarakat dalam bentuk giro, tabungan, deposito berjangka, sertifikat deposito, dan/atau bentuk lainnya yang serupa.
b. Memberikan kredit, baik kredit jangka menengah, panjang atau pendek maupun jenis lainnya.
c. Menerbitkan surat pengakuan hutang.
d. 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.
e. Memindahkan uang, baik untuk kepentingan individu maupun untuk kepentingan Nasabah.
f. Menempatkan dana pada, meminjam dana dari, atau meminjamkan dana kepada bank lain, baik menggunakan surat, sarana telekomunikasi, wesel unjuk, cek maupun sarana lainnya.
g. Menerima pembayaran dari tagihan atas surat berharga dan melakukan perhitungan dengan atau antara pihak ketiga.
h. Melakukan penempatan dana dari Nasabah kepada Nasabah lainnya dalam bentuk surat berharga yang tercatat di bursa efek.
i. Melakukan kegiatan pertukaran mata uang asing sesuai dengan ketentuan yang ditetapkan oleh Bank Indonesia.

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:

a. Collecting funds from the community in the form of current account, savings, time deposits, certificates of deposit, and/or other similar forms;
b. Providing credit, whether medium-term, long or short-term loans or other types;
c. Issuing debt-recognition letters;
d. 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.
e. Wire fund, whether for the benefit of the individual or for the benefit of the customer.
f. Place funds on, borrowing funds from, or lending funds to other banks, whether by mail, telecommunications means, money orders, checks or other means.
g. Receive payments on claims on securities and performing calculations with or between third parties.
h. Place funds from Customers to other Customers in the form of securities listed on the stock exchange.
i. Conduct foreign currency exchange activities in accordance with provisions stipulated by Bank Indonesia.

Kegiatan Usaha Berdasarkan Anggaran Dasar
Business Activities Based on The Articles of Association

j. Menyediakan pembiayaan dan atau melakukan kegiatan lain, termasuk kegiatan berdasarkan prinsip syariah sesuai dengan ketentuan yang ditetapkan oleh Bank Indonesia.

Kegiatan Usaha Penunjang:

a. Menyediakan tempat untuk menyimpan barang dan surat berharga.
b. Melakukan kegiatan penitipan untuk kepentingan pihak lain berdasarkan suatu kontrak.
c. 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.
d. Melakukan kegiatan anjak piutang, bisnis kartu kredit dan wali amanat.
e. 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.
f. 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.
g. 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).
h. 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.

j. Provide financing and or perform other activities, including activities based on sharia principles in accordance with provisions stipulated by Bank Indonesia.

Supporting Business Activities:

a. Provide a space to store goods and securities.
b. Conduct custodial activities for the benefit of others under a contract.
c. 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.
d. Conduct factoring, credit card business and trustee activities.
e. 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.
f. 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.
g. 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).
h. Strive for other endeavors that relate directly or indirectly to the foregoing intent whose implementation is not contrary to the laws applicable in Indonesia.

PRODUK & JASA
Products & Services

PRODUK SIMPANAN
Deposit Products

GIRO
Produk ini didesain untuk menunjang kelancaran usaha Nasabah dalam melakukan transaksi bisnisnya.

SMART SAVINGS
Produk tabungan Rupiah yang memberikan suku bunga kompetitif dengan berbagai keuntungan mulai dari bebas biaya administrasi bulanan, bebas biaya RTGS dan LLG serta berbagai kemudahan lainnya.

SAVINGS 88
Produk tabungan dengan 2 mata uang yang dapat dipilih oleh nasabah (IDR & CNY) yang memberikan 8 keuntungan terbaik.

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

CURRENT ACCOUNTS
This product is designed to provide convenience for Customers in performing their business transaction.

SMART SAVINGS
Rupiah savings products that provide competitive interest rates with various benefits ranging from free monthly administration fees, free RTGS and LLG fees and various other facilities.

SAVINGS 88
Savings products with 2 currencies that can be chosen by the customer (IDR & CNY) that provide 8 best benefits.

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

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
Produk tabungan yang mempunyai pilihan 10 jenis mata uang dalam 1 nomor rekening. Memberikan kemudahan, kenyamanan dan keuntungan dalam melakukan transaksi valuta asing.

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.

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
Savings products that have a choice of 10 types of currencies in 1 account number. Providing convenience, comfort and benefits in conducting foreign exchange transactions.

JUNIOR SAVINGS
Savings product intended for children under 18 years old.

RUPIAH TIME DEPOSITS
This product not only offers flexible time placement but also can be used as a loan collateral.

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

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

PRODUK PINJAMAN
Loan Products

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.

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.

PEMBIAYAAN PROYEK

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

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.

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.

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.

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.

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 strengthened with Security Sharing Agreement.

SMALL AND MEDIUM 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.

Produk & Jasa
Products & Services

KREDIT PEMILIKAN RUMAH

Fasilitas kredit bagi Nasabah Bank untuk melakukan pembelian rumah atau residential lainnya dengan system angsuran dalam jangka waktu sampai 30 tahun atau sampai usia 65 tahun.

PEMBIAYAAN PERDAGANGAN INTERNASIONAL

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

HOUSING LOAN

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

INTERNATIONAL TRADE FINANCING

International trade financing is one of Bank's competitive, advantages. Thanks to ICBC Ltd. network of 1,800 correspondence banks in 147 countries and 361 institutions overseas. Hence, Bank Provides convenient facility to international trade financing through the Bank's remittance service, letter of credits, credit facility financing and collection.

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.

JASA
Services

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 Ltd. 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 Ltd. dan koordinasi yang baik dengan seluruh jaringan ICBC di seluruh dunia, Bank mampu menyediakan jasa *transfer* RMB dengan jaringan luas dan layanan yang cepat.

RUPIAH REMITTANCE
Rupiah Remittance 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 Ltd. 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 Ltd. and in cooperation with ICBC branches worldwide, the Bank is able to provide innovative settlement products with fast settlement services.

Produk & Jasa
Products & 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.

KARTU ATM

Perluasan jaringan ATM ICBC memungkinkan Nasabah untuk menikmati akses ke rekening tabungan ICBC melalui lebih dari 239.000 jaringan ATM yang meliputi: 30 terminal ATM ICBC di Indonesia, 100.000 terminal ATM ICBC Ltd. di Tiongkok; dan lebih dari 139.000 terminal ATM dari bank-bank yang tergabung ke dalam jaringan ATM Bersama dan LINK 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.

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

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 and secure for valuable items.

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.

ATM CARD

ICBC ATM network expansion enables Customers to enjoy access to their savings account through more than 239.000 ATMs that include: 30 terminals of ICBC ATM in Indonesia, more than 100,000 ICBC Ltd. ATM terminals in Mainland China; and more than 139,000 ATM terminals of other banks within ATM Bersama & LINK 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 currency.

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

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 Dengan janji dibeli atau dijual kembali pada waktu yang telah ditetapkan di awal.

SECONDARY BOND

Aktivitas perdagangan obligasi ritel yang dijual di pasar sekunder. Obligasi ritel tersebut dijual kepada nasabah perorangan di pasar sekunder.

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.

SECONDARY BOND

Trading activity for retail bond, which is, sell in the secondary market. Retail bonds which are sold to individual customer in secondary market.

JEJAK LANGKAH
Milestones

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
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
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
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
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
- Peresmian Kantor Kas Pasar Atum yang terletak di Pasar Atum Mall, Lantai 2, Jl. Stasiun Kota No. 22, Surabaya.
- Peresmian Kantor Cabang Pembantu Mangga Dua di Jl Ruko Tekstil (Rutex) Mangga Dua, Blok C-6 Kav. 1, Jakarta.

- Inauguration of Pasar Atum Cash Ofice located at Pasar Atum Mall, 2nd Floor, Jl. Stasiun Kota No. 22, Surabaya.
- Inauguration of Mangga Dua Sub-Branch at Ruko Textile (Rutex) Mangga Dua, Block C-6 Kav. 1, Jakarta.

Jejak Langkah
Milestones

2012

- 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.
- Pembukaan Kantor Cabang Basuki Rahmat di Surabaya.
- Pembukaan Kantor Cabang Batam sebagai komitmen Bank untuk memperluas jaringan cabang di salah satu pulau dengan perdagangan tersibuk di Indonesia.
- Pembukaan Kantor Cabang Pembantu *City of Tomorrow* di Surabaya sebagai relokasi dari Kantor Cabang Pembantu di Sidoarjo.

- 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.
- Grand Opening of Basuki Rahmat Branch in Surabaya.
- Grand Opening of Batam Branch was part of the Bank's commitment to expand its network in one of the busiest commercial island.
- Grand Opening of CITO Sub-Branch in Surabaya as a relocation of former Sub-Branch office in Sidoarjo.

2013

- Acara penandatanganan antara Bank ICBC Indonesia dan Puro Pakualaman & Yayasan Batik Indonesia dalam rangka peluncuran Perbankan UKM.
- Bank mengadakan *soft launching* layanan ATM ICBC di The City Tower.
- Bank meresmikan pembukaan Kantor Cabang baru di Green Central City, Jl. Gajah Mada No. 188, Jakarta
- Pembukaan Kantor Cabang ke-21 di Balikpapan bertujuan untuk menembus pasar di Kalimantan.

- The Bank held a signing ceremony between the Bank and Puro Pakualaman & Indonesian Batik Foundation to commemorate the launch of SME Banking.
- The Bank held a soft-launching of its ATM service at TCT Tower.
- The Bank inaugurated the opening of a new Branch Office at Green Central City, Jl. Gajah Mada No. 188, Jakarta.
- Grand opening of the 21st branch in Balikpapan was aimed to penetrate the market in Kalimantan.

2014

- Bank meluncurkan Kartu Kredit Platinum UnionPay ICBC.
- Soft-launching Kantor Cabang Makassar sebagai cabang ke-22. Makassar dianggap sebagai gerbang investasi dan perdagangan di bagian timur Indonesia.
- 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 launched UnionPay Platinum Credit Card.
- 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.
- 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.

Jejak Langkah
Milestones

2015

- MoU antara ICBC Ltd. dan Kementerian Badan Usaha Milik Negara untuk pembiayaan senilai USD20 miliar.
- 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.
- *Call Center* nasional Bank mulai beroperasi 24 jam dan 7 hari untuk melayani pelanggan dalam tiga bahasa: Bahasa Indonesia, Inggris, dan Mandarin.
- 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.
- Bank ICBC Indonesia dan Bank BTN menandatangani *MoU* senilai IDR10 triliun untuk mendukung proyek pembangunan sejuta rumah yang diprakarsai Pemerintah Indonesia.
- Disaksikan oleh Duta Besar Tiongkok untuk Indonesia, H.E Xie Feng, ICBC Asia, EximBank dan Bank ICBC Indonesia menandatangani Perjanjian Kredit Modal Kerja senilai USD500 juta untuk mempromosikan perdagangan impor dan ekspor serta infrastruktur Indonesia.

- The Bank signed the MoU between ICBC Ltd and The Ministry of State-Owned Enterprises in Indonesia amounted to USD20 billion.
- 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.
- 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.
- 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.
- The Bank and Bank BTN signed MOU of IDR10 trillion to support the Indonesian Government's one million public housing project.
- 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 USD500 million to promote Indonesia's import and export trades and infrastructures.

Jejak Langkah
Milestones

2016

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.

2017

- Bank ICBC Indonesia ikut serta dalam pembiayaan Palapa Ring senilai IDR1 triliun untuk pembangunan Jaringan Komunikasi bawah laut.
- Bank ICBC Indonesia ikut serta dalam pembiayaan proyek Kereta Cepat Indonesia-China senilai USD4,5 miliar.

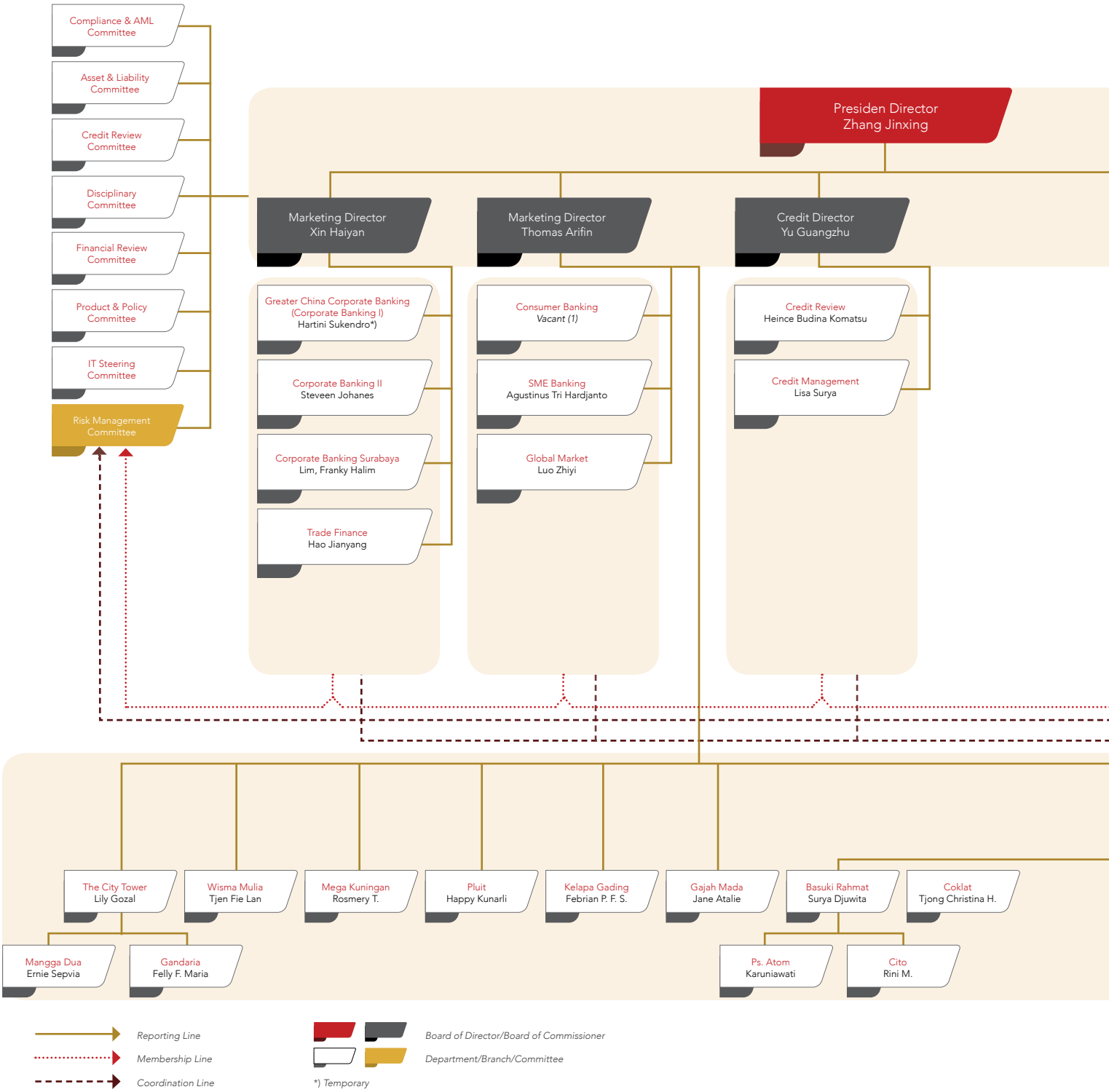
- Bank ICBC Indonesia participates in Palapa Ring financing worth IDR1 trillion for the construction of underwater Communications Network.
- Bank ICBC Indonesia participates in the financing of the Indonesia-China Fast Train project valued at USD4.5 billion.

2018

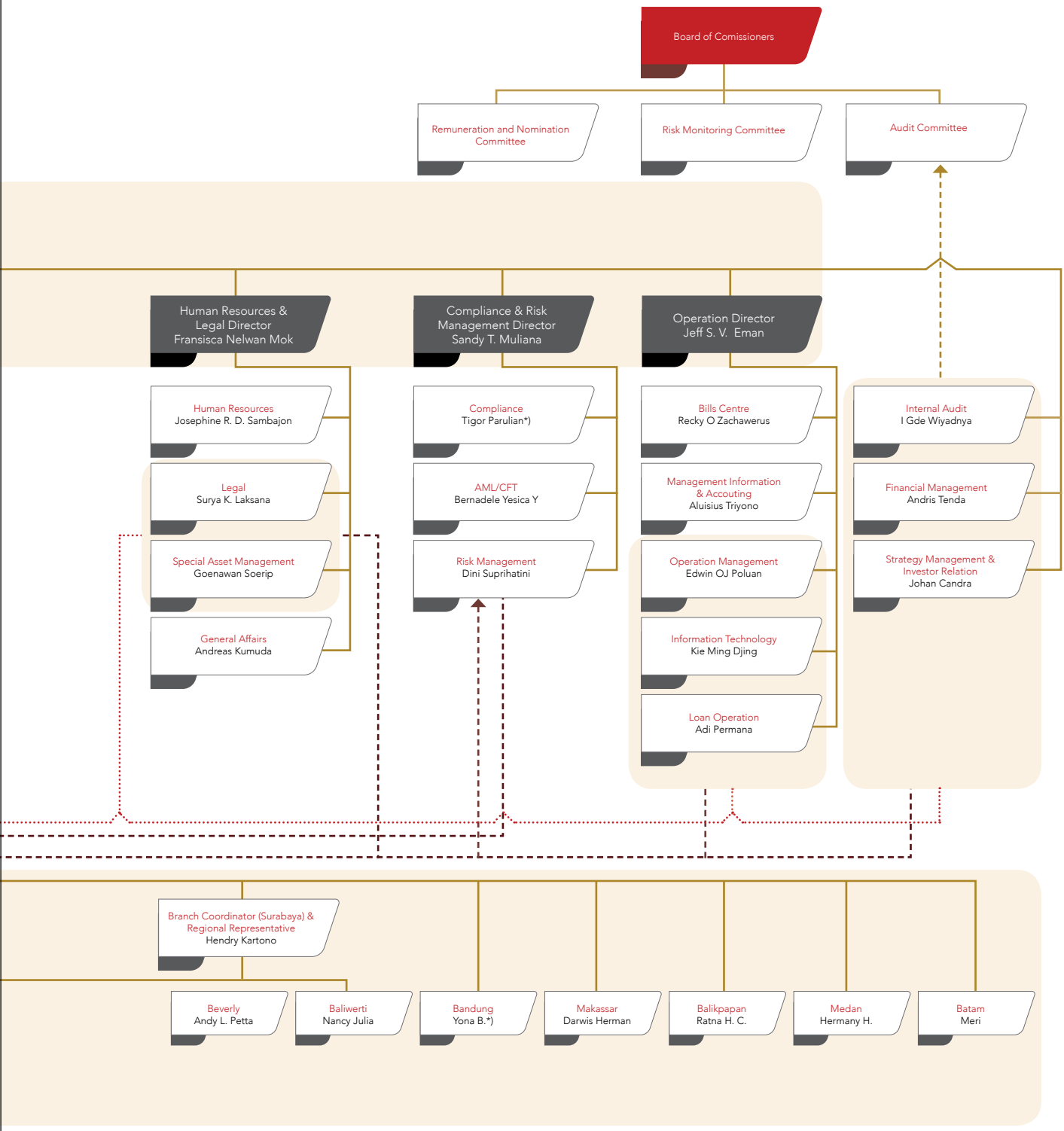
- Bank ICBC Indonesia dan ICBC Asia selaku Senior Mandated Lead Arranger menyalurkan kredit sindikasi kepada PLN sebesar USD150 juta untuk membiayai general capital expenditure di 2018.
- Bank mendukung program pembangunan infrastruktur pemerintah senilai Rp400 miliar untuk pembangunan jalan tol Balikpapan – Samarinda.
- Bank berpartisipasi dalam pembiayaan Proyek Taliabu Iron Ore yang berlokasi di Pulau Taliabu, Maluku Utara sebesar USD80 juta.

- Bank ICBC Indonesia and ICBC Asia as the Senior Mandated Lead Arranger rendered a syndicated loan to PLN amounted to USD150 million for the financing of general capital expenditures in 2018.
- The Bank fosters the government infrastructure program valued at Rp400 billion for the Balikpapan – Samarinda toll road construction.
- The Bank participates in the financing of Taliabu Iron Ore Project located in Taliabu Island, North Maluku amounted to USD80 million.

STRUKTUR ORGANISASI
Organizational Structure



Struktur Organisasi
Organizational Structure



VISI, MISI & BUDAYA PERUSAHAAN

Vision, Mission & Corporate Culture

VISI

Vision

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
Best Service

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.

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

Performa Terbaik
Best Performance

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

Gradually develop sustainable businesses that deliver respectable economic returns.

Kontribusi Terbaik
Best Contribution

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.

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.

Visi, Misi & Budaya Perusahaan
Vision, Mission & Corporate Culture

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.

BELONGING

Semangat kebersamaan untuk mencapai tujuan perusahaan.

Spirit of togetherness to achieve company objectives.

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.

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
President Commissioner
Warga Negara Tiongkok | Chinese Citizen
Usia 41 tahun | 41 years old

Jabatan dan Dasar Penunjukan

Bapak Wang Kun di angkat sebagai Presiden Komisaris sejak Desember 2017, keputusan ini berdasarkan Akta Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 108 pada 13 Desember 2017.

Position and Appointment

Mr. Wang Kun was appointed as President Commissioner since December 2017, this decision is based on the Deeds of Decision of the Limited Liability Company Shareholders of PT Bank ICBC Indonesia No. 108 on December 13, 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 *Master of Art* dengan mengambil jurusan Sastra Inggris di Beijing Foreign Studies University dan lulus pada tahun 2002.

Education

He has a Bachelor of Arts from Teacher's College, Yangzhou University, majored in English Language Education and graduated in 1999. He then continued his education for the title of Master of Art by taking the same major at Beijing Foreign Studies University and graduating in 2002.

Pelatihan

Sepanjang karirnya beliau telah mengikuti berbagai seminar, lokakarya, ataupun pelatihan yang diselenggarakan baik oleh ICBC Ltd. maupun oleh Universitas atau Institusi ternama seperti *Advance Credit Management, Senior Branch Management*, serta kursus singkat *Financial Business Administration* yang diselenggarakan oleh China South West Finance and Economic University, Shanghai, Tiongkok. Dan di tahun 2018 beliau menghadiri Seminar *Macro Economy and Risk Management*, dan Seminar *Corporate Governance Forum* di Beijing, Tiongkok.

Training

Throughout his career he has participated in various seminars, workshops, or training held both by ICBC Ltd. and by well-known University or Institution such as Advance Credit Management, Senior Branch Management, and short Financial Business Administration courses organized by China South West Finance and Economic University, Shanghai, China. And in 2018 he attended Macro Economy and Risk Management Seminar, and Corporate Governance Forum Seminar in Beijing, China.

Perjalanan Karir

Beliau berkarir di ICBC Ltd. sejak 2002. Selama berkarir di ICBC Ltd. beliau telah menduduki jabatan-jabatan penting dalam bidang hubungan perbankan internasional, korespondensi bisnis, perencanaan bisnis, strategi bisnis perbankan, dan hubungan investor. Beliau juga pernah memimpin Kantor Cabang ICBC di Nanchong, yang selama masa jabatan beliau disana, kantor cabang ini berkembang sangat pesat baik dari sisi bisnis, kepatuhan, maupun pengelolaan risiko. Prestasi dan kegemilangan karir beliau ini dilanjutkan di Bank ICBC Indonesia sebagai Presiden Komisaris.

Career

He began his career at ICBC Ltd. since 2002. During his career at ICBC Ltd. he has held important positions in the fields of international banking relations, business correspondence, business planning, banking business strategy, and investor relations. He also headed the ICBC Branch Office in Nanchong, which during his tenure there, this branch office grew very rapidly both in terms of business, compliance and risk management. His career achievements and glory continued at Bank ICBC Indonesia as President Commissioner.

Profil Dewan Komisaris
Board of Commissioner's Profile

HENDRA WIDJOJO

Komisaris Independen
Independent Commissioner

Warga Negara Indonesia | Indonesian Citizen
Usia 55 tahun | 55 years old

Jabatan & Dasar Penunjukan

Bapak Hendra Widjojo diangkat menjadi Komisaris Independen sejak September 2007 berdasarkan Akta 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 adalah Sarjana Ekonomi lulusan dari Universitas Merdeka, Surabaya pada tahun 2001.

Pelatihan

Beliau telah berpartisipasi dalam sejumlah pelatihan profesional sepanjang karirnya. Selama tahun 2018 beliau telah mengikuti Seminar *Corporate Governance Forum* di Beijing, Tiongkok; Pelatihan *Auditing Financial Statement* yang diselenggarakan oleh Ikatan Komite Audit Indonesia (IKAI), dan Seminar Implementasi *Prudential Banking* Dalam Menghadapi Tantangan Ekonomi Global yang diselenggarakan oleh Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP), dan Pelatihan *Compliance-Anti Money Laundering-Risk-Audit-Legal*. Beliau mengikuti pelatihan *Enhancing Good Corporate Governance Framework and Practices* oleh DSG (2017), *Managing People in Risk* oleh Kiran Resources Indonesia (2016) dan *Strategic Governance and Sound Bank Strategy Implementation* (2014).

Position & Appointment

Mr. Hendra Widjojo was appointed as Independent Commissioner since September 2007 based on the Deed of the Decision of Extraordinary General Meeting of Shareholders of PT Bank ICBC Indonesia (formerly named PT Bank Halim Indonesia) No. 24 on September 19, 2007.

Education

He is a Bachelor of Economics graduated from Merdeka University, Surabaya in 2001.

Training

He has participated in a number of professional trainings throughout his career. During 2018 he attended the Corporate Governance Forum Seminar in Beijing, China; Auditing Financial Statement Training held by the Indonesian Audit Committee Association (IKAI); and the Prudential Banking Implementation Seminar in Facing Global Economic Challenges organized by the Banking Compliance Director Communication Forum (FKDKP), and Compliance-Anti Money Laundering-Risk-Audit-Legal Training. He took part in the training in Enhancing Good Corporate Governance Framework and Practices by DSG (2017), Managing People in Risk by Kiran Resources Indonesia (2016) and 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 Ltd. pada 2007 dan berganti nama menjadi PT Bank ICBC Indonesia, sejak saat itu beliau menjabat sebagai Komisaris Independen.

Career

During his 35 years career, he held various positions, including the Director of PT Ogasaka (1981-83) and Head of the Finance Division at PT Multi Commodore Leasing (1982-83). In the next 5 years, he served as the Managing Director at the Bank Pasar Sumber Dana. From 1989 to 1998, he was appointed as President Director of PT Bank Halim Indonesia, served as Commissioner (1998-2005), then finally held the position of President Commissioner until the Bank was acquired by ICBC Ltd. in 2007 and renamed PT Bank ICBC Indonesia, since at that time he served as an Independent Commissioner.

Profil Dewan Komisaris
Board of Commissioner's Profile

YUNNO KUSUMO
Komisaris Independen
Independent Commissioner
Warga Negara Indonesia | Indonesian Citizen
Usia 62 tahun | 62 years old

Jabatan & Dasar Penunjukan

Bapak Yunno Kusumo diangkat menjadi Komisaris Independen sejak 29 Agustus 2018 berdasarkan Akta Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 137 pada 29 Agustus 2018.

Pendidikan Beliau

lulus dari Universitas Airlangga, Surabaya pada tahun 1982 dengan gelar Sarjana Ekonomi jurusan Akuntansi; dan meraih gelar Master of Art dari University of Kansas, Amerika Serikat pada tahun 1990.

Pelatihan

Beliau telah berpartisipasi dalam berbagai pelatihan, seminar maupun lokakarya, dan telah meraih berbagai sertifikasi profesional sepanjang karir beliau baik di Bank Indonesia maupun di Otoritas Jasa Keuangan. Pada tahun 2018 beliau telah berpartisipasi dalam Seminar Mengelola Risiko Pasar dan Risiko Likuiditas secara Optimal, Pelatihan *Auditing Financial Statement* yang diselenggarakan oleh Ikatan Komite Audit Indonesia (IKAI), Seminar Implementasi *Prudential Banking* Dalam Menghadapi Tantangan Ekonomi Global yang diselenggarakan oleh Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP), dan Seminar *Anti Money Laundering/ Countering the Financing of Terrorism* yang diselenggarakan oleh Pusat Pelaporan dan Analisa Transaksi Keuangan.

Position & Appointment

Mr. Yunno Kusumo was appointed as Independent Commissioner since 29 August 2018 based on the Deed of the Decision of the Shareholders of the Limited Liability Company PT Bank ICBC Indonesia No. 137 on August 29, 2018.

Education

He graduated from Airlangga University, Surabaya in 1982 with a Bachelor of Economics majoring in Accounting; and won a Master of Art from the University of Kansas, USA in 1990.

Training

He has participated in various trainings, seminars and workshops, and has achived various professional certifications throughout his career at both Bank Indonesia and the Financial Services Authority. In 2018 he participated in Managing Market Risk and Liquidity Risk, Auditing Financial Statement Training held by the Indonesian Audit Committee Association (IKAI), the Prudential Banking Implementation Seminar in Facing Global Economic Challenges organized by the Banking Compliance Director Communication Forum (FKDKP), and Anti Money Laundering/ Countering Seminar the Financing of Terrorism held by the Financial Transaction Reports and Analysis Center.

Perjalanan Karir

Beliau memiliki pengalaman yang sangat luas di bidang industri jasa keuangan terutama terkait dengan pengawasan industri jasa keuangan dan perbankan. Beliau mengawali karirnya di Bank Indonesia pada tahun 1983. Selama berkarir di Bank Indonesia beliau telah banyak menduduki jabatan-jabatan strategis diantaranya Kepala Seksi Biro Penelitian dan Pengembangan Perbankan, Analisis Senior Hukum dan Sekretariat, Peneliti Eksekutif Direktorat Penelitian dan Pengembangan Perbankan, Peneliti Eksekutif Departemen Sumber Daya Manusia, Direktur Pemeriksaan Bank I, dan Direktur Eksekutif-Kepala Departemen Investigasi dan Mediasi Perbankan. Pada tahun 2013 beliau melanjutkan karirnya di Otoritas Jasa Keuangan, sampai dengan akhir masa baktinya di Otoritas Jasa Keuangan beliau menduduki berbagai jabatan strategis seperti Direktur Eksekutif-Kepala Departemen Investigasi dan Perlindungan Konsumen; Direktur Eksekutif-Kepala Regional III Jawa Timur, Bali, NTB, dan NTT; Direktur Eksekutif-*Advisor* Departemen Pengendalian Kualitas Pengawasan. Dan pada tahun 2018 beliau begabung dengan Bank ICBC Indonesia sebagai Komisaris Independen.

Career

He has extensive experience in the financial services industry, especially in relation to the supervision of the financial services and banking industry. He began his career at Bank Indonesia in 1983. During his career at Bank Indonesia he had held many strategic positions including the Head of the Banking Research and Development Bureau, Senior Legal Analysis and Secretariat, Executive Researcher at the Directorate of Banking Research and Development, Executive Researcher, Department of Resources Human Resources, Director of Bank I Examination, and Executive Director-Head of the Banking Investigation and Mediation Department. In 2013 he continued his career at the Financial Services Authority, until the end of his tenure at the Financial Services Authority he held various strategic positions such as Executive Director-Head of the Investigation and Consumer Protection Department; Executive Director-Regional Head III East Java, Bali, NTB, and NTT; Executive Director-Advisor of the Supervision Quality Control Department. And in 2018 he joined Bank ICBC Indonesia as an Independent Commissioner.

PROFIL DIREKSI
Board of Director's Profile

ZHANG JINXING
Presiden Direktur
President Director
Warga Negara Tiongkok | Chinese Citizen
Usia 52 tahun | 52 years old

Jabatan dan Dasar Penunjukan
Bapak Zhang Jinxing diangkat menjadi Presiden Direktur berdasarkan Akta Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia Nomor 108 pada tanggal 13 Desember 2017 dan efektif menjabat sejak tanggal 20 April 2018 berdasarkan Surat Izin Mempekerjakan Tenaga Kerja Asing Nomor KEP.D31306/MEN/B/IMTA/2018 yang diterbitkan oleh Kementerian Ketenagakerjaan Republik Indonesia pada tanggal 19 April 2018.

Position and Appointment
Mr. Zhang Jinxing was appointed as President Director based on Deeds of Decision of the Limited Liability Company Shareholders of PT Bank ICBC Indonesia Number 108 on December 13, 2017 and effectively served on April 20, 2018 based on the License to Employ Foreign Workers Number KEP.D31306/MEN/B/IMTA/2018 issued by the Ministry of Manpower of the Republic of Indonesia on April 19, 2018.

Pendidikan
Beliau meraih gelar Sarjana Sains di bidang Matematika Terapan dari Wuhan University pada tahun 1988, dan meraih gelar *Master of Economics* di bidang *Western Economics* pada tahun 1999 dari Huazhong University of Science and Technology.

Education
He earned a Bachelor of Science in Applied Mathematics from Wuhan University in 1988, and earned a Master of Economics degree in Western Economics in 1999 from Huazhong University of Science and Technology.

Pelatihan
Sepanjang karirnya beliau telah berpartisipasi dalam berbagai pelatihan profesional dari universitas dan lembaga pendidikan ternama, seperti *Senior Executives Training Program* dari Oxford University, *Big Data Finance Training Course* dari *Lausanne Collegiate School*, dan Corporate Finance: *Merger* and *Restructuring Training Course* dari *Yale University*. Sebelum menjabat sebagai Presiden Direktur beliau sudah memperoleh Sertifikasi Manajemen Risiko Tingkat 5 dari Lembaga Sertifikasi Profesi Perbankan pada tahun 2017. Selama tahun

Training
Throughout his career he has participated in various professional training from universities and renowned educational institutions, such as the Senior Executives Training Program from Oxford University, Big Data Finance Training Course from the Lausanne Collegiate School, and Corporate Finance: Merger and Restructuring Training Course from Yale University. Before appoint as President Director he had obtained Level 5 Risk Management Certification from the Banking Professional Certification Institute in 2017. During 2018

2018 beliau telah mengikuti Seminar Service Value at Work, Seminar *Anti Money Laundering/ Countering the Financing of Terrorism* yang diselenggarakan oleh Pusat Pelaporan dan Analisa Transaksi Keuangan, dan pelatihan-pelatihan yang diselenggarakan oleh ICBC Ltd..

Perjalanan

Karir Beliau mengawali karirnya di ICBC Xiangyang pada Divisi *International Banking* pada tahun 1988, dan setelah itu karir beliau terus menanjak dengan menduduki berbagai posisi penting seperti Kepala Kantor ICBC Wuhan Jiabei, dan Kepala Cabang Wuhan Zhongnan dengan beragam tanggung jawab seperti pengelolaan dana pihak ketiga, analisa kebutuhan pendanaan, dan juga pengembangan bisnis valuta asing. Pada tahun 2002 beliau memulai perjalanan karir internasionalnya di ICBC Frankfurt selama tiga tahun sebagai Wakil *General Manager* dengan tanggung jawab untuk mengelola pengembangan bisnis ICBC Frankfurt baik dalam pemberian pinjaman korporasi maupun pengelolaan pendanaan korporasi, dan memperkuat hubungan bisnis dengan bank-bank lain di Frankfurt. Pada tahun 2005 beliau kembali ke Tiongkok untuk menduduki berbagai posisi penting di ICBC Hubei Branch seperti Wakil *General Manager Banking Business, General Corporate Banking*, dan sebagai Pejabat Eksekutif di ICBC Hubei Branch merangkap sebagai Ketua *Financial Review Committee and Centralized Purchase Review Committee,* dan Wakil Ketua Komite *Credit Review*, dan Wakil Ketua Komite Manajemen Risiko. Selama berkarir di ICBC Hubei Branch beliau berhasil meraih berbagai penghargaan diantaranya *Best Service Banking Award* selama dua tahun berturut-turut yaitu tahun 2013 dan 2014, *Best Department of Hubei Branch* di tahun 2015, *Investment Banking Outstanding Contribution Award* di tahun 2016, dan penghargaan bergensi lainnya yang berhasil dicapai sepanjang karir beliau. Dan pada bulan April 2018 beliau ditugaskan di ICBC Indonesia sebagai Presiden Direktur.

he had attended a Service Value at Work Seminar, Anti Money Laundering/ Countering the Financing of Terrorism Seminar organized by the Reporting Center and Financial Transaction Analysis (PPATK), and trainings organized by ICBC Ltd..

Career

He began his career at ICBC Xiangyang in the International Banking Division in 1988, and after that his career continued to develop by occupying various important positions such as the Head of the Wuhan Jiabei ICBC Office, and Wuhan Zhongnan Branch Manager with various responsibilities such as third party fund management, analysis of funding needs, and also the development of the foreign exchange business. In 2002 he began his international career on the ICBC Frankfurt for three years as a Deputy General Manager with responsibility for managing the development of the Frankfurt ICBC business both in providing corporate loans and managing corporate funding, and strengthening business relationships with other banks in Frankfurt. In 2005 he returned to China to occupy various important positions at the Hubei ICBC Branch such as Deputy General Manager of Banking Business, General Corporate Banking, and as Executive Officer at ICBC Hubei Branch concurrently as Chairman of the Financial Review Committee and Centralized Purchase Review Committee, and Deputy Chairman Credit Review Committee, and Deputy Chairman of the Risk Management Committee. During his career at ICBC Hubei Branch he won various awards including Best Service Banking Award for two consecutive years namely 2013 and 2014, Best Department of Hubei Branch in 2015, Investment Banking Outstanding Contribution Award in 2016, and other prestigious awards, which was achieved, throughout his career. And in April 2018 he was assigned to ICBC Indonesia as President Director.

YU GUANGZHU
Direktur
Director
Warga Negara Tiongkok | Chinese Citizen
Usia 52 tahun | 52 years old

Jabatan & Dasar Penunjukan

Bapak Yu Guangzhu diangkat menjadi direktur sejak Mei 2014 berdasarkan Akta Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 118 pada 13 Mei 2014.

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. Selama tahun 2018 beliau telah mengikuti Seminar *Service Value at Work*, dan Seminar *Anti Money Laundering/ Countering the Financing of Terrorism* yang diselenggarakan oleh Pusat Pelaporan dan Analisa Transaksi Keuangan. Di 2017 beliau berpartisipasi pada pelatihan yang diadakan oleh ICBC Ltd., dan Seminar *Strategic Leadership* dan *Good Corporate Governance* oleh Diaspora Saraswati Gemilang. Di 2016, beliau berpartisipasi dalam *Overseas Institutions Management Training* oleh ICBC Ltd., 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

Position & Appointment

Mr. Yu Guangzhu was appointed as director since May 2014 based on the Deeds of Decision of the Limited Liability Company Shareholders of PT Bank ICBC Indonesia No. 118 on May 13, 2014.

Education

He earned a Bachelor's degree in Geochemistry from the University of Science and Technology of China in 1988. He continued his Postgraduate education at Xiamen University, China and earned an MBA in 2004.

Training

He has participated in a number of professional trainings throughout his career. During 2018 he participated in the Service Value at Work Seminar, and the Anti Money Laundering/ Countering the Financing of Terrorism Seminar organized by the Financial Transaction Reports and Analysis Center (PPATK). In 2017 he participated in the training held by ICBC Ltd., and the Strategic Leadership and Good Corporate Governance Seminar by the Diaspora Saraswati Gemilang. In 2016, he participated in the Overseas Institutions Management Training by ICBC Ltd., then attended the prestigious ICBC Interbank Business Training at Yale University, New Haven and participated in Basel III Implementation and Its Impact on the Banking Industry in Indonesia organized by Kiran Resources. In 2014, he went to Fontainebleau, France to

diselenggarakan oleh Kiran Resources. Di 2014, beliau ke Fontainebleau, Perancis untuk berpartisipasi di *Risk Management in Banking* yang diselenggarakan oleh INSEAD. Beliau menyelesaikan Sertifikasi Manajemen Risiko Tingkat 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, dimana beliau menjabat sebagai Direktur Kredit yang membawahi Departemen *Credit Review*, dan *Departemen Credit Management*.

participate in Risk Management in Banking organized by INSEAD. He completed Level 5 Risk Management Certification by BSMR in 2013.

Career

He began 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 Deputy Chair of the Credit Committee and until January 2010, he was a GM Credit Management and SME. His assignment abroad began in early 2010 at ICBC Singapore as the Head of the Credit Department responsible for Credit Review, Credit Administration and Credit Operations. Before he was assigned to Bank ICBC Indonesia at the end of 2013, he served as Credit Director in charge of the Credit Review Department and Credit Management Department.

Profil Direksi
Board of Director's Profile

JEFF S.V EMAN
Direktur
Director
Warga Negara Indonesia | Indonesian Citizen
Usia 61 tahun | 61 years old

Jabatan & Dasar Penunjukan

Bapak Jeff S.V. Eman diangkat menjadi direktur sejak Juni 2015 berdasarkan Akta 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 telah berpartisipasi dalam berbagai pelatihan, seminar maupun lokakarya selama tahun 2018 diantaranya Seminar Internasional *Strengthening Infrastructures For Financial Crisis Resolution* yang diselenggarakan oleh Lembaga Pinjaman Simpanan, Seminar *Service Value at Work*, Seminar *Anti Money Laundering/ Countering the Financing of Terrorism* yang diselenggarakan oleh Pusat Pelaporan dan Analisa Transaksi Keuangan, dan Pelatihan Tantangan Utama Manajemen Risiko di tahun 2018: Kualitas Kredit, Manajemen Portfolio Kredit Aktif, *Stress Testing*, dan *Credit Scoring* yang diselenggarakan oleh BARa. Pada tahun 2017 beliau berpartisipasi dalam pelatihan dari ICBC Ltd., dan Seminar *Strategic Leadership* dan *Good Corporate Governance* oleh Diaspora Saraswati Gemilang. Pada tahun 2016, beliau mengikuti pelatihan *Global Capital Market* dari Euromoney, Seminar *Economic Outlook* 2017, dan menjadi pembicara dalam

Position & Appointment

Mr. Jeff S.V. Eman was appointed as director since June 2015 based on the Deeds of Decision of the Limited Liability Company Shareholders of PT Bank ICBC Indonesia No. 417 on 30 June 2015.

Education

He earned a Bachelor's degree in economics from Advent Indonesia University in 1981.

Training

He has participated in various trainings, seminars and workshops during 2018 including the International Seminar Strengthening Infrastructures For Financial Crisis Resolution organized by the Institute of Savings Loans (LPS), Service Value Seminar at Work, Anti Money Laundering Seminar/ Countering the Financing of Terrorism held by the Center Financial Transaction Reporting and Analysis, and Risk Management Main Challenge Training in 2018: Credit Quality, Active Credit Portfolio Management, Stress Testing, and Credit Scoring held by BARa. In 2017 he participated in training from ICBC Ltd., and the Strategic Leadership and Good Corporate Governance Seminar by the Diaspora Saraswati Gemilang. In 2016, he participated in Global Capital Market training from Euromoney, 2017 Economic Outlook Seminar, and was a speaker at ICBC's Roles in Indonesia's Economic Development in the 2016 Indonesia Business and Development Expo. He also

ICBC's Roles in Indonesia's Economic Development dalam acara *Indonesia Business and Development Expo 2016*. Selain itu 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

Beliau adalah seorang bankir yang telah memiliki pengalaman selama lebih dari 30 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, Global Market, Credit* dan *Operations*. Saat ini beliau menjabat sebagai Direktur Teknologi Informasi dan Operasi yang membawahi Departemen Teknologi Informasi, *Operation Management, Bills Center, Management Information and Accounting*, dan *Loan Operation*. Beliau juga pernah menjabat sebagai Komisaris Bank untuk periode 2012 sampai 2015. Beliau adalah eksekutif di *Foreign Committee* dari Perhimpunan Bank Nasional (Perbanas). Atas dedikasi dan kinerjanya beliau menerima penghargaan *Award for Management Achievement* dalam acara *ICBC Honorary Global Employee* di Beijing.

attended the 43rd ASEAN Banking Council Meeting in Myanmar (2013), the World Islamic Conference (2012) by the Money Authority of Singapore, the Senior Risk Management program by DCG Gardner in London (2010), and a panel of discussions and workshops on LPG Banking GCG Implementation (2008).

Career

He is a banker who has more than 30 years of experience, he began his banking career at PT Bank Halim Indonesia in 1990 and for 17 years he was entrusted with increasing responsibilities in various fields including the Branch Manager, Branch Coordinator and Director in charge Marketing, Operations, and finally as President Director. He was involved in the acquisition process, negotiation and business transfer process of Bank Halim Indonesia to become PT Bank ICBC Indonesia and was then responsible since 2007 in Compliance, Global Market, Credit and Operations. He currently serves as Director of Information and Operations Technology, which oversee the Information Technology Department, Operation Management, Bills Center, Management Information and Accounting, and Loan Operation. He also served as Commissioner of the Bank for the period of 2012 to 2015. He is an executive at the Foreign Committee of the National Bank Association (Perbanas). For his dedication and performance he received the Award for Management Achievement award at the ICBC Honorary Global Employee event in Beijing.

XIN HAIYAN
Direktur
Director
Warga Negara Tiongkok | Chinese Citizen
Usia 44 tahun | 44 years old

Jabatan & Dasar Penunjukan

Ibu Xin Haiyan diangkat menjadi Direktur sejak 13 April 2017 berdasarkan Akta Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 71 pada 13 April 2017.

Pendidikan

Beliau meraih gelar Master 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 Inggris yang diselenggarakan oleh Euromoney, beliau juga mengikuti *Executive Management Program* yang diselenggarakan oleh ICBC Ltd., di Beijing. Di tahun 2018 beliau berpartisipasi dalam Seminar Internasional *Strengthening Infrastructures For Financial Crisis*

Position & Appointment

Ms. Xin Haiyan was appointed as Director since April 13, 2017 based on Deeds of Decision of the Limited Liability Company Shareholders of PT Bank ICBC Indonesia No. 71 on April 13, 2017.

Education

She holds a Master's degree from the University of Macau in the field of Business Administration (2008) and a Bachelor's degree in International Trade from Nanjing Agricultural University (1995).

Training

In 2012, she attended the Management Training program and received a Certificate of Specialty and Technology for Senior Economists at ICBC Jiangsu, while in 2010 she completed the Syndicated Course Certificate Training held by ALPMA in Singapore. In 2016, he attended an executive training program at Yale University themed Corporate Client and Investment Banking. She has received certification for Level 5 Risk Management by LSPP in 2015. In 2017, she participated in the Executive Program for Leadership Team in England organized by Euromoney, she also participated in the Executive Management Program held by ICBC Ltd., in Beijing. In 2018 she participated in the International Strengthening Infrastructures For Financial Crisis Resolution Seminar organized by the Institute of Savings Loans, Value at Work Service Seminar, and Anti Money Laundering /

Resolution yang diselenggarakan oleh Lembaga Pinjaman Simpanan, Seminar Service Value at Work, dan Seminar *Anti Money Laundering/ Combating the Financing of Terrorism* yang diselenggarakan oleh Pusat Pelaporan dan Analisa Transaksi Keuangan.

Perjalanan Karir

Beliau memulai karirnya di ICBC Jiangsu di tahun 1995 sebagai *Credit Officer* dan dipromosikan menjadi *Credit Manager* pada tahun 2003. Di tahun 2006, beliau bergabung dengan ICBC Macau menjabat sebagai *General Manager* untuk *Corporate Banking* sampai dengan tahun 2009 sebelum beliau ditugaskan sebagai *General Manager* Departemen Kredit. Beliau kemudian kembali ke ICBC Jiangsu dan menjabat sebagai Wakil *General Manager* untuk Departemen Kredit dari tahun 2011 sampai 2015. Kemudian beliau bergabung dengan Bank ICBC Indonesia sebagai *Group Head Great Indo China Business* sejak 15 Juli 2015 hingga April 2017. Sebelum akhirnya diangkat sebagai Direktur *Marketing* yang membawahi Departemen *Greater China Corporate Banking (Corporate Banking I), Corporate Banking II, Corporate Banking* Surabaya, dan Departemen *Trade Finance*. 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.

Combating the Financing of Terrorism Seminar held by the Financial Transaction Reports and Analysis Center (PPATK).

Career

She began her career at ICBC Jiangsu in 1995 as a Credit Officer and was promoted to Credit Manager in 2003. In 2006, she joined ICBC Macau and served as General Manager for Corporate Banking until 2009 before she was assigned as General Manager of the Department Credit. Then she returned to ICBC Jiangsu and served as Deputy General Manager for the Credit Department from 2011 to 2015. After that she joined Bank ICBC Indonesia as the Great Indo China Business Group Head from July 15, 2015 to April 2017. Before finally being appointed as Marketing Director oversees the Department of Greater China Corporate Banking (Corporate Banking I), Corporate Banking II, Surabaya Corporate Banking, and the Trade Finance Department. Her contributions have resulted in several awards including The Best Service Award of ICBC Macau (2006), and the highest award was given by City Financial Excellent Paper Competition for the Entitled Credit Portfolio Transformation Paper (2003). Best Syndication Loan of the Year by The Asset Magazine (to Galaxy Entertainment Group, HKD9 billion, 2010), Best MNA Indonesia and Best Acquisition Award for syndicated loans from Asian Asset in 2017.

Profil Direksi
Board of Director's Profile

THOMAS ARIFIN
Direktur
Director
Warga Negara Indonesia | Indonesian Citizen
Usia 57 tahun | 57 years old

Jabatan dan Dasar Penunjukan

Bapak Thomas Arifin bergabung dengan Bank ICBC Indonesia sejak 2015 dan diangkat berdasarkan Akta Pernyataan Keputusan Pemegang Saham Perseroan Terbatas PT Bank ICBC Indonesia No. 135 pada 22 Februari 2016.

Position & Appointment

Mr. Thomas Arifin joined Bank ICBC Indonesia since 2015 and was appointed based on Deeds of Decision of the Limited Liability Company Shareholders of PT Bank ICBC Indonesia No. 135 on February 22, 2016.

Pendidikan

Beliau meraih gelar Sarjana dalam bidang Matematika dari Institut Teknologi Bandung (1985), Ekonomi/ Manajemen dari Universitas Katolik Parahyangan (1986), dan Ekonomi/Akuntansi dari Universitas Indonesia (1990). Mendapatkan beasiswa dari Masyarakat Eropa dan Negara ASEAN, dan 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).

Education

He earned a Bachelor's degree in Mathematics from the Bandung Institute of Technology (1985), Economics/ Management from Parahyangan Catholic University (1986), and Economics/ Accounting from the University of Indonesia (1990). Get a scholarship from the European Community and ASEAN Countries, and he completed an MBA from European University in Toulouse in 1993. He is a Certified Risk Professional (Bank Administration Institute, Chicago, 2003) and Chartered Financial Analyst Level 2 (CFA Institute, 2004).

Pelatihan

Pada tahun 2018 beliau mengikuti program refreshment Bank Risk Management Certificate of Competence level 5 dari Indonesian Professional Certification Authority, Banking Professional Certification Body, Jakarta. Dari Badan yang sama, beliau juga mendapatkan sertifikasi Treasury Dealer untuk level advance. Beliau berpartisipasi dalam sejumlah program eksekutif yang diselenggarakan oleh institusi ternama seperti Moody's Analytic, program Credit Masterclass di London (2016),

Training

In 2018 he attended refreshment program of Bank Risk Management Certificate of Competence level 5, from Indonesian Professional Certification Authority, Banking Professional Certification Body, Jakarta. From the same Body, he also achieved Treasury Dealer Certification advance level. He participated in a number of executive programs organized by well-known institutions such as Moody's Analytic, for Credit Masterclass program in London (2016), Said Business School at Oxford University

Said Business School di Oxford University (Global Investment Risk Management Program, 2011), Stanford University (Leading Change and Organizational Renewal, 2010), Wharton Business School (Investment Strategies and Portofolio Management, 2009), dan Kellogg School of Management (Corporate Financial Strategies for Creating Shareholder Value, 2008). Beliau juga mengikuti program refreshment manajemen risiko oleh London Financial Studies (2014) serta BARa dan LSPP di Frankfurt (2012).

Perjalanan Karir

Beliau memulai karirnya di PT Bank Bali Tbk, dari tahun 1987 sampai beliau melanjutkan studi Pasca Sarjana pada 1993. Selanjutnya, beliau ditugaskan di Los Angeles sebagai *Vice President* Pertama sekaligus *General Manager* Kantor Cabang Luar Negeri Bank Bali (1997-2002) dan terlibat dalam integrasi Bank Bali dan 4 bank lainnya menjadi PT Bank Permata Tbk yang kemudian beliau bergabung sebagai General Manager dari Grup Manajemen Risiko sampai Mei 2006. Selama 5 tahun berikutnya, beliau melanjutkan karirnya di PT Bank Mandiri (Persero) Tbk sebagai Direktur yang membawahi *Treasury & Financial Institution* dan *Special Asset Management* dimana selama karirnya di Bank Mandiri beliau meraih berbagai penghargaan yang diberikan oleh Asian Banker (2011), Kementrian Keuangan (2010), Asia Money (2010, 2006), dan Finance Asia (2007). Setelah Bank Mandiri, beliau melanjutkan karirnya sebagai Direktur Manajemen Risiko dan *Chief Risk Officer* untuk PT Bank OCBC NISP Tbk (2011-2014) dan sebagai dosen di Universitas Katolik Parahyangan (2014-2015). Saat ini beliau menjabat sebagai Direktur *Marketing* yang membawahi Departemen *Consumer Banking, SME Banking, Global Markets and Financial Institution*, dan juga Jaringan Kantor Cabang.

(Global Investment Risk Management Program, 2011), Stanford University (Leading Change and Organizational Renewal, 2010), Wharton Business School (Investment Strategies and Portfolio Management, 2009), and Kellogg School of Management (Corporate Financial Strategies for Value Shareholders, 2008). He also attended the risk management refreshment program by London Financial Studies (2014) and BARa and LSPP in Frankfurt (2012).

Career

He began his career at PT Bank Bali Tbk, start in 1987 until he continued his Postgraduate studies in 1993. Subsequently, he was assigned in Los Angeles as First Vice President and General Manager of the Bank Bali Overseas Branch Office (1997-2002) and was involved in the integration of Bank Bali and 4 other banks into PT Bank Permata Tbk, which later he joined as General Manager of the Risk Management Group until May 2006. During the next 5 years, he continued his career at PT Bank Mandiri (Persero) Tbk as the Director oversees Treasury & Financial Institution and Special Asset Management, where during his career at Bank Mandiri he was rewarded with various awards given by Asian Banker (2011), Ministry of Finance (2010), Asia Money (2010, 2006), and Finance Asia (2007). After Bank Mandiri, he continued his career as Director of Risk Management and Chief Risk Officer for PT Bank OCBC NISP Tbk. (2011-2014) and as a lecturer at Parahyangan Catholic University (2014-2015). He currently serves as Marketing Director in charge for the department of Consumer Banking, SME Banking, Global Markets and Financial Institution, and Branch Networks.

SANDY TJIPTA MULIANA
Direktur
Director
Warga Negara Indonesia | Indonesian Citizen
Usia 54 tahun | 54 years old

Jabatan & Dasar Penunjukan

Bapak Sandy T. Muliana diangkat menjadi Direktur sejak November 2009 berdasarkan Akta Pernyataan Keputusan Pemegang Saham PT Bank ICBC Indonesia No. 35 pada 24 November 2009.

Pendidikan

Beliau lulus dari Universitas Katolik Atma Jaya Jakarta pada tahun 1988 dengan gelar Sarjana Ekonomi jurusan Manajemen.

Pelatihan

Di tahun 2018 beliau berpartisipasi dalam Kuliah Umum Perbankan Digital yang diselenggarakan oleh Otoritas Jasa Keuangan, Lokakarya Direktur Kepatuhan oleh Forum Komunikasi Direktur Kepatuhan Perbankan, Seminar *Service Value at Work*, Pelatihan *Intensive Years of Solidification in Internal Control Compliance in 2018* oleh Hangzhou Institute of Financial Managers, Seminar *Anti Money Laundering/ Countering the Financing of Terrorism* yang diselenggarakan oleh Pusat Pelaporan dan Analisa Transaksi Keuangan, Seminar *Managing Operational Risk in Digital Era, Pre Team Improvement Workshop:* PPATK & Indonesia Fintech Association, Pelatihan Tantangan Utama Manajemen Risiko di tahun 2018: Kualitas Kredit, Manajemen Portfolio Kredit Aktif, *Stress Testing*, dan *Credit Scoring* yang diselenggarakan oleh BARa, Implementasi *Prudential Banking* dalam Menghadapi Tantangan Ekonomi Global. Pada 2017 beliau berpartisipasi dalam *Executive Program* Michigan

Position & Appointment

Mr. Sandy T. Muliana was appointed as Director since November 2009 based on Deeds of Decision of the Limited Liability Company Shareholders of PT Bank ICBC Indonesia No. 35 on November 24, 2009.

Education

He graduated from Atma Jaya Catholic University Jakarta in 1988 with a Bachelor of Economics majoring in Management.

Training

In 2018 he participated in the Public Digital Banking Lecture held by the Financial Services Authority, Compliance Director Workshop by the Banking Compliance Director Communication Forum, Service Value at Work Seminar, Intensive Years of Solidification in Internal Control Compliance Training in 2018 by Hangzhou Institute of Financial Managers, Anti Money Laundering/ Countering the Financing of Terrorism Seminar organized by the Financial Transaction Reports and Analysis Center, Managing Operational Risk in Digital Era, Pre Team Improvement Workshop: PPATK & Fintech Association, Risk Management Main Challenge Training in 2018: Credit Quality, Active Credit Portfolio Management, Stress Testing, and Credit Scoring organized by BARa, Implementation of Prudential Banking in Facing Global Economic Challenges. In 2017 he participated in the Executive Program of Michigan University, USA. His other training and seminars included

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 telah memiliki sertifikasi *Compliance Manager – Executive Level* sejak tahun 2012.

Perjalanan Karir

Beliau memulai karir pada 1989 di PT Bank Arta Prima sebagai *Account Officer*, dan kemudian dipromosikan sebagai Manajer Cabang Pembantu, Manajer Cabang, Manajer *Corporate Banking*, dan pada tahun 1995 beliau dipercaya sebagai *Credit and Marketing General Manager* yang bertanggung jawab atas Departemen *Corporate Banking, Financial Institution & Syndication Banking, Consumer Banking* dan *Credit Support and Review*. Karir beliau berlanjut di Bank Artamedia, sebagai *Business Development General Manager*, Kepala Audit Internal, dengan jabatan terakhir sebagai Direktur Kepatuhan. Di tahun 2002 beliau terlibat di dalam proses *merger* Bank Artamedia menjadi Bank Permata. Karir beliau semakin berkembang di Bank Permata dengan menduduki jabatan sebagai *Head of Corporate Compliance* kemudian sebagai Sekretaris Perusahaan, selama periode tersebut, beliau menangani Risiko Kepatuhan, AML dan GCG, serta bertindak sebagai juru bicara Bank. Saat ini beliau menjabat sebagai Direktur Kepatuhan dan Manajemen Risiko yang membawahi Departemen Kepatuhan, *Anti Money Laundering/ Countering the Financing of Terrorism*, dan Satuan Kerja (Departemen) Manajemen Risiko.

the Making Corporate Board More Effective organized by Harvard Business School held in Boston, USA (2014), Increase Profits and Lower Risks Through Avoidance of Corruption organized by the Indonesia International Chamber of Commerce in Jakarta (2015), The Leadership and HR Forum of APAC by Orchid Associates (2016), International Congress on Assessment Center Methods organized by Daya Dimensi Indonesia (2016), and the Executive Program held in New York, USA (2016). He has had a Compliance Manager - Executive Level certification since 2012.

Career

He began his career in 1989 at PT Bank Arta Prima as an Account Officer, and then was promoted as a Sub-Branch Manager, Branch Manager, Corporate Banking Manager, and in 1995 he was trusted as a Credit and Marketing General Manager in charge of the Corporate Banking Department, Financial Institution & Syndication Banking, Consumer Banking and Credit Support and Review. His career continued at Bank Artamedia, as a Business Development General Manager, Head of Internal Audit, with his last position as Compliance Director. In 2002 he was involved in the merger of Bank Artamedia to become Bank Permata. His career increasingly developed at Bank Permata by holding the position of Head of Corporate Compliance then as Corporate Secretary, during this period, he handled Compliance Risk, AML and GCG, and acted as a Bank spokesperson. He currently serves as the Director of Compliance and Risk Management in charge of the Compliance Department, Anti Money Laundering/ Countering the Financing of Terrorism, and the Risk Management Unit (Department).

FRANSISCA NELWAN MOK

Direktur
Director

Warga Negara Indonesia | Indonesian Citizen
Usia 62 tahun | 62 years old

Jabatan & Dasar Penunjukan

Ibu Fransisca Nelwan Mok diangkat menjadi Direktur sejak 13 April 2017 berdasarkan Akta 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 2018 beliau menghadiri Seminar *Service Value at Work*, Pelatihan *Cyber Risk Management and Financial Crime in Banking Industry*: *Get to know more and prepare for these emerging risk* dari BARa Risk Forum, dan Seminar *Corporate Governance Forum*. Di tahun 2017, beliau berpartisipasi dalam Seminar *Strategic Leadership* dan *Good Corporate Governance* oleh Diaspora Saraswati Gemilang. 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

Position & Appointment

Ms. Fransisca Nelwan Mok was appointed as Director since April 13, 2017 based on the Deeds of Decision of the Limited Liability Company Shareholders of PT Bank ICBC Indonesia No. 71 on April 13, 2017.

Education

She earned a Post-graduate degree from Labora College of Management, Jakarta in 2002 and a Bachelor's degree in Animal Husbandry from Padjajaran University Bandung in 1981.

Training

In 2018 he attended a Service Value at Work Seminar, Cyber Risk Management and Financial Crime Training in Banking Industry: Get to know more and prepare for these emerging risks from BARa Risk Forum, and Seminar on Corporate Governance Forum. In 2017, she participated in the Strategic Leadership and Good Corporate Governance Seminar by the Diaspora Saraswati Gemilang. She also attended training including High Performance Leadership by the University of Chicago Booth School of Business, USA (2008), Risk Management in Banking by INSEAD, France (2009), Strategies for Leadership - Empowering Women Executives by IMD, Laussane, Switzerland (2011) , Indonesia Corporate Day in London by Mandiri Sekuritas (2012), Executive Training: Pulling in the Same Direction by CELEMI Decision Base (2012), Driving Corporate Performance by Harvard Business School, Boston, USA

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 I*ndonesia Infrastructure Week* (2014). Beliau pernah 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

Karir beliau di dunia perbankan diawali dari tahun 1983 di Bank Bumi Daya, dengan berbagai tanggung jawab yang pernah beliau jalani seperti di bidang administrasi dokumen perkreditan, pengelolaan kredit bermasalah, dan akuisisi kredit. Setelah Bank Bumi Daya *merger* menjadi Bank Mandiri, karir beliau semakin berkembang dengan menduduki berbagai posisi penting seperti Kepala Wilayah, *Group Head Jakarta Commercial Sales Group*, dan Direktur *Corporate Banking*. Selain itu beliau juga pernah menjabat sebagai Direktur Supervisi pada Dana Pensiun Lembaga Keuangan (DPLK) – Bank Mandiri, PT Asuransi Jiwa Inhealth Indonesia, Ketua Pengawas Dana Pensiun Bank Mandiri, dan Komisaris pada PT Mandiri Sekuritas. Saat ini beliau menjabat sebagai Direktur Sumber Daya Manusia dan Legal yang membawahi Departemen Sumber Daya Manusia, Legal, *Special Asset Management*, dan *General Affairs*.

(2012), The Women's Leadership Program by Darden Business School, USA (2013), Creative Encounters to Inspire Leaders by London Business School, England (2014), and participating in the Regional Governments Conference 2013 and Indonesia Infrastructure Week (2014). She has participated in the Intensive Wealth and Risk Management Refreshment Program held by the Gadjah Mada University Master of Management Program, in collaboration with the Indonesian Bankers Association and the Rotterdam School of Management, Erasmus University (2014).

Career

Her career in the banking industry began in 1983 at Bank Bumi Daya, with various responsibilities she had lived in such as in the field of credit document administration, management of non performing loan, and acquisition of credit. After Bank Bumi Daya merged to become Bank Mandiri, her career continued to grow by occupying various important positions such as Region Head, Group Head of Jakarta Commercial Sales Group, and Director of Corporate Banking. In addition, she also served as Supervision Director for the Financial Institution Pension Fund (DPLK) - Bank Mandiri, PT. Inhealth Indonesia Life Insurance, Chairman of Bank Mandiri Pension Fund Supervisor, and Commissioner at PT. Mandiri Sekuritas. She currently serves as the Director of Human Resources and Legal who oversees the Department of Human Resources, Legal, Special Asset Management, and General Affairs.

PROFIL PEJABAT EKSEKUTIF & PIMPINAN JARINGAN CABANG

Executive Officer & Branch Managers Profiles

PEJABAT EKSEKUTIF | EXECUTIVE OFFICER

ADI PERMANA

Kepala Departemen *Loan Operation*
Head of Loan Operation Department

WNI. 46 tahun. Sarjana di bidang Sains jurusan Matematika dari Universitas Sriwijaya, Palembang, Sumatera Selatan (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 007/KPTS.DIR/ICBC.IND/2018 pada tanggal 20 April 2018.

An Indonesian Citizen. 46 years old. Bachelor Degree in Mathematics Science from Sriwijaya University, Palembang, South Sumatra (1996). Appointed based on the Board of Directors' Decree No. 007/KPTS.DIR/ICBC.IND/2018 dated April 20, 2018.

AGUSTINUS TRI HARDJANTO

Kepala Departemen *SME Banking*
Head of SME Banking

WNI. 47 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. 009/KPTS.DIR/ICBC.IND/2018 pada tanggal 20 April 2018.

An Indonesian Citizen. 47 years old. Bachelor degree in Management from Gadjah Mada University (1994) and Master degree in Management from Gadjah Mada University, Yogyakarta (2005). Appointed by the Board of Directors' Decree No. 009/KPTS.DIR/ICBC.IND/2018 dated April 20, 2018.

ALUISIUS TRIYONO

Kepala Departemen *Management Information & Accounting*
Head of Management Information & Accounting Department

WNI. 47 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. 016/KPTS.DIR/ICBC.IND/2018 pada tanggal 1 Juli 2018.

An Indonesian Citizen. 47 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 the Board of Directors Decree' No. 016/KPTS.DIR/ICBC.IND/2018 dated July 1, 2018.

Profil Pejabat Eksekutif & Pimpinan Jaringan Cabang
Executive Officer & Branch Managers Profiles

ANDREAS NIRMALA KUMUDA

Wakil Kepala Departemen *General Affair*
Deputy Head of General Affairs Department

WNI. 37 tahun. Sarjana di bidang *Computer Science* dan ekonomi manajemen dari Universitas Bina Nusantara, Jakarta (2005). Diangkat berdasarkan Surat Keputusan Direksi No. 012/KPTS.DIR/ICBC.IND/2018 pada tanggal 20 April 2018.

An Indonesian Citizen. 37 years old. Bachelor Degree in Computer Science and Economics Management from Bina Nusantara University, Jakarta (2005). Appointed based on the Board of Directors' Decree No. 012/KPTS.DIR/ICBC.IND/2018 dated April 20, 2018.

ANDRIS TENDA

Kepala Departemen *Financial Management*
Head of Financial Management Department

WNI. 38 tahun. Sarjana di bidang *Computerized Accounting* dari Universitas Bina Nusantara, Jakarta (2000). Diangkat berdasarkan Surat Keputusan Direksi No. 015/KPTS.DIR/ICBC.IND/2018 pada tanggal 1 Juli 2018.

An Indonesian Citizen. 38 years old. Bachelor Degree in Computerized Accounting from Bina Nusantara University, Jakarta (2000). Appointed based on the Board of Directors' Decree No. 015/KPTS.DIR/ICBC.IND/2018 dated July 1, 2018.

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. 34 tahun. Sarjana Ekonomi jurusan Akuntansi dari Universitas Widyatama, Bandung. Diangkat berdasarkan Surat Keputusan Direksi No.017/KPTS.DIR/ICBC.IND/2017 pada tanggal 11 Juli 2017.

An Indonesian Citizen. 34 years old. Bachelor of Economics majoring in Accounting from Widyatama University, Bandung. Appointed based on the Board of Directors' Decree No. 017/KPTS.DIR/ICBC.IND/2017dated July 11, 2017.

Profil Pejabat Eksekutif & Pimpinan Jaringan Cabang
Executive Officer & Branch Managers Profiles

DINI SUPRIHATINI

Kepala Departemen *Risk Management*
Head of Risk Management Department

WNI. 47 tahun. Sarjana di bidang Agribisnis dari Institut Pertanian Bogor (1995). Diangkat berdasarkan Surat Keputusan Direksi No. 039/KPTS.DIR/ICBC.IND/2012 pada tanggal 17 Desember 2012.

An Indonesian Citizen. 47 years old. Bachelor degree in Agribusiness from Bogor Institute of Agriculture (1995). Appointed based on the Board of Directors' Decree 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 54 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/2017 pada tanggal 10 Januari 2017.

An Indonesian Citizen. 54 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 the Board of Directors' Decree No. 002/KPTS.DIR/ICBC.IND/ 2017 dated January 10, 2017.

GOENAWAN SURIP

Kepala Departemen *Special Asset Management*
Head of Special Asset Management Department

WNI. 48 tahun. Sarjana di bidang Manajemen dari *Monash University, Australia* (1993) dan gelar Magister di bidang Management Bisnis dari Manila University, (1998). Diangkat berdasarkan Surat Keputusan Direksi No. 022/KPTS.DIR/ICBC.IND/2018 pada tanggal 1 Agustus 2018.

An Indonesian Citizen. 48 years old. Bachelor in Management from Monash University, Australia (1993) and Master degree in Business Administration, Manila University, (1998). Appointed based on the Board of Directors DecisionLetter No. 022/KPTS.DIR/ICBC.IND/2018 dated August 1, 2018.

HAO JIANYANG

Kepala Departemen *Trade Finance*
Head of Trade Finance Department

Warga Negara Tiongkok. 35 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 tanggal 18 November 2016.

A Chinese Citizen. 35 years old. Bachelor of Statistics from Tianjin University, China (2006) and Master degree in Statistics from Tianjin University, China (2009). Appointed based on the Board of Directors' Decree No. 108/KPTS.DIR/ICBC.IND/2016 dated November 18, 2016.

HARTINI SUKENDRO

Wakil Kepala Departemen *Great China & Corporate Banking* I
Deputy Head of Great China &Corporate Banking Department I

WNI. 50 tahun. Sarjana di bidang Administrasi Bisnis dari The Ohio State University Columbus USA (1991). Diangkat berdasarkan Surat Keputusan Direksi No. 014/KPTS.DIR/ICBC.IND/2018 pada tanggal 20 April 2018.

An Indonesian Citizen. 50 years old. Bachelor in Business Administration from The Ohio State University Columbus USA (1991). Appointed based on the Board of Directors' Decree No. 014/KPTS.DIR/ICBC.IND/2018 dated April 20, 2018.

HEINCE BUDINA KOMATSU

Kepala Departemen *Credit Review*
Head of Credit Review Department

WNI. 44 tahun. Sarjana Manajemen, Universitas Trisakti, Jakarta (1997) dan gelar Magister di bidang Hukum dari Universitas Jayabaya, Jakarta (2015). Diangkat berdasarkan Surat Keputusan Direksi No. 017/KPTS.DIR/ICBC.IND/2018 pada tanggal 1 Juli 2018.

An Indonesian Citizen. 44 years old. Bachelor of Management, Trisakti University, Jakarta (1997) and Master degree in Law from Jayabaya University, Jakarta (2015). Appointed based on the Board of Directors Decree No. 017/KPTS.DIR/ICBC.IND/2018 dated July 1, 2018.

I GDE WIYADNYA

Kepala Departemen *Internal Audit*
Head of Internal Audit Department

WNI. Usia 46 tahun. *Master of Science in Management Studies*, Universitas Indonesia, Jakarta (2004). Diangkat berdasarkan Surat Keputusan Direksi No. 026/KPTS.DIR/ICBC.IND/2018 pada tanggal 5 November 2018.

An Indonesian Citizen. 46 years old. Master of Science in Management Studies, University of Indonesia, Jakarta (2004). Appointed based on the Board of Directors Decree No. 026/KPTS.DIR/ICBC.IND/2018 dated November 5, 2018.

JOHAN CANDRA

Kepala *Strategy Management & Investor Relation*
Head of Strategy Management & Investor Relations

WNI. 40 tahun. Sarjana Ekonomi & Komputer dari Universitas Bina Nusantara, Jakarta (2004). Diangkat berdasarkan Surat Keputusan Direksi No 011/KPTS.DIR/ICBC.IND/2018 pada tanggal 20 April 2018.

An Indonesian Citizen. 40 years old. Bachelor of Economics & Computer from Bina Nusantara University, Jakarta (2004). Appointed based on the Board of Directors' Decree No. 011/KPTS.DIR/ICBC.IND/2018 dated April 20, 2018.

Profil Pejabat Eksekutif & Pimpinan Jaringan Cabang
Executive Officer & Branch Managers Profiles

JOSEPHINE REGINA DAMERIA SAMBAJON

Kepala Departemen Sumber Daya Manusia
Head of Human Resource Department

WNI. 47 tahun. Sarjana Ekonomi jurusan Akuntansi dari Universitas Gadjah Mada, Yogyakarta (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 005/KPTS.DIR/ICBC.IND/2017 pada tanggal 3 April 2017.

An Indonesian Citizen. 47 years old. Bachelor of Economics majoring in Accounting from Gadjah Mada University, Yogyakarta (1996). Appointed based on Board of Directors' Decree No. 005/KPTS.DIR/ICBC.IND/2017 dated April 3, 2017.

KIE MING DJING

Kepala Departemen Teknologi Informasi
Head of Information TechnologyDepartment

WNI. 51 tahun. Sarjana di bidang B*usiness Computing* dari Chisholm Institute of Technology Melbourne, Australia (1992). Diangkat berdasarkan Surat Keputusan Direksi No. 006/KPTS.DIR/ICBC.IND/2017 pada tanggal 10 April 2017.

An Indonesian Citizen. 51 years old. Bachelor in Business Computing from Chisholm Institute of Technology Melbourne, Australia (1992). Appointed based on the Board of Directors' Decree No. 006/ KPTS.DIR/ICBC.IND/2017 dated April 10, 2017.

LIM FRANKY HALIM

Kepala Departemen *Corporate Banking* Surabaya
Head of Corporate Banking Surabaya

WNI. 37 tahun. Sarjana di bidang Administrasi Bisnis dari Simon Fraser University, Kanada (2003). Diangkat berdasarkan Surat Keputusan Direksi No. 013/KPTS.DIR/ICBC.IND/2018 pada tanggal 20 April 2018.

An Indonesian Citizen. 37 years old. Bachelor in Business Administration from Simon Fraser University, Canada (2003). Appointed based on Board of Directors' Decree No. 013/KPTS.DIR/ICBC.IND/2018 dated April 20, 2018.

LISA SURYA

Kepala Departemen *Credit Management*
Head of Credit Management Department

WNI. 48 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. 008/KPTS.DIR/ICBC.IND/2018 pada tanggal 20 April 2018.

An Indonesian Citizen. 48 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 the Board of Directors' Decree No. 008/KPTS.DIR/ICBC.IND/2018 dated April 20, 2018.

LUO ZHIYI

Kepala Departemen *Global Market*
Head of Global Market Department

Warga Negara Tiongkok. 38 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. 029/KPTS.DIR/ICBC.IND/2018 pada tanggal 11 Desember 2018.

An Chinese Citizen. 38 years old. Bachelor of Economics Renmin University China (2003) and Master in Economics from Durham University, UK (2006). Appointed based on Board of Directors Decision Letter No. 029/KPTS.DIR/ICBC.IND/2018 dated December 11, 2018.

RECKY OCTOSARUS ZACHAWERUS

Asisten Kepala & Pejabat Pelaksana Departemen *Bills Centre*
Assistant Head & PIC of Bills Center Department

WNI. 54 tahun. Sarjana di bidang Manajemen dari Universitas Katolik Parahyangan, Bandung (1990). Diangkat berdasarkan Surat Keputusan Direksi No. 079/KPTS.DIR/ICBC.IND/2015 pada tanggal 28 Oktober 2015.

An Indonesian Citizen. 54 years old. Bachelor degree in Management from Catholic University of Parahyangan, Bandung (1990). Appointed based on the Board of Directors' Decree No. 079/KPTS.DIR/ICBC.IND/2015 dated October 28, 2015.

STEVEEN JOHANES

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

WNI. 46 tahun. Magister di bidang Manajemen, Universitas Indonesia, Jakarta (1995). Diangkat berdasarkan Surat Keputusan Direksi No. 046/KPTS.DIR/ICBC.IND/2014 pada tanggal 15 Desember 2014.

An Indonesian Citizen. 46 years old. Master in Management from University of Indonesia, Jakarta (1995). Appointed based on the Board of Directors' Decree No. 046/KPTS.DIR/ICBC.IND/2014 dated December 15, 2014.

SURYA KARYA LAKSANA

Kepala Departemen Legal
Head of Legal Department

WNI. 47 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 tanggal 15 September 2017.

An Indonesian Citizen. 47 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' Decree No. 019/KPTS.DIR/ICBC.IND/2017 dated September 15, 2017.

Profil Pejabat Eksekutif & Pimpinan Jaringan Cabang
Executive Officer & Branch Managers Profiles

TIGOR PARULIAN O

Pejabat Pelaksana Departemen Kepatuhan
Person in Charge of Compliance Department

WNI. 48 tahun. Sarjana Teknik Metalurgi dari Universitas Indonesia (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 016/KPTS.DIR/ICBC.IND/2017 pada tanggal 11 Juli 2017.

An Indonesian Citizen. 48 years old. Bachelor of Metallurgical Engineering from University of Indonesia (1996). Appointed based on the Board of Directors' Decree No. 016/KPTS.DIR/ICBC.IND/2017 dated July 11, 2017.

PIMPINAN KOORDINATOR CABANG | BRANCH COORDINATOR MANAGER

HENRY KARTONO

Koordinator Cabang Surabaya & Representatif Kantor Wilayah
Surabaya Branch Coordinator & Regional Office Representative

WNI. 46 tahun. Sarjana Teknologi Industri dari Institut Teknologi Nasional, Bandung (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 021/KPTS.DIR/ICBC.IND/2018 pada tanggal 1 Agustus 2018.

An Indonesian Citizen. 46 years old. Bachelor degree in Industrial Technology from Institut Teknologi Nasional, Bandung (1996). Appointed based on the Board of Directors' Decree No. 021/KPTS.DIR/ICBC.IND/2018 dated August 1, 2018.

PIMPINAN CABANG | BRANCH MANAGER

ANDY LEONARD PETTA

Pimpinan Cabang Beverly Surabaya
Beverly Surabaya Branch Manager

WNI. 50 tahun. Sarjana Hukum dari Universitas Merdeka, Malang (1999). Diangkat berdasarkan Surat Keputusan Direksi No. 075/KPTS.DIR/ICBC.IND/2015 pada tanggal 22 September 2015.

An Indonesian Citizen. 50 years old. Bachelor degree in Law from Merdeka University, Malang (1999). Appointed based on the Board of Directors' Decree No. 075/KPTS.DIR/ICBC.IND/2015 dated September 22, 2015.

DARWIS HERMAN

Pimpinan Cabang Makassar
Makassar Branch Manager

WNI. 45 tahun. Sarjana di bidang Manajemen dari Universitas Atma Jaya, Jakarta (1995). Diangkat berdasarkan Surat Keputusan Direksi No. 074/KPTS.DIR/ICBC.IND/2015 pada 8 September 2015.

An Indonesian Citizen. 45 years old. Bachelor degree in Managementfrom Atma Jaya University, Jakarta (1995). Appointed based on the Board of Directors Decree No. 074/KPTS.DIR/ICBC.IND/2015 datedSeptember 8, 2015.

ERNIE SEPVIA

Pimpinan Cabang Pembantu Mangga Dua
Mangga Dua Sub-Branch Manager

WNI. 38 tahun. Sarjana Ekonomi dari Universitas Tarumanagara, Jakarta (2005). Diangkat berdasarkan Surat Keputusan Direksi No. 013/KPTS.DIR/ICBC.IND/2017 pada tanggal 3 Juli 2017.

An Indonesian Citizen. 38 years old. Bachelor degree in Economy from Tarumanegara University, Jakarta (2005). Appointed based on the Board of Directors' Decree No. 013/KPTS.DIR/ICBC.IND/2017 dated July 3, 2017.

FEBRIAN PUTRA FAJAR SATRIO

Pimpinan Cabang Kelapa Gading
Kelapa Gading Branch Manager

WNI. 39 tahun. Sarjana Ekonomi Manajemen dari Universitas Trisakti, Jakarta (2001). Diangkat berdasarkan Surat Keputusan Direksi No. 104/KPTS.DIR/ICBC.IND/2016 pada tanggal 1 November 2016.

An Indonesian Citizen. 39 years old. Bachelor degree in Economic Management from Trisakti University, Jakarta (2001). Appointed based on the Board of Directors' Decree No. 104/KPTS.DIR/ICBC.IND/2016 dated November 1, 2016.

FELLY FRANSISCA MARIA

Pimpinan Cabang Pembantu Gandaria City
Gandaria Sub-Branch Manager

WNI. 36 tahun. Sarjana Teknik Industri dari Universitas Bina Nusantara (2004). Diangkat berdasarkan Surat Keputusan Direksi No. 014/KPTS.DIR/ICBC.IND/2017 pada tanggal 3 Juli 2017.

An Indonesian Citizen. 36 years old. Bachelor degree in Industrial Engineering from Bina Nusantara University (2004). Appointed based on the Board of Directors' Decree No. 014/KPTS.DIR/ICBC.IND/2017 dated 3 July 2017.

Profil Pejabat Eksekutif & Pimpinan Jaringan Cabang
Executive Officer & Branch Managers Profiles

HAPPY KUNARLI

Pimpinan Cabang Pluit
Pluit Branch Manager

WNI. 50 tahun. Sarjana di bidang Manajemen dari Universitas Trisakti, Jakarta (1992). Diangkat berdasarkan Surat Keputusan Direksi No. 022B/KPTS.DIR/ICBC.IND/2018 pada tanggal 1 Agustus 2018.

An Indonesian Citizen. 50 years old. Bachelor degree in Management from Trisakti University, Jakarta (1992). Appointed based on the Board of Directors' Decree No. 022B/KPTS.DIR/ICBC.IND/2018 dated August 1, 2018.

HERNANY HARTONO

Pimpinan Cabang Medan
Medan Branch Manager

WNI. 43 tahun. Sarjana Akuntansi dari Universitas Methodist Indonesia, Medan (1998). Diangkat berdasarkan Surat Keputusan Direksi No.086/KPTS.DIR/ICBC.IND/2015 pada tanggal 11 Januari 2016.

An Indonesian Citizen. 43 years old. Bachelor degree in Accounting from Methodist Indonesia University, Medan (1998). Appointed based on the Board of Directors' Decree No. 086/KPTS.DIR/ICBC.IND/2015 dated January 11, 2016.

JANE ATALIE BERNADETTE

Pimpinan Cabang Gajah Mada
Gajah Mada Branch Manager

WNI. 44 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 tanggal 22 Mei 2014.

An Indonesian Citizen. 44 years old. Bachelor degree in Economic majoring in Business Study Administration from Tarumanegara University, Jakarta (1996). Appointed based on the Board of Directors' Decree No. 039/KPTS.DIR/ICBC.IND/2014 dated May 22, 2014.

KARUNIAWATI

Pimpinan Kantor Kas Pasar Atom
Pasar Atom Cash Office Manager

WNI. 51 tahun. Sarjana di bidang Manajemen dari Universitas Narotama (1998). Diangkat berdasarkan Surat Keputusan Direksi No. 015/KPTS.DIR/ICBC.IND/2009 pada tanggal 3 Agustus 2009

An Indonesian Citizen. 51 years old. Bachelor degree in Management from Narotama University (1998). Appointed based on the Board of Directors' Decree No. 015/KPTS.DIR/ICBC.IND/2009 dated August 3, 2009.

LILY GOZAL

Pimpinan Cabang TCT
TCT Branch Manager

WNI. 53 tahun. Sarjana Ilmu Kedokteran Gigi dari Universitas Trisakti, Jakarta (1991) dan gelar Magister di bidang Manajemen dari Sekolah Tinggi Manajemen PPM, Jakarta (1998). Diangkat berdasarkan Surat Keputusan Direksi No. 022A/KPTS.DIR/ICBC.IND/2018 pada tanggal 1 Agustus 2018.

An Indonesian Citizen. 53 years old. Bachelor degree in Dentistry from Trisakti University, Jakarta (1991) and Master degree in Management from PPM School of Management, Jakarta (1998). Appointed based on the Board of Directors' Decree No. 022A/KPTS.DIR/ICBC.IND/2018 dated August 1, 2018.

MERI

Pimpinan Cabang Batam
Batam Branch Manager

WNI. 48 tahun. Lulus dari Sekolah Menengah Ekonomi Atas, Batam (1989). Diangkat berdasarkan Surat Keputusan Direksi No. 021/KPTS.DIR/ICBC.IND/2012 pada tanggal 1 Maret 2012.

An Indonesian Citizen. 48 years old. Graduated from Senior Vocational School of Economics, Batam (1989). Appointed based on the Board of Directors' Decree No. 021/KPTS.DIR/ICBC.IND/2012 dated March 1, 2012.

NANCY JULIA

Pimpinan Cabang Baliwerti
Baliwerti Branch Manager

WNI. 48 tahun. Sarjana Akuntansi dari Universitas Katolik Widya Mandala, Surabaya (1993). Diangkat berdasarkan Surat Keputusan Direksi No. 076/KPTS.DIR/ICBC.IND/2015 pada tanggal 1 September 2015.

An Indonesian Citizen. 48 years old. Bachelor degree in Accounting from Katolik Widya Mandala University, Surabaya (1993). Appointed based on the Board of Directors' Decree No. 076/KPTS.DIR/ICBC.IND/2015 dated September 1, 2015.

RATNA HARTATY CHAINUR

Pimpinan Cabang Balikpapan
Balikpapan Branch Manager

WNI. 45 tahun. Sarjana Teknik Kimia dari Universitas Pembangunan Nasional "Veteran", Yogyakarta (1997). Diangkat berdasarkan SuratKeputusan Direksi No. 093/KPTS.DIR/ICBC.IND/2016 pada tanggal 18 Mei 2016.

An Indonesian Citizen. 45 years old. Bachelor degree in Chemical Engineering from Pembangunan Nasional "Veteran" University, Yogyakarta (1997). Appointed based on the Board of Directors' Decree No. 093/KPTS.DIR/ICBC.IND/2016 dated May 18, 2016.

Profil Pejabat Eksekutif & Pimpinan Jaringan Cabang
Executive Officer & Branch Managers Profiles

RINI MARITA

Pimpinan Cabang Pembantu CITO
CITO Sub-Branch Manager

WNI. 50 tahun. Sarjana di bidang Keuangan dan Perbankan dari Monash University (1992). Diangkat berdasarkan Surat Keputusan Direksi No.018/KPTS.DIR/ICBC.IND/2012 pada tanggal 3 April 2012.

An Indonesian Citizen. 50 years old. Bachelor degree in Finance and Banking from Monash University (1992). Appointed based on the Board of Directors' Decree No. 018/KPTS.DIR/ICBC.IND/2012 dated April 3, 2012.

ROSMERY THOMAS

Pimpinan Cabang Mega Kuningan
Mega Kuningan Branch Manager

WNI. 40 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 tanggal 15 Mei 2017.

An Indonesian Citizen. 40 years old. Bachelor degree in Financial Management and Banking from Perbanas Institute (2014). Appointed based on the Board of Directors' Decree No. 007/KPTS.DIR/ICBC.IND/2017 dated May 15, 2017.

SURYA DJUWITA

Pimpinan Cabang Surabaya - Basuki Rahmat
Surabaya - Basuki Rahmat Branch Manager

WNI. 49 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 tanggal 22 September 2015.

An Indonesian Citizen. 49 years old. Bachelor degree in Business Administration from Oregon State University, US (1990). Appointed based on the Board of Directors' Decree No. 077/KPTS.DIR/ICBC.IND/2015 dated September 22, 2015.

TJEN FIE LAN

Pimpinan Cabang Wisma Mulia
Wisma Mulia Branch Manager

WNI. 51 tahun. Sarjana Administrasi Bisnis dari Washburn University, AS (1993). Diangkat berdasarkan Surat Keputusan Direksi No. 027/KPTS.DIR/ICBC.IND/2011 pada tanggal 19 September 2011.

An Indonesian Citizen. 51 years old. Bachelor degree in Business Administration from Washburn University, US (1993). Appointed basedon Board of Directors' Decree No. 027/KPTS.DIR/ICBC.IND/2011 dated September 19, 2011.

TJONG CHRISTINA HARTONO

Pimpinan Cabang Coklat Surabaya
Coklat Surabaya Branch Manager

WNI. 47 tahun. Sarjana Teknik Industri dari Universitas Surabaya (1996). Diangkat berdasarkan Surat Keputusan Direksi No. 101/KPTS.DIR/ICBC.IND/2016 pada tanggal 25 Agustus 2016.

An Indonesian Citizen. 47 years old. Bachelor degree in Industrial Engineering from Surabaya University (1996). Appointed based on the Board of Directors' Decree No. 101/KPTS.DIR/ICBC.IND/2016 dated August 25, 2016.

YONA KRISTIANTO BUDIMAN

Pjs Pimpinan Cabang Bandung
Acting Bandung Branch Manager

WNI. 40 tahun. Sarjana Ekonomi Manajemen, Universitas Katolik Parahayangan Bandung, Bandung, Jawa Barat (2001). Diangkat berdasarkan Surat Keputusan Direksi No. 020/KPTS.DIR/ICBC.IND/2018 pada tanggal 1 Agustus 2018.

An Indonesian Citizen. 40 years old. Bachelor degree in Economics Management, Katolik Parahayangan Bandung University, Bandung, West Java (2001). Appointed based on the Board of Directors' Decree No. 020/KPTS.DIR/ICBC.IND/2018 dated August 1, 2018.

DEMOGRAFI KARYAWAN

Employee Demographics

Per 31 Desember 2018, Bank mencatat total 595 karyawan (tidak termasuk *outsourcing*), mengalami penurunan dibandingkan 649 karyawan per 31 Desember 2017.

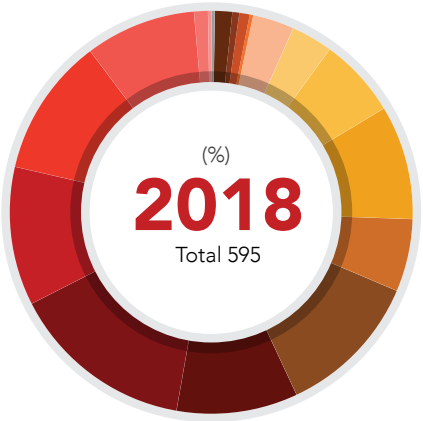
Berikut beberapa indikator demografi karyawan Bank dalam perbandingan dua tahun:

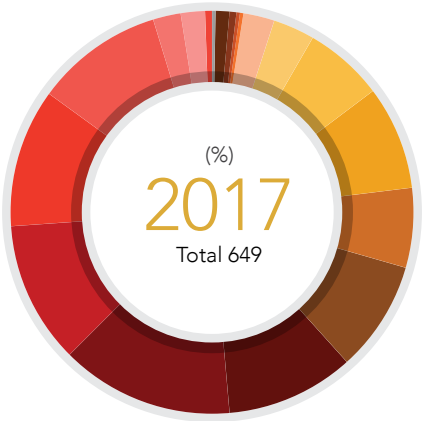
As of December 31, 2018, The Bank recorded a total of 595 employees (excluding outsourcing), a decrease from 649 employees as of December 31, 2017.

The following are several indicators on The Bank's employee demographics in two years comparison:

Jumlah Karyawan Berdasarkan *Grade*/Level Organisasi

Employee by Grade / Organization Level

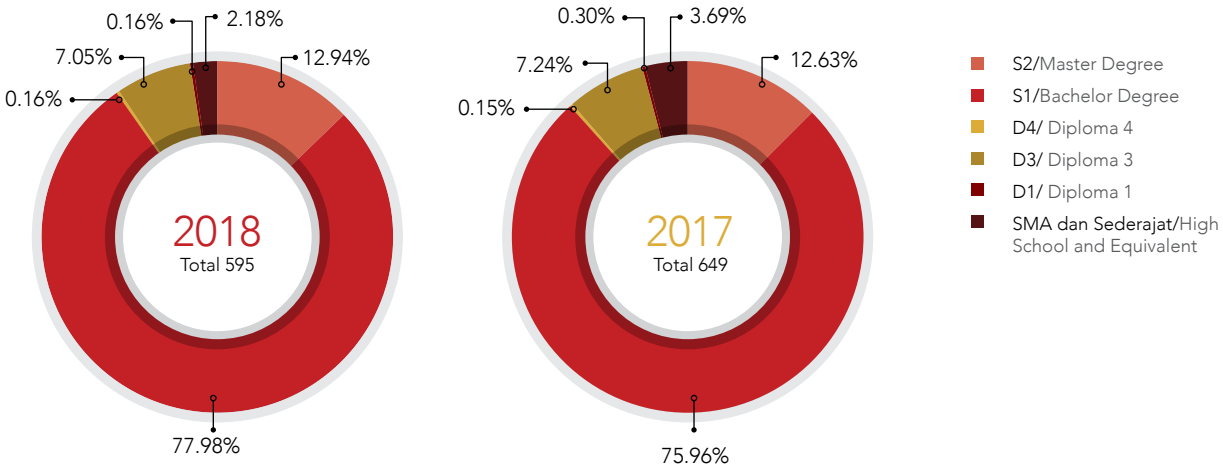




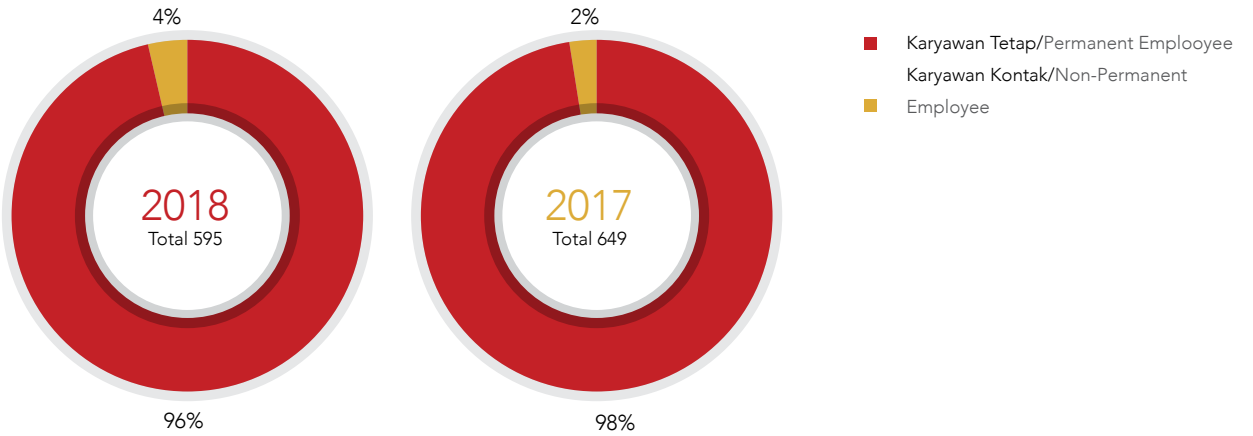
2018		2017
0.50	Komisaris/Commissioners	0.46
1.17	Direktur/Directors	1.07
0.67	Anggota Komite/Committee Members	0.46
0.84	Tenaga Kerja Asing/Expatriates	0.30
0.33	*Senior Executive Vice President*	0.46
3.19	*Executive Vice President*	2.61
3.36	*Senior Vice President*	3.38
6.55	*Vice President*	6.47
9.07	*Assistant Vice President*	8.47
5.88	*Senior Manager*	6.31
11.59	*Manager*	9.09
9.74	*Assistant Manager*	10.47
14.78	*Senior Officer*	14.17
11.09	*Officer*	11.40
10.92	*Senior Clerk*	11.40
8.90	*Intermediate Clerk*	11.42
1.17	*Clerk*	10.47
0.16	*Non Clerk*	2.31
	Lainnya/Others	0.46

Demografi Karyawan
Employee Demographics

Jumlah Karyawan Berdasarkan Tingkat Pendidikan
Employee by Education Level



Jumlah Karyawan Berdasarkan Status Kepegawaian
Employee by Employment Status



Demografi Karyawan
Employee Demographics

PENGEMBANGAN KOMPETENSI KARYAWAN

Bank memiliki komitmen untuk terus mengembangkan sumber daya manusia yang telah dimiliki selaras dengan Rencana Bisnis Bank. Pada tahun 2018 fokus program pelatihan Karyawan adalah peningkatan keterampilan teknis terkait dengan *sales*, kredit, dan teknologi informasi; peningkatan pemahaman dan kesadaran Karyawan terkait dengan tata kelola perusahaan, manajemen risiko, anti pencucian uang; serta pengembangan keterampilan kepemimpinan.

Sepanjang tahun 2018 telah diselenggarakan 198 pelatihan, baik pelatihan teknis, pelatihan *soft skill*, maupun pelatihan wajib dari Regulator. Karyawan yang telah mengikuti pelatihan telah mencapai 98,15%, sedangkan pemenuhan sertifikasi manajemen risiko telah mencapai 82,66%, dan pemenuhan sertifikasi *treasury dealer* telah mencapai 91,67%, dengan rata-rata karyawan telah mengikuti *training* sebanyak 30 jam.

EMPLOYEE COMPETENCE DEVELOPMENT

The Bank committed to continuously develop its human resources coherent with the Bank Business Plan. In 2018 the employee training programs was focused on the skills enhancement related to sales, loan and information technology; understanding and awareness on corporate governance, risk management, anti money laundering; as well as leadership skill development.

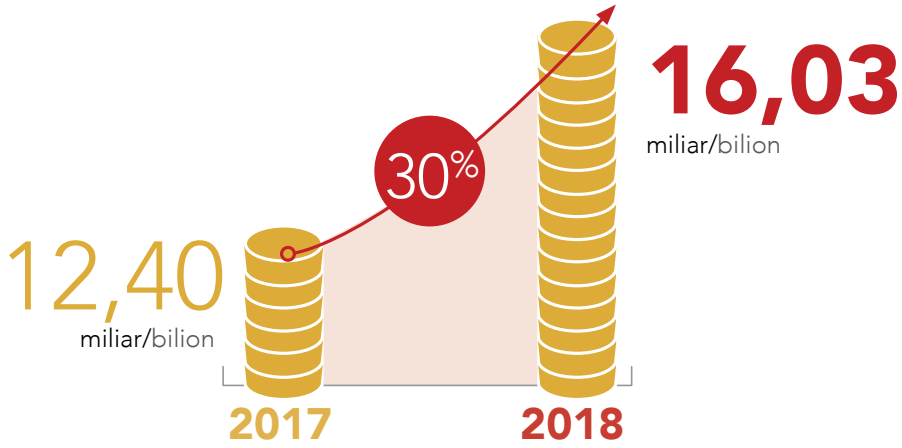
Throughout 2018, a total of 198 trainings were organized, including technical traning, soft skill, as well as mandatory training from the Regulators. 98.15% employees have participated in the trainings, 82.66% were participated in risk management certifications, and 91.67% have participated in treasury dealer certifications, with an average of 30 training hours for each employee.

Demografi Karyawan
Employee Demographics

Selama tahun 2018 Bank telah merealisasikan total biaya pelatihan sebesar Rp16,03 miliar, dengan rincian perbandingan dua tahun sebagai berikut:

Throughout 2018, The Bank has spent a total of IDR16.03 billion in training cost. The following is the detailed of 2-years comparison:

Biaya Pengembangan Kompetensi
Competency Development Cost



KOMPOSISI PEMEGANG SAHAM

Shareholders Composition

Modal Saham per 31 Desember 2018

Capital Shares as of December 31, 2018

PEMEGANG SAHAM Shareholders	JUMLAH SAHAM (LEMBAR) Number of Shares (sheets)	MODAL DITEMPATKAN DAN DISETOR PENUH (IDR-juta) Issued and Fully Paid Capital (IDR-millions)	PERSENTASE KEPEMILIKAN Ownership Percentage (%)
VNilai 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	1.032	51.600	1,39%
TOTAL	74.123	3.706.150	100,00%

Transparansi Kepemilikan Saham oleh Dewan Komisaris

Transparency of Share Ownership by the Board of Commissioners

KEPEMILIKAN SAHAM Stock Ownership	
WANG KUN Presiden Komisaris/President Commissioner	0
HENDRA WIDJOJO Komisaris Independen/Independent Commissioner	0
H. YUNNO KUSUMO Komisaris Independen/Independent Commissioner	0

Transparansi Kepemilikan Saham oleh Direksi dan Karyawan

Transparency of Share Ownership by the Board of Directors and Employees

KEPEMILIKAN SAHAM Shares Ownership	
Direksi/Directors	
ZHANG JINXING Presiden Direktur/President Director	0
YU GUANGZHU Direktur/Director	0
JEFF S.V. EMAN Direktur/Director	0
XIN HAIYAN Direktur/Director	0
THOMAS ARIFIN Direktur/Director	0
SANDY TJIPTA MULIANA Direktur/Director	0
FRANSISCA NELWAN MOK Direktur/Director	0
Karyawan/Employees	
Karyawan Bank ICBC Indonesia/Bank ICBC Indonesia Employees	0

Komposisi Pemegang Saham
Shareholders Composition

Status Pemegang Saham
Status Of Shareholders

PEMEGANG SAHAM Shareholders	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 hingga kemudian diakuisisi oleh ICBC Ltd. sebesar 90% 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 until it was acquired by ICBC Ltd. with an ownership of 90% in 2007.

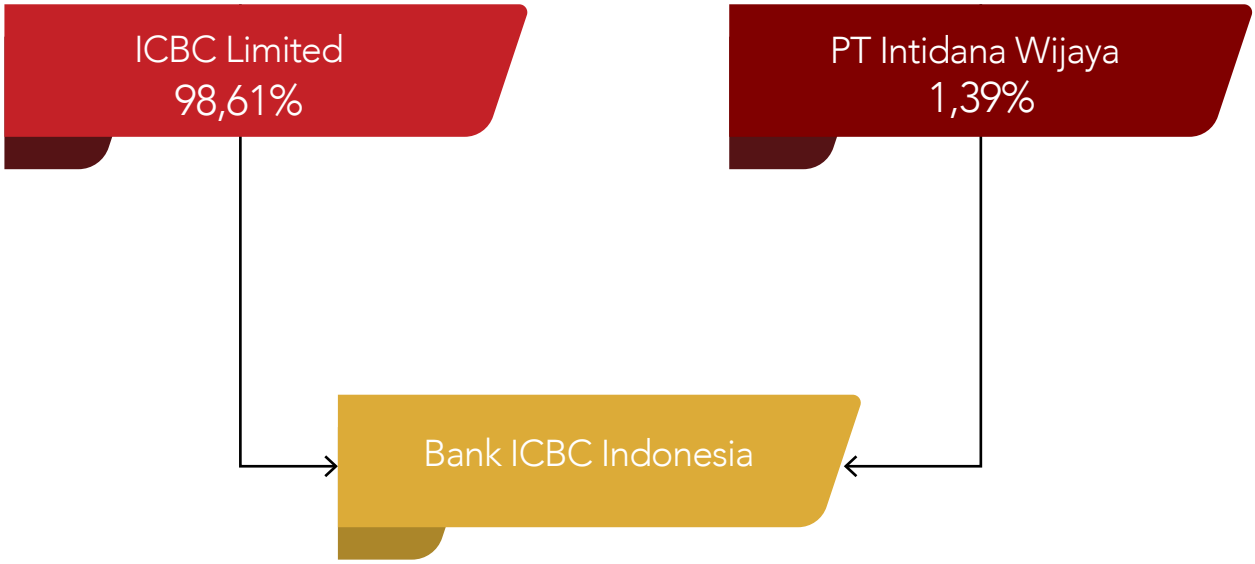
INFORMASI TENTANG ENTITAS ANAK DAN ENTITAS ASOSIASI/JOINT VENTURE (JV)/ SPECIAL PURPOSE VEHICLE (SPV)

Information on The Subsidiary Entities and Associated/Joint Venture (JV)/Special Purpose Vehicle (SPV) Entities

Sampai dipublikasikannya Laporan Tahunan 2018 ini, Bank tidak memiliki entitas anak maupun entitas asosiasi.

By the publication of this 2018 Annual Report, The Bank does not have any subsidiaries nor associates.

STRUKTUR PERUSAHAAN
Corporate Structure



KRONOLOGIS PENERBITAN SAHAM
Stock Listing Chronology

Bank bukan merupakan perusahaan terbuka, sehingga sampai dipublikasikannya Laporan Tahunan 2018 ini, Bank tidak menerbitkan saham untuk dimiliki oleh masyarakat.

The Bank is not a public listed entity, thereby as of the publication of this 2018 Annual Report, The Bank has not issued any shares for public ownership.

KRONOLOGIS PENERBITAN EFEK LAINNYA

Listing of Other Securities Chronology

SURAT BERHARGA YANG DITERBITKAN DAN TELAH JATUH TEMPO

Medium Term Note (MTN)

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

ISSUED SECURITIES AND HAD BEEN MATURED

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 rendered "Baa2" rating based on the stable outlook for long term loan in 2014.

The following are ratings from Fitch Ratings for 2016:

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

LEMBAGA DAN PROFESI PENUNJANG

Supporting Institutions And Professions

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 2018. KAP tidak memberikan jasa lainnya General Audit of Financial Statements in Fiscal Year 2018. The Public Accountant Office didn't provide any other services	2018
PROFESI PENUNJANG | SUPPORTING PROFESSIONS			
Akuntan Accountant	Kusumaningsih Angkawijaya, CPA	Audit Umum atas Laporan Keuangan Tahun Buku 2018 General Audit of Financial Statements for Fiscal Year 2018	2018
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	2018

Daftar Kantor Akuntan Publik 7 (Tujuh) Tahun Terakhir 2012-2018

List of Public Accounting Firms and Accountants for the Last 7 (Seven) Years 2012-2018

TAHUN BUKU Fiscal Year	KANTOR AKUNTAN PUBLIK Public Accounting Firms	AKUNTAN Accountants	JASA YANG DIBERIKAN Services	JASA LAINNYA Other Services	BIAYA Fees
2018	Siddharta Widjaja & Rekan (KPMG)	Kusumaningsih Angkawijaya	Audit Eksternal	-	Rp1.260.000.000 (Termasuk Pajak /Include Tax)
2017	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjie	Audit Eksternal	-	Rp1.149.120.000 (Termasuk Pajak/Include Tax)
2016	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjie	Audit Eksternal	-	Rp1.149.120.000 (Termasuk Pajak/Include Tax)
2015	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjie	Audit Eksternal	-	Rp925.000.000 (Termasuk Pajak/Include Tax)
2014	Siddharta Widjaja & Rekan (KPMG)	Kusumaningsih Angkawijaya	Audit Eksternal	-	USD55.000 (Termasuk Pajak/Include Tax)
2013	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjie	Audit Eksternal	-	USD49.500 (Termasuk Pajak/Include Tax)
2012	Purwantono, Suherman & Surja (Ernst & Young)	Peter Surja	Audit Eksternal	-	Rp550.000.000 (Termasuk Pajak/Include Tax)

INFORMASI PADA SITUS PERUSAHAAN

Information on The Company's Website

Dalam hal kepatuhan pada POJK No. 8/POJK.04/2015 tentang situs web emiten atau perusahaan publik, Bank memiliki situs resmi dengan alamat www.icbc.co.id yang telah dilengkapi dengan berbagai informasi seputar produk layanan perbankan maupun informasi korporasi.

Bank senantiasa berupaya menyempurnakan situs web ini secara berkala agar menjadi semakin informatif dan mudah untuk diakses. Selama tahun 2018 Bank telah melengkapi situs web 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 Ltd. di Tiongkok.

In compliance with POJK No. 8/POJK.04/2015 concerning the websites of issuers or public companies, The Bank has in place the official website is www.icbc.co.id where it displayed information regarding the Bank's products and services as well as corporate information.

The Bank continuously improving its corporate website for a more informative and easy accessibility. During 2018, the Bank has completed its website, among others include the following:

- "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 Ltd. websites in China.

PENDIDIKAN & PELATIHAN DEWAN KOMISARIS, DIREKSI, KOMITE-KOMITE, SEKRETARIS PERUSAHAAN, & UNIT AUDIT INTERNAL

Education & Training of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, & Internal Audit Unit

Pendidikan & Pelatihan Dewan Komisaris
Workshops & Trainings of the Board of Commissioners

NAMA DAN JABATAN Name and Position	TOPIK SEMINAR/ LOKAKARYA/ PELATIHAN Seminar/ Workshop/ Training Topic	TEMPAT/TANGGAL Place/Date	PENYELENGGARA Organizer
Wang Kun Presiden Komisaris President Commissioner	*Macro Economy and Risk Management Seminar*	Beijing, 7 - 11 May 2018	ICBC Ltd
	Corporate Governance Forum	Beijing, 18 - 20 Sep 2018	ICBC Ltd
Hendra Widjojo Komisaris Independen Independent Commissioner	*Corporate Governance Forum*	Beijing, 18 - 20 Sep 2018	ICBC Ltd
	Auditing Financial Statements	Jakarta, 18 Oct 2018	Ikatan Komite Audit Indonesia The Indonesian Institute of Audit Committee
	Implementasi Prudential Banking Dalam Menghadapi Tantangan Ekonomi Global Prudential Banking in Addressing the Global Economics Challenges	Jakarta, 29 Nov 2018	Forum Komunikasi Direktur Kepatuhan Perbankan Communication Forum of Bank Compliance Director
	Compliance, AML, Risk, Audit and Legal	Surabaya, 15 Dec 2018	ICBC Indonesia
H. Yunno Kusumo Komisaris Independen Independent Commissioner	Mengelola Risiko Pasar dan Risiko Likuiditas Secara Optimal Optimum Management of Market Risk and Liquidity Risk	Jakarta, 6 Jun 2018	Lembaga Sertifikasi Profesi Perbankan Banking Professional Certification Agency
	Seminar *Anti Money Laundering/ Countering the Financing of Terrorism*	Jakarta, 19 Sep 2018	Pusat Pelaporan dan Analisa Transaksi Keuangan The Indonesian Financial Transaction Reports and Analysis Centre
	Auditing Financial Statements	Jakarta, 18 Oct 2018	Ikatan Komite Audit Indonesia The Indonesian Institute of Audit Committee
	Implementasi Prudential Banking Dalam Menghadapi Tantangan Ekonomi Global Prudential Banking in Addressing the Global Economics Challenges	Jakarta, 29 Nov 2018	Forum Komunikasi Direktur Kepatuhan Perbankan Communication Forum of Bank Compliance Director
	Good Corporate Governance	Jakarta, 7 Dec 2018	ICBC Indonesia

Pendidikan & Pelatihan Direksi
Workshops & Trainings of the Board of Directors

NAMA DAN JABATAN Name and Position	TOPIK SEMINAR/ LOKAKARYA/ PELATIHAN Seminar/ Workshop/ Training Topic	TEMPAT/TANGGAL Place/Date	PENYELENGGARA Organizer
Zhang Jinxing Presiden Direktur President Director	Seminar *Service Value at Work*	Jakarta, 8 Jun 2018	ICBC Indonesia
	Seminar *Anti Money Laundering/Countering the Financing of Terrorism*	Jakarta, 19 Sep 2018	Pusat Pelaporan dan Analisa Transaksi Keuangan The Indonesian Financial Transaction Reports and Analysis Centre
	Training Management to ICBC Ltd.	Beijing, 15 Oct - 27 Nov 2018	ICBC Ltd

Pendidikan & Pelatihan Dewan Komisaris, Direksi, Komite-Komite, Sekretaris Perusahaan, & Unit Audit Internal

Education & Training of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, & Internal Audit Unit

Pendidikan & Pelatihan Direksi

Workshops & Trainings of the Board of Directors

NAMA DAN JABATAN Name and Position	TOPIK SEMINAR/ LOKAKARYA/ PELATIHAN Seminar/ Workshop/ Training Topic	TEMPAT/TANGGAL Place/Date	PENYELENGGARA Organizer
Yu Guangzhu Direktur Director	Seminar *Service Value at Work*	Jakarta, 8 Jun 2018	ICBC Indonesia
	Seminar *Anti Money Laundering/Countering the Financing of Terrorism*	Jakarta, 19 Sep 2018	Pusat Pelaporan dan Analisa Transaksi Keuangan The Indonesian Financial Transaction Reports and Analysis Centre
Jeff S.V. Eman Direktur Director	Seminar *Internasional Strengthening Infrastructures For Financial Crisis Resolution*	Jakarta, 28 Feb 2018	Lembaga Penjamin Simpanan Indonesia Deposit Insurance Corporation
	Seminar *Anti Money Laundering/Countering the Financing of Terrorism*	Jakarta, 19 Sep 2018	Pusat Pelaporan dan Analisa Transaksi Keuangan The Indonesian Financial Transaction Reports and Analysis Centre
	Pelatihan Tantangan Utama Manajemen Risiko di tahun 2018: Kualitas Kredit, Manajemen Portfolio Kredit Aktif, Stress Testing, dan Credit Scoring Risk Management Main Challenges in 2018 Training: Credit Quality, Active Loan Portfolio Management, Stress Testing, and Credit Scoring	Batam, 6 - 7 Dec 2018	BARa
Xin Haiyan Direktur Director	Seminar *Internasional Strengthening Infrastructures For Financial Crisis Resolution*	Jakarta, 28 Feb 2018	Lembaga Penjamin Simpanan Indonesia Deposit Insurance Corporation
	Seminar *Anti Money Laundering/Countering the Financing of Terrorism*	Jakarta, 19 Sep 2018	Pusat Pelaporan dan Analisa Transaksi Keuangan The Indonesian Financial Transaction Reports and Analysis Centre
Thomas Arifin Direktur Director	Seminar *Health Care & Real Estate Investment Strategy*	Singapore, 23 Mar 2018	First REIT
	Seminar *Service Value at Work*	Jakarta, 8 Jun 2018	ICBC Indonesia
	Treasury Dealer Certification Level Advanced	Jakarta, 28 Jul 2018	Lembaga Sertifikasi Profesi Perbankan dan ACI *Financial Market Association* Certification Agency for Banking and ACI Financial Market Association
	Seminar *Anti Money Laundering/Countering the Financing of Terrorism*	Jakarta, 19 Sep 2018	Pusat Pelaporan dan Analisa Transaksi Keuangan The Indonesian Financial Transaction Reports and Analysis Centre
	Branch Strategic Workshop & Training	Jakarta, 17 - 18 Dec 2018	ICBC Indonesia

Pendidikan & Pelatihan Dewan Komisaris, Direksi, Komite-Komite, Sekretaris Perusahaan, & Unit Audit Internal

Education & Training of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, & Internal Audit Unit

Pendidikan & Pelatihan Direksi

Workshops & Trainings of the Board of Directors

NAMA DAN JABATAN Name and Position	TOPIK SEMINAR/ LOKAKARYA/ PELATIHAN Seminar/ Workshop/ Training Topic	TEMPAT/TANGGAL Place/Date	PENYELENGGARA Organizer
Sandy Tjipta Muliana Direktur Director	Kuliah Umum Perbankan Digital Digital Banking General Study	Solo, 13 Apr 2018	Otoritas Jasa Keuangan Financial Services Authority
	Lokakarya Direktur Kepatuhan Compliance Director Workshop	Yogyakarta, 20 - 22 April 2018	Forum Komunikasi Direktur Kepatuhan Perbankan Communication Forum of Bank Compliance Director
	Seminar *Service Value at Work*	Jakarta, 8 Jun 2018	ICBC Indonesia
	Intensive Years of Solidification in Internal Control Compliance in 2018	Hangzhou, 25 - 29 Jun 2018	Hangzhou Institute of Financial Managers
	Seminar *Anti Money Laundering/Countering the Financing of Terrorism*	Jakarta, 19 Sep 2018	Pusat Pelaporan dan Analisa Transaksi Keuangan The Indonesian Financial Transaction Reports and Analysis Centre
	Managing Operational Risk In Digital Era	Jakarta, 3 Aug 2018	ICBC Indonesia
	Pre Team Improvement 2018: PPATK & Indonesia Fintech Association	Jakarta, 27 Oct 2018	Pusat Pelaporan dan Analisa Transaksi Keuangan The Indonesian Financial Transaction Reports and Analysis Centre
	Pelatihan Tantangan Utama Manajemen Risiko di tahun 2018: Kualitas Kredit, Manajemen Portfolio Kredit Aktif, Stress Testing, dan Credit Scoring Risk Management Main Challenges in 2018 Training: Credit Quality, Active Loan Portfolio Management, Stress Testing, and Credit Scoring	Batam, 6 - 7 Dec 2018	BARa
	Implementasi Prudential Banking Dalam Menghadapi Tantangan Ekonomi Global Prudential Banking in Addressing Global Economics Challenges	Jakarta, 29 Nov 2018	Forum Komunikasi Direktur Kepatuhan Perbankan Communication Forum of Bank Compliance Director
Fransisca Nelwan Mok Direktur Director	Seminar *Service Value at Work*	Jakarta, 8 Jun 2018	ICBC Indonesia
	Pelatihan / *Training of Cyber Risk Management and Financial Crime in Banking Industry: Get to know more and prepare for these emerging risk*	Bali, 12 - 13 Jul 2018	BARa
	Corporate Governance Forum	Beijing, 18 - 20 Sep 2018	ICBC Ltd

Pendidikan & Pelatihan Anggota Komite-Komite

Workshops & Training of Members of Committees

NAMA DAN JABATAN Name and Position	TOPIK SEMINAR/ LOKAKARYA/ PELATIHAN Seminar/ Workshop/ Training Topic	TEMPAT/TANGGAL Place/Date	PENYELENGGARA Organizer
KOMITE AUDIT | AUDIT COMMITTEE			
Waldy Gutama Anggota Komite Audit Member of Audit Committee	Seminar *Service Value at Work*	Jakarta, 8 Jun 2018	ICBC Indonesia

Pendidikan & Pelatihan Dewan Komisaris, Direksi, Komite-Komite, Sekretaris Perusahaan, & Unit Audit Internal

Education & Training of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, & Internal Audit Unit

Pendidikan & Pelatihan Anggota Komite-Komite

Workshops & Training of Members of Committees

NAMA DAN JABATAN Name and Position	TOPIK SEMINAR/ LOKAKARYA/ PELATIHAN Seminar/ Workshop/ Training Topic	TEMPAT/TANGGAL Place/Date	PENYELENGGARA Organizer
KOMITE REMUNERASI DAN NOMINASI | NOMINATION AND REMUNERATION COMMITTEE			
Josephine Regina Dameria Sambajon Anggota Komite Remunerasi dan Nominasi Member of Nomination and Remuneration Committee	Seminar *Service Value at Work*	Jakarta, 8 Jun 2018	ICBC Indonesia
	Compliance, AML, Risk, Audit and Legal	Jakarta, 21 Aug 2018	ICBC Indonesia
	Change Management & Outperforming at Work	Jakarta, 25 Aug 2018	ICBC Indonesia
	Office Information System	Jakarta, 27 Aug 2018	ICBC Indonesia
	Sharing Session: Compliance	Jakarta, 27 Sep 2018	ICBC Indonesia
	Seminar *Anti Money Laundering/Countering the Financing of Terrorism*	Jakarta, 19 Sep 2018	Pusat Pelaporan dan Analisa Transaksi Keuangan The Indonesian Financial Transaction Reports and Analysis Centre
	Rencana Penyusunan Keuangan Berkelanjutan Sustainable Finance Development Plan	Jakarta, 26 & 29 Oct 2018	Lembaga Pengembangan Perbankan Indonesia Indonesian Banking Development Institute
	Peningkatan Kompetensi Melalui Edukasi Terkait Perencanaan Keuangan Competence Enhancement Through Financial Planning Education	Jakarta, 7 Nov 2018	Otoritas Jasa Keuangan Financial Services Authority
	HR for Non HR Training: Understanding Undang-Undang 13 (Manpower Law Act)	Jakarta, 13 Nov 2018	Rusdi Muchtar, SH
	Powerful Coaching and Monitoring	Jakarta, 21 Nov 2018	Lembaga Pengembangan Perbankan Indonesia Indonesian Banking Development Institute
	Security Management	Jakarta, 6 Dec 2018	ICBC Indonesia
	Branch Strategic Workshop & Training 2019	Jakarta, 17 - 18 Dec 2018	ICBC Indonesia
	Sharing Session: Good Corporate Governance	Jakarta, 7 Dec 2018	ICBC Indonesia
KOMITE PEMANTAU RISIKO | RISK MONITORING COMMITTEE			
Ignace Widiatmoko Anggota Komite Pemantau Risiko Member of Risk Monitoring Committee	*Auditing Financial Statements*	Jakarta, 18 Oct 2018	Ikatan Komite Audit Indonesia The Indonesian Institute of Audit Committee

Pendidikan & Pelatihan Dewan Komisaris, Direksi, Komite-Komite, Sekretaris Perusahaan, & Unit Audit Internal

Education & Training of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, & Internal Audit Unit

Pendidikan & Pelatihan Sekretaris Perusahaan

Education & Training of Corporate Secretary

NAMA DAN JABATAN Name and Position	TOPIK SEMINAR/ LOKAKARYA/ PELATIHAN Seminar/ Workshop/ Training Topic	TEMPAT/TANGGAL Place/Date	PENYELENGGARA Organizer
Johan Candra Kepala Departemen Strategy Management and Investor Relation Head of Strategy Management and Investor Relation Department	*Strengthening Infrastructures For Financial Crisis Resolution*	Jakarta 28 Feb 2018	Lembaga Penjamin Simpanan Indonesia Deposit Insurance Corporation
	Service Value at Work	Jakarta 8 Jun 2018	ICBC Indonesia
	New Employee Orientation Program	Jakarta 5 Jul 2018	ICBC Indonesia
	Risk Management Certification Level 4	Jakarta 11 Aug 2018	GPS & Lembaga Sertifikasi Profesi Perbankan GPS & Banking Professional Certification Agency
	Pelatihan Profil Bisnis *Minihydro Power Plant* (PLTM)	Jakarta 18 - 19 Sep 2018	FABA
	Sharing Session: Compliance	Jakarta 27 Sep 2018	ICBC Indonesia
	Pelatihan / *Training of Personal Leadership in Challenging Situation*	Jakarta 29 Sep 2018	Elgro Consulting
	Penyusunan Rencana Bisnis Bank Bank Business Plan Development	Jakarta 17 - 18 Oct 2018	Lembaga Pengembangan Perbankan Indonesia Indonesian Banking Development Institute
	Rencana Penyusunan Keuangan Berkelanjutan Sustainable Finance Development Plan	Jakarta 26 & 29 Oct 2018	Lembaga Pengembangan Perbankan Indonesia Indonesian Banking Development Institute
	Sosialisasi Lanjutan Pedoman Teknis POJK Nomor 51/POJK.03/2017 tentang Penerapan Keuangan Berkelanjutan bagi Lembaga Jasa Keuangan, Emiten, dan Perusahaan Publik Dissemination of Technical Guidelines for POJK No. 51/POJK.03/2017 on the Application of Sustainability Financial for Financial Services Institutions, Issuers, and Public Companies.	Palembang 7 Nov 2018	Otoritas Jasa Keuangan Financial Services Authority
	Rencana Penyusunan Keuangan Berkelanjutan Sustainable Finance Development Plan	Jakarta 1 Nov 2018	Lembaga Pengembangan Perbankan Indonesia Indonesian Banking Development Institute
	Security Management	Jakarta 13 Dec 2018	ICBC Indonesia

Pendidikan & Pelatihan Dewan Komisaris, Direksi, Komite-Komite, Sekretaris Perusahaan, & Unit Audit Internal

Education & Training of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, & Internal Audit Unit

Pendidikan & Pelatihan Sekretaris Perusahaan

Education & Training of Corporate Secretary

NAMA DAN JABATAN Name and Position	TOPIK SEMINAR/ LOKAKARYA/ PELATIHAN Seminar/ Workshop/ Training Topic	TEMPAT/TANGGAL Place/Date	PENYELENGGARA Organizer
Sandra Dewinta	*Risk Management Certification Level 1*	Jakarta 3 Mar 2018	GPS & Lembaga Sertifikasi Profesi Perbankan GPS & Banking Professional Certification Agency
	Translation for Banking Industry	Jakarta 10 Mar 2018	HPI
	Service Value at Work	Jakarta 8 Jun 2018	ICBC Indonesia
	Office Information System	Jakarta 25 Jul 2018	ICBC Indonesia
	Compliance, AML, Risk, Audit & Legal	Jakarta 28 Aug 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 9 Aug 2018	ICBC Indonesia
	Personal Leadership in Challenging Situation	Jakarta 29 Sep 2018	Elgro
	Team Improvement 2018	Kuala Lumpur 5-7 Oct 2018	ICBC Indonesia
	Exposure Training Program	Hangzhou 15-19 Oct 2018	Hangzhou Training Centre
Elycia Liberty	*Compliance, AML, Risk, Audit & Legal*	Jakarta 15 Nov 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 26 Nov 2018	ICBC Indonesia
	New Employee Orientation Program	Jakarta 30 Nov 2018	ICBC Indonesia
Jessica Chondro Wanjaya	*Compliance, AML, Risk, Audit & Legal*	Jakarta 28 Aug 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 9 Aug 2018	ICBC Indonesia
	Personal Leadership in Challenging Situation	Jakarta 29 Sep 2018	Elgro
	Team Improvement 2018	Kuala Lumpur 5-7 Oct 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 26 Nov 2018	ICBC Indonesia

Pendidikan & Pelatihan Dewan Komisaris, Direksi, Komite-Komite, Sekretaris Perusahaan, & Unit Audit Internal

Education & Training of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, & Internal Audit Unit

Pendidikan & Pelatihan Satuan Kerja Internal Audit
Education & Training of Internal Audit Unit

NAMA DAN JABATAN Name and Position	TOPIK SEMINAR/ LOKAKARYA/ PELATIHAN Seminar/ Workshop/ Training Topic	TEMPAT/TANGGAL Place/Date	PENYELENGGARA Organizer
I Gde Wiyadnya Kepala Satuan Kerja Audit Internal Head of Internal Audit Unit	*Data Security*	Jakarta, Maret 2018	Universitas Gunadarma dan Kedutaan Besar Kroatia di Indonesia University of Gunadarma and Embassy of Croatia in Indonesia
	Workshop Implementasi *Governance Risk Management and Compliance* di Indonesia Risk Management Governance and Compliance Implementation in Indonesia Workshop	Jakarta, April 2018	Otoritas Jasa Keuangan Financial Services Authority
	Implementasi Prudential Banking dalam Menghadapi tantangan ekonomi global	Jakarta, November 2018	Forum Komunikasi Direktur Kepatuhan Perbankan Communication Forum of Bank Compliance Director
	IIA Indonesia National Conference	Bali, Agustus 2018	IIA Indonesia
	Risk and Control Forum	Jakarta, September 2017	PT XL Axiata Tbk
	ISO 27001	Jakarta, 2017	Xynexys
	IIA Indonesia National Conference	Bandung, Oktober 2017	IIA Indonesia
	CAE Forum	Jakarta, May 2016	IIA Indonesia
	Risk Master Class Governance	Bali, Desember 2016	Enterprise Risk Management Academy
	International Conference on Risk Management	Bali, Desember 2016	Enterprise Risk Management Academy
	Building a Sustainable Quality Program	Jakarta, November 2016	IIA Indonesia
	Cara Mudah Menentukan Key Risk Indicator Easy Ways to Determine Key Risk Indicators	Bali, September 2016	PT Rap Consulting

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
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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

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

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

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

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

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

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

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

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

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

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

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

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

Coklat Branch
Jalan Coklat No. 23-25,
Surabaya 60161
T. (+62 31) 3522 288
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Pasar Atum Cash Office
Pasar Atum Mall 2nd Floor
BA 62-67, Jalan Stasiun Kota
No. 22, Surabaya 60161
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F. (+62 31) 353 5690

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

Mangga Dua Sub Branch
Komplek Ruko Mangga Dua Mall
No. 10, Jl. Mangga Dua Raya,
Central Jakarta 10730
T. (+62 21) 601 7068
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Balikpapan Branch
Grha Bintang Ground Floor
Jalan Jend. Sudirman No. 423
Balikpapan 76112
East Kalimantan
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F. (+62 542) 300 1606

Baliwerti Branch
Jalan Baliwerti No. 1,
Surabaya 60174
T. (+62 31) 5317 033/5320 546
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ANALISIS & PEMBAHASAN MANAJEMEN

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ASPIRASI MENINGKATKAN PERTUMBUHAN

Aspiration to Sustain Growth

Dengan mempertimbangkan *risk appetite*, *risk tolerance*, kemampuan internal, dan dukungan sumber daya ICBC Ltd yang luas, Bank mengarahkan usahanya untuk pengembangan dan memperkuat segmen perbankan korporasi. Diantaranya dengan menyediakan layanan perbankan global kepada nasabah di dalam dan luar Indonesia, termasuk kebutuhan finansial antara Indonesia dan Tiongkok. Selain itu, didukung oleh penyempurnaan segmen Usaha Kecil Menengah (UKM) dan segmen konsumer dengan memanfaatkan hubungan baik dengan basis nasabah inti perbankan korporasi.

By considering its risk appetite, risk tolerance, internal capabilities, and ICBC Ltd extensive resources support, The Bank directs its business development and solidification of corporate banking. The Bank among others provides global banking services to both customers locally and internationally, including financial needs between Indonesia and China. In addition, refinement of Small Medium Enterprise (SME) segment and consumer segment by utilizing good relations with the corporate banking core customers' base.

ANALISIS DAN PEMBAHASAN MANAJEMEN

Management Discussion and Analysis

PEREKONOMIAN GLOBAL

Satu dekade setelah krisis keuangan global, pemulihan ekonomi global mulai terasa walau atmosfer ketidakpastiannya juga masih dirasa hingga tahun 2018. Hal itu ditandai dari penguatan pertumbuhan ekonomi Amerika Serikat (AS) sebagai motor utama. Pulihnya ekonomi AS memicu perubahan arah kebijakan ekonominya secara fundamental dan memberikan dampak luas pada perekonomian global.

Berdasarkan data *International Monetary Fund* (IMF) dalam *World Economic Outlook* (WEO) periode Januari 2019, pertumbuhan ekonomi global di tahun 2018 dan 2019 diprakirakan relatif terbatas, masing-masing tumbuh sebesar 3,7% dan 3,5%. Sedangkan pertumbuhan ekonomi AS diestimasi menjadi 2,9% pada tahun 2018 atau meningkat dibanding pencapaian tahun 2017 yang masih 2,2%. Kenaikan perekonomian AS ini ditopang oleh pertumbuhan investasi dan

GLOBAL ECONOMY

A decade following the global financial crisis, the recovery of global economy began to take effect even though the uncertainty atmosphere was still lingering until 2018. The strengthening of the United States (US) economic growth served as the main driver of this trend, which triggered the changes of its economic policy direction fundamentally and rendered wider impact to the global economy.

Referring to the data of International Monetary Fund (IMF) in the World Economic Outlook (WEO) period of January 2019, the global economic growth in 2018 and 2019 is forecasted to relatively restrain, which respectively grew by 3.7% and 3.5%. While the US economic growth was estimated to reach 2.9% in 2018 or increased compared to 2.2% in 2017. This growth was derived from the strong growth of investment and consumption followed by improvement in its manpower

konsumsi yang kuat serta diikuti dengan perbaikan di pasar tenaga kerjanya. *The Federal Reserve* (the Fed) diprakirakan akan melanjutkan kenaikan *Fed Fund Rate* (FFR) secara gradual dengan positifnya perkembangan ekonomi AS ini.

Masih menurut WEO IMF, ekonomi di *euro area* tercatat tumbuh melambat menjadi 1,8% karena dipengaruhi oleh tertahannya pertumbuhan konsumsi dan investasi. Perlambatan ekonomi juga terjadi di Jepang dengan prediksi pertumbuhan hanya 0,9% lantaran melambatnya konsumsi dan investasi swasta. Sedangkan ekonomi Tiongkok tumbuh melambat dipengaruhi oleh *financial deleveraging*. Perekonomian Tiongkok diproyeksikan hanya berada di level 6,6% pada akhir tahun 2018. Namun ekonomi India masih tumbuh solid dengan besar kemungkinan pertumbuhan ekonominya mencapai 7,3%, terutama ditopang oleh peningkatan investasi.

Pertumbuhan ekonomi global yang tidak merata yang diikuti ketegangan perdagangan antara AS dengan sejumlah negara menjadi beberapa penanda ketidakpastian ekonomi global. Sehingga respon kebijakan sejumlah negara tersebut cenderung lebih ketat selama tahun 2018. Di Eropa, misalnya, European Central Bank (ECB) masih melanjutkan *quantitative easing* dan mempertahankan *stance* kebijakan moneter. Sejalan dengan ECB, Bank of Japan juga mempertahankan kebijakan moneternya. Sementara itu, People's Bank of China menempuh kebijakan moneter yang lebih longgar untuk menjaga kestabilan pertumbuhan dan ketersediaan likuiditas. Divergensi kebijakan moneter tersebut dan munculnya risiko rambatan dari gejolak ekonomi di Turki dan Argentina berdampak pada penurunan arus modal masuk ke negara berkembang, termasuk Indonesia.

PEREKONOMIAN INDONESIA

Perekonomian Indonesia tahun 2018 masih menunjukkan tren ekspansi di tengah dinamika perekonomian global. Pertumbuhan ekonomi Indonesia berdasarkan data Badan Pusat Statistik (BPS) mencapai 5,17% di tahun 2018, atau naik dibanding pencapaian tahun 2017 yang sebesar 5,07%. Pencapaian ini merupakan yang tertinggi dalam lima tahun terakhir.

market. On the back of the positive growth of the US economy, the Federal Reserve (the Fed) is estimated to continue increasing the Fed Fund Rate (FFR) gradually.

As per WEO IMF, the euro zone economic growth was stagnant to reach 1.8% as influenced by the sluggish consumption and investment growth. Japan economic growth also stagnant with only 0.9% growth prediction because of the slowing down in the consumption and investment of private sector. While Chinese economic growth was slowing down due to the financial deleveraging. Chinese economy was forecasted to only reach 6.6% at the end of 2018. However, India recorded a solid growth with a prediction of reaching 7.3% especially sustained by the investment improvement.

The uneven global economic growth followed by the trade tensions between the US and several countries rendered some of the uncertainties in the global economic trends. Thereby such countries issued policies that are more stringent during 2018. For example, the European Central Bank (ECB) of Europe continued the quantitative easing and maintained its stance on monetary policy. Coherent with ECB, Bank of Japan also kept its monetary policy. While, the People's Bank of China took a more modest monetary policy to maintain growth stability and liquidity. The divergence of such monetaries and the risks of economic fluctuation in Turkey and Argentina affected the decrease of capital in-flow to the developed countries, including Indonesia.

INDONESIA ECONOMY

In the midst of global economic dynamics, Indonesia economy in 2018 tended to remain expanding. Based on the data of Central Bureau of Statistics (BPS), Indonesia economy reached 5.17% in 2018, or increased compared to 5.07% in 2017. This is the highest growth in the last five years.

Pendorong pertumbuhan ekonomi ini berasal dari permintaan domestik, terutama berasal dari solidnya konsumsi rumah tangga. Selain itu, konsumsi lembaga non-profit yang melayani rumah tangga juga tumbuh meningkat di sebagian besar daerah, didorong oleh belanja penyelenggaraan Pilkada dan persiapan penyelenggaraan Pemilu tahun 2019. Konsumsi pemerintah turut menopang pertumbuhan ekonomi melalui belanja pegawai dan belanja bantuan sosial.

Namun, kuatnya permintaan domestik berdampak pada meningkatnya impor. Baik itu untuk konsumsi, bahan baku, maupun barang modal. Sehingga menjadi penahan pertumbuhan lebih tinggi di semua daerah. Pertumbuhan ekspor secara nasional juga relatif tertahan, karena menurunnya kinerja ekspor di sejumlah provinsi.

Sedangkan dari sisi investasi, terbilang tumbuh tinggi pada tahun 2018. Sebab, optimisme investor terhadap prospek perekonomian Indonesia masih bagus. Selain itu, adanya proyek pembangunan infrastruktur dalam rangka Asian Games 2018 di Jakarta dan Palembang juga sedikit banyak menjadi stimulus investasi pada tahun 2018.

Tingkat Inflasi Indeks Harga Konsumen (IHK) pada tahun 2018 berada di level 3,13%, dari sebelumnya 3,61% pada tahun 2017. Kondisi tersebut dipengaruhi inflasi inti dan bahan makanan yang terjaga, serta inflasi *administered prices* yang rendah. Pencapaian tersebut tak lepas dari koordinasi bauran kebijakan yang kuat antara kebijakan fiskal, moneter maupun sektor riil. Ke depan, inflasi tahun 2019 diprakirakan akan tetap terjaga dalam kisaran target 3,5% ± 1%.

Rata-rata Rupiah secara keseluruhan tahun 2018 terdepresiasi sebesar 6,05%, atau secara *point-to-point* sebesar 5,65% dibanding level tahun sebelumnya. Posisi cadangan devisa Indonesia per akhir tahun 2018meningkat menjadi USD120,7 miliar, atau setara dengan pembiayaan 6,7 bulan impor atau 6,5 bulan impor dan pembayaran utang luar negeri pemerintah.

The domestic demand fosters this trend, especially from solid household consumption. Moreover, the consumption of non-profit institution that serves household also grew in some part of the regions, fostered by the expenditures from the regional election and preparation of 2019 Election. The government consumption also augmented the economic growth through employees and social aids expenditures.

However, strong domestic demand improved the import in consumption, raw material, and capital expenditures; thereby making a higher barrier for the growth in all regions. The national export growth also relatively restrained due to the declining of export performance in several provinces.

Meanwhile, investment growth was relatively high in 2018. This was due to good investors' optimisms on Indonesia economy prospects. In addition, infrastructure construction project for the Asian Games 2018 in Jakarta and Palembang was also rendered an investment stimulus during 2018.

The Inflation of Consumer Price Index level reached 3.13% in 2018, from 3.61% in 2017. Core inflation and maintained food resources, as well as low administered prices inflation influence this. Strong policy coordination between fiscal policies, monetary and real sectors enabled this achievement. Going forward, the 2019 inflation is targeted to maintain at around 3.5% ± 1%.

Overall, Rupiah average depreciated at 6.05% in 2018, or point-to-point at 5.65% compared to the previous year. Indonesia's foreign exchange reserve position increased to USD120.7 billion in 2018, or equal to 6.7 months import financing or 6.5 months of import and government foreign debt payments.

Ke depan, perekonomian Indonesia pada tahun 2019 diprakirakan masih tumbuh kuat dalam kisaran 5,0% sampai dengan 5,4% dengan permintaan domestik yang menjadi sumber utama pertumbuhan.

TINJAUAN INDUSTRI PERBANKAN

Di tengah ketidakpastian ekonomi global, ketahanan industri perbankan Indonesia masih relatif stabil dan cukup kuat.

Kondisi perbankan yang relatif terjaga tercermin antara lain dari rasio kecukupan modal yang tinggi di level 20% ke atas selama 4 tahun terakhir (2015-2018). Berdasarkan data Otoritas Jasa Keuangan (OJK), pencapaian *Capital Adequcy Ratio* (CAR) bank umum sebesar 22,89% per tahun 2018 atau meningkat dibanding posisi tahun 2015 yang masih 21,16%. Tingkat permodalan yang tinggi ini dapat menjadi penyangga bagi perbankan sebagai bentuk mitigasi terjadinya peningkatan risiko, baik itu risiko kredit, risiko likuiditas, maupun risiko pasar.

Hingga tahun 2018, pertumbuhan kredit bank umum (kredit pada pihak ketiga dan bank lain) akhirnya kembali dapat tumbuh dua digit, yakni 12,05% *(yoy)*. Dari sebelumnya sebesar Rp4,09 triliun pada tahun 2017 naik menjadi Rp5,36 triliun pada akhir tahun 2018. Peningkatan terjadi pada jenis Kredit Modal Kerja, Kredit Investasi, dan Kredit Konsumsi, dengan pertumbuhan tahunan masing-masingnya 13,03%, 10,94%, dan 10,35%. Secara umum, peningkatan pertumbuhan kredit sejalan dengan membaiknya permintaan dan juga didorong pembangunan infrastruktur yang dilakukan oleh pemerintah.

Risiko kredit bank umum menurun sejalan dengan penurunan rasio *Non Performing Loan* (NPL) gross menjadi 2,37% per tahun 2018, atau terendah dalam empat tahun terakhir. Penurunan tersebut terutama disebabkan oleh peningkatan pertumbuhan kredit yang lebih tinggi dibandingkan kenaikan nominal NPL selama tahun 2018. Rasio NPL tersebut masih berada di bawah level indikatif maksimum sebesar 5%. Penurunan risiko kredit terjadi pada ketiga kredit jenis penggunaan. NPL Kredit Modal Kerja, Kredit Investasi, dan Kredit Konsumsi masing-masingnya tercatat 2,82%, 2,43%,

Moving forward, Indonesia's economy in 2019 is forecasted to maintain strong growth at around 5.0% to 5.4% with domestic demand as main sources of growth.

BANKING INDUSTRY REVIEW

Amidst the uncertainties of global economy, Indonesia banking industry recielience remains relatively stable and sufficiently strong.

The relatively well-maintained banking conditions reflected among others from the high capital adequacy ratio of 20% level and above for the last 4 years (2015-2018). Based on the Financial Services Authority (OJK) data, the commercial banks Capital Adequacy Ratio (CAR) in 2018 reached 22.89% or increased compared to 21.16% in 2015 position. The high ratio may support banking's risk mitigation, such as for credit risk, liquidity risk, and market risk.

In 2018, the loan growth of commercial banks (loan to third party and other banks) eventually grew two digits, at 12.05% (yoy). From Rp4.09 trillion in 2017 grew to Rp5.36 trillion at the end of 2018. The increase occurs in Working Capital Loan, Investment Loan, and Consumer Loan, with the annual growth at 13.03%, 10.94% and 10.35% respectively. In general, the increase of loan growth is coherent with improved demand as well as bolstered by the government's infrastructure development.

The commercial banks credit risk decreased in line with the decrease of gross Non Performing Loan (NPL) at 2.37% in 2018, or the lowest in the last four years. The decrease was primarily due to the increase of higher loan growth compared to the increase of NPL nominal during 2018. The NPL ratio maintained below the maximum indicator level of 5%. The decrease of credit risk occurs in three loan types, which respectively recorded at 2.82%, 2.43% and 1.54% for Working Capital Loan, Investment

dan 1,54% pada tahun 2018. Posisi NPL ketiga kredit jenis penggunaan ini jauh lebih baik dibanding tahun sebelumnya, yang masing-masingnya masih di level 3,18%, 2,63%, dan 1,58%.

Berdasarkan sektor ekonomi, penurunan risiko kredit pada tahun 2018 terutama didorong penurunan NPL pada sektor pertambangan dan penggalian (4,66%); perdagangan besar dan eceran (3,62%); konstruksi (3,14%); transportasi, pergudangan, dan komunikasi (2,68%); serta industri pengolahan (2,53%), dibandingkan NPL tahun sebelumnya yang masih sebesar 6,18%, 4,08%, 3,67%, 3,74%, dan 2,70%.

Di sisi lain, pertumbuhan dana pihak ketiga (DPK) bank umum relatif melambat yaitu menjadi sebesar 6,45% per tahun 2018 dari 9,36% pada tahun 2017. Perlambatan tersebut terutama didorong oleh penurunan dana kelompok Badan Usaha Milik Negara (BUMN) terkait pembayaran impor, diikuti dengan berkurangnya dana pemerintah daerah, dan beralihnya dana portofolio ke luar negeri. Secara umum, perlambatan DPK tersebut dipengaruhi oleh sejumlah faktor seperti aliran dana asing dan transaksi keuangan pemerintah, serta penempatan dana oleh industri keuangan nonbank (IKNB).

Perlambatan pertumbuhan DPK bank umum terjadi pada komponen simpanan selama tahun 2018 dibanding tahun 2017. Pertumbuhan tahunan giro, tabungan dan deposito menurun dari masing-masing 9,72%, 9,63%, dan 8,98% pada tahun 2017 menjadi 6,61%, 7,29%, dan 5,75% di 2018.

Sementara itu, tren peningkatan suku bunga masih berlanjut selama tahun 2018 yang didorong oleh kenaikan suku bunga kebijakan (BI 7-Day Repo Rate atau BI 7-DRR) sebesar 175 bps dari 4,25% pada tahun 2017 menjadi 6,00% pada akhir tahun 2018. Kenaikan BI 7-DRR yang diikuti kenaikan suku bunga dana *(cost of fund)* berdampak terbatas pada peningkatan nilai rata-rata suku bunga dasar kredit (SBDK) industri perbankan pada tahun 2018.

Loan, and Consumer Loan in 2018. These NPL have far better positions compared to the previous year level of 3.18%, 2.63% and 1.58% respectively.

Based on economic sector, the decrease of credit risk in 2018 was mainly bolstered by the decrease of NPL in the sectors of mining and excavation (4.66%); retailer and wholesaler (3.62%); construction (3.14%); transportation, warehousing and communication (2.68%); as well as processing industry (2.53%), compared to the previous year NPL level of 6.18%, 4.08%, 3.67%, 3.74% and 2.70% respectively.

In the meantime, the commercial banks third party funds (TPF) growth declined by 6.45% in 2018 from 9.36% in 2017. The weakening mainly derived by the decrease of State-Owned Enterprises (SOEs) fundings related to import payment, followed by the reduction of regional government fundings, and the transfer of funding portfolio to overseas. In general, the TPF slow growth was influenced by several factors such as foreign funds flow and government financial transactions, as well as fund placements by the nonbank financial industry.

The slow growth of commercial banks TPF occurs in the deposits components during 2018 compared to 2017. The annual growth of current accounts, savings and time deposits decreased from 2017 levels of 9.72%, 9.63% and 8.98% respectively to 6.61%, 7.29% and 5.75% in 2018.

Meanwhile, the improvement trend of interest rate continues during 2018, which bolstered by the increase of interest rate policy (BI 7-Day Repo Rate or BI 7-DRR) at 175 bps from 4.25% in 2017 to 6.00% at the end of 2018. The increase of BI 7-DRR followed by the increase of cost of funds has a limited impact on the increase of prime lending rate of banking industry in 2018.

TINJAUAN OPERASIONAL PER SEGMEN USAHA

Operational Review Per Business Segment

Dengan mempertimbangkan *risk appetite*, *risk tolerance*, kemampuan internal, dan dukungan sumber daya ICBC Ltd yang luas, Bank mengarahkan usahanya untuk pengembangan dan memperkuat segmen perbankan korporasi. Diantaranya dengan menyediakan layanan perbankan global kepada nasabah di dalam dan luar Indonesia, termasuk kebutuhan finansial antara Indonesia dan Tiongkok. Selain itu, didukung oleh penyempurnaan segmen Usaha Kecil Menengah (UKM) dan segmen konsumer dengan memanfaatkan hubungan baik dengan basis nasabah inti perbankan korporasi.

Dalam mengembangkan jumlah nasabah dan bisnis, Bank mengadopsi teknologi dari ICBC Ltd untuk meningkatkan dan meluncurkan produk dan jasa perbankan baru yang inovatif guna menciptakan peluang bisnis baru. Secara internal, Bank menitikberatkan kontrol operasional yang ketat, efisien dan efektif untuk mendukung tujuan bisnis maupun keuangannya. Sampai dengan akhir tahun 2018, total jaringan cabang Bank adalah 19 cabang dan terdapat 30 ATM yang tersebar di Indonesia.

By considering its risk appetite, risk tolerance, internal capabilities, and ICBC Ltd extensive resources support, The Bank directs its business development and solidification of corporate banking. The Bank among others provides global banking services to both customers locally and internationally, including financial needs between Indonesia and China. In addition, refinement of Small Medium Enterprise (SME) segment and consumer segment by utilizing good relations with the corporate banking core customers' base.

In augmenting customer numbers and business development, The Bank adopts the ICBC Ltd technology for the innovative new banking products and services in order to create new business opportunities. Internally, The Bank emphasizes on stringent, efficient and effective operational control to bolster business and financial goals. Until the end of 2018, The Bank total branch networks reached 19 branch offices and there were 30 ATMs across Indonesia.

PERBANKAN KORPORASI
Corporate Banking

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

Segmen usaha Perbankan Korporasi terbagi menjadi tiga grup:

- Perbankan Korporasi I fokus pada pemberian layanan keuangan kepada perusahaan-perusahaan Tiongkok yang unggul, atau perusahaan-perusahaan Indonesia yang unggul yang memiliki keterkaitan bisnis dengan Tiongkok;
- Perbankan Korporasi II fokus pada perusahaan-perusahaan korporasi lokal, perusahaan multinasional, konglomerasi, BUMN, dan perusahaan-perusahaan *blue chip*; dan
- Perbankan Korporasi Surabaya fokus melayani perusahaan-perusahaan korporasi lokal, perusahaan multinasional, konglomerasi, BUMN, dan perusahaan-perusahaan *blue chip* yang beroperasi di bagian timur Indonesia.

Secara keseluruhan, Perbankan Korporasi menyumbang sekitar 84,33% terhadap total kredit Bank di tahun 2018, yaitu mencapai Rp31,5 triliun, atau sedikit menurun 3,7% dibandingkan tahun 2017 yang sebesar Rp32,7 triliun. Dari sisi pendanaan, Perbankan Korporasi menyumbang sekitar 60,2% terhadap total DPK Bank di tahun 2018.

Transaksi-transaksi dan/atau proyek pembiayaan penting di Perbankan Korporasi yang dilaksanakan selama tahun 2018 antara lain:

1. Pembiayaan Bilateral kepada PT RHB MVP Classic Development
   Proyek ini dimiliki oleh China Railway Int'l Group yang bernama The Terrace Diamond Building. Cakupan proyek terdiri dari ruang kantor, area

Coherent with The Bank business focus, Corporate Banking business segment mostly involves in infrastructure projects such as power plant, toll road, railway tracks, and other projects. The Corporate Banking roles in infrastructure projects include the disbursement of Bank Guarantee Reissuance with SBLC collateral from the ICBC Bank global network. In addition, Corporate Banking also processes several syndication loans and club deal with banks in Indonesia as well as banks and financial institutions overseas.

The Corporate Banking segment is divided into three groups:

- Corporate Banking I focuses on providing financial services to prime Chinese companies operating in Indonesia, or prime Indonesian companies which has business relationship with China;
- Corporate Banking II focuses on local corporations, multinational companies, conglomerates, SOEs and blue-chip companies; and
- Corporate Banking Surabaya focuses on serving local corporations, multinational companies, conglomerates, SOEs and blue-chip companies operating in Eastern Indonesia.

Overall, Corporate Banking contributed approximately 84.33% of The Bank's total credit in 2018, reaching Rp31.5 trillion, or slightly decreased 3.7% compared to 2017 or Rp32.7 trillion. In terms of funding, Corporate Banking contributed around 60.2% to The Bank's total TPF in 2018.

Important transactions and/or projects financing carried out by Corporate Banking in 2018 include:

1. Bilateral Financing to PT RHB MVP Classic Development
   The property development project owned by China Railway Int'l Group, namely The Terrace Diamond Building that consists of office spaces,

komersial, apartemen, dan apartemen berlayanan yang berlokasi di area prestisius CBD Mega Kuningan. Total pinjaman sebesar USD26,3 juta dan total biaya proyek USD68 juta.

2. Pembiayaan Bilateral kepada PT Servindo Jaya Utama
   Bank memberikan pinjaman sebesar USD80 juta untuk proyek Bijih Besi Taliabu yang merupakan pabrik pengolahan bijih besi terkemuka berlokasi di Pulau Taliabu Maluku Utara. Total biaya proyek USD354 juta dengan kapasitas 35 juta ton per tahun. Proyek ini dimiliki oleh Salim Group.

3. Pembiayaan Bilateral kepada PT Ritel Bersama Nasional (JD.ID)
   PT Ritel Bersama Nasional adalah entitas ventura bersama antara Jingdong Group (JD.com), merupakan salah satu bisnis *online* terbesar di Tiongkok dengan group Provident Capital. Group Provident Capital sendiri merupakan perusahaan investasi terbesar di Asia Tenggara dengan kapitalisasi pasar sebesar lebih dari USD3 miliar yang tersebar di berbagai industri. Diantaranya telekomunikasi, pertambangan, minyak kelapa sawit, perkebunan, energi *(biofuel)* dan *e-commerce*. Fasilitas yang di berikan merupakan pinjaman modal kerja sebesar USD20 juta untuk mendukung kebutuhan operasional terutama digunakan untuk pembelian inventaris.

4. Pembiayaan Sindikasi kepada PT Tenaga Listrik Bengkulu
   Proyek ini merupakan fasilitas pinjaman sindikasi sebesar USD270,46 juta yang dipimpin oleh ICBC Ltd. ICBC Ltd dan Bank memiliki porsi pembiayaan sebesar USD180 juta, dan sisanya USD90 juta dibiayai oleh Bank Expor Impor China, dengan jangka waktu pinjaman 15 tahun. PT Tenaga Listrik Bengkulu merupakan perusahaan proyek yang didirikan bersama dengan porsi kepemilikan saham mayoritas dimiliki oleh China Power Construction Group Overseas Investment Co. Ltd (70%) dan PT Intracopenta, Tbk (30%). Pinjaman sindikasi ini ditujukan untuk membiayai proyek pembangkit

commercial areas, apartments, and serviced apartments. Located at the most prestigious CBD Mega Kuningan, with total bank loan of USD26.3 million and total project cost of USD68 million.

2. Bilateral Financing to PT Servindo Jaya Utama

   The Bank provides financing of USD80 million to the Taliabu Iron Ore project; a high grade iron ore processing mills located in Taliabu Island in North Maluku with a total project cost of USD354 million and will have a total capacity of 35 million tonnes annually. The project is ultimately owned by Salim Group.

3. Bilateral Financing to PT Ritel Bersama Nasional (JD.ID)
   Ritel Bersama Nasional is a joint venture entity between Jingdong group (JD.com) – one of the current China's largest Business-to-Consumer (B2C) online retailer with Provident Capital group – current largest investment company in Southeast Asia with a market capitalization of over USD3 billion spread across industries such as: telecommunication, mining, palm oil, plantation, energy (biofuel) and e-commerce. The facility provided is working capital loan of USD20 million to support borrower's operational needs that mainly utilized for their inventory purchase.

4. Syndicated Financing to PT Tenaga Listrik Bengkulu
   The project is a syndicated loan facility amounting to total of USD270.46 million led by ICBC Ltd. ICBC Ltd and The Bank financing portion is USD180 million, while the rest of the portion of USD90 million is financed by the Export-Import Bank of China, with the loan period of 15 years. PT Tenaga Listrik Bengkulu is a jointly set-up project company with majority shareholding portion owned by China Power Construction Group Overseas Investment Co. Ltd (70%) and PT Intracopenta, Tbk (30%). The syndicated loan is to finance Bengkulu 2 X 100MW coal-fired power station project located in Sumatera Island, Indonesia, about 15 km southwest

listrik tenaga batu bara 2 x 100MW yang berlokasi di Bengkulu, Kepulauan Sumatera, Indonesia, sekitar 15 km barat daya kota Bengkulu. Bank bertindak sebagai agen fasilitas, agen jaminan dan rekening bank untuk fasilitas ini.

5. Pembiayaan Sindikasi *General Capital Expenditure* kepada Perusahaan Listrik Negara
   Bank dan ICBC Asia selaku *Senior Mandated Lead Arranger* menyalurkan kredit sindikasi kepada Perusahaan Listrik Negara (PLN) sebesar USD150 juta untuk membiayai *general capital expenditure* tahun 2018, dari total sindikasi sebesar USD1,62 miliar.

6. Pembiayaan Sindikasi Jalan Tol Balikpapan – Samarinda di Kalimantan Timur
   Bank turut mendukung program pemerintah dalam pembangunan infrastruktur melalui penyaluran kredit sindikasi kepada PT Jasa Marga Balikpapan Samarinda untuk pembangunan jalan tol yang menghubungkan kota Balikpapan dan Samarinda di provinsi Kalimantan Timur sebesar Rp400 miliar.

7. Pembiayaan Sindikasi Jalan Tol Cikopo – Palimanan

   Bank berpartisipasi sebesar Rp366 miliar dalam sindikasi PT Lintas Marga Sedaya dari total pembiayaan sebesar Rp8,88 triliun. Pembiayaan sindikasi tersebut akan digunakan untuk *refinancing* dan membiayai pembangunan *Airport Link* Tol BIJB Kertajati dari jalan tol ruas Cikopo - Palimanan.

8. Pembiayaan Sindikasi Jalan Tol Semanan - Sunter – Pulo Gebang
   Bank turut serta dalam membiayai pembangunan jalan tol untuk ruas Semanan – Sunter - Pulo Gebang melalui PT JTD Jaya Pratama. Pembangunan jalan tol sepanjang 31,16 km tersebut akan dibagi dalam 3 (tiga) seksi, yaitu:
   - Seksi A (Ruas Kelapa Gading - Pulo Gebang)
   - Seksi B (Ruas Semanan - Grogol)
   - Seksi C (Ruas Grogol - Kelapa Gading)

of the city of Bengkulu. The Bank also acts as the facility agent, security agent and on-shore bank account for this facility.

5. General Capital Expenditure Syndicated Financing to National Electricity Company (PLN)
   The Bank and ICBC Asia as Senior Mandated Lead Arranger channeled syndicated loan to PLN amounting to USD150 million to finance general capital expenditure in 2018, from a total syndication of USD1.62 billion.

6. Syndicated Financing of Balikpapan - Samarinda Toll Road in East Kalimantan
   The Bank also supports the government's program in infrastructure development through syndicated loan distribution to PT Jasa Marga Balikpapan Samarinda for the construction of toll road that connects the cities of Balikpapan and Samarinda in the East Kalimantan province of Rp400 billion.

7. Syndicated Financing of Cikopo - Palimanan Toll Road
   The Bank participated in a syndication of PT Lintas Marga Sedaya for Rp366 billion, from a total financing of Rp8.88 trillion. The syndicated financing will be used for refinancing and financing the construction of the BIJB Kertajati Airport Link Toll Road from the Cikopo - Palimanan toll road.

8. Syndicated Financing of Semanan - Sunter - Pulo Gebang Toll Road
   The Bank participated in financing the construction of toll road for the Semanan - Sunter - Pulo Gebang section through PT JTD Jaya Pratama. The construction of the 31.16 km toll road will be divided into 3 (three) sections, namely:
   - Section A (Kelapa Gading – Pulo Gebang Section)
   - Section B (Semanan - Grogol Section)
   - Section C (Grogol - Kelapa Gading Section)

9. Pembiayaan Sindikasi Jalan Tol Ruas Pekanbaru – Dumai
   Bank turut berpartisipasi dalam pembiayaan sindikasi kepada PT Hutama Karya sebesar Rp400 miliar dari total pembiayaan sindikasi sebesar Rp4,5 triliun. Pinjaman tersebut akan digunakan oleh PT Hutama Karya untuk membangun ruas tol Pekanbaru - Dumai di provinsi Riau.

10. Pembiayaan Sindikasi Jalan Tol Ruas Bakauheni – Terbanggi
    Bank menyalurkan pembiayaan kepada PT Hutama Karya sebesar Rp300 miliar dari total pembiayaan sindikasi sebesar Rp8,1 triliun. Pinjaman tersebut akan digunakan oleh PT Hutama Karya untuk membangun ruas jalan tol Bakauheni - Terbanggi di Lampung Selatan.

11. Pembiayaan Bilateral kepada PT Bahari Makmur Sejati
    Bank membiayai PT Bahari Makmur Sejati sebesar Rp500 miliar, yang digunakan untuk pembiayaan modal kerja. Perusahaan ini bergerak dalam pengolahan hasil laut yang 100% berorientasi ekspor.

CORPORATE INTERNET BANKING

Guna meningkatkan pelayanan transaksi perbankan 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 (Rp - Rp, USD - USD, RMB - RMB).
- Melakukan pindah buku untuk rekening yang berbeda di Bank (IDR - IDR).
- Melakukan transfer antar rekening melalui BI-*Real Time Gross Settlement* (BI-RTGS) dan BI-Sistem Kliring Nasional (BI-SKN).
- Melakukan pembayaran pajak.
- Mencetak rekening koran.

9. Syndicated Financing of Pekanbaru - Dumai Toll Road
   The Bank participated in syndicated financing to PT Hutama Karya for Rp400 billion from the total syndicated financing of Rp4.5 trillion. The loan will be used by PT Hutama Karya to build the Pekanbaru - Dumai toll road in Riau province.

10. Syndicated Financing of Bakauheni - Terbanggi Toll Road
    The Bank distributed financing to PT Hutama Karya for Rp300 billion from the total syndicated financing of Rp8.1 trillion. The loan will be used by PT Hutama Karya to build the Bakauheni - Terbanggi toll road in South Lampung.

11. Bilateral Financing for PT Bahari Makmur Sejati

    The Bank distributed financing to PT Bahari Makmur Sejati for Rp500 billion, used for working capital financing. The company is engaged in 100% export-oriented seafood processing.

CORPORATE INTERNET BANKING

To increase the banking transaction services for corporate customers, The Bank is equipped with e-banking facility with the following features:

- Account balance inquiry.
- Book transfer for accounts of the same customer in The Bank (Rp - Rp, USD - USD, RMB - RMB).
- Book transfer for different accounts in The Bank (IDR - IDR).
- Inter-account transfer through BI-RTGS and BI-SKN.
- E-tax payment.
- Print account statement.

Langkah strategis Bank di segmen Perbankan Korporasi dalam jangka pendek dan menengah adalah sebagai berikut:

- Mempromosikan dan meningkatkan bisnis RMB sehingga menjadikan Bank sebagai bank utama dalam RMB kliring.
- Memanfaatkan keunggulan dan jaringan ICBC Group dan bank sindikasi terkemuka, untuk memimpin sindikasi dan mencapai kinerja yang lebih baik.
- Memperluas jaringan dan hubungan dengan badan pemerintah, seperti Kementerian BUMN, Kementerian Koordinator Bidang Kelautan, Departemen Perindustrian, dan lain-lain.
- Terlibat aktif dengan asosiasi industri yang ditargetkan, seperti Kamar Dagang China, KADIN, Perbanas, dan lain-lain, untuk terus memperbarui kondisi pasar dan respon cepat terhadap peluang bisnis.
- Berkolaborasi dengan penasihat keuangan terkemuka (PWC, KPMG, EY, dan lain-lain) dan perusahaan asuransi (Sinosure, ASKRINDO, IIGF, dan lain-lain) untuk memperbesar basis pelanggan.
- Melanjutkan inovasi produk dan layanan, termasuk FX lanjutan dan layanan *cash management*, serta sindikasi terutama fokus pada proyek infrastruktur.

The Bank's strategic measures for Corporate Banking segment in the short- and middle-terms are as follows:

- Promote and improve the RMB business thereby making The Bank as main bank in RMB clearing.
- Utilize the ICBC Group superiority and networks and prominent syndication banks, to lead the syndication and reach improved performance.
- Expand the networks and relations with the government agencies, such as SOEs Ministry, Marine Coordinating Ministry, Industrial Department, and so forth.
- To update market conditions and immediate respond on business opportunities, The Bank shall actively involve in the targeted industrial associations, such as Chinese Chamber of Commerce, Indonesian Chamber of Commerce, Perbanas, and others.
- To expand customer base, The Bank shall collaborate with prominent financial advisors (PWC, KPMG, EY, and others) and insurance companies (Sinosure, ASKRINDO, IIGF, and others).
- Continue product and service innovation including FX next generation and cash management services, as well as syndications especially focusing on infrastructure projects.

PERBANKAN USAHA KECIL DAN MENENGAH

Small Medium Enterprise Banking

Bank secara konsisten berupaya menumbuhkan penyaluran kredit ke sektor Usaha Kecil Menengah (UKM) dengan mengoptimalkan setiap pasar potensial di sektor ini. Selain itu, Bank juga memperbaiki proses kredit guna menjaga kualitas portofolio kredit UKM, baik itu yang sudah ada maupun untuk penyaluran fasilitas kredit kepada nasabah-nasabah baru.

The Bank consistently pursues the opportunity to increase lending to the Small Medium Enterprise (SME) by optimizing every potential market in this sector. The Bank also improves loan process in order to maintain SME loan portfolio quality, both for the existing customers and lending to new customers.

Dalam pengembangan portofolio kredit UKM, Bank telah menetapkan target *market* serta kriteria nasabah yang jelas. Kriteria yang dimaksud mencakup pengalaman bisnis nasabah, soliditas kondisi keuangan, serta didukung dengan ketersediaan jaminan dalam bentuk aktiva tetap (properti) yang memiliki marketabilitas serta ratio LTV sangat baik.

Bank akan tetap fokus pada potensi pasar di area cabang Bank berada, dengan prioritas pembiayaan antara Rp6 miliar hingga Rp10 miliar per nasabah. Pemberian fasilitas kredit di atas Rp10 miliar dimungkinkan dengan kondisi *coverage* jaminan yang lebih besar.

Selain itu, untuk mempercepat pertumbuhan portofolio kredit UKM, Bank juga akan mengembangkan beberapa program pembiayaan sebagai berikut:

- *Supply Chain Financing.*
- *Project Chain Financing.*
- *Cross Border Chain Financing.*
- *Industrial Chain Financing.*

Program pembiayaan tersebut di atas akan dijalankan melalui sinergi dengan nasabah-nasabah yang sudah ada di Perbankan Korporasi; dimana pelaku-pelaku usaha dengan skala UKM yang memiliki hubungan bisnis dengan nasabah-nasabah korporasi Bank baik sebagai pemasok, distributor ataupun kontraktor akan dianalisa potensi kebutuhan dana untuk usahanya.

Model pembiayaan ini akan memungkinkan Bank untuk mendapatkan nasabah potensial dengan rekam jejak, reputasi dan pengalaman bisnis yang lebih jelas berdasarkan informasi yang didapatkan dari nasabah Perbankan Korporasi yang sudah ada. Selain itu, juga memudahkan verifikasi sumber pembayaran kembali atas fasilitas kredit yang diberikan yang merupakan pembayaran dari nasabah Perbankan Korporasi tersebut.

Hingga akhir tahun 2018, pencapaian kredit UKM Bank sebesar Rp274,60 miliar. Per Desember 2018, rasio total kredit untuk usaha kecil dan usaha menengah terhadap total kredit UKM masing-masingnya sebesar 0,77% dan 99,23%. Sedangkan rasio total kredit UKM terhadap total kredit sebesar 0,66%.

To develop SME loan portfolio, The Bank has determined target market and clear criteria of the customers. Such criteria includes the customers' business experience, financial condition solidity, as well as supported by collaterals in the form of earning assets (property) with excellent marketability and LTV ratio.

The Bank will remain focus on market potentials within The Bank branches areas, with financing priority between Rp6 billion up to Rp10 billion per customer. Lending above Rp10 billion may be possible with higher collateral coverage conditions.

In addition, to accelerate SME loan portfolio growth, The Bank will also develop several financing programs, as follows:

- Supply Chain Financing.
- Project Chain Financing.
- Cross Border Chain Financing.
- Industrial Chain Financing.

The above financing programs will be carried out through synergy with existing Corporate Banking customers; whereby business communities of SME scales that have business relations with The Bank corporate customers, either as the suppliers, distributors or contractors, their funding potential will be analyzed for their business needs.

This financing model will enable The Bank to acquire potential customers with clear track record, reputation and experience based on the available information from existing Corporate Banking customers. Moreover, enabling refinancing sources verification on lending which is a payment from the Corporate Banking customers.

Until the end of 2018, The Bank recorded SME loans amounted to Rp274.60 billion. As of December 2018, total loan ratio for small and medium enterprises to the total SME loans reached 0.77% and 99.23% respectively. Whereas the ratio of total SME loans to The Bank's total loans reached 0.66%.

Langkah strategis Bank di segmen Perbankan UKM dalam jangka pendek dan menengah adalah sebagai berikut:

- Berkolaborasi dengan segmen bisnis lainnya untuk melakukan *cross-selling* dengan produk-produk yang dimiliki oleh Perbankan UKM melalui *product-bundling*, *value chain financing*, dan *project chain financing*.
- Mengembangkan potensi bisnis pelanggan dengan mengadakan pertemuan bisnis antara sesama pelanggan dan mitra potensial dari Tiongkok.
- Mencari peluang kerja sama strategis dengan institusi lainnya untuk meningkatkan bisnis UKM melalui pinjaman tidak langsung dalam upaya meningkatkan pinjaman UKM.

The Bank's strategic measures for SME Banking segment in the short- and middle-terms are as follows:

- Collaborate with other business segments for cross-selling with products owned by SME banking through product-bundling, value chain financing, and project chain financing.
- Develop customer business potentials by organizing business gathering for customers and potential partners from China.
- Pursue strategic cooperation opportunities with other institutions to enhance SME business through indirect lending in an effort to increase SME loan.

GLOBAL MARKETS

Global Markets

Global Markets menunjukkan pencapaian yang sangat baik di tahun 2018 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.

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.

Global Markets contribution showed an excellent achievement in 2018 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 asset and business growth.

Products offered in Global Markets include 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.

Berikut ini adalah program kerja utama *Global Markets* yang berhasil diselesaikan di tahun 2018:

- Peningkatan total *fee income forex* sebesar Rp307 miliar atau naik sebesar 50% dari total *fee income forex* pada 2017.
- Peningkatan *net interest income* sebesar Rp276,4 miliar atau naik 25% dari tahun 2017. Di 2018, *Global Markets* mencatat pencapaian *fee income* sebesar Rp314,5 miliar atau naik 134,1% dari target yang ditetapkan.
- *Cross-border* RMB *placement* di tahun 2018 mencapai CNY13,3 miliar.

Sepanjang tahun 2018, *Global Markets* berhasil membukukan laba sebelum pajak sebesar Rp572,9 miliar. *Global Markets* juga berhasil membayar kewajiban atas penerbitan surat berharga dalam mata uang USD sebesar USD500 juta dan mendapatkan pinjaman jangka panjang baru selama 5 tahun sebesar USD500 juta. Selain itu *Global Markets* juga berhasil mendapatkan pinjaman jangka panjang lain sebesar USD100 juta dari ICBC New York selama 3 tahun yang kemudian digunakan untuk keperluan bisnis Bank.

Langkah strategis Bank di segmen Perbankan *Global Market* dan Institusi dalam jangka pendek dan menengah adalah sebagai berikut:

- Berkolaborasi dengan lembaga keuangan lokal terkenal dalam bisnis *lending* dan *borrowing*.
- Aktif untuk mempromosikan bisnis RMB, seperti dalam bentuk penerbitan surat berharga, investasi pada surat berharga, RMB *direct settlement*, dan lain lain.

The following are the main programs of Global Markets that were successfully completed in 2018:

- Increase of forex total fee income of Rp307 billion or an increase of 50% from forex total fee income in 2017.
- Increase of net interest income of Rp276.4 billion or 25% higher from 2017. In 2018, Global Markets also scored a fee income of Rp314.5 billion or 134.1% increase of the target set.
- Cross-border RMB placement in 2018 reached CNY13.3 billion.

Throughout 2018, Global Markets successfully booked income before tax of Rp572.9 billion. Global Markets also succeeded in paying obligations for the issuance of securities in USD in the amount of USD500 million and managed to get a new long term loan with tenor of 5 years in the amount of USD500 million. In addition, Global Markets managed to get another long-term loan of USD100 million from ICBC New York for 3 years, which was then used for The Bank's business needs.

The Bank's strategic measures for Global Market and Institutions for the short- and middle-terms are as follows:

- Collaborate with prominent local financial institutions in lending and borrowing business.
- Actively promote the RMB business, such as the issuance of bonds, investment in bonds, RMB direct settlement, and so forth.F

FINANCIAL INSTITUTION

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.
- Berhasil mendekati Bank Indonesia (BI) untuk menunjuk ICBC Beijing sebagai agen perdagangan RMB FX mereka.
- Memberi dukungan kepada kantor pusat ICBC untuk mempromosikan penerbitan Panda Bond, RMB *Investment* & layanan RMB FX *trading*.
- Mempromosikan *Local Currency Settlement* (LCS) untuk RMB ke Apindo, BKPM dan Kementrian Perdagangan untuk meningkatkan penggunaan RMB di pasar yang akan mengarah pada penurunan ketergantungan terhadap USD.

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*.

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.
- Successfully approach Bank Indonesia (BI) to appoint ICBC Beijing as their RMB FX trading agent.
- Supporting ICBC head office to promote Panda Bond issuance, RMB investment & RMB FX trading services.
- Promoting the Local Currency Settlement (LCS) for RMB to Apindo, BKPM and Ministry of Trade to increase RMB usage in the market which will lead to the decrease of market's dependency on USD.

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 with the hope that Indonesian market players will be more familiar and more interested in RMB currency. This strategy has proven quite successful, as RMB cross-border settlement transactions have shown an increasing trend.

TRADE FINANCE

Trade Finance

Departemen Bills Centre berkontribusi dalam memberikan pelayanan guna memenuhi kebutuhan nasabah dalam transaksi *trade finance*. Bekerjasama dengan Departemen Korporasi, Komersial dan SME, di tahun 2018 Departemen Bills Centre memberikan layanan transaksi *trade finance* kepada 105 nasabah (ekspor & impor), dan menghasilkan volume *trade finance* sebesar USD1,6 miliar dengan kontribusi pendapatan sebesar Rp72 miliar. Kontribusi terbesar untuk transaksi *trade* di Bank adalah melalui sektor yang berhubungan dengan transportasi udara, minyak & gas, konstruksi dan kimia.

Departemen Bills Centre juga bekerjasama dengan departemen dan cabang Bank lainnya guna memberikan pelayanan terbaik agar dapat mempertahankan dan meningkatkan hubungan nasabah dengan Bank.

The Bills Centre Department contributes in services to fulfill customers' needs in trade finance transactions. Cooperating with Corporate, Commercial and SME Departments, in 2018 the Bills Centre Department gave trade finance transaction to 105 customers (export & import), and generated a trade finance volume of USD1.6 billion, contributing to income of Rp72 billion. The biggest contribution to trade transactions at The Bank was through sectors, which related to Airplane trasportation, oil & gas, construction and chemical.

Bills Centre Department also cooperated with other departments and The Bank branches network to provide best services to maintain and improve The Bank's relationship with the customers.

PERBANKAN KONSUMER

Consumer Banking

Departemen Perbankan Konsumer mengelola serta mengembangkan produk dan layanan seperti pendanaan, asuransi, investasi, maupun kredit perorangan seperti Kredit Pemilikan Rumah (KPR) ke segmen ritel. Produk dan layanan dari Perbankan Ritel antara lain rekening giro, tabungan dan deposito dalam mata uang IDR, USD, dan RMB; *bancassurance*, rekening *multi currency* (10 mata uang), tabungan berhadiah; dan juga sebagai sub agen penjual SUKUK dan ORI dan obligasi di pasar sekunder.

Selain itu, pada tahun 2018 telah diluncurkan produk, program dan layanan tambahan. Diantaranya *ICBC'NEMA Savings Promo*, *ICBC Angpao Lunar New Year Savings Program*, *New Savings Product - ICBC Community Savings*, Obligasi Republik Indonesia seri 015, dan Sukuk Ritel seri 011.

Consumer Banking Department manages and develops products and services including funding, insurance, investment, and personal loans such as mortgage to the retail segment. Products and services from Retail Banking include current accounts, savings and time deposits in IDR, USD, and RMB; bancassurance, multi-currency accounts (10 currencies), savings account with gift; as well as functioning as sub-agent sellers of SUKUK and ORI and secondary bonds.

Moreover, Consumer Banking has launched additional products, programs and services in 2018, including: ICBC'NEMA Savings Promo, ICBC Angpao Lunar New Year Savings Program, New Savings Product - ICBC Community Savings, Obligasi Republik Indonesia seri 015, Sukuk Ritel seri 011.

Tinjauan Operasional Per Segmen Usaha
Operational Review Per Business Segment

Pada akhir tahun 2018, portofolio simpanan individu meningkat sebesar 17,58% dibandingkan dengan portofolio tahun 2017. Jumlah nasabah baru juga mengalami peningkatan sebesar 10%. Sedangkan penyaluran KPR sebesar Rp67,8 miliar hingga akhir tahun. Sementara Perbankan Ritel berhasil membukukan pendapatan komisi sebesar Rp11,4 miliar.

Bank berencana untuk meningkatkan kontribusi Perbankan Ritel terhadap performa finansial Bank secara menyeluruh. Oleh karena itu, guna mencapai tujuan tersebut, Bank memiliki obyektif utama diantaranya adalah sebagai berikut:

- Untuk jangka pendek, Bank akan fokus meningkatkan basis nasabah-nasabah spesifik, seperti nasabah komunitas, orang tua calon pelajar Indonesia yang berminat melanjutkan studi ke Tiongkok, dan sebagainya, yang relatif tidak begitu sensitif atas teknologi melalui pengembangan dan penawaran produk-produk tabungan, deposito, kartu kredit, dan KPR yang telah disesuaikan dengan kebutuhan nasabah.
- Menjalin kerja sama strategis dengan lembaga keuangan lainnya untuk menjadi agen penjual dalam upaya meningkatkan bisnis *Wealth Management* dan memberikan pilihan yang lebih beragam kepada nasabah.
- Mengembangkan saluran penjualan dan layanan yang terintegrasi untuk menjadi model perbankan baru guna memberikan pilihan produk, layanan, dan pemasaran. *Mobile banking* adalah saluran penting untuk bersaing di masa depan. Sehingga semua layanan produk perbankan, otentikasi, dan interaksi nasabah dapat diakses secara digital.

At the end of 2018, the portfolio of individual savings increased by 17.58% compared to the 2017 portfolio. Total new customers increased by 10%. While, mortgage disbursement amounted to Rp67,8 billion until the end of the year. Meanwhile, Retail Banking successfully booked a commission income of Rp11.4 billion.

The Bank aims to improve Retail banking contribution on The Bank's overall financial performances. As such, to achieve such objectives, The Bank sets several main objectives, as follows:

- On the short term, The Bank will be focusing on improving specific customers base that relatively are not technology-sensitive, such as customers' communities, parents of prospective Indonesian students that are interested to continue their studies in China, and so forth. This will be done through products development and offering such as savings, time deposits, credit cards, and mortgages adjusted to the customers' needs.
- Endeavour strategic cooperation with other financial institutions to become selling agent in an effort to improve Wealth Management business and provide more diverse options to the customers.
- Develop an integrated selling and services channels to become new banking model for products, services and marketing delivery. Mobile banking will be a key option to address future competition. Thereby all banking products and services, customer authentications, and interactions may be accessed digitally.

KARTU ATM
ATM Cards

Nasabah Bank dapat menikmati kenyamanan dalam mengakses ke rekening tabungan Bank di lebih dari 239.000 terminal ATM:

- 30 terminal ATM Bank di Indonesia untuk penarikan tunai, transfer antar bank, cek saldo, pemindahbukuan, dan pembayaran tagihan kartu kredit ICBC.
- Lebih dari 139.000 terminal ATM Bersama dan LINK di Indonesia untuk penarikan tunai, cek saldo dan transfer uang.
- Lebih dari 100.000 terminal ATM ICBC Ltd di Tiongkok untuk penarikan tunai dan cek saldo.

The Bank customers can enjoy the simplicity and convenience in accessing The Bank saving accounts at more than 239,000 ATM terminals:

- 30 ICBC ATM terminals in Indonesia for cash withdrawal, interbank transfer, balance checking, transfer, and ICBC credit card payment.
- More than 139,000 ATM terminals from banks connected by ATM Bersama and LINK network in Indonesia for cash withdrawal, balance checking, and money transfer.
- More than 100,000 ICBC Ltd ATM terminals in China for cash withdrawal and balance checking.

KARTU KREDIT
Credit Cards

Pesatnya perkembangan industri teknologi finansial yang menggabungkan akses keuangan dan didukung oleh teknologi atau digital cukup berdampak terhadap nilai transaksi kartu kredit, karena mampu memberikan alternatif pilihan pembayaran kepada masyarakat serta kemudahan akses.

Pada akhir tahun 2018, nilai transaksi kartu kredit di Indonesia bertumbuh 5,6% menjadi Rp305 triliun dibanding tahun sebelumnya yang sebesar Rp288 triliun. Disamping itu, jumlah transaksi kartu kredit di Indonesia meningkat 3,4% dibanding tahun sebelumnya menjadi 330,14 juta transaksi.

Sementara jumlah kartu kredit meningkat tipis kurang dari 1% per akhir tahun 2018. Dari sebelumnya sebanyak 17,23 juta kartu pada tahun 2017 menjadi 17,27 juta kartu. Angka tersebut memperlihatkan perkembangan industri kartu kredit yang stagnan dibanding perkembangan tahun sebelumnya.

The rapid development of financial technology industry, which combined financial access and supported by technology or digital has made quite an impact on the value of credit card transactions, as it is able to provide an alternative choice of payments to the communities along with ease of access.

The value of credit card transactions in Indonesia until the end of 2018 grew in the range of 5.6% to around Rp305 trillion compared to the previous year amounting to Rp288 trillion. Besides that, the number of credit card transactions in Indonesia until the end of 2018 increased 3.4% compared to the previous year to 330.14 million transactions.

While the number of credit cards at the end of 2018 slightly increased by less than 1% from 17.23 million to 17.27 million cards. These numbers show that the development of credit card industry is stagnant compared to the development of the previous year.

Tinjauan Operasional Per Segmen Usaha
Operational Review Per Business Segment

Bank terus melakukan berbagai upaya untuk bertumbuh melalui penjualan kartu baru yang tepat sasaran, dan peluncuran berbagai inisiatif guna menggiatkan pemakaian kartu. Kartu kredit ICBC yang beredar hingga akhir tahun 2018 mencapai lebih dari 16.000 kartu dengan volume transaksi kartu kredit mencapai Rp196 miliar.

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 diluncurkan selama tahun 2018 diantaranya:

- Saat Tahun Baru Imlek, Pemegang Kartu ICBC dapat menikmati 25% *cashback* jika bersantap di restoran-restoran Tionghoa terpilih di Jakarta, Surabaya, Bandung, and Medan.
- Penjualan silang ke nasabah Perbankan Ritel dan Perbankan Korporasi serta program Referal Manajemen Senior terus dilanjutkan guna memperoleh referensi prospek yang berkualitas.
- Program cicilan 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 terus ditawarkan. 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.
- 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 dan prinsipal kartu kredit dalam memberikan penghematan saat bersantap, berbelanja dan bepergian.

The Bank continues to make various efforts to grow through the sale of new cards that are on the right target, and launching various initiatives to encourage the use of credit cards. The ICBC credit card outstanding until the end of 2018 reached more than 16,000 cards and the credit card transaction volume reached Rp196 billion by the end of 2018.

Consumers have become more careful in choosing credit cards that can offer products with the best value. Therefore, The Bank continues to understand fully the trends and patterns of consumer spending behavior, in particular, their lifestyle needs. The Bank ensures that ICBC credit card offers real value and different benefits by increasing the range of benefits from the products offered. Several initiatives were launched in 2018, including:

- During Chinese New Year, ICBC cardholders can enjoy 25% cashback if they dine in selected Chinese restaurants in Jakarta, Surabaya, Bandung, and Medan.
- Cross selling to customers of Retail Banking and Corporate Banking and the Senior Management Referral program to continue to obtain qualified prospect references.
- The installment program is carried out to help cardholders to be able to regulate the pattern of regular bill payments through monthly installments.
- ICBC red*trans facility that enables cardholders to convert credit card limit into cash through bank transfer also continues to be offered, where available funds could be used for unexpected or urgent purposes. Cardholders can pay it back through fixed installments at competitive interest rates.
- Partnership is a significant factor in the credit card business. Therefore, throughout the year The Bank continues to work with selected business partners in major cities in Indonesia and credit card principals in providing savings when dining, shopping and traveling.

Di masa mendatang, strategi Bank akan bermuara pada upaya yang berkesinambungan untuk meningkatkan nilai yang ditawarkan, 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.

In the future, The Bank's strategy will revolve around continuous efforts to increase the value offered and provide leading-edge products and services that are of value to selected segments, foster closer relations with cardholders, and to invest in systems to improve capability at the back line.

TRANSACTION BANKING

Transaction Banking

Transaction Banking bertujuan untuk melakukan kegiatan perbankan antara lain *remittance*, *Real Time Gross Settlement* (RTGS), Sistem Kliring Nasional (SKN) serta kegiatan lainnya. Layanan yang diberikan oleh Bank adalah sebagai berikut:

- Layanan Transaksi *Remittance*
  Bank saat ini melayani *remittance* untuk 9 (sembilan) mata uang asing. Pelayanan *remittance* di tahun 2018 mengalami kenaikan total transaksi sebesar 16,12% dibandingkan tahun 2017, khusus untuk mata uang CNY. Pengiriman uang dalam IDR dapat dilakukan melalui RTGS dan SKN. Total transaksi RTGS selama 2018 sebanyak 38.175 transaksi. Demikian pula dengan transaksi SKN selama tahun 2018 sebanyak 89.560 total transaksi. 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.

- *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

Transaction Banking aims to conduct banking activities, among others, remittance, Real Time Gross Settlement (RTGS), National Clearing System (SKN) and other related activities. The services provided by The Bank are as follows:

- Remittance Transaction Services
  The Bank currently serves remittance in 9 (nine) foreign currencies. The total transactions in remittance services increased around 16.12% in 2018 compared to 2017 especially for CNY currency. Remittance in IDR can be done through RTGS and SKN. The total number of RTGS transaction during 2018 is 38,175 transactions, while SKN transaction is around 89,560 total transactions in 2018. 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.

- 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

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 limit 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. Transaksi *prefix remittance* mengalami kenaikan sekitar 44% pada tahun 2018 dibandingkan dengan tahun 2017. Sementara untuk nilai transaksi sendiri mengalami kenaikan sebesar 33,56% dibandingkan tahun sebelumnya.

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 sets a limit on transactions of USD50,000 per year which aims to control the inflow of its citizens' funds from overseas. Customers who use this product are Chinese companies that operate in Indonesia for the purpose of paying their employees' salary and Indonesian doing transaction with Chinese resident. The prefix remittance transactions in 2018 increased around 44% from year 2017. Meanwhile, the total value of transactions increased around 33.56% compared to previous year.

- *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 dari tahun ke tahun. Dibandingkan tahun 2017, total transaksi mengalami kenaikan sebesar 47,41%. Transaksi mata uang RMB berkontribusi sebesar 86,80% dari total keseluruhan transaksi.

- 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 2017, total transactions increased by 47.41%. Meanwhile, RMB currency transactions contributed 86.80% of the total transactions.

Guna mendorong pertumbuhan kinerja Perseroan, *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.

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 through synergy with other banking products.

TINJAUAN OPERASIONAL PENDUKUNG

Operational Support Review

MANAJEMEN OPERASIONAL

Sebagai bagian dari proses transformasi, fungsi Manajemen Operasional memegang peran penting dalam mendukung unit-unit bisnis mencapai target kinerja yang diharapkan. Seperti mendukung peluncuran produk baru, mengembangkan kebijakan atau prosedur, perbaikan sistem Bank, peningkatan kualitas layanan, dan mempercepat proses transaksi di cabang dan departemen terkait lainnya. Fungsi Manajemen Operasional di Bank adalah mengawasi bagian *Branch Support, Settlement Center, dan Business Process Improvement*.

PRODUK DAN AKTIVITAS DEPARTEMEN MANAJEMEN OPERASIONAL

Kinerja Departemen Manajemen Operasional dalam aktivitasnya selama 2018 antara lain:

- Menangani *Service Quality* dan *Call Center* sejak bergabung dalam Departemen Manajemen Operasional yang sebelumnya merupakan departemen tersendiri.
- Menangani *voucher* penting dan *voucher* biasa yang digunakan di seluruh cabang dan departemen lainnya serta menangani beberapa *fixed asset* di cabang.
- Sosialisasi kebijakan dan prosedur untuk karyawan di cabang secara berkesinambungan.
- Melakukan rapat koordinasi secara berkala dengan para Kepala Operasional di cabang.
- Melakukan tinjauan secara berkala atas seluruh kebijakan dan prosedur operasional di cabang.
- Melakukan analisa dan mengajukan perbaikan sistem yang ditujukan ke Departemen Teknologi Informasi.
- Mendukung proyek FOVA *Onshoring* dengan membentuk tim gabungan dengan karyawan di cabang untuk melakukan UAT sistem.
- Melakukan testing Jaringan Komunikasi Data (JKD), testing *development server* sistem SKNBI, testing *industrial* sistem BI-RTGS & BI-SSSS.

Selama 2018, Departemen Manajemen Operasional telah melakukan peningkatan proses dan pengembangan sistem sebagai berikut:

- Sistemasi bukti pemotongan pajak untuk nasabah.
- Melakukan perubahan di FOVA sistem untuk mempermudah pelaporan Departemen AML.

OPERATIONS MANAGEMENT

As part of transformation process, the Operations Management function holds significant role in supporting business units to achieve the set performance targets. This includes the launching of new products, policies or procedures development, The Bank system improvement, services quality improvement, and acceleration of transaction process at branch offices and other relevant departments. The Bank's Operations Management function is for the supervision of Branch Support, Settlement Center, and Business Process Improvement.

OPERATIONS MANAGEMENT DEPARTMENT PRODUCTS AND ACTIVITIES

The following are Operations Management Department activities performance during 2018:

- Handling the Service Quality and Call Center since the merging with the Operations Management Department, which previously designated as separate departments.
- Handling valuable and regular vouchers used in the entire branch offices and other departments, as well as handling several fixed assets at branch offices.
- Continuous dissemination of policies and procedures for branch offices' employees.
- Periodically conduct coordination meeting with Operations Heads at branch offices.
- Conduct periodic review on all operations policies and procedures at branch offices.
- Analyse and propose system improvements to the Information Technology Department.
- Support the FOVA Onshoring project by forming a joined team with branch offices' employees for UAT system implementation.
- Testing the Data Communication Network, testing the server development for SKNBI system, testing the BI-RTGS & BI-SSSS industrial system.

During 2018, the Operations Management Department has carried out process improvement and system development as follows:

- Tax deduction proof system for customers
- Conduct changes in FOVA system to facilitate AML Department reporting.

- Melakukan testing sidik jari untuk menggantikan penggunaan aplikasi kartu FOVA.
- Melakukan perubahan kolom "*mandatory*" untuk proses pembukaan rekening individual.
- Implementasi proses sistem *Upload* untuk transaksi SKNBI.

Departemen Manajemen Operasional juga mengeluarkan kebijakan dan prosedur baru maupun tambahan, antara lain:

- Kebijakan dan Prosedur Deposito ver 1.2, 12 Maret 2018.
- Kebijakan Stempel Akuntansi ver 1.1, 12 Maret 2018.
- Prosedur Rekening Escrow ver 1.2, 16 Agustus 2018.
- Kebijakan dan Prosedur Mengenai Layanan Pembayaran Penerimaan Negara di Bank Persepsi ver 1.3, 16 Mei 2018.
- Prosedur Untuk Standard Kliring Manajemen Sistem ver 1.0, 2 Juli 2018.
- Kebijakan dan Prosedur Penanganan Uang di Cabang ver 1.2, 6 Agustus 2018.
- Kebijakan dan Prosedur Voucher Biasa dan Penting ver 1.0, 31 Agustus 2018.
- Kebijakan Pembelian Valas terhadap Rupiah ver 2.1, 10 September 2018.
- Prosedur Pengiriman MT 940/MT 950 Sesuai Permintaan Nasabah ver 1.0, 18 September 2018.
- Kebijakan dan Prosedur Parameter Manajemen ver 1.1, 1 Oktober 2018.
- Prosedur Standard Pelayanan ver 1.1, 30 Oktober 2018.
- Prosedur Pengelolaan Operasional atas Aset Tetap dan Aset Tak Berwujud ver 1.0, 5 November 2018.
- Kebijakan Tingkatan Wewenang ver 1.4, 17 Desember 2018.
- Kebijakan dan Prosedur ATM ver 1.2, 28 Desember 2018.
- Kebijakan dan Prosedur Penyelesaian Pembukuan Transaksi Kartu Kredit Pada Bank ICBC Indonesia ver 2.0, 28 Desember 2018.

- Testing the fingerprints to replace the previous FOVA cards application.
- Conduct changes on "mandatory" column for the individual account opening process.
- Upload system process implementation for SKNBI transactions.

The Operations Management Department also issued new and additional policies and procedures, as follows:

- Time Deposits Policy and Procedure ver 1.2, March 12, 2018.
- Accounting Stamp Policy ver 1.1, March 12, 2018.
- Escrow Account Procedure ver 1.2, August 16, 2018.
- Policy and Procedure for State Revenue Payment Service at Perceptive Banks ver 1.3, May 16, 2018.
- Procedure for Management Clearing Standard System ver 1.0, July 2, 2018.
- Policy and Procedure for Money Handling at Branch Offices ver 1.2, August 6, 2018.
- Policy and Procedure for Regular and Valuable Vouchers ver 1.0, August 31, 2018.
- Policy for Foreign Currencies Purchase to Rupiah ver 2.1, September 10, 2018.
- Procedure for MT 940/MT 950 Delivery According to Customers' Requests ver 1.0, September 18, 2018.
- Policy and Procedure for Management Parameter ver 1.1, October 1, 2018.
- Services Standard Procedure ver 1.1, October 30, 2018.
- Procedure for Operations Management on Fixed Assets and Intangible Assets ver 1.0, November 5, 2018.
- Authority Hierarchy Policy ver 1.4, December 17, 2018.
- Policy and Procedure for ATM ver 1.2, December 28, 2018.
- Policy and Procedure for Bookeeping Settlement of Credit Card Transaction in Bank ICBC Indonesia ver 2.0, December 28, 2018.

REALISASI PROGRAM KERJA

Melakukan perubahan struktur organisasi sebagai berikut:

- Memperkuat tim *Policy/Procedure* dengan menambah 1 (satu) orang karyawan senior dari cabang pada Maret 2018.
- Meleburkan fungsi *Regional Inspector* dan *Risk Officer* dari Departemen Manajemen Risiko pada April 2018.
- Bergabungnya Departemen *Service Quality* dan *Call Center* pada Mei 2018.
- Membentuk tim *Operation Inventory Management* yang menangani manajemen *voucher* penting dan *voucher* biasa yang digunakan oleh seluruh cabang maupun departemen lainnya, serta menangani beberapa *fixed asset* di cabang pada Juli 2018.
- Merampingkan jumlah karyawan di tim *Post Supervision* untuk area Surabaya pada Agustus 2018.
- Melakukan rotasi internal antar tim *leader* pada September 2018.
- Memperkuat fungsi supervisor di cabang dan meniadakan fungsi tim *Flying* yang sebelumnya bertugas menggantikan supervisor yang sedang menjalankan hak cutinya pada September 2018.
- Berpindahnya tim *Service Quality dan Call Center* ke Departemen *Consumer Banking* pada Oktober 2018.
- Departemen Manajemen Operasional memperkuat struktur organisasi dengan menambahkan 1 (satu) tim baru yakni *Business Process Improvement*. *Business Process Improvement team* bertujuan untuk melakukan pemeriksaan terhadap *voucher* transaksi yang dilakukan di cabang secara sampel, melakukan kunjungan berkala ke cabang, melakukan perubahan atas proses yang sudah ada dan melakukan perbaikan yang bertujuan untuk meminimalisasi manual proses, meningkatkan SLA dengan tetap memperhatikan risiko yang ada. *Business Process Improvement team* mengkoordinasi tiga unit kerja, yaitu:
  - *Post Supervision* merupakan unit kerja *Branch Support* yang digabungkan ke *Business Process Improvement*.
  - *Project Development* merupakan unit kerja *Settlement Center* yang digabungkan ke *Business Process Improvement*.

WORK PROGRAMS REALIZATION

Undertake changes of organization structure as follows:

- Strengthened the Policy/Procedure team by adding 1 (one) senior employee from branch office in March 2018.
- Dissolved the Regional Inspector and Risk Officer functions from the Risk Management Department in April 2018.
- Merged the Service Quality and Call Center Department in May 2018.
- Established the Operation Inventory Management team that handling the valuable and regular vouchers management used by all branch offices and other departments, as well as handling several fixed assets at branch offices in July 2018.
- Decreased the number of employees at the Post Supervision team for Surabaya area in August 2018.
- Internal rotation between team leaders in September 2018.
- Strengthened the supervisor function at branch office and eliminated the Flying team function that previously assigned to replace on leave supervisor, in September 2018.
- Relocation of Service Quality and Call Center team to the Consumer Banking Department, in October 2018.
- The Operations Management Department strengthened its organization structure by adding 1 (one) new team, namely Business Process Improvement. The Business Process Improvement team aims to audit voucher transactions conducted by branch offices through sampling, regular visit to the branch offices, amendment of existing process and improvement to minimize the manual process, improvement of SLA by taking into account existing risk management. The Business Process Improvement Team coordinates three work units, as follows:
  - Post Supervision, a Branch Support unit that is merged into Business Process Improvement.
  - Project Development, a Settlement Center unit that is merged into Business Process Improvement.

- Parameter merupakan unit kerja *IT Department* yang menjadi bagian dari *Business Process Improvement*.

Hingga Juli 2018, Departemen Manajemen Operasional masih melanjutkan program rotasi staf 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 di rotasi 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 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 call*.

Realisasi program pelatihan untuk meningkatkan keahlian teknikal karyawan di cabang dan departemen lainnya, antara lain:

- Pelatihan penyegaran untuk staf operasional di cabang (4 *batch*).
- Pelatihan kebijakan dan prosedur untuk seluruh Pimpinan Cabang (2 *batch*).
- Pelatihan kebijakan dan prosedur untuk Kepala Operasional yang baru bergabung (2 *batch*).
- Pelatihan sistem untuk karyawan pemasaran (2 *batch*).
- Sosialisasi untuk Vostro Bank (2 *batch*).
- Pelatihan penggunaan aplikasi baru untuk karyawan di cabang (2 *batch*).
- Menghadiri beberapa pelatihan dan sosialisasi dari Bank Indonesia (*User Meeting* BI-RTGS, BI-SSSS dan SKNBI), *User Meeting* KPDHN (Kantor Pusat Daftar Hitam Nasional).

- Parameter, an IT Department unit that is part of Business Process Improvement.

Until July 2018, the Operations Management Department continues the operations staff rotation program in all branch offices. The rotation aims to provide opportunities to employees to work with different team at different branch offices. During rotation, the staff will share knowledge and experience, which eventually improve the overall performance of the branch operational team. The rotation is also aimed at minimizing operational risk at the branch offices.

The Operations Management Department routinely conducts coordination meeting with the entire Operations Managers and officers at the branch offices as well as organizes forum discussion for Customer Service, Teller and Non Cash Teller.

The Operations Management Department continues the internal training programs through dissemination of in-class, conferences through telephone or video call.

The following are realization of training programs for the improvement of employees' technical skill at the branch offices and other departments:

- Refreshment for operations staff at branch offices (4 batch).
- Policies and procedures training for all Branch Managers (2 batch).
- Policies and procedures training for newly joined Operations Heads (2 batch).
- Systems training for marketing staffs (2 batch).
- Dissemination on Vostro Bank (2 batch).
- New application usage training for branch offices' employees (2 batch).
- Attended several trainings and socializations from Bank Indonesia (User Meeting BI-RTGS, BI-SSSS and SKNBI), User Meeting KPDHN (National Black List Head Office).

ANALISA TARGET DAN REALISASI

Departemen Manajemen Operasional telah mencapai indikator kinerja utama untuk tahun 2018, 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.

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.

Serangkaian produk-produk baru yang diluncurkan oleh fungsi bisnis juga 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 usaha Bank.

Kecepatan perubahan peraturan yang dibuat oleh Bank Indonesia atau badan pemerintah lainnya, menjadi tantangan tersendiri dalam hal penyesuaian kebijakan internal Bank.

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*.

TARGETS AND REALIZATION ANALYSIS

The Operations Management Department has achieved its 2018 main performance indicators, as follows:

- Initiative on main system functions improvement and enhancement, from manual to digital or semi digital.
- Initiative on the development/proposal or addition/change of policies and procedures.

Currently, the department's human resources have sufficient quality that continuously enhanced both in technicality and non-technicality. The Bank has a professionally working group that can work independently and in teamwork. Moreover, clear and measured job description and Key Performance Indicators may ensure good working quality of employees. Good coordination and communication inter sections under the Operations Department also support the successful delivery of every assigned project or task.

Series of new products launched by business functions also involve the Operations Management Department, in terms of policy or procedure development as well as the Bank's main system improvement. This indicates pivotal contribution and role of the Operations Management Department in fostering The Bank's business growth.

The prompt changes of regulations by Bank Indonesia or other government agencies rendered a distinct challenge in the adjustment of The Bank's internal policies.

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.

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 (*SME*, *Commercial* dan *Corporate*) dalam menangani kredit bermasalah 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 2018, berhasil menjaga net rasio NPL di kisaran 2,23% (*yoy*), berhasil menagih kembali dan/atau menyelesaikan NPL sebesar Rp108,81 miliar, serta berhasil melakukan *write-off* sebesar Rp768,1 miliar.

Rencana 2019, 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.

SPECIAL ASSET MANAGEMENT (SAM)

The function of SAM is to handle NPL-related issues with collectability categories of 3 to 5. SAM roles include scouting, detecting and getting in touch with individuals or organizations to collect overdue credits to minimize late payments and maintain the fluency of future credit payments. Moreover, SAM also takes part in:

- Assisting business units (SME, 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 2018 managed to maintain the NPL Ratio at 2.23% (yoy), where SAM successfully recovered and/or settled NPLs amounting to Rp108.81 billion and managed to write-off in the amount of Rp768.1 billion.

For 2019, 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 credits. 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, system yang kuat dan jaminan kredit.

CREDIT MANAGEMENT (CMD)

CMD is assigned to perform monitoring on credit, credit system and collateral obligation. Sustainable and healthy credit growth must be supported by comprehensive credit monitoring, robust system and credit collateral. Therefore, CMD is designed to

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 2018, 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 REVIEW (CRD)

Peran dan tanggung jawab CRD adalah memastikan proses aplikasi kredit yang tepat untuk mendukung kebijakan kredit Bank dan menjaga prosedur analisa kredit di seluruh segmen termasuk *Corporate* dan *Commercial*, *SME* dan *Retail*. 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, CRD turut mengelola limit kredit dari kelompok atau portofolio kredit tunggal serta turut aktif dalam pemantauan portofolio kredit dan pengembangan kebijakan perkreditan, sesuai dengan ketentuan perkreditan yang berlaku dengan memperhatikan prinsip kehati-hatian dan manajemen risiko untuk mendukung kelancaran pencapaian target bisnis secara keseluruhan.

Didukung oleh sumber daya manusia yang telah berpengalaman dibidang perkreditan dan dibekali pengetahuan manajemen risiko yang memadai, CRD telah melakukan analisis kredit secara menyeluruh dan baik, guna mendapatkan debitur yang berkualitas sehingga dapat menumbuhkan portofolio kredit.

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 The Bank's loan portfolio through credit monitoring information system.

In 2018, from a credit-system perspective, CMD contributed in improving credit processes and product consolidation within two goals: to strengthen acquisition and maintenance of acquired assets 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.

CREDIT REVIEW (CRD)

The role and responsibility of CRD is to ensure a suitable credit application process to support The Bank's credit policy and maintain credit analysis procedures across the Corporate and Commercial, SME and Retail segments. The purpose is to help maintaining the risks of business unit performance at a level consistent with The Bank's policies and procedures.

Besides reviewing proposals, CRD also manages credit limit of a single credit group or portfolio along with actively participates in credit portfolio monitoring and the development of credit policy, in accordance with applicable credit provisions by 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, CRD has been conducting a thorough and proper credit analysis to obtain qualified debtors to support the grow of loan portfolio.

LOAN OPERATION DEPARTMENT (LOD)

Sejak bulan April 2018, LOD dibentuk untuk menggantikan *Credit Support and Administration Department* (CSA). Fungsi LOD hampir sebagian besar sama dengan fungsi CSA. LOD adalah unit pendukung bisnis dalam hal penyaluran kredit yang bertanggungjawab dari segi *legal operations* dan *credit administration*. Disamping itu, LOD juga berperan sebagai *service agency* yang meliputi agen fasilitas, agen jaminan dan agen Bank pada pinjaman sindikasi/*club deal* dan/atau bilateral.

Selama tahun 2018, Bank melalui LOD melanjutkan transaksi dengan mekanisme *risk participation* yang sudah dimulai sejak tahun 2015 dengan ICBC Group terutama dengan ICBC Ltd Hong Kong Branch Overseas Asset Center. Transaksi ini ditujukan untuk mendukung proyek-proyek besar di wilayah Republik Indonesia. Sampai dengan akhir Desember 2018, portofolio Bank yang dibukukan dengan metode *risk participation* dengan ICBC Ltd Hong Kong Branch Overseas Asset Center mencapai USD263 juta.

- Agen Fasilitas: 11 transaksi
- Agen Jaminan: 5 transaksi
- Agen Bank: 2 transaksi

LOAN OPERATION DEPARTMENT (LOD)

Since April 2018 LOD was established to replace Credit Support and Administration Department (CSA), where the main functions are similar with CSA. LOD is a business support unit in terms of lending with responsibilities in legal operations and credit administration. In addition, LOD acts as a service agency that includesfacility agent, guarantee agent and The Bank agent on syndicated loan/club deal and/or bilateral loan.

Throughout 2018, The Bank through LOD continued its transaction with risk participation mechanisms started in 2015 with ICBC Group, mainly with ICBC Ltd Hong Kong Branch Overseas Asset Center. The transaction was intended to support major projects in Republic of Indonesia. Until the end of December 2018, the portfolio of The Bank recorded by risk participation method with ICBC Ltd Hong Kong Branch Overseas Asset Center reached USD263 million.

- Facility Agent: 11 transactions
- Guarantee Agent: 5 transactions
- Bank Agent : 2 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 2018 dan 31 Desember 2017 yang telah diaudit oleh Kantor Akuntan Publik Siddharta Widjaja & Rekan (KPMG). Penyajian dan pengungkapan laporan keuangan Perseroan disusun dan disajikan sesuai Pernyataan Standar Akuntansi Keuangan (PSAK) yang berlaku di Indonesia.

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.

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, 2018 and December 31, 2017, 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.

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.

LAPORAN POSISI KEUANGAN

Perkembangan total Aset, Liabilitas dan Ekuitas Bank tahun 2018 dan perbandingannya dengan tahun 2017, adalah sebagai berikut:

STATEMENTS OF FINANCIAL POSITION

The development of the Bank's total Assets, Liabilities and Equity in 2017 and the comparison with 2016 figures are as follows:

Laporan Posisi Keuangan
Statements of Financial Position

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Aset	56,039	54,836	-2.15	100.00	100.00	Assets
Liabilitas	50,285	48,980	-2.60	89.32	89.73	Liability
Ekuitas	5,754	5,856	1.77	10.68	10.27	Equity

Untuk memperkokoh daya tahan kinerja keuangan dari berbagai tekanan dan tantangan yang harus dihadapi selama tahun 2018, Bank berupaya meningkatkan permodalannya menjadi lebih kuat. Ekuitas Bank menunjukkan peningkatan sebesar Rp101,64 miliar atau tumbuh 1,77% menjadi Rp5,86 triliun, dari tahun sebelumnya sebesar Rp5,75 triliun. Sedang total aset dan liabilitas pada tahun 2018 mengalami sedikit koreksi dibanding tahun sebelumnya. Masing-masingnya menjadi Rp54,84 triliun dan Rp48,98 triliun.

To strengthen the resilience of financial performance from various pressures and dynamics during 2018, The Bank strives to strengthen its capital. The Bank's equity increased by Rp101.64 billion or grew 1.77% to Rp5.86 trillion from the previous year figure of Rp5.75 trillion. While total assets and liabilities in 2018 slightly decreased compared to the previous year, respectively by Rp54.84 trillion and Rp48.98 trillion.

Aset
Assets

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Kas	63.49	88.40	-28.18	0.12	0.16	Cash
Giro pada Bank Indonesia	3,848.28	3,888.04	-1.02	7.02	6.94	Current accounts with Bank Indonesia
Giro pada bank-bank lain	3,456.40	3,314.45	4.28	6.30	5.91	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank-bank lain	5,410.78	5,135.05	5.37	9.87	9.16	Placements with Bank Indonesia and other banks
Aset derivatif	267.42	5.98	4371.91	0.49	0.01	Derivative assets
Tagihan akseptasi	595.16	1,519.88	-60.84	1.09	2.71	Acceptance receivables
Efek-efek untuk tujuan investasi	3,791.17	6,248.88	-39.33	6.91	11.15	Investment securities
Kredit yang diberikan	36,542.28	35,068.61	4.20	66.64	62.58	Loans receivable
Aset tetap	246.97	280.70	-12.02	0.45	0.50	Fixed assets
Aset pajak tangguhan	307.64	191.90	60.31	0.56	0.34	Deffered tax assets
Ase lain-lain	306.59	297.33	3.11	0.56	0.53	Other assets
Total Aset	**54,836.17**	**56,039.20**	**-2.15**	**100.00**	**100.00**	**Total Assets**

ASET

Realisasi total aset Bank mengalami koreksi pada tahun 2018 menjadi Rp54,84 triliun. Penurunan total aset ini dipengaruhi oleh menurunnya efek-efek untuk tujuan investasi yang menjadi Rp3,79 triliun pada tahun 2018 dari sebelumnya sebesar Rp6,25 triliun pada tahun 2017, serta tagihan akseptasi yang sebelumnya Rp1,52 triliun menjadi Rp595,16 miliar.

Kas, Giro dan Penempatan pada Bank Indonesia

Posisi kas, giro dan penempatan pada Bank Indonesia di akhir tahun 2018 terjumlah Rp7,26 triliun, atau bertumbuh 40,31% dibandingkan tahun sebelumnya. Pada pos tersebut, saldo kas mencapai Rp63,49 miliar sedangkan giro dan penempatan pada Bank Indonesia mencapai Rp7,19 triliun. Posisi kas Bank senantiasa dijaga pada level yang memadai untuk memenuhi kebutuhan transaksi uang tunai nasabah.

Giro dan Penempatan pada Bank Lain

Hingga triwulan keempat 2018, giro dan penempatan pada bank lain terjumlah Rp5,52 triliun atau turun 23,90% dibanding periode sebelumnya yang sebesar

ASSETS

In 2018, the Bank's total assets decreased to Rp54.84 trillion. The decrease of total assets was influenced by the decrease of investment securities to Rp3.79 trillion in 2018 from the previous 2017 figure of Rp6.25 trillion, as well as acceptance receivables from Rp1.52 trillion to Rp595.16 billion.

Cash, Current Accounts and Placements with Bank Indonesia

At the end of 2018, The Bank's position of cash, current accounts and placements with Bank Indonesia was Rp7.26 trillion, or grew 40.31% compared to the previous year. Cash balance reached Rp63.49 billion while current accounts and placements with Bank Indonesia reached Rp7.19 trillion. The Bank always maintain adequacy of cash position level in order to fulfill customer's cash transactions.

Current Accounts and Placements with Other Banks

Up to the fourth quarter of 2018, current accounts and placements with other banks reached Rp5.52 trillion or decreased by 23.90% compared to the previous year

Rp7,25 triliun. Bank mengalokasikan dana ke giro pada bank lain sebesar Rp3,46 triliun per tahun 2018, atau naik 4,28% dibandingkan tahun sebelumnya yang sebesar Rp3,31 triliun. Sedangkan penempatan pada bank lain mengalami penurunan dari Rp3,94 triliun pada tahun 2017 menjadi Rp2,06 triliun pada tahun 2018. Penurunan penempatan bank lain ini disebabkan Bank melakukan realokasi dana guna mengoptimalkan imbal hasil dengan risiko yang tetap terjaga.

Aset Derivatif

Akun aset derivatif Bank tumbuh signifikan hingga 4.371,91% menjadi Rp267,42 miliar dari sebelumnya Rp5,98 miliar. Peningkatan ini lebih dikarenakan untuk melindungi nilai portofolio aset berdenominasi mata uang asing dengan melakukan transaksi lindung nilai. Pada praktiknya, aset derivatif mengacu pada sistem manajemen risiko yang sesuai dengan ketentuan dan praktik terbaik. Seluruh transaksi derivatif yang dilakukan ditujukan untuk kepentingan Bank maupun nasabah.

Kredit

Pada tahun 2018, kredit Bank meningkat 4,20% menjadi Rp36,54 triliun dari sebelumnya sebesar Rp35,07 triliun pada tahun 2017. Peningkatan kredit ini menambah porsi kredit terhadap total aset Bank dari sebelumnya 62,58% per tahun 2017 menjadi 66,64% pada tahun 2018.

Pertumbuhan kredit pada tahun 2018 dapat diimbangi dengan kualitas kredit yang tetap terjaga dan berada di level yang masih aman. Bank senantiasa menerapkan prinsip kehati-hatian dalam penyaluran kredit, memantau kondisi bisnis dan ekonomi, serta faktor-faktor lainnya yang dapat mempengaruhi kualitas kredit dan kemampuan pembayaran hutang debitur. Adapun rasio kredit bermasalah atau NPL Bank berada pada level 3,57% pada tahun 2018.

Namun, pencapaian kredit ini belum sepenuhnya optimal. Sebab, masih cukup banyak fasilitas kredit yang sudah disetujui tetapi belum sepenuhnya dimanfaatkan oleh nasabah (*undisbursed loan uncommited*), dan juga sedikitnya penambahan debitur baru. Komposisi pemberian kredit masih didominasi oleh kredit dalam bentuk valuta asing yang mencapai Rp24,84 triliun atau sekitar 66,74% dari total kredit.

figure of Rp7.25 trillion. The Bank allocated fund to current accounts in other banks amounted to Rp3.46 trillion in 2018, or rose by 4.28% compared to the previous year of Rp3.31 trillion. While placements with other banks decreased from Rp3.94 trillion in 2017 to Rp2.06 trillion in 2018. The decrease of placements with other banks was due to fund relocation to optimize return while maintaining risks.

Derivative Assets

The Bank's derivative assets grew significantly by 4,371.91% to Rp267.42 billion from the previous figure of Rp5.98 billion. The increase was more due to protecting assets portfolio value in denominated foreign currencies by hedging transactions. In practice, derivative assets refers to risk management system that coherent with rules and best practices, which aimed at fulfilling the interest of The Bank and customers.

Loans

In 2018, The Bank's loans rose by 4.20% to Rp36.54 trillion from Rp35.07 trillion in 2017. The increase of loans augmented credit to total assets from 62.58% as at 2017 to 66.64% in 2018.

Loans growth in 2018 is balanced by maintained credit quality and attainable level. The Bank strives to implement prudence principle in lending, monitors business and economic conditions, as well as other factors that may influence credit quality and solvency of borrowers. As such, The Bank's non-performing loans ratio or NPL was at 3.57% in 2018.

However, this is not yet optimized, as we recorded a number of undisbursed loan uncommitted, as well as additional new borrowers. Lending composition remains dominated by foreign currency loans that reached Rp24.84 trillion or around 66.74% from total loans.

Jenis Kredit
Type of Loans

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Kredit Modal Kerja	18,428	18,516	-0.47	49.52	51.92	Working Capital Loans
Kredit Investasi	18,301	16,559	10.52	49.18	46.43	Investment Loans
Kredit Konsumsi	485	590	-17.82	1.30	1.65	Consumer Loans
Total Kredit	**37,214**	**35,664**	**4.34**	**100.00**	**100.00**	**Total Loans**

Berdasarkan jenisnya, kredit modal kerja dan kredit investasi masih merupakan kontributor terbesar terhadap total kredit Bank. Masing-masingnya menjadi sebesar 49,52% dan 49,18% pada akhir 2018. Sementara itu, kontribusi kredit konsumsi masih relatif belum besar yakni sebanyak 1,30% dari total kredit Bank pada tahun 2018.

Based on its types, working capital loans and investment loans remain the largest contributor to The Bank's total loans, which respectively at 49.52% and 49.18% at the end of 2018. While consumer loans recorded relatively lower result by 1.30% from The Bank's total loans in 2018.

Jenis Kredit
Type of Loans

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Industri Pengolahan	7,472	9,083	-17.74	20.08	25.47	Manufacturing
Perantara Keuangan	6,032	4,112	46.69	16.21	11.53	Financial Intermediaries
Pertambangan	4,465	3,148	41.84	12.00	8.83	Mining
Real Estate, Persewaan & Jasa Dunia Usaha	4,194	6,314	-33.58	11.27	17.70	Real Estate, Leasing and Business Services
Perdagangan hotel, dan restoran	4,109	4,163	-1.30	11.04	11.67	Trading, Hotel, and Restaurant
Konstruksi	3,241	2,360	37.33	8.71	6.62	Construction
Listrik, Gas & Air	2,834	3,011	-5.88	7.62	8.44	Electricity, Gas, & Water
Pertanian, Perburuan & Sarana Pertanian	2,334	989	136.00	6.27	2.77	Agriculter, Farming, & Agriculture Facilities
Pengangkutan, Pergudangan & Komunikasi	2,045	1,887	8.37	5.50	5.29	Transportation, Warehousing, & Communication
Lain-Lain	485	594	-18.35	1.30	1.67	Others
Jasa-Jasa Sosial/Masyarakat	3	3	0.00	0.01	0.01	Social/Public Services
Total	**37,214**	**35,664**	**4.35**	**100.00**	**100.00**	**Total**

Berdasarkan sektor ekonomi, realisasi pemberian kredit terbesar masih berasal dari sektor industri pengolahan yang berkontribusi Rp7,47 triliun dan mendominasi komposisi dari portofolio kredit Bank sebesar 20,08%. Untuk sektor perantara keuangan yang merupakan kontributor kredit terbesar kedua bertumbuh hingga 46,69% dengan porsi 16,21% dari total kredit. Kemudian diikuti oleh sektor pertambangan dengan perkembangan kredit sebesar 41,84% dan berkontribusi 12,00% dari total kredit Bank.

Based on economic sectors, realization of largest lending derived from manufacturing, which contributed Rp7.47 trillion and dominated The Bank's loans portfolio by 20.08%. Financial Intermediaries was the second larges contributor that grew 46.69% with a portion of 16.21% to total loans. Followed by mining with loan growth of 41.84% and contributed 12.00% to The Bank's total loans.

Sedangkan sektor industri pengolahan yang realisasi kreditnya berada di bawah proyeksi disebabkan adanya penghapusan buku. Sementara itu, faktor utama tidak terealisasinya target kredit di sektor *real estate*, usaha persewaan dan jasa perusahaan dikarenakan besarnya pelunasan kredit dan kurangnya utilitas fasilitas kredit yang tercapai pada triwulan akhir tahun 2018.

Pada akhir tahun 2018, total kredit yang diberikan pada sektor Usaha Mikro, Kecil dan Menengah (UMKM) mencapai Rp246,96 miliar. Usaha skala Menengah masih mendominasi pemberian kredit UMKM sebesar Rp245,07 miliar atau 99,23% dari total kredit UMKM. Bank telah mengupayakan pengembangan sektor UMKM sesuai dengan kemampuan Bank.

The loan realization of manufacturing was below projection due to writte-off. While, the unrealized targets of real estate, leasing and business services was due to substantial amount of loan repayment and lower loan facility utility recorded at the last quarter of 2018.

At the end of 2018, total lending form Micro, Small and Medium Enterprise (MSME) reached Rp246.96 billion. Medium enterprise still dominates MSME lending at Rp245.07 billion or 99.23% of MSME total loans. The Bank strives to develop MSME sector in accordance with the Bank's ability.

LIABILITAS

Liabilitas Bank tercatat sebesar Rp48,98 triliun pada tahun 2018, menurun 2,59% atau Rp1,30 triliun dibandingkan tahun 2017 yang sebesar Rp50,28 triliun. Penurunan liabilitas ini terutama disebabkan DPK Bank tahun 2018 turun 7,43% dibandingkan tahun 2017. Selain itu, simpanan dari bank-bank lain dan liabilitas akseptasi pada tahun 2018 juga terlihat menurun dari posisi tahun sebelumnya.

LIABILITIES

In 2018, The Bank's liabilities amounted to Rp48.98 trillion, a decrease of 2.59% or Rp1.30 trillion compared to Rp50.28 trillion in 2017. The decrease was mainly due to a decrease of The Bank's Third Party Funds at 7.43% compared to 2017. Morover, deposits from other banks and acceptance payables in 2018 also decreased from the previous year position.

Liabilitas
Liabilities

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Liabilitas segera	2.36	6.54	-63.91	0.00	0.01	Liabilities immediately payable
Dana Pihak Ketiga	30,588.05	33,044.51	-7.43	62.45	65.71	Deposits from customers
- Giro	7,359.67	5,206.11	41.37	15.03	10.35	- Current Accounts
- Tabungan	1,351.92	920.65	46.84	2.76	1.83	- Saving Accounts
- Deposito	21,876.46	26,917.75	-18.73	44.66	53.53	- Time Deposits
Simpanan dari bank-bank lain	2,227.49	4,235.05	-47.40	4.55	8.42	Deposits from other banks
Liabilitas derivatif	0.54	2.87	-81.18	0.00	0.01	Derivative liabilities
Efek-efek yang dijual dengan janji dibeli kembali	-	88.98	-	-	0.18	Securities sold under agreements to repurchase
Liabilitas akseptasi	595.16	1,519.88	-60.84	1.22	3.02	Acceptance payables
Utang pajak penghasilan	3.97	174.07	-97.72	0.01	0.35	Income tax payables
Pinjaman yang diterima	13,780.07	2,858.87	382.01	28.13	5.69	Borrowings
Efek-efek yang diterbitkan	-	6,783.64	-	-	13.49	Securities issued
Liabilitas lain-lain dan beban yang masih harus dibayar	560.16	417.32	34.23	1.14	0.83	Other liabilities and accrued expenses
Pinjaman subordinasi	1,222.30	1,153.24	5.99	2.50	2.29	Subordinated loan
Total Liabilitas	**48,980.10**	**50,284.77**	**-2.59**	**100.00**	**100.00**	**Total Liabilities**

Dana Pihak Ketiga

Dana Pihak Ketiga (DPK) Bank menurun menjadi Rp30,59 triliun pada tahun 2018 dibanding tahun 2017 yang masih sebesar Rp33,04 triliun. Adapun penurunan DPK Bank terutama disebabkan deposito turun 18,73% menjadi Rp21,88 triliun, dari tahun 2017 yang sebesar Rp26,92 triliun. Selain itu, juga terjadi tidak diperpanjangnya deposito oleh beberapa nasabah. Total Deposito Rupiah dan Valas pada akhir Desember 2018 masing-masing tercatat Rp14,61 triliun dan Rp7,27 triliun.

Namun, di sisi lain, giro dan tabungan Bank menunjukkan pertumbuhan yang signifikan, masing-masing sebesar 41,37% dan 46,84% dibandingkan tahun sebelumnya, atau secara nominal menjadi Rp7,36 triliun dan Rp1,35 triliun. Dengan demikian, porsi dana murah atau *Current Accounts & Saving Accounts* (CASA) Bank terhadap total DPK meningkat dari sebelumnya 18,54% pada tahun 2017 menjadi 28,48% pada tahun 2018. Sedangkan kontribusi dana mahal Bank terhadap total DPK menurun dari 81,46% menjadi 71,52%.

Third Party Funds

In 2018, The Bank's Third Party Funds (TPF) decreased to Rp30.59 trillion compared to Rp33.04 trillion in 2017. The decrease of The Bank's TPF was due to a decrease of time deposits by 18.73% to Rp21.88 trillion, from Rp26.92 trillion in 2017. Moreover, also contributed to this decrease was the discontinued of time deposits by several customers. At the end of December 2018, total Time Deposits in Rupiah and Foreign Currency respectively recorded at Rp14.61 trillion and Rp7.27 trillion.

However, on the other hand, The Bank's current accounts and savings accounts grew significantly, respectively by 41.37% and 46.84% compared to the previous year, or to Rp7.36 trillion and Rp1.35 trillion. As such, The Bank's portion on low cost funds or Current Accounts & Savings Accounts (CASA) to total TPF increased by 28.48% in 2018 from the previous level of 18.54% in 2017. While, The Bank's high cost of funds to total TPF decreased to 71.52% from 81.46%.

Simpanan dari Bank Lain, Liabilitas Akseptasi, dan Pinjaman yang Diterima

Pada tahun 2018, Bank mengurangi simpanan dari bank lain hingga 47,40% dari Rp4,24 triliun pada tahun 2017 turun menjadi Rp2,23 triliun. Hal yang sama juga dilakukan oleh Bank untuk akun pos liabilitas akseptasi yang menurun 60,84% dari tahun sebelumnya menjadi Rp595,16 miliar. Sebaliknya, akun pos pinjaman yang diterima Bank menunjukkan peningkatan hingga 382,01% menjadi Rp13,78 triliun dari sebelumnya Rp2,86 triliun pada tahun 2017. Hal ini dilakukan Bank untuk menjaga dan memenuhi ketersedian likuiditas.

Deposits from Other Banks, Acceptance Payables, and Borrowings

In 2018, The Bank decreased deposits from other banks to 47.40% from Rp4.24 trillion in 2017 to Rp2.23 trillion. The Bank also decreased acceptance payables by 60.84% from the previous post to Rp595.16 billion. Contrarily, The Bank's borrowings rose by 382.01% to Rp13.78 trillion from Rp2.86 trillion in 2017. These measures were taken by The Bank to maintain and meet liquidity availability.

EKUITAS

Pada tahun 2018, total ekuitas Bank tumbuh 1,77% atau Rp101,64 miliar menjadi Rp5,86 triliun. Kenaikan ekuitas ini menjaga posisi permodalan Bank berada pada level yang sehat dengan rasio kecukupan modal (CAR) sebesar 16,21%. Komponen ekuitas Bank selengkapnya terlihat dalam tabel berikut:

EQUITY

In 2018, The Bank's total equity grew 1.77% or by Rp101.64 billion to Rp5.86 trillion. The increase of equity secures The Bank's capital at a sound level with capital adequacy ratio of 16.21%. The comprehensive components of The Bank's equity is illustrated in the following table:

Ekuitas
Equity

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Modal Saham	3,706	3,706	0.00	63.29	64.41	Share Capital
Cadangan Nilai Wajar - Bersih	-16	2	-900.00	-0.27	0.03	Fair Value Reserve - net
Saldo Laba						Retained Earnings
Telah Ditentukan Penggunaannya	224	193	16.06	3.83	3.35	Approited
Belum Ditentukan Penggunaannya	1,942	1,853	4.80	33.16	32.20	Unappropriated
Total	**5,856**	**5,754**	**1.77**	**100.00**	**100.00**	**Total**

Laporan Laba Rugi & Pendapatan Komprehensif Lain

Perolehan laba bersih Bank tercatat sebesar Rp114,79 miliar pada tahun 2018. Hasil yang positif ini terutama diperoleh dari peningkatan pendapatan bunga.

Statements of Profit or Loss & Other Comprehensive Income

In 2018, The Bank recorded net profit of Rp114.79 billion, a positive result that mainly derived from the increase of interest income.

Laporan Laba Rugi & Pendapatan Komprehensif Lain
Statements of Profit or Loss & Other Comprehensive Income

Rp miliar | in Rp billion

Komponen	2018	2017	Kenaikan/Penurunan Increase/Decrease	Δ YOY (%)	Component
Pendapatan bunga	3,178.65	3,017.38	161.27	5.34	Interest income
Beban bunga	2,073.64	1,722.57	351.07	20.38	Interest expenses
Pendapatan bunga bersih	1,105.01	1,294.81	-189.8	-14.66	Net Interest Income
Pendapatan operasional lainnya	418.29	453.08	-34.79	-7.68	Other operating income
Beban operasional lainnya	1,362.27	1,319.37	42.90	3.25	Other operating expenses
Laba (rugi) sebelum pajak	161.02	428.53	-267.51	-62.43	Profit (loss) before income tax
Pajak Penghasilan	-46.24	-117.21	70.97	-60.55	Income tax expenses
Laba (rugi) bersih	114.78	311.32	-196.54	-63.13	Profit (loss) after income tax - net

Pendapatan Bunga

Pada tahun 2018, pendapatan bunga Bank tumbuh 5,34% atau sebesar Rp161,27 miliar menjadi Rp3,18 triliun. Hal ini sejalan dengan pertumbuhan kredit Bank yang mengalami peningkatan selama tahun 2018. Selain itu, pendapatan dari efek-efek yang dibeli dengan janji dijual kembali juga berkontribusi menambah pendapatan bunga.

Interest Income

In 2018, The Bank's interest income grew 5.34% or by Rp161.27 billion to Rp3.18 trillion. This is in line with The Bank's loans growth that increases during 2018. Moreover, securities purchased under agreements also contributed to the interest income.

Pendapatan Bunga
Interest Income

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Kredit Yang Diberikan	2,668.97	2,587.94	3.13	83.97	85.77	Loans
Efek-Efek untuk Tujun dan Investasi	219.30	316.07	-30.62	6.90	10.47	Investment Securities
Penempatan Pada Bank Indonesia dan Bank Lain	185.70	89.92	106.52	5.84	2.98	Placements with Bank Indonesia and Other Banks
Efek-Efek yang Dibeli dengan Janji Dijual Kembali	81.29	14.25	470.46	2.56	0.47	Securities Purchased Under Agreements to Resell
Giro Pada Bank Indonesia dan Bank Lain	23.39	9.21	153.96	0.74	0.31	Current Accounts with Bank Indonesia and Other Banks
Total	**3,178.65**	**3,017.38**	**5.34**	**100.00**	**100.00**	**Total**

Beban Bunga
Beban bunga Bank naik 20,38% pada tahun 2018, atau menjadi Rp2,07 triliun dari Rp1,72 triliun pada tahun 2017. Beban Bunga yang lebih tinggi tersebut untuk mengantisipasi kebutuhan likuiditas sejalan dengan ekspektasi pertumbuhan kredit yang lebih tinggi pada tahun 2018.

Interest Expense
The Bank's interest expense rose by 20.38% in 2018, or to Rp2.07 trillion from Rp1.72 trillion in 2017. The hight interest expense was to anticipate liquidity needs in line with higher loan growth expectation in 2018.

Beban Bunga
Interest Expense

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Simpanan Nasabah	1,480.06	1,234.21	19.92	71.37	71.65	Deposits from Customers
Premi Penjaminan Dana Pihak Ketiga	69.41	58.72	18.21	3.35	3.41	Premium onThird Party Funds Guarantee
Simpanan dari Bank Lain	70.48	106.61	-33.89	3.40	6.19	Deposits from Other Banks
Pinjaman Subordinasi dan Pinjaman yang Diterima	433.02	110.66	291.31	20.88	6.42	Subordinated Loan and Borrowings
Efek-efek yang Diterbitkan	20.02	210.96	-90.51	0.97	12.25	Securities Issued
Efek-efek yang Dijual Dengan Janji Dibeli Kembali	0.65	1.41	-53.90	0.03	0.08	Securities Sold Under Agreement To Repurchase
Total	**2,073.64**	**1,722.57**	**20.38**	**100.00**	**100.00**	**Total**

Pendapatan Bunga Bersih
Pada tahun 2018, pendapatan bunga bersih Bank mengalami penurunan sebesar 14,66% dari tahun sebelumya menjadi Rp1,11 triliun. Hal ini tak lepas dari masih besarnya porsi dana mahal dalam struktur DPK Bank. Oleh karena itu, Bank akan terus berupaya mengelola *cost of funds* lebih proaktif kedepannya.

Net Interest Income
In 2018, The Bank's net interest income decreased by 14.66% from the previous year to Rp1.11 trillion. This was due to larger portion of high cost of funds in The Bank's TPF structure. As such, going forward The Bank strives to manage its cost of funds proactively.

Pendapatan Operasional Lainnya

Pendapatan operasional lainnya selama tahun 2018 sedikit mengalami koreksi 7,68% dari Rp453,08 miliar pada akhir tahun 2017 menjadi Rp418,29 miliar pada akhir tahun 2018. Hal ini disebabkan akun pos provisi dan komisi lainnya, keuntungan atas penjualan efek-efek untuk tujuan investasi, dan lain-lain mengalami penurunan selama tahun 2018. Namun Bank dapat menumbuhkan pendapatan dari transaksi mata uang hingga 58,12% (*yoy*).

Other Operating Income

In 2018, other operating income was corrected by 7.68% from Rp453.08 billion at the end of 2017 to Rp418.29 billion at the end of 2018. This was due to the decrease of other fees and commissions, gains on foreign exchange transaction, and others during 2018. However Bank still can grow other operating income from gains on foreign exchange transaction by 58.12% (yoy)

Pendapatan Operasional Lainnya
Other Operating Income

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Provisi dan Komisi Lainnya	86.64	118.66	-26.98	20.71	26.19	Other Fees and Commissions
Keuntungan Transaksi Mata Uang - Bersih	307.52	194.48	58.12	73.52	42.92	Gains on Foreign Exchange Transaction - Net
Keuntungan Transaksi Penjualan Fasilitas Kredit	-	7.50	-	-	1.66	Gains on Sale of Loan Facilities
Keuntungan Atas Penjualan Efek-Efek Untuk Tujuan Investasi - Bersih	4.69	26.04	-81.99	1.12	5.75	Gains on Sale of Investment Securities - Net
Lain - Lain	19.45	106.40	-81.72	4.65	23.48	Others
Total	**418.29**	**453.08**	**-7.68**	**100.00**	**100.00**	**Total**

Beban Operasional Lainnya

Pada tahun 2018, beban operasional selain bunga mengalami peningkatan 3,25% dari sebelumnya sebesar Rp1,32 triliun menjadi Rp1,36 triliun. Kenaikan beban operasional lainnya disebabkan karena adanya peningkatan penurunan nilai di 2018. Untuk itu kedepannya, Bank akan terus berupaya meningkatkan efisiensi operasional, baik itu melalui pemanfaatan teknologi maupun otomasi. Selain itu, proses operasional dan prosedur administrasi juga senantiasa akan dikaji untuk disempurnakan tanpa menghilangkan prinsip kehati-hatian dalam menjalankan usaha.

Other Operating Expenses

In 2018, other operating expenses rose by 3.25% from previously Rp1.32 trillion to Rp1.36 trillion. The increase was due to an increase of impairment in 2018. Going forward, The Bank will continue improving its operations efficiency, through utilization of technology and automation. Moreover, operational process and administration procedures will continuously be reviewed for refinement while maintaining prudence principles in progressing the business.

Beban Operasional Lainnya
Other Operating Expenses

Rp miliar | in Rp billion

URAIAN	2018	2017	Δ YOY (%)	PORSI / PORTION 2018	PORSI / PORTION 2017	COMPONENT
Beban Kerugian Penurunan Nilai Aset Keuangan - Bersih	841.99	783.42	7.48	61.81	59.38	Impairment Losses on Financial Assets - Net
Beban Umum dan Administrasi	155.59	163.56	-4.87	11.42	12.40	General and Administrative Expenses
Beban Tenaga Kerja	333.44	339.52	-1.79	24.48	25.73	Personnel Expenses
Lain - Lain	31.25	32.88	-4.96	2.29	2.49	Others
Total	**1,362.27**	**1,319.37**	**3.25**	**100.00**	**100.00**	**Total**

Laba Sebelum Pajak

Pada tahun 2018, Bank membukukan laba sebelum pajak penghasilan sebesar Rp161,02 miliar. Hasil positif laba sebelum pajak penghasilan ini terutama ditopang dari masih positifnya hasil pendapatan bunga bersih dan pendapatan operasional lainnya pada tahun 2018.

Laba Bersih

Pada tahun 2018, Bank membukukan laba bersih sebesar Rp114,78 miliar. Hasil positif ini tak lepas dari upaya Bank meningkatkan kredit yang secara langsung berdampak meningkatnya pendapatan bunga dibandingkan dengan tahun sebelumnya.

LAPORAN ARUS KAS

Laporan arus kas menyajikan perubahan dalam kas dan setara kas dari 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-bakn lain yang jatuh tempo dalam waktu tiga bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunannya.

Arus Kas dari Aktivitas Operasi

Bank membukukan arus kas sebelum perubahan dalam aset dan liabilitas operasi tahun 2018 sebesar Rp129,46 miliar. Sedangkan arus kas bersih dari aktivitas operasional untuk tahun 2018 negatif Rp5,72 triliun atau turun dibandingkan posisi tahun sebelumnya yang sebesar Rp4,55 triliun.

Arus Kas dari Aktivitas Investasi

Arus kas bersih yang digunakan untuk aktivitas investasi selama tahun 2018 adalah sebesar Rp2,27 triliun terutama berasal dari kenaikan efek-efek tersedia untuk dijual dan dimiliki hingga jatuh tempo sebesar Rp2,27 triliun atau lebih tinggi dibandingkan posisi tahun 2017 yang minus Rp434,41 miliar.

Arus Kas dari Aktivitas Pendanaan

Arus kas bersih yang digunakan untuk aktivitas pendanaan selama tahun 2018 sebesar Rp3,63 triliun

Income Before Tax

In 2018, The Bank booked income before income tax amounted to Rp161.02 billion. This was mainly derived by positive net interest income and other operating income during 2018.

Net Income

In 2018, The Bank posted net income of Rp114.78 billion. This positive result was due to The Bank's efforts in increasing loan, which directly affected to increase of interest income compare to previous year result.

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. 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.

Cash Flows from Operating Activities

The Bank recorded cash flows before changes in operating assets and liabilities at Rp129.46 billion in 2018. While net cash flows from operating activities in 2018 was negative Rp5.72 trillion or decreased compared to the previous position of Rp4.55 trillion.

Cash Flows from Investing Activities

During 2018, net cash flows used in investing activities was Rp2.27 trillion mainly derived from available for sale and held to maturities securities amounted to Rp2.27 trillion or higher compared to the 2017 position that negative Rp434.41 billion.

Cash Flows from Financing Activities

During 2018, net cash flows used in financing activities was Rp3.63 trillion derived from proceeds from

berasal dari hasil pinjaman yang diterima sebesar Rp12,54 triliun, pembayaran untuk pinjaman yang diterima senilai Rp2,26 triliun, dan pembayaran untuk efek-efek yang diterbitkan sebanyak Rp6,65 triliun.

Dari ketiga arus kas tersebut diatas, kas dan setara kas awal tahun sebesar Rp10,24 triliun pada 2018, naik dari Rp7,42 triliun pada 2017. Kas dan setara kas akhir tahun 2018 mencapai Rp10,95 triliun, meningkat dibandingkan pada tahun 2017.

borrowings amounted to Rp12.54 trillion, payments for borrowings at Rp2.26 trillion, and payment for securities issued amounted to Rp6.65 trillion.

From the above cash flows, cash and cash equivalents at the beginning of the year was Rp10.24 trillion in 2018, increased from Rp7.42 trillion in 2017. Cash and cash equivalents at the end of the year reached Rp10.95 trillion in 2018, increased compared to 2017.

KEMAMPUAN MEMBAYAR UTANG DAN TINGKAT KOLEKTIBILITAS PIUTANG

SOLVENCY AND COLLECTABILITY OF RECEIVABLES

RASIO KEUANGAN

FINANCIAL RATIO

Rasio Keuangan Utama
Key Financial Ratio

dalam persentase | in percentage

KOMPONEN	2018	2017	COMPONENT
Rasio Kecukupan Modal	16.21	17.72	Capital to Adequacy Ratio
Rasio Kredit Bermasalah - Bruto	3.50	2.84	Non Performing Loans - Gross
Rasio Kredit Bermasalah - Bersih	2.47	2.06	Non Performing Loans - Net
Tingkat Pengembalian atas Aset	0.28	0.83	Return on Asset
Tingkat Pengembalian atas Ekuitas	2.19	6.21	Return on Equity
Marjin Bunga Bersih	2.35	2.99	Net Interest Margin
Beban Operasional terhadap Pendapatan Operasional	97.60	89.42	Non operating profit (loss)
Rasio Kredit terhadap Dana Pihak Ketiga	119.33	105.89	Load to Deposit Ratio
Rasio Dana Murah	28.48	18.54	CASA to third parties fund
Rasio Liabilitas terhadap Ekuitas	836.40	873.84	Debt to Equity Ratio
Rasio Liabilitas terhadap Aset	89.32	89.73	Debt to Assets Ratio

SOLVABILITAS DAN KOLEKTABILITAS

Rasio Kecukupan Modal (CAR)

Pada tahun 2018, Bank terus menjaga level posisi permodalannya yang tercermin dalam rasio kecukupan modal (CAR) yang tercatat sebesar 16,21%. Rasio CAR tersebut di atas persyaratan minimum sesuai profil risiko yang ditetapkan oleh regulator. Total Permodalan Bank yang terdiri dari modal inti serta modal pelengkap untuk mengantisipasi risiko kredit, risiko pasar, dan risiko operasional yang mencapai Rp6,35 triliun.

SOLVENCY AND COLLECTABILITY

Capital Adequacy Ratio (CAR)

In 2018, The Bank continues to maintain capital position that reflected from capital adequacy ratio (CAR) of 16.21% - still above the minimum requirement of risk profile set by the regulator. The Bank's total capital consists of core capital and supplementary capital to anticipate credit risk, market risk, and operational risk that reached Rp6.35 trillion.

Rasio Kredit Bermasalah (NPL)

Bank terus mengupayakan untuk memperbaiki dan menyelesaikan masalah kualitas kredit, disertai dengan upaya peningkatan cadangan kerugian penurunan nilai (CKPN) aset keuangan. Salah satunya mengalokasikan dana *impairment* menjadi Rp841,99 miliar dan adanya penghapusan buku sebesar Rp794,95 miliar. Upaya tersebut dapat terlihat pada pencapaian rasio NPL *gross* pada akhir Desember 2018 menjadi 3,57% atau lebih baik dari proyeksi Revisi Rencana Bisnis Bank yang berada pada 3,63%. Sedangkan rasio NPL net Bank di level 2,47% pada akhir tahun 2018.

Profitabilitas

Pada tahun 2018 rasio ROA mencapai 0,28% atau terkoreksi dibanding tahun 2017 yang tercapai 0,83%. Sedangkan rasio ROE tercatat sebesar 2,19%, lebih rendah dibandingkan tahun 2017 yang sebesar 6,21%. Pencatatan kedua rasio tersebut dipengaruhi oleh laba Bank yang pencapaiannya 65,23% dibawah target, khususnya akibat dari memburuknya realisasi CKPN tahun 2018.

Sementara itu, rasio marjin bunga bersih (NIM) Bank turun menjadi 2,35% pada tahun 2018 dari 2,99% pada tahun 2017. Sedangkan rasio beban operasional terhadap pendapatan operasional (BOPO) tercatat sebesar 97,60% pada tahun 2018, beranjak dibandingkan 89,42% pada tahun sebelumnya. Hal ini disebabkan adanya peningkatan pada pos *impairment*.

Loan to Deposit Ratio (LDR)

LDR pada akhir tahun 2018 berada di posisi 119,33%, atau di atas proyeksi yang ditetapkan sebesar 106,08%. Posisi LDR pada akhir Desember 2018 ini disebabkan oleh realisasi DPK dan realisasi pemberian kredit yang dibawah proyeksi.

Non-Performing Loans (NPL)

The Bank strives to improve and resolve credit quality, and efforts to increase the allowance for impairment losses of financial assets. One of the measures was to allocate impairment fund to Rp841.99 billion and write-off amounted to Rp794.95 billion. These efforts resulted in the achievement of gross NPL ratio at 3.57% at the end of December 2018 or improved from The Bank's Business Plan Revision projection at 3.63%. While The Bank's net NPL ratio was at 2.47% level at the end of 2018.

Profitability

In 2018, ROA ratio reached 0.28% or corrected compared to 0.83% in 2017. While ROE ratio was recorded at 2.19% lower compared to 6.21% in 2017. These ratios were influenced by the lower achievement of The Bank's profit by 65.23% against budget, especially due to worsening of allowance for impairment losses in 2018.

Meanwhile, The Bank's net interest margin (NIM) decreased by 2.35% in 2018 from 2.99% in 2017. While operating expense to operating income ratio (BOPO) was at 97.60% in 2018, increased compared to 89.42% in the previous year. The increase was due to an increase of impairment.

Loan to Deposit Ratio (LDR)

At the end of 2018, LDR was at 119.33%, or above the set projection of 106.08%. LDR position at the end of December 2018 was due to the realization of TPF and lending that were below projections.

STRUKTUR MODAL

Bank mengelola struktur modal dan melakukan penyesuaian atas struktur modal 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. Modal Inti dan modal pelengkap Bank masing-masingnya sebesar Rp5,09 triliun dan Rp1,26 triliun pada tahun 2018. Sedangkan Kewajiban Penyediaan Modal Minimum (KPMM) mencapai 16,21% pada tahun 2018. Ada pun struktur permodalan Bank adalah sebagai berikut:

CAPITAL STRUCTURE

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. In 2018, The Bank's core caital and supplementary capital were respectively at Rp5.09 trillion and Rp1.26 trillion. While the Capital Adequacy Ratio (CAR) reached 16.21% in 2018. The following is The Bank's capital structure:

Struktur Modal
Capital Structure

Rp miliar | in Rp billion

KOMPONEN	2018	2017	Δ YOY (%)	COMPONENT
Modal Inti	5,095	5,340	-4.59	Core Capital
Modal Pelengkap	1,254	1,365	-8.13	Supplementary Capital
Total Modal	6,349	6,705	-5.31	Total Capital
ATMR Risiko Kredit	36,186	35,400	2.22	Risk-Weighted Assets Credit Risk
ATMR Risiko Operasional	2,902	2,409	20.46	Risk-Weighted Assets Operational Risk
ATMR Risiko Pasar	72	38	89.47	Risk-Weighted Assets Market Risk
Total ATMR	39,161	37,848	3.47	Total Risk-Weighted Assets
Rasio KPMM (%)	16.21	17.72	-1.51	Capital Adequacy Ratio (%)

IKATAN MATERIAL UNTUK INVESTASI BARANG MODAL

Sepanjang tahun 2018, Bank tidak ada ikatan material untuk investasi barang modal.

Realisasi Investasi/Belanja Barang Modal

Selama tahun 2018, realisasi investasi atau belanja barang modal Perseroan terutama berasal dari inventaris kantor yang sebesar Rp1,24 miliar menjadi Rp169,49 miliar. Selain itu, realisasi investasi atau belanja barang modal juga berasal dari kendaraan dan aset dalam penyelesaian.

MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURES

The Bank did not record any material commitments for capital expenditures during 2018.

Realization of Capital Expenditures

During 2018, The Bank realized capital investments or expenditures mainly from office equipments amounted to Rp1.24 billion to Rp169.49 billion. Moreover, realization of capital investments or expenditures was also from vehicles and construction in progress.

TARGET DAN REALISASI 2018
TARGET AND REALIZATION IN 2018

KOMPONEN	TARGET 2018	REALISASI 2018	COMPONENT
dalam Rp miliar			in Rp billion
Aset	60,392	54,836	Assets
Kredit	39,247	37,214	Loans
Dana Pihak Ketiga	36,356	30,588	Third Party funds
Ekuitas	6,086	5,856	Equity
Laba Sebelum Pajak	463	161	Profit before income tax
dalam persentase			in percentage
Rasio Kewajiban Penyediaan Modal Minimum	16.36	16.21	Capital Adequacy Ratio
Rasio Modal Inti terhadap ATMR	13.41	13.01	Tier 1 to RWA Ratio
Rasio Modal Inti Utama terhadap ATMR	13.41	13.01	Core Capital to RWA Ratio
Tingkat Pengembalian atas Aset	0.78	0.28	Return on Assets
Tingkat Pengembalian atas Ekuitas	6.29	2.19	Return on Equity
Marjin Bunga Bersih	2.45	2.35	Net Interest Margin
Beban Operasional terhadap Pendapatan Operasional	87.39	97.60	Non operating profit (loss)
Rasio Kredit Bermasalah - Bruto	3.63	3.57	Non Performing Loans - Gross
Rasio Kredit Bermasalah - Bersih	2.12	2.47	Non Performing Loans - Net
Rasio Kredit terhadap Total Aset Produktif	89.58	90.58	Loans to Earnings Assets Ratio
Rasio Total Kredit kepada UMKM terhadap Total Kredit	1.27	0.66	MSME Loans to Total Loans
Rasio Kredit terhadap Dana Pihak Ketiga	106.08	119.33	Loans to Deposits Ratio

INFORMASI DAN FAKTA MATERIAL SETELAH TANGGAL LAPORAN AKUNTAN

Tidak terdapat informasi dan fakta material yang terjadi setelah tanggal laporan akuntan dilaporkan dalam laporan keuangan audit terkini Perseroan.

SUBSEQUENT EVENTS

There were no material information and facts occurred following the date of accounting report in The Bank's latest audited financial statements.

ASPEK PEMASARAN

Strategi Pemasaran

Untuk mencapai pertumbuhan bisnis pada tahun 2018, Bank terus mempertajam strategi-strategi pemasaran yang sudah dijalankan, antara lain memberikan kredit pada proyek-proyek Pemerintah Indonesia, BUMN Indonesia, dan perusahaan *blue-chip* yang memiliki risiko rendah; meningkatkan sumber pendanaan yang stabil; mengadopsi platform teknologi dari perusahaan induk; memperkuat bisnis perbankan Konsumen dan *internal control*. Produk-produk baru yang berbasis teknologi serta strategi jaringan cabang yang berupa lokasi baru direncanakan oleh Bank dalam rangka memperkuat daya saing Bank.

Untuk itu, Bank menetapkan langkah-langkah strategis pemasaran untuk semua unit usahanya, sebagai berikut:

- Mengimplementasikan kegiatan pemasaran yang terintegrasi untuk meningkatkan *brand awareness* dan melakukan *cross-selling* melalui kerja sama dengan departemen lain.
- Mengembangkan saluran penjualan dan layanan semakin terintegrasi untuk menjadi model perbankan baru untuk pengiriman produk, layanan, dan pemasaran. *Mobile banking* adalah saluran penting untuk bersaing di masa depan sehingga semua layanan produk perbankan, otentikasi, dan interaksi Nasabah dapat diakses melalui telepon seluler.
- Mengembangkan keahlian pemasaran yang efektif melalui pelatihan keterampilan sales, pengetahuan industri, dan lain lain.

MARKETING ASPECTS

Martketing Strategy

To achieve business growth in 2018, The Bank continues to concentrate on the marketing strategies that have been implemented, including providing loans to Indonesian Government projects, SOEs, and low-risk blue-chip companies; increasing stable funding sources; adopting the technology platform of the parent company; strengthening the Consumer Banking business and internal control. New technology based products and branch network strategies in the form of new locations are planned by the Bank to strengthen the Bank's competitiveness.

To that end, The Bank sets several marketing strategies for all business units, as follows:

- Implement integrated marketing activities to increase brand awareness and conduct cross-selling through cooperation with other departments.
- Develop more integrated sales and services channel to become a new banking model for products, services, and marketing delivery. Mobile Banking is an important channel for competing in the future so that all banking products, services, authentication, and Customer interactions can be accessed through mobile phones.
- Develop effective marketing skills through training in sales skill, industry knowledge, etc.

DIVIDEN DAN KEBIJAKAN DIVIDEN

Demi menunjang ekspansi bisnis Bank 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 2018.

DIVIDEND AND DIVIDEND POLICY

To enhance The Bank's future business expansion, the shareholders agreed to not exercise any dividend payout, and to allocate net income for retained earnings in order to strengthen The Bank's capital for fiscal year ended December 31, 2018.

PENGGUNAAN DANA IPO

Sampai dengan akhir tahun 2018, Bank belum pernah melakukan penawaran umum 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.

IPO PROCEEDS UTILIZATION

Until the end of 2018, The Bank has not exercised any public offering for the stock listing at the Indonesia Stock Exchange or any other exchanges. As such, there was no information presented regarding the utilization of IPO proceeds.

TRANSAKSI MATERIAL YANG MENGANDUNG BENTURAN KEPENTINGAN & TRANSAKSI DENGAN PIHAK AFILIASI

Selama tahun 2018, tidak ada informasi transaksi material yang mengandung benturan kepentingan.

MATERIAL TRANSACTIONS WITH CONFLICT OF INTERESTS & AFFILIATE TRANSACTIONS

There were no material transactions with conflict of interests during 2018.

INVESTASI, EKSPANSI DAN DIVESTASI

Sejalan dengan perkembangan kebutuhan nasabah untuk mendapatkan layanan yang lebih nyaman dan cepat, Bank akan mengembangkan jaringan pelayanannya melalui media elektronik. Untuk menyempurnakan kemampuan *Corporate Internet Banking* yang sudah ada, Bank berencana untuk meluncurkan *Mobile Banking* dan *Personal Internet Banking* di 2019. Oleh karena itu, Bank menetapkan rencana anggaran teknologi Informasi Bank untuk rencana pembangunan Pusat Data, Pusat Pemulihan Bencana dan *On-Shoring* sebesar IDR93,71 miliar. Sedangkan teknologi informasi untuk rencana pengembangan dan operasional dianggarkan senilai Rp146,63 miliar.

INVESTMENTS, EXPANSION AND DIVESTMENTS

In line with the customers dynamics for a more service convenience and efficiency, The Bank will develop service networks through electronic media. To upgrade its existing Corporate Internet Banking, The Bank plans to launch Mobile Banking and Personal Internet Banking in 2019. As such, The Bank allocates information technology budget plan for the construction of Data Center, Disaster Recovery Center, and On-Shoring amounted to IDR93.71 billion. While information technology for development and operations plan is allocated at Rp146.63 billion.

PERUBAHAN PERATURAN PERUNDANG-UNDANGAN

Peraturan perbankan yang diterbitkan oleh Otoritas Jasa Keuangan dan Bank Indonesia selama tahun 2018 adalah sebagai berikut:

1. SEOJK No. 12/SEOJK.03/2018 Tentang Penerapan Manajemen Risiko dan Pengukuran Risiko Pendekatan Standar Untuk Risiko Suku Bunga dalam Banking Book (*Interest Rate Risk in The Banking Book*) bagi Bank Umum. SEOJK ini diterbitkan tanggal 21 Agustus 2018.
2. PBI No. 20/3/PBI/2018 tanggal 29 Maret 2018 dan PADG No. 20/30/PADG/2018 tanggal 30 November 2018 tentang Giro Wajib Minimum dalam Rupiah

REGULATORY CHANGES

The following are banking regulatory issued by the Financial Services Authority and Bank Indonesia during 2018:

1. SEOJK No. 12/SEOJK.03/2018 on the Risk Management Implementation and Standardized Approach Risk Measurement for Interest Rate Risk in the Banking Book for Commercial Banks. This SEOJK was issued in August 21, 2018.
2. PBI No. 20/3/PBI/2018 dated March 29, 2018 and PADG No. 20/30/PADG/2018 dated November 30, 2018 concerning Statutory Reserve in Rupiah and

dan Valuta Asing Bagi Bank Umum Konvensional (BUK), Bank Umum Syariah (BUS) dan Unit Usaha Syariah (UUS).

3. PBI No. 20/4/PBI/2018 tentang Rasio Intermediasi Makroprudensial (RIM) dan Penyangga Likuiditas Makroprudensial (PLM) bagi Bank Umum Konvensional (BUK), Bank Umum Syariah (BUS) dan Unit Usaha Syariah (UUS), yang diterbikan pada tanggal 30 Juli 2018.
4. PBI No. 20/8/PBI/2018 tentang Rasio Loan To Value Untuk Kredit properti (KP), Rasio Financing To Value Untuk Pembiayaan Properti (PP), dan Uang Muka Untuk Kredit Kendaraan Bermotor (KKB) atau Pembiayaan Kendaraan Bermotor (PKB). PBI ini diterbikan oleh BI pada tanggal 30 Juli 2018.

PENERAPAN PERUBAHAN KEBIJAKAN AKUNTANSI

Beberapa standar akuntansi baru dan interpretasi telah diterbitkan, yang belum berlaku efektif untuk tahun yang berakhir 31 Desember 2018, dan belum diterapkan dalam penyusunan laporan tahunan ini. Bank sedang menganalisis potensi dampak atas penerapan standar-standar baru ini terhadap laporan keuangan Bank.

Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Unit.

3. PBI No. 20/4/PBI/2018 on the Macroprudential Intermediation Ratio and Macroprudential Liquidity Intermediary for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Unit, issued on July 30, 2018.
4. PBI No. 20/8/PBI/2018 on Loan to Value Ratio for property Loan, Financing to Value Ratio for Property Financing, and Advance for Motor Vehicles Loans or Motor Vehicles Financing, issued on July 30, 2018.

ACCOUNTING POLICY CHANGES APPLICATION

Certain new accounting standards and interpretations have been issued, that are not yet effective for the year ended December 31, 2018, 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.

PENGELOLAAN SUMBER DAYA MANUSIA

Human Resources Management

Sebagai *Strategic Business Partner*, Departemen Sumber Daya Manusia berusaha untuk mendukung pencapaian target bisnis Bank melalui program–program pengelolaan sumber daya manusia yang tepat. Pengelolaan sumber daya manusia dilakukan melalui evaluasi terhadap efektifitas organisasi untuk mendapatkan model bisnis yang paling sesuai dalam mendukung kebutuhan unit bisnis untuk mencapai targetnya. Di dalam proses evaluasi ini, Departemen Sumber Daya Manusia melakukan perencanaan jumlah kebutuhan tenaga kerja yang komprehensif dan terukur; evaluasi secara berkala dan perbaikan terhadap deskripsi pekerjaan karyawan; evaluasi terhadap produktivitas kerja di masing–masing departemen; serta evaluasi terhadap remunerasi, *benefit*, dan program retensi.

As a Strategic Business Partner, the Human Resources Department strives to support The Bank's pursuit of business targets with the help of appropriate human resource management programs. Human resource management is carried out by evaluating the organization's efficiency in obtaining the best business model to support the business unit's needs to achieve its targets. In this evaluation process, the Human Resources Department created a comprehensive and measurable plan for human resources needs; periodic evaluations and improvements of employee job descriptions; evaluation of work productivity in each department; as well as evaluation of remuneration, benefits and retention programs.

STRATEGI MANAJEMEN SUMBER DAYA MANUSIA

Strategi pengelolaan sumber daya manusia dirancang sejalan dengan siklus karyawan dimulai dari pemetaan dan perencanaan kebutuhan sumber daya manusia, proses rekrutmen, sistem *on-boarding* dan hubungan industrial, pelatihan dan pengembangan, manajemen kinerja, manajemen *reward* dan *benefit*, sampai dengan pengakhiran hubungan kerja. Dalam pengelolaannya Departemen Sumber Daya Manusia berperan sebagai *Strategic Business Partner* yang menyelaraskan antara siklus karyawan dengan strategi Bank.

Dalam proses penyelarasan tersebut Departemen Sumber Daya Manusia melakukan beberapa hal guna mendukung proses tersebut dan memastikan agar proses tersebut dilakukan secara berkesinambungan, yaitu:

- Peninjauan ulang dan pembaharuan terhadap kebijakan dan prosedur sumber daya manusia agar mudah di akses dan dipahami oleh karyawan.
- Melakukan tinjauan atas ***struktur organisasi*** secara konsisten untuk memastikan efektivitas proses kerja karyawan dan efisiensi dari alur komunikasi dan pengambilan keputusan, serta memastikan ketersediaan sumber daya manusia yang berkualitas dan memadai sesuai dengan kebutuhan dan kemampuan Bank agar dapat mencapai tujuan bisnis secara berkelanjutan.
- Pemanfaatan teknologi informasi dalam penyempurnaan pengelolaan administrasi dan dokumentasi karyawan.
- Menciptakan budaya kinerja yang tinggi Bank yang mendorong karyawan untuk terus menjaga dan meningkatkan hasil kinerja individu karyawan agar terus memberikan kontribusi kepada Bank secara berkesinambungan.

HUMAN RESOURCE MANAGEMENT STRATEGY

The human resource management strategy is designed to align with the employee cycle starting from mapping and planning of employment needs, recruitment processes, on-boarding and industrial relations systems, training and development, performance management, reward and benefit management, to termination of employment relationships. In its management, the Human Resources Department acts as a Strategic Business Partner that aligns the employee's cycle with the Bank's strategy.

In such alignment process, the Human Resources Department has carried out several steps to support the process which is maintained on an ongoing basis, namely:

- Review and renewal of human resources policies and procedures so it can be accessible and easy to understand by the employees.
- Consistently conduct a review of the **organizational structure** to ensure effective and efficiency work processes from communication to decision-making flow, as well as ensuring quality and adequate human resources that correspond to the needs and capabilities of The Bank in achieving its business goals.
- Use of information technology in improving administrative management and employee documentation.
- Establish The Bank's **high performance culture** that encourages employees to always to maintain and improve individual results that contribute to The Bank.

PENGEMBANGAN ORGANISASI

Dalam rangka peningkatan efektifitas organisasi untuk mendukung pencapaian target bisnis Bank, Departemen Sumber Daya Manusia bersama dengan jajaran Manajemen Bank telah melaksanakan transformasi jumlah departemen yang ada di Bank dari 32 Departemen menjadi 24 Departemen pada tanggal 20 April 2018 sebagai upaya berkelanjutan dari proses evaluasi dan penyesuaian struktur organisasi guna mendapatkan model bisnis yang paling sesuai dalam mendukung pencapaian rencana bisnis dan rencana strategis Bank serta selaras dengan peraturan yang berlaku.

Proses transformasi yang berkelanjutan ini telah membantu Departemen Sumber Daya Manusia di dalam melakukan perencanaan jumlah kebutuhan tenaga kerja yang lebih komprehensif dan terukur, evaluasi secara berkala dan perbaikan terhadap deskripsi pekerjaan karyawan, dan evaluasi terhadap produktivitas kerja di masing – masing departemen. Melalui hal tersebut diharapkan proses bisnis dapat berjalan dengan lebih baik dan lancar dengan tetap memperhatikan prinsip kehati – hatian, dan produktivitas kerja karyawan dapat terus ditingkatkan. Dengan demikian diharapkan Bank akan mampu mempercepat dan memperbaiki proses tata kelola perusahaan yang baik, serta mampu menciptakan budaya kinerja yang tinggi.

REKRUTMEN

Pemenuhan sumber daya manusia diperlukan untuk mendukung pertumbuhan bisnis Bank oleh karena itu strateginya diarahkan untuk memenuhi kebutuhan akan sumber daya manusia yang memiliki kompetensi dan keahlian secara tepat waktu.

ORGANIZATIONAL DEVELOPMENT

To increase the organization's effectiveness in supporting The Bank's pursuit of its business targets, the Human Resources Department and the management of The Bank did a transformation in The Bank's departments from 32 to 24 Departments on April 20, 2018 as a continuous evaluation and adjustment of the organizational structure to find the most suitable business model in supporting the business plan and The Bank's strategic plan while conforming to the applicable regulations.

This ongoing transformation process has helped the Human Resources Department in planning a comprehensive and measurable plan for employment needs, periodic evaluations and improvements to employee job descriptions, and work productivity evaluation in each department. This is expected to streamline the business processes while still adhering to prudential principle and continue to improve the employee's productivity. On that account, The Bank will be able to accelerate and improve the good corporate governance, and be able to inspire a high-performance work culture.

RECRUITMENT

Ensuring that The Bank fulfills its manpower needs is important for its growth. Recruitment strategy is therefore focused on enabling The Bank to fulfill its human resource requirements with competent human resources and in a timely manner.

Proses pemenuhan kebutuhan sumber daya manusia diawali dengan melakukan pemetaan dan perhitungan alokasi kebutuhan tenaga kerja yang terencana sejalan dengan target bisnis yang ingin dicapai, kemampuan Bank, dan memastikan bahwa kompetensi dan keahlian yang dimiliki oleh tenaga kerja sesuai dengan tanggungjawab dan wewenang yang dibutuhkan oleh Bank. Selanjutnya, untuk memastikan bahwa posisi di dalam struktur organisasi Bank ditempati oleh sumber daya manusia yang berkualitas, maka diterapkan standar perekrutan yang selaras dengan profil atas deskripsi pekerjaan agar dapat menghasilkan proses seleksi yang dapat dipertanggungjawabkan seperti: proses wawancara berdasarkan bukti-bukti yang didapat melalui suatu metode atas **Situasi**, **Tugas** dan tanggung jawab dalam situasi tersebut, ***Act*** yaitu langkah-langkah yang diambil terkait dengan situasi yang dihadapi, dan ***Result*** yaitu hasil yang dicapai; proses tes kesehatan yang sesuai dan memadai; dan memastikan adanya pemeriksaan latar belakang pendidikan dan pengalaman kerja serta kepatuhan terhadap peraturan-peraturan yang berlaku.

Lebih lanjut Departemen Sumber Daya Manusia memastikan bahwa perencanaan strategis tenaga kerja dapat mendukung strategi manajemen talenta dan manajemen karir karyawan melalui penempatan karyawan-karyawan yang sudah ada sesuai dengan talenta dan jalur karirnya sehingga dapat meningkatkan motivasi dan loyalitas karyawan untuk terus memberikan kontribusi kepada Bank.

SISTEM *ON-BOARDING* DAN HUBUNGAN INDUSTRIAL

Pada saat karyawan baru bergabung maka Bank akan membantu karyawan dalam memahami tugas dan tanggung jawab atas pekerjaan barunya dan hasil kinerja apa yang diharapkan. Karyawan baru akan diundang untuk mengikuti program *New Employee Orientation Program* dimana di dalam program ini karyawan akan mendapatkan informasi terkait dengan hubungan industrial, kepatuhan terhadap peraturan dan kebijakan yang berlaku di Bank, serta budaya kerja dan tata nilai utama (*core values*) perusahaan.

Fulfilling the human resources needs begins with mapping and calculating the allocation of human resources needs appropriate to the achievement of set business targets, The Bank's ability, and ensuring that the recruits' competencies and expertise are in accordance with the responsibilities and authorities required by The Bank. Furthermore, to ensure that the position within The Bank's organizational structure is occupied by qualified human resources, The Bank applies recruitment standards that are aligned with the job descriptions to create an accountable selection process including: interview process based on evidence obtained through a method for a certain Situation, Tasks and responsibilities in the said situation, the *Act*, which are steps taken related to the situation at hand, and the *Result* achieved; appropriate and adequate health test process; and ensuring background checks on education and work experience as well as compliance with applicable regulations.

Furthermore, the Human Resources Department ensures that the employment strategic planning can support talent management strategies and employee career management through appointing existing employees with consideration of their talents and career path to increase employee's motivation to contribute and loyalty to The Bank.

ON-BOARDING AND INDUSTRIAL RELATIONS SYSTEMS

When new employees joining on board, The Bank will help employees understand the duties and responsibilities that come with their new work and the results that are expected. New employees will be invited to take part in the New Employee Orientation Program where employees will get information related to industrial relations, compliance to applicable regulations and The Bank's policies, as well as work culture and corporate core values.

Pengelolaan Sumber Daya Manusia
Human Resources Management

Hubungan industrial atau hubungan kepegawaian selalu dilaksanakan sesuai dengan peraturan yang berlaku yaitu Undang-Undang No. 13 Tahun 2003 tentang Ketenagakerjaan. Bank senantiasa berusaha untuk menciptakan lingkungan kerja yang kondusif dan hubungan kerja yang harmonis baik antara Bank dengan karyawan maupun antar sesama karyawan. Hubungan industrial dilaksanakan dengan asas saling mempercayai atas dasar pemahaman bahwa Bank dan karyawan menjalankan kewajiban, hak, dan tanggung jawab sebaik-baiknya dalam suasana yang saling menghargai.

Peraturan Perusahaan menjadi sarana utama dalam hubungan industrial antara Bank dengan karyawan. Pada tahun 2018 Bank telah menerbitkan Peraturan Perusahaan untuk periode 2018-2020 yang telah didaftarkan dan mendapatkan pengesahan dari Kementrian Ketenagakerjaan Nomor KEP.263/PHIJSK-PK/PP/II/2018 tanggal 26 Februari 2018; dan agar karyawan memahami isi peraturan perusahaan maka telah dilakukan sosialisasi untuk karyawan baik di kantor pusat, kantor regional, dan kantor cabang.

Pengelolaan hubungan industrial dilakukan agar dapat menciptakan ketenangan dan kenyamanan dalam bekerja, oleh karena itu hal ini harus diusahakan oleh seluruh jajaran Bank ICBC Indonesia. Penanganan keluh kesah dan penyelesaian tindakan disipliner selalu diusahakan untuk diselesaikan sebaik-baiknya dengan menaati peraturan yang berlaku baik Peraturan Perusahaan PT. Bank ICBC Indonesia, UU No. 13 Tahun 2003 Tentang Ketenagakerjaan, dan UU No. 2 Tahun 2004 Tentang Penyelesaian Perselisihan Hubungan Industrial.

Dalam menjaga keharmonisan hubungan industrial, Bank juga selalu mendorong peran aktif karyawan dalam kegiatan-kegiatan yang bertujuan untuk meningkatkan *engagement* karyawan dan kerjasama antar sesama karyawan lintas unit dan departemen seperti: *team improvement workshop program*, buka puasa bersama, bincang kesehatan (*health talk*), dan juga program pengenalan keuangan (*financial literacy*) bagi putra-

Industrial relations or employment relations are always carried out in accordance with applicable regulations, especially Law No. 13 of 2003 concerning Manpower. The Bank always seeks to create a favorable work environment and a balanced relationship between The Bank and its employees as well as among fellow employees. Industrial relations are carried out with the principle of mutual trust based on the understanding that The Bank and employees all try to adhere to their obligations, rights and responsibilities as well as they can with mutual respect.

Company regulations become the main guideline in terms of industrial relations between The Bank and its employees. In 2018, The Bank has issued a Company Regulation for the period of 2018-2020 that has been registered and obtained approval from the Ministry of Manpower Number KEP.263/PHIJSK-PK/PP/II/2018 dated February 26, 2018; which has been disseminated for employees at the head office, regional offices, and branch offices so they can better understand the contents of company regulations.

Industrial relations management is carried out to create serenity and convenience at work, which means it must be done by all levels of Bank ICBC Indonesia. Complaints and disciplinary actions have always been resolved as well as possible by complying with the applicable regulations, both the Company Regulations of PT. Bank ICBC Indonesia, the Indonesian Law No. 13 of 2003 concerning Employment, and Law No. 2 of 2004 concerning the Settlement of Industrial Relations Disputes.

In maintaining good industrial relations, The Bank also encourages the employees' active role in activities that encourage employee engagement and cross-unit collaboration among different departments such as team improvement program workshops, *iftar* (fast-breaking) events, health talk, and also financial literacy programs for the employees' children. These programs are expected to nurture a healthy working relationship and

putri karyawan. Dengan program-program tersebut diharapkan mampu menjaga keharmonisan hubungan kerja dan menciptakan lingkungan kerja yang nyaman dan kondusif sehingga karyawan dapat memberikan kontribusi yang optimal bagi pencapaian bisnis Bank.

create a comfortable and conducive work environment so the employees can make optimal contributions to The Bank's business achievements.

PELATIHAN DAN PENGEMBANGAN

Bank memiliki komitmen untuk senantiasa mengembangkan sumber daya manusia yang telah dimiliki selaras dengan Rencana Bisnis Bank. Pada tahun 2018 ini fokus program pelatihan karyawan adalah peningkatan keterampilan teknis terkait dengan sales, kredit, dan teknologi informasi; peningkatan pemahaman dan kesadaran karyawan terkait dengan tata kelola perusahaan, manajemen risiko, anti pencucian uang; dan pengembangan keterampilan kepemimpinan. Dan sejalan dengan salah satu fokus bisnis Bank yakni memberikan kontribusi bagi Pemerintah Republik Indonesia melalui dukungan pembiayaan bagi proyek-proyek infrastruktur, maka program pelatihan juga difokuskan kepada pelatihan terkait dengan pembiayaan infrastruktur baik dari pendalaman mengenai fasilitas pembiayaan yang sesuai ataupun pengelolaan risiko pembiayaan infrastruktur.

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. Oleh karena itu Departemen Sumber Daya Manusia akan terus berupaya untuk memenuhi kebutuhan Karyawan untuk mendapatkan pelatihan dengan topik-topik terkini, perkembangan pengetahuan dan teknologi terbaru terkait dengan pekerjaan dan industri perbankan, serta disaat yang sama menjaga agar pelaksanaannya tetap mematuhi peraturan yang belaku. Selama tahun 2018, Bank telah mengalokasikan dana investasi sebesar Rp16,03 miliar atau setara dengan Rp26,94 juta per karyawan, yang dialokasikan ke dalam 198 topik pelatihan baik pelatihan teknis, pelatihan soft skill, maupun pelatihan wajib dari regulator, dengan persentase karyawan yang mengikuti pelatihan telah mencapai 98,15%.

TRAINING AND DEVELOPMENT

The Bank is committed to developing its existing human resources in line with The Bank's Business Plan. In 2018, the focus of the employee training program was to improve technical skills related to sales, credit, and information technology; increasing employee knowledge and awareness on corporate governance, risk management, anti-money-laundering; and development of leadership skills. And in line with one of The Bank's business focuses, which is contributing to the Government of the Republic of Indonesia through financial support for infrastructure projects, the training program is also focused on training related to infrastructure financing with emphasis in both financing facilities or in infrastructure financing risk management.

The training program is reviewed annually both in training material and the training methods used. This is done to meet the employees' needs for education in alignment with their line of work and the Bank's business needs. Therefore, the Human Resources Department will continue to try to meet the employees' needs to receive training on current issues, information on the latest knowledge and technology related to their work and the banking industry, while at the same time maintaining its compliance with the applicable regulations. In 2018, The Bank set aside IDR16.03 billion, or equivalent to IDR26.94 million per employee, allocated into 198 topics of training both technical training, soft skills training, or mandatory training from regulators, with 98.15% trainee attendance.

Selain itu Bank juga berusaha mengembangkan potensi karyawan bertalenta melalui kesempatan sebagai pembicara maupun pengajar dalam program-program pelatihan yang sesuai dengan bidang keahlian mereka, seperti pada program *sharing session*, program pelatihan *CARAL*, dan sebagainya. Melalui program ini diharapkan talenta-talenta di Bank ICBC Indonesia mampu membantu karyawan lain untuk mendapatkan pengetahuan baru dan dapat terus mengembangkan pengetahuan dan keahliannya dengan cara berbagi pengetahuan dan pengalaman. Program alih pengetahuan juga terus dilakukan oleh tenaga kerja asing dari ICBC Ltd sebagai pemegang saham utama Bank, diharapkan dengan adanya program alih pengetahuan ini tenaga kerja lokal akan mendapatkan pengetahuan baru yang dapat meningkatkan kompetensi mereka dalam bidang kerja yang saat ini mereka jalani.

Additionally, The Bank also seeks to develop the potential of talented employees by providing them the chance to be speakers and instructors in training programs appropriate to their areas of expertise, such as sharing sessions, CARAL training programs, and so on. Through this program, talents at Bank ICBC Indonesia can help other employees to gain new knowledge and can continue to develop their knowledge and expertise by sharing knowledge and experience. Foreign employees from ICBC LTD as The Bank's main shareholder also regularly conduct the knowledge transfer program. With this knowledge transfer program, local employees will gain new knowledge that can improve their competence in their field of work.

Terkait dengan pemenuhan sertifikasi wajib sesuai dengan regulasi yang berlaku, sampai dengan akhir tahun 2018 persentase pemenuhan sertifikasi manajemen risiko telah mencapai 82,66%, serta pemenuhan sertifikasi *treasury dealer* telah mencapai 91,67%. Disamping sertifikasi wajib pada tahun 2018 Bank bekerja sama dengan Lembaga Pengembangan Perbankan Indonesia menyelenggarakan program-program Diklat untuk Pemimpin Cabang, *Relationship Manager*, dan juga untuk *Manager Operational*.

Related to the fulfillment of compulsory certification in compliance with applicable regulations, by the end of 2018, compliance with risk management certification has reached 82.66%, while treasury dealer certification has reached 91.67%. Other than mandatory certification in 2018, The Bank also worked with the Indonesian Banking Development Institute to organize training programs for Branch Managers, Relationship Managers, and also for Operational Managers.

PROGRAM PENGEMBANGAN KEPEMIMPINAN

Tantangan industri perbankan adalah cepatnya perkembangan teknologi informasi dan perubahan pola perilaku nasabah, untuk menghadapi tantangan ini Bank harus mampu melakukan transformasi yang cepat dan menyesuaikan dengan perubahan-perubahan yang terjadi. Proses transformasi di dalam sebuah perusahaan bukanlah hal yang mudah, dibutuhkan *leaders* yang mampu berperan sebagai agen perubahan dan menjadi *role model* proses pengelolaan sumber daya manusia (*Culture and Leadership*), untuk itu Departemen Sumber Daya Manusia berusaha mengembangkan

LEADERSHIP DEVELOPMENT PROGRAM

The banking industry's challenge is the rapid growth of information technology and changes in customer behavior patterns. In facing these challenges, the Bank must be able to execute rapid transformation and adjust to the changes. Transformation in a company is not an easy thing. It takes leaders who are able to act as agents of change and become role models in the process of managing human resources (Culture and Leadership), for which the Human Resources Department seeks to develop the employees' competencies, both in technical knowledge related to their work as well as

kompetensi yang dimiliki oleh karyawan baik dari sisi pengetahuan teknis terkait pekerjaan maupun ketrampilan kepemimpinan. Dengan adanya program pengembangan ketrampilan kepemimpinan diharapkan karyawan mampu dan siap untuk mempersiapkan diri untuk menjadi pimpinan di masa yang akan datang.

Selama tahun 2018 Departemen Sumber Daya Manusia bekerja sama dengan konsultan seperti Dunamis, Binus Business School, Potentia Excelentia, ELGRO, dan lainnya telah menyelenggarakan pelatihan terkait dengan pengembangan *leadership capacity* seperti: *7 Habits of Highly Effective People Signature, Building Excellent Teamwork & Leadership Performance, Coaching Program, Fundamental Leadership Program, Personal Leadership in Challenging Situation*, dan lain sebagainya; dengan jumlah peserta mencapai 197 karyawan.

MANAJEMEN KINERJA

Bank, sesuai dengan visinya untuk menjadi perusahaan berbasis kinerja, terus berusaha untuk menciptakan budaya kinerja yang tinggi melalui penilaian kinerja yang komprehensif dimana kinerja tidak hanya diukur berdasarkan pencapaian target saja melainkan juga cara dan proses pencapaiannya. Departemen Sumber Daya Manusia bekerja sama dengan Departemen *Financial Management, Risk Management, Management Information and Accounting*, dan *Strategy Management and Inverstor Relation* telah menyusun *Key Performance Indicator* (*KPI*) untuk Departemen dan Cabang. *Key Performance Indicator* baru ini diharapkan mampu mengukur secara lebih komprehensif pencapaian kinerja dari masing – masing departemen dan cabang.

Sejalan dengan sistem penilaian kinerja karyawan yang telah dirancang untuk memastikan keselarasan pencapaian kinerja Bank dengan karyawan, maka *Key Performance Indicator* departemen dan cabang inilah yang akan menjadi dasar dari penyusunan *KPI* individual karyawan. Selain itu sistem penilaian

leadership skills. With the leadership skills development program, employees are expected to be able and ready to prepare themselves to become leaders in the future.

Throughout 2018, the Human Resources Department collaborated with consultants such as Dunamis, Binus Business School, Potentia Excelentia, ELGRO, and other companies to conduct training related to developing leadership capacities such as: 7 Habits of Highly Effective People Signature, Building Excellent Teamwork & Performance Leadership, Coaching Program, Fundamental Leadership Program, Personal Leadership in Challenging Situation, etc., with 197 participants.

PERFORMANCE MANAGEMENT

The Bank, consistent to its vision to become a performance-based company, always strives to create a high performance culture through comprehensive performance appraisal where performance is not only measured based on achievement of targets but also how it is achieved. The Human Resources Department in collaboration with the Department of Financial Management, Risk Management, Management Information and Accounting, and Strategy Management and Investor Relations has developed a Key Performance Indicator (KPI) for Departments and Branches. The new Key Performance Indicator is expected to be able to more comprehensively measure the performance achievements of each department and branch.

In line with the employee performance appraisal system that has been designed to align the Bank's performance with its employees, these departments and branches Key Performance Indicators will be the basis of each employee's individual KPI. In addition, the employee performance appraisal system was designed to provide

kinerja karyawan dirancang untuk dapat memberikan level obyektivitas yang tinggi dalam penilaian kinerja karyawan, mendorong dan mengarahkan karyawan untuk meningkatkan kinerja di periode berikutnya, dan hasil penilaian kinerja digunakan sebagai salah satu faktor dalam penetapan imbalan, serta promosi jabatan.

Guna menunjang pelaksanaan penilaian kinerja yang obyektif dan terukur, Departemen Sumber Daya Manusia telah melakukan sosialisasi untuk Kepala Departemen dan Kepala Cabang terkait dengan proses penyusunan *objective setting individual* dan proses penilaian kinerja yang komprehensif. Ke depannya sosialisasi ini akan dilakukan kepada *team leader* dan seluruh karyawan Bank. Selain melakukan sosialisasi, Departemen Sumber Daya Manusia juga telah menyusun jadwal penilaian kinerja yang dilakukan sebanyak 2 (dua) kali dalam 1 (satu) tahun kalender yaitu: penilaian tengah tahun dan penilaian akhir tahun. Tujuan dari peninjauan kinerja tengah tahun adalah untuk memberikan umpan balik yang diperlukan karyawan dalam pencapaian target mereka dan memberikan arahan apabila pencapaian target mereka sampai dengan tengah tahun masih tertinggal dari target atau rencana yang telah ditetapkan agar karyawan dapat mencapai seluruh targetnya di akhir tahun. Sedangkan penilaian akhir tahun bertujuan untuk menilai pencapaian karyawan atas target yang telah ditetapkan untuk tahun berjalan.

MANAJEMEN REWARD DAN BENEFIT

Bank memahami bahwa dalam penerapan tata kelola bagi Bank Umum, adalah penting untuk memastikan remunerasi karyawan dilakukan dengan penuh pertanggungjawaban, independensi dan wajar sejalan dengan strategi dan kemampuan Bank, karena remunerasi karyawan merupakan salah satu strategi Bank untuk mendukung prioritas Bank dan menjadi bagian dalam strategi Bank secara keseluruhan. Remunerasi menjadi salah satu alat penghargaan atas pekerjaan sesuai dengan besaran tanggungjawab dan prestasi yang telah diberikan oleh karyawan kepada Bank.

a high level of objectivity in the employee performance assessment, to encourage and direct employees to improve performance in the next period, and the results of performance appraisal are used as one of the factors in determining benefits and promotion.

To support objective and measurable performance assessments, the Human Resources Department has disseminated to the Heads of Departments and Branch Managers information on the process of preparing individualized objective settings and a comprehensive performance assessment process. In the future, this dissemination of information will be carried out to the team leaders and all Bank employees. In addition, the Human Resources Department has also compiled a performance evaluation schedule that is carried out 2 (two) times in 1 (one) calendar year: the mid-year assessment and final year assessment. The purpose of the mid-year performance review is to provide the feedback needed by employees in achieving their targets and provide direction if their mid-year achievement is still behind the set targets or plans so that employees can achieve all of their targets at the end of the year. The year-end assessment, on the other hand, aims to assess employee achievement on targets set for the current year.

REWARD AND BENEFITS MANAGEMENT

The Bank understands that in the implementation of Commercial Banks governance, it is important to carry out employee remuneration with accountability, independence and fairness in accordance to The Bank's strategy and capability because employee remuneration is one of The Bank's strategies to support its priorities and is part of The Bank's overall strategy. Remuneration is a tool to reward work appropriate with the employee's amount of responsibility and achievements.

Dalam menyusun strategi remunerasi Departemen Sumber Daya Manusia selalu mempertimbangkan hal-hal berikut ini, yaitu: strategi dan prioritas Bank; kesetaraan antara hasil kinerja atau prestasi karyawan dengan imbal hasil yang diterima; memastikan bahwa kompensasi yang diberikan dapat memotivasi karyawan dalam mempertahankan dan meningkatkan kontribusi kepada Bank; mempertahankan dan menarik sumber daya manusia yang memiliki talenta; memastikan kepatuhan terhadap undang–undang, peraturan pemerintah, dan peraturan dari regulator perbankan terkait dengan pemberian remunerasi. Sesuai dengan **Peraturan Menteri Ketenagakerjaan Republik Indonesia Nomor 1 tahun 2017 tentang Struktur dan Skala Upah**, Departemen Sumber Daya Manusia juga telah menyusun struktur dan skala upah bagi karyawan dengan memperhatikan upah minimum sesuai dengan peraturan yang berlaku, data remunerasi pada *peer bank* dan pasar industri perbankan, serta kemampuan/ kondisi keuangan Bank.

Untuk menjaga kesetaraan dengan praktik *rewards* di industri perbankan, Bank juga menerapkan sistem imbalan (*total reward*) yang bersifat finansial dan non finansial dalam rangka meningkatkan motivasi karyawan; meningkatkan *employee engagement* secara berkesinambungan; dan mempertahankan *top talent* internal serta menarik *top talent* eksternal. Pada tahun 2018 ini Departemen Sumber Daya Manusia telah meningkatkan *benefit* asuransi kesehatan karyawan, dimana secara limit asuransi diberikan kenaikan sebesar 20% untuk rawat inap dan 30% untuk rawat jalan, selain itu pemanfaatan limit rawat jalan mengalami perubahan dari yang sebelumnya menggunakan *inner limit* menjadi *as charge* sehingga karyawan memiliki fleksibilitas dalam menggunakan limit.

In preparing the remuneration strategy, the Human Resources Department always considers the following: The Bank's strategies and priorities; fairness between the employee's performance or achievement and the returns received; ensuring that the compensation provided can motivate employees to maintain and increase their contributions to The Bank; maintain and attract talented human resources; ensure compliance with laws, regulations of the government and the bank regulators regarding remuneration. In accordance with **the Republic of Indonesia Minister of Manpower Regulation Number 1 of 2017 concerning Wage Structure and Scale**, the Human Resources Department has also created an employee wage structure and scale with regard to minimum wages in compliance with the applicable regulations, remuneration data from its peer and the banking industry, as well as The Bank's ability/ financial condition.

To maintain equality in rewards practices in the banking industry, The Bank also implements both financial and non-financial total reward system to increase employee motivation; to continuously improve employee engagement, and to maintain the existing internal top talents and attract external top talent. In 2018, the Human Resources Department has increased the employee health insurance benefits by giving a 20% increase in in-patient and 30% for out-patient care. Moreover, outpatient limits have also been extended from 'inner limit' to 'as charge' so that employees have more flexibility in using their limits.

PENGAKHIRAN HUBUNGAN KERJA

Dalam melaksanakan pengakhiran hubungan kerja Bank selalu merujuk kepada peraturan yang berlaku dengan mengedepankan prinsip keadilan. Proses pengakhiran hubungan kerja dapat dilakukan atas inisiatif Bank dan/atau inisiatif karyawan dengan mempertimbangkan hak dan kewajiban karyawan dan Bank, serta dilakukan berdasarkan kesepakatan antara karyawan dan Bank, kecuali karyawan melanggar peraturan disipliner.

TERMINATION OF EMPLOYMENT

In employment termination, The Bank always refers to the applicable regulations by putting forward the fairness principle. Termination of employment may be conducted on The Bank's initiative and/or the employee's initiative, by taking into account both the employee's and The Bank's rights and obligations, and is made based on agreement between the employee and The Bank, with the exception of employee misconduct.

PROGRAM PENSIUN

Bank memberikan manfaat dana pensiun bagi karyawan yang dikelola oleh pihak ketiga dalam bentuk Dana Pensiun Lembaga Keuangan (DPLK). Bank akan membayarkan iuran dana pensiun atas nama karyawan kepada pengelola DPLK yang besarnya diatur sesuai dengan kebijakan dana pensiun. Selain itu Bank juga telah mendaftarkan karyawan sebagai peserta Program Jaminan Pensiun kepada Badan Penyelenggara Jaminan Sosial (BPJS) Ketenagakerjaan sesuai dengan ketentuan poerundang-undangan yang berlaku.

PENSION PROGRAMME

The Bank provides a pension fund for employees, which is managed by third parties in the form of Financial Institution Pension Funds (DPLK). The Bank will disburse the pension contributions on behalf of the employee to the DPLK manager which amount is set in the pension fund policy. In addition, The Bank has also registered its employees in the Pension Program of the Employment Social Security (BPJS) as regulated in the legislation.

Program Pelatihan
Training Programs

KATEGORI CATEGORY	JUMLAH TOPIK NUMBER OF TOPICS	JUMLAH PESERTA NUMBER OF PARTICIPANTS
Mandatory	13	910
Technical Skills	155	3.201
Soft Skills	30	1.510
Jumlah | *Total*	**198**	**5.621**

Sertifikasi Manajemen Risiko
Risk Management Certification

URAIAN / DESCRIPTION	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
Target	155	206	140	36	7
Fulfilled	134	168	79	32	7
Not Fulfilled	21	38	61	4	0
Fulfillment	86.45%	81.55%	56.43%	88.89%	100.00%
Average Fulfillment			**82.66%**		

Sertifikasi Treasuri Dealer
Treasury Dealer Certification

URAIAN / DESCRIPTION	BASIC	INTERMEDIATE	ADVANCE
Target	12	3	3
Fulfilled	9	3	3
Not Fulfilled	3	0	0
Fulfillment	75.00%	100.00%	100.00%
Average Fulfillment		**91.67%**	

STATISTIK SUMBER DAYA MANUSIA

Per 31 Desember 2018, jumlah Karyawan Bank mencapai 595 orang (tidak termasuk outsourcing), mengalami penurunan dibandingkan jumlah karyawan per 31 Desember 2017 yang sebanyak 649 orang.

HUMAN CAPITAL STATISTICS

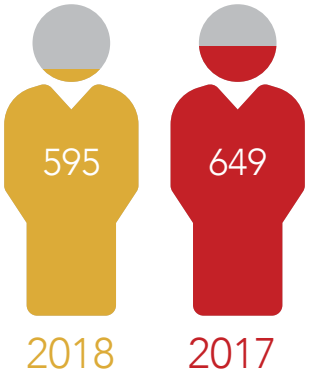
As of December 31, 2018, the number of Employees of The Bank reached 595 personnels (excluding outsourcing), a decrease compared to the number of employees as of December 31, 2017, which reached 649 personnels.

Data Jumlah Karyawan Tahun 2018
Number of Employee Data in 2018

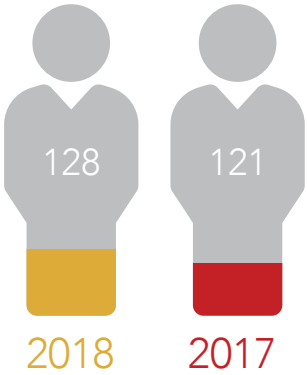
	31 DEC 2018	31 DEC 2017	CHANGE	
Jumlah Karyawan	595	649	-9.08%	Employee Number
Karyawan Mengundurkan Diri	128	121	5.47%	Resigned Employee

Data Jumlah Karyawan Tahun 2018
Number of Employee Data in 2018

JUMLAH KARYAWAN
Employee Number



KARYAWAN MENGUNDURKAN DIRI
Resigned Employee



Berdasarkan Usia
Based on Age

Usia	2018	2017	Age
> 45 Tahun	95	90	> 45 Years above
36 – 45 Tahun	230	224	36 – 45 Years
26 – 35 Tahun	251	314	26 – 35 Years
18 – 25 Tahun	19	21	18 – 25 Years
Jumlah	595	649	Total

Berdasarkan Jenis Kelamin
Based on Gender

JENIS KELAMIN	2018	2017	GENDER
Perempuan	298	319	Female
Laki-Laki	297	330	Male
Jumlah	595	649	Total

Berdasarkan Masa Kerja
Based on Tenure

MASA KERJA	2018	2017	TENURE
Dibawah 1 tahun	69	60	Under 1 year
1 - 3 tahun	85	117	1 – 3 years
3 - 5 tahun	105	165	3 - 5 years
Diatas 5 tahun	336	307	Above 5 years
Jumlah	595	649	Total

Berdasarkan *Grade*
Based on Grade

GRADE / LEVEL ORGANISASI	2018	2017	GRADE / ORGANIZATION LEVEL
Komisaris	3	3	Commissioners
Direktur	7	7	Directors
Anggota Komite	4	3	Committee Members
Tenaga Kerja Asing	5	2	Expatriates
Senior Executive Vice President	2	3	Senior Executive Vice President
Executive Vice President	19	17	Executive Vice President
Senior Vice President	20	22	Senior Vice President
Vice President	39	42	Vice President
Assistant Vice President	54	55	Assistant Vice President

GRADE / LEVEL ORGANISASI	2018	2017	GRADE / ORGANIZATION LEVEL
Senior Manager	35	41	Senior Manager
Manager	69	59	Manager
Assistant Manager	58	68	Assistant Manager
Senior Officer	88	92	Senior Officer
Officer	66	74	Officer
Senior Clerk	65	68	Senior Clerk
Intermediate Clerk	53	63	Intermediate Clerk
Clerk	7	15	Clerk
Non Clerk	1	12	Non Clerk
Lainnya		3	Others
Jumlah	**595**	**649**	Total

Berdasarkan Tingkat Pendidikan
Based on Education Level

TINGKAT PENDIDIKAN	2018	2017	EDUCATION LEVEL
S2	77	82	Master Degree
S1	461	493	Bachelor Degree
D4	1	1	Diploma 4
D3	42	47	Diploma 3
D1	1	2	*Diploma 1*
SMA dan Sederajat	13	24	*High School and Equivalent*
Jumlah	**595**	**649**	***Total***

Berdasarkan Status Kepegawaian
Based on Employment Status

STATUS KEPEGAWAIAN	2018	2017	EMPLOYMENT STATUS
Karyawan Tetap	574	634	Permanent Emplooyee
Karyawan Kontrak	21	15	Non-Permanent Employee
Jumlah	**595**	**649**	Total

STRATEGI 2019

Ke depan, Bank mencanangkan strategi untuk meningkatkan kualitas sumber daya manusia yang unggul seiring dengan pengembangan bisnis dan peningkatan hasil kinerja Bank melalui langkah-langkah berikut:

- Menciptakan budaya kinerja yang tinggi untuk mendorong karyawan agar terus menjaga dan meningkatkan kinerja individu untuk memberikan kontribusi kepada Bank secara berkesinambungan.

- Menciptakan strategi dan sistem remunerasi yang sesuai dengan kondisi pasar perbankan, kemampuan Bank, kinerja Bank dan Individu; memastikan kepatuhan atas peraturan, kebijakan dan prosedur yang berlaku di Indonesia; memastikan pelaksanaan strategi dan sistem remunerasi yang selaras dengan tujuan dan prioritas Bank, serta didukung budaya kerja dan pengembangan kesejahteraan karyawan.

- Meninjau struktur organisasi secara konsisten untuk memastikan efektivitas proses kerja karyawan dan efisiensi alur komunikasi dan pengambilan keputusan; memastikan ketersediaan sumber daya manusia yang berkualitas dan memadai sesuai dengan kebutuhan dan kemampuan Bank untuk mencapai tujuan bisnis secara berkelanjutan.

STRATEGY IN 2019

Going forward, The Bank develops strategy to improve excellent human resources align with The Bank's business development and performance improvement through the following measures:

- Create a high performance culture that encourages employees to continue to maintain and improve individual performance in order to contributing to The Bank sustainably.

- Create the remuneration strategy and system that is in line with banking market conditions, The Bank's capability, The Bank and Individual performance; ensure the compliance with applicable regulations in Indonesia; ensure the remuneration strategy and system coherent with The Bank's goals and priorities, fostered by performance culture and employee welfare development.

- Review the organizational structure consistently to ensure the effectiveness of employee work processes and efficiency of the communication and decision-making flow; ensure the availability of quality and adequate human resources in accordance with the needs and capabilities of The Bank in order to achieve sustainable business goals.

- Meningkatkan standar perekrutan dan sistem seleksi karyawan dalam rangka menjaga dan meningkatkan kualitas sumber daya manusia, baik secara kompentensi, keahlian, dan kemampuan kepemimpinan sehingga karyawan dapat memberikan kontribusi yang optimal.
- Menciptakan strategi manajemen talenta dan karir karyawan berdasarkan penilaian kompetensi, hasil kinerja, dan kemampuan kepemimpinan yang dimiliki dan dihasilkan oleh karyawan secara konsisten.
- Memetakan dan merencanakan manajemen pelatihan karyawan berdasarkan kebutuhan karyawan untuk dapat mencapai sasaran kerja, meningkatkan kompetensi dan kemampuan kepemimpinan, serta mendukung pencapaian target perkembangan bisnis.
- Memanfaatkan kemampuan pemegang saham Bank melalui penempatan tenaga kerja asing yang memiliki keahlian khusus dengan persetujuan Otoritas Jasa Keuangan Indonesia. Sehingga, Bank dapat meningkatkan kompetensi dan keahlian karyawan lokal dan asing melalui *transfer* pengetahuan. Langkah ini pada akhirnya meningkatkan kemampuan Bank untuk bersaing melalui keunggulan-keunggulan yang dimiliki baik dalam hal sistem, teknologi, maupun produk.

- Improve the employee recruitment and selection systems to continue to maintain and improve the quality of human resources both in competence, expertise and leadership capabilities, hence able to render optimum contributions.
- Create the employee career and talent management strategies based on competency assessment, performance results, and leadership abilities that are consistently attained and delivered by employees.
- Mapping and planning the employee training management based on employee needs to be able to achieve work goals, improve competency and leadership capabilities, to support the achievement of desired business development.
- Utilizing the capabilities of The Bank shareholders through placement of expatriates with special expertise that has been approved by the Indonesian Financial Services Authority, in order to improve competence and expertise through the transfer of knowledge with local employees, hence The Bank may eventually compete through the system, technology, and products excellence.

PENGEMBANGAN TEKNOLOGI INFORMASI

Information Technology Development

Setelah lebih dari satu dekade melayani konsumen korporat dan individual di Indonesia, Bank ICBC Indonesia berkomitmen untuk melakukan transformasi sistem TI guna meningkatkan kualitas layanan dan menjembatani sistem TI di Indonesia dan perusahaan induk ICBC Ltd. Transformasi TI pada tahun 2018 akan terus berlanjut ke tahun-tahun berikutnya untuk mendukung tujuan Bank menjadi salah satu bank terdepan di Indonesia yang memberikan pelayanan terbaik.

After serving corporate and individual customers for more than a decade in Indonesia, Bank ICBC Indonesia seeks to enhance IT system to optimize service quality by adopting from and bridge with the IT system of ICBC Ltd. The IT transformation in 2018 will continue to perform in the future to support The Bank's vision to become one of a leading local bank in providing the best service.

STRUKTUR DASAR TEKNOLOGI INFORMASI

Bank memiliki struktur dasar Teknologi Informasi (TI) yang disusun untuk mencapai tiga tujuan: keamanan dan kepatuhan kepada regulasi lokal, kualitas pelayanan untuk konsumen individual maupun korporat dan efisiensi.

Berikut langkah-langkah Bank dalam mengedepankan tujuan tersebut:

1. Keamanan & kepatuhan
   - Mengembangkan keamanan dunia maya dan kepatuhan terhadap regulasi dalam kegiatan operasional
   - Mengembangkan mandat terhadap regulasi dan kepatuhan terhadap audit TI
2. Kualitas/Kepuasan Pelanggan
   - Mengembangkan kesadaran dan akuntabilitas terkait kualitas pelayanan.
   - Mengembangkan komunikasi internal Bank yang baik serta komunikasi yang baik antara Bank dan pelanggan.
   - Mengembangkan pelayanan yang baik dan kemitraan dengan konsumen.
   - Mengembangkan dan mempertahankan tenaga kerja berkompetensi tinggi.
3. Efisiensi (penekanan biaya operasional)
   - Mengembangkan proses bisnis yang lebih efisien dan efektif.
   - Mengoptimalkan pemakaian teknologi.
   - Memaksimalkan kekuatan modal dan pengetahuan dari perusahaan induk.

Untuk keamanan nasabah yang optimal dan melancarkan alur sistem antara Bank dan ICBC Ltd., sistem TI Bank memiliki sistem penanganan insiden yang baik dalam hal terjadinya bencana. Sistem ini juga mampu mencegah risiko dan gangguan terhadap sistem/aplikasi pada Bank

Sistem TI Bank sedang dikembangkan mengikuti sistem TI ICBC Ltd. yang telah terbukti unggul karena memiliki *advanced production service channel, advanced risk control system* dan *advanced operation analyst model.*

INFORMATION TECHNOLOGY BASIC STRUCTURES

The Bank has in place the Information Technology (IT) basic structure built with three goals in mind: security and compliance to local regulatory, quality (both for individual and institutional customers) and efficiency.

Here is how The Bank strives for the objectives:

1. Security & compliance
   - Enhance cyber-security and compliance to the regulatory in the operations.
   - Improve Regulatory Mandate & IT Audit Compliance
2. Quality/Customers' Satisfaction
   - Improve awareness & accountability of service.
   - Improve communication among employees in the Bank and between the Bank and customers.
   - Improve delivery of service &partnership with customer.
   - Develop & retain a highly skillsworkforce.
3. Efficiency (reduction of operational cost)
   - Improve process efficiency& effectiveness.
   - Improve utilization oftechnology.
   - Maximum leverage withparent company.

For maximum security of the customers and for the efficiency of IT flow between The Bank and ICBC Ltd., The Bank's IT is able to continue operating in the event of a disaster. It is also able to prevent risk exposure and disruption to The Bank's systems/ applications.

The system benefits from the excellent ICBC Ltd. proved model, in which it bears advanced production service channel, advanced risk control system and advanced operation analyst model.

Desain tersebut memampukan struktur TI Bank untuk memiliki:

- Kerangka komunikasi modern yang menjangkau pelanggan dengan informasi perbankan.
- Infrastruktur TI yang mampu mengakomodasi pertumbuhan persyaratan perbankan, yang mendukung kemajuan dan inovasi perbankan.
- Membangun, mengembangkan dan menjaga sistem dan aplikasi-aplikasi yang penting untuk misi Bank dan memampukan Bank untuk melakukan keunggulan utamanya.
- Pengguna sistem Bank mampu melakukan tugas dengan menggunakan perangkat seluler yang akan menambah efisiensi dan efektifitas kerja.
- Mengurangi upaya-upaya duplikasi yang pada akhirnya menambah kualitas pelayanan dan memberikan solusi pada setiap kasus.
- Pengguna sistem Bank mampu menjangkau pelayanan dan solusi digital untuk kasus-kasus umum di satu wadah yang mudah.
- Pembagian data antar departemen dan negara menjadi lebih mudah dan cepat.
- Biaya TI per pengguna berkurang melalui proses yang lebih efisien dan implementasi alokasi biaya TI dengan tata kelola yang terpusat.
- Sistem Bank *up-to-date* dengan perkembangan teknologi dan standar industri.
- Proyek-proyek TI sesuai dengan prioritas Bank dan juga ICBC Ltd.

ROADMAP TEKNOLOGI INFORMASI

Bank telah menyusun roadmap transformasi TI 2018-2021 untuk mengoptimalkan keamanan dan kepuasan pelanggan. Roadmap disusun berlandaskan tiga strategi: penguatan TI, pembangunan dasar teknologi yang kokoh dan optimalisasi pemanfaatan teknologi yang berkelanjutan.

Strategi tersebut disusun dalam rencana-rencana aksi dan kerangka waktu sebagai berikut:

Such models enable The Bank to have IT structure that is able to:

- Modernize a communication platform that can better engage and provide customers with banking information.
- Develop IT Infrastructure that is able to accommodate growth of requirement, supporting advancements and banking innovation.
- Build, enhance and maintain systems and applications that are mission-critical and enable The Bank to perform its core capabilities.
- The Bank users are able to perform duties using a mobile device, improving the effectiveness and efficiency.
- Reduce duplication of efforts, which allows for increased delivery of high value services and solutions.
- The Bank users will be able to obtain IT services and solutions to common problems in one place.
- Sharing data across department and countries will be easier and accelerating the process.
- IT cost per user is decreased through process efficiencies and implementation of central governance model for IT cost allocation.
- The Bank is up-to-date with technological advancements and of industry standards.
- IT projects are aligned with The Bank as well as ICBC Ltd priorities.

INFORMATION TECHNOLOGY ROADMAP

The Bank has set an IT transformation roadmap 2018-2021 to strive for maximum customers security and satisfaction. The roadmap lays on three strategies: to strengthen IT, to build technology foundation and to leverage and sustain technology.

The strategies are implemented in a list of action plans with time scheduling as below:

ROADMAP
TEKNOLOGI INFORMASI
Information Technology Roadmap

.01
Pembaharuan Fasilitas Pusat Data (DC)/Pusat Pemulihan Insiden (DRC) berdasarkan Proyek Core Banking Onshore (2018-2019)
Data Center (DC)/Disaster Recovery Center (DRC) Facility Upgrade based on Core Banking Onshore Project (2018-2019)

.02
Peningkatan Infrastruktur Keamanan TI (2018-2019)
IT Security Infrastructure Upgrade (2018-2019)

.03
Peningkatan Performa Wide Area Network (WAN)/ Local Area Network (LAN) (2018-2019)
Wide Area Network (WAN)/ Local Area Network (LAN) Performance Improvement (2018-2019)

.04
Proyek Onshore Core Banking (2018-2021)
Core Banking Onshore Project (2018-2021)

.05
Peningkatan Fungsi Core Banking (2018-2019)
Core Banking Function Enhancement (2018-2019)

.06
Peningkatan E-channel (2018-2019)
E-channel Enhancement (2018-2020)

.07
Peningkatan Faktor-Faktor Pendorong Usaha (2018-2021)
Business Drive Enhancement (2018-2021)

.08
Pengembangan Pendukung Bisnis & Struktur Manajemen Risiko dan Tenaga Kerja (2018-2020)
Business Support & Risk Management Structure and Manpower Enhancement (2018-2020)

.09
Kolaborasi antara Teknologi dan Tenaga Kerja yang Terampil dan mengerti TI (2018-2019)
Collaboration of Technology and Skillful and IT-Savvy Workforce (2018-2019)

.10
Struktur Organisasi TI yang Cekatan (2018-2019)
Agile IT Organization Structure (2018-2019)

.11
Optimalisasi Kebijakan dan Prosedur TI (2018-2020)
IT Policy & Procedure Optimization (2018-2020)

.12
Penguatan Manajemen Risiko TI (2018)
Strengthening IT Risk Management (2018)

.13
Penguatan Keamanan Kerangka TI (2018-2019)
Strengthening IT Security Framework (2018-2019)

.14
Membangun Manajemen Kinerja TI (2018-2019)
Establish IT Performance Management (2018-2019)

Pengembangan Teknologi Informasi
Information Technology Development

1	Pembaharuan Fasilitas Pusat Data (DC)/Pusat Pemulihan Insiden (DRC) berdasarkan Proyek Core Banking Onshore (2018-2019) Bank sedang dalam proses perpindahan sistem DC untuk aplikasi-aplikasi *non-core banking* dengan penyimpanan yang terbatas untuk mendukung aktivitas dan perkembangan kegiatan *core banking*.	Data Center (DC)/Disaster Recovery Center (DRC) Facility Upgrade based on Core Banking Onshore Project (2018-2019) The Bank is shifting from DC for non-core banking applications with limited space to support core banking activities and growth.
2	Peningkatan Infrastruktur Keamanan TI (2018-2019) Penggunaan infrastruktur teknologi yang terbaru bertujuan untuk menekan biaya operasional tahunan dan meningkatkan efisiensi tenaga kerja. Infrastruktur yang terbaru, walaupun lebih mahal dari segi biaya instalasi awal, tetap esensial untuk menggantikan sistem analog yang lama untuk keuntungan jangka panjang.	IT Security Infrastructure Upgrade (2018-2019) Use of latest technology infrastructure aims to reduce annual cost and improve workforce efficiency. The latest infrastructure, albeit more expensive in the installation phase, is important to replace the old analog one for long term benefit and efficiency.
3	Peningkatan Performa Wide Area Network (WAN)/Local Area Network (LAN) (2018-2019) Untuk mendukung peningkatan sistem DC/DRC.	Wide Area Network (WAN)/ Local Area Network (LAN) Performance Improvement (2018-2019) To support DC/DRC upgrade.
4	Proyek Onshore Core Banking (2018-2021). Untuk mendukung transaksi-transaksi yang paling umum terjadi. Sistem dan produk meliputi sistem akuntansi, informasi pelanggan dan semua jenis akun seperti deposito, pinjaman dan tabungan atau akun internal.	Core Banking Onshore Project (2018-2021). Core banking is used to support banking most common transactions. It includes accounting system, customer information and all account types, such as time deposits, loans and savings accounts or and internal accounts.
5	Peningkatan Fungsi Core Banking (2018-2019) Melalui peningkatan infrastruktur untuk menopang bisnis Bank dan bermanfaat bagi semua pemangku kepentingan.	Core Banking Function Enhancement (2018-2019) Through infrastructure upgrade to support The Bank's business and benefit all stakeholders.
6	Peningkatan E-channel (2018-2019) Melalui peningkatan saluran elektronik untuk menopang bisnis Bank dan bermanfaat bagi semua pemangku kepentingan.	E-channel Enhancement (2018-2020) Through e-channel upgrade to support The Bank's business and benefit all stakeholders.

7	Peningkatan Faktor-Faktor Pendorong Usaha (2018-2021) Sejalan dengan berkembangnya bisnis, maka perlu menerjemahkan dan memahami dimensi bisnis dan teknologi	Business Drive Enhancement (2018-2021) In line with the business development, it is necessary to understand the dimensions of business and technology.
8	Pengembangan Pendukung Bisnis & Struktur Manajemen Risiko dan Tenaga Kerja (2018-2020) Melalui peningkatan infrastruktur dan berdasarkan peraturan OJK No. 38/POJK.03/2016 tentang Penerapan Manajemen Risiko dalam Penggunaan Teknologi Informasi oleh Bank Umum.	Business Support & Risk Management Structure and Manpower Enhancement (2018-2020) Through infrastructure upgrade and based on OJK Regulation No. 38/POJK.03/2016 on the Risk Management in the use of Information Technology by Commercial Banks.
9	Kolaborasi antara Teknologi dan Tenaga Kerja yang Terampil dan mengerti TI (2018-2019) Kolaborasi antara teknologi terkini dan tenaga kerja yang efisien dan efektif yang akan menekan biaya operasional tahunan.	Collaboration of Technology and Skillful and IT-Savvy Workforce (2018-2019) Collaborating latest technology advancement with efficient and effective workforce that will lead to reduction of annual cost.
10	Struktur Organisasi TI yang Cekatan (2018-2019) Dengan meniadakan pemisahan fungsi antara pengembang sistem dan operator sistem; Bank menambahkan posisi-posisi penting untuk mengelola Keamanan TI, Arsitektur TI, Jaringan TI, pustakawan, PMO TI, dan menyempurnakan kesinambungan sistem dengan ICBC Ltd.	Agile IT Organization Structure (2018-2019) By removing the segregation of System Development and Operations; The Bank is adding Crucial Function: IT Security, IT Architecture, IT Network, Librarian, IT PMO; and fill the ICBC Ltd. missing connection.
11	Optimalisasi Kebijakan dan Prosedur TI (2018-2020) Melalui penyederhanaan dan solusi kebijakan-kebijakan yang tumpang tindih dan memastikan bahwa kebijakan tersebut berhubungan dengan aspek-aspek penting dengan penjelasan yang sejelas mungkin demi pengawasan yang lebih mudah, jelas dan dekat.	IT Policy & Procedure Optimization (2018-2020) By simplifying and solving the overlapping policies and making sure that they only cover the important aspects and the details be elaborated clearly so implementation can be monitored easier, clearer and closer.

12	Penguatan Manajemen Risiko TI (2018) Dengan membentuk kerangka kerja untuk manajemen risiko TI yang sejalan dengan ICBC Ltd. serta melalui manajemen risiko operasional, pengembangan kemampuan dan pengetahuan staf TI mengenai manajemen risiko TI untuk mengurangi masalah keamanan dan kepatuhan.	Strengthening IT Risk Management (2018) By establishing framework for IT risk management to align with ICBC Ltd. as well as through operational Risk Management; improving IT personnel skill & knowledge on management of IT risks to reduce security and compliance issue.
13	Penguatan Keamanan Kerangka TI (2018-2019) Sesuai peraturan OJK No. 38/POJK.03/2016 tentang Penerapan Manajemen Risiko dalam Penggunaan Teknologi Informasi oleh Bank Umum.	Strengthening IT Security Framework (2018-2019) To comply with OJK Regulation No. 38/POJK.03/2016 on Risk Management in the Use of Information Technology by Commercial Banks.
14	Membangun Manajemen Kinerja TI (2018-2019) Dengan menerapkan *balanced scorecard* kepada seluruh karyawan TI, penilaiaan secara obyektif akan dilaksanakan secara adil.	Establish IT Performance Management (2018-2019) By implementing balanced scorecard for all IT employees, objective assessment will be carried out fairly.

Dilihat dari segi proses, Roadmap TI bisa dikelompokkan dalam empat aspek yang saling berkaitan, yaitu:

- Efisiensi organisasi dengan memanfaatkan teknologi dan mengembangkan serta mempertahankan tenaga kerja yang mumpuni.
- Proses internal dengan meningkatkan keamanan dunia maya dan kepatuhan terhadap regulasi, memperbaiki komunikasi baik internal maupun dengan pelanggan, meningkatkan efisiensi dan efektivitas proses usaha dan meningkatkan mandat regulasi dan kepatuhan kepada audit TI.
- Keuangan melalui optimalisasi modal *tangible* dan *intangible* dari perusahaan induk.
- Kepuasan pemangku kepentingan melalui peningkatan kesadaran dan akuntabilitas pelayanan dan meningkatkan kemitraan dengan pelanggan.

On process, the roadmap can be seen from improvements in four aspects that are interrelated to each other in practice. The four aspects are:

- Organizational efficiency by utilizing technology and developing and retaining a highly skilled workforce.
- Internal process by enhancing cyber-security and compliance; improving communication; improving process efficiency and effectiveness; and improving regulatory mandate and IT audit compliance.
- Financial by fully leveraging with parent company.
- Stakeholders satisfaction by improving awareness and accountability of service as well as improving partnership with customers

PENGEMBANGAN TEKNOLOGI INFORMASI 2018

Pada tahun 2018, Bank melaksanakan proses pembaharuan DC dan DRC yang telah mencapai tahap proses seleksi konsultan di akhir 2018.

Bank juga melakukan beberapa perubahan di tim TI dan manajemen risiko TI untuk mendukung transformasi sistem TI Bank.

Di 2018, dilihat dari segi fasilitas, Bank juga telah memperbaharui sistem NSICCS, Kartu Debit, GDMS, Pembayaran Pajak CIB dan Switching NPG kedua.

Pembaharuan dan pengembangan fasilitas lain seperti sistem Treasuri (FMBM dan GMO) dan personal *internet banking* sedang menunggu persetujuan dari OJK.

Selama tahun 2018, Bank berhasil menghemat biaya 27% lebih kecil dibandingkan dari anggaran yang ditetapkan untuk biaya jaringan, perawatan perangkat lunak dan keras, dan lain-lain.

RENCANA PENGEMBANGAN TEKNOLOGI INFORMASI 2019

Bank akan terus melakukan transformasi TI di tahun 2019, khususnya dalam pembangunan dan relokasi DC dan DRC ke lokasi baru, yang ditargetkan selesai pada akhir 2019.

Bank juga akan menerapkan Standar Laporan Keuangan Internasional (IFRS) 9 di 2019. Bank menargetkan *fase parallel run* dari standar tersebut pada 1 Juli 2019 dan akan mulai menerapkannya di September 2019. Untuk itu, Bank sedang menyiapkan kebijakan dan prosedur akuntasi agar sesuai dengan standar baru yang berlaku.

Bank juga akan melakukan pembaharuan dan pengembangan sistem Treasuri yaitu FMBM dan GMO serta internet banking individu untuk pengalaman perbankan yang lebih baik.

INFORMATION TECHNOLOGY DEVELOPMENT IN 2018

In 2018, The Bank carried out the upgrading process of DC and DRC that has reached the consultant selection process at the end of 2018.

The Bank also made several changes to the IT team and IT risk management to support The Bank's IT system transformation.

In 2018, on facility, The Bank has also developed and upgraded five initiatives: NSICCS, Debit Card, GDMS, Tax Payment CIB and NPG 2nd Switching.

Other initiatives pending upon the regulator/OJK approval, which includes treasury system (FMBM and GMO) and personal internet banking.

In terms of IT expenditure, in 2018 The Bank has managed to spend 27% lower than the allocated budget, which was for network, software and hardware maintenance and others.

INFORMATION TECHNOLOGY DEVELOPMENT PLAN IN 2019

The Bank will continue its IT transformation roadmap in 2019, especially in building and relocating the existing DC & DRC to new sites, targeted to complete by end of 2019.

The Bank will also implement International Financial Reporting Standards (IFRS) 9 in 2019. The Bank targets to finish the phase of parallel run of the standard by 1 July 2019 and to commence it by September 2019. Consequently, The Bank is also currently preparing new accounting policy and procedure to adjust with the new standard.

The Bank also will continue to upgrade and develop the Treasury System (FMBM and GMO) and Personal Internet Banking for improved banking experience.

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TATA KELOLA PERUSAHAAN

CORPORATE GOVERNANCE

PENERAPAN TATA KELOLA PERUSAHAAN

Corporate Governance Implementation

Penerapan GCG yang berkualitas menciptakan akuntabilitas yang tinggi di hadapan para pemangku kepentingan, baik dalam pemaparan rencana pengembangan usaha maupun dalam menyampaikan kinerja. Menyadari pentingnya akuntabilitas dalam setiap tahapan operasional, Bank berkomitmen untuk meningkatkan kualitas penerapan GCG dengan melaksanakan seluruh aturan perundangan-undangan, kebijakan dan pedoman kerja sesuai kaidah pengelolaan perusahaan terkini untuk menjamin pertumbuhan usaha yang berkualitas dalam jangka panjang.

The implementation of quality GCG has enabled The Bank to gain high accountability from the perspective of stakeholders in disclosing its business development plan as well as performance deliverables. Realizing the importance of accountability in every operational stage, The Bank is committed to enhance the quality of GCG by implementing all provisions of laws, policies and working guidelines in accordance with up-to-date corporate management to ensure a long-term quality of business growth.

TATA KELOLA PERUSAHAAN

Corporate Governance

PENDAHULUAN

Bagi Bank ICBC Indonesia (Bank), penerapan tata kelola perusahaan yang baik (Good Corporate Governance – GCG) dalam era persaingan global saat ini, sudah menjadi kebutuhan yang mutlak dalam menjalankan segala kegiatan usaha Bank. Dengan adanya penerapan GCG maka Bank telah memiliki pondasi yang kokoh dan bekal yang cukup untuk mencapai visi dan misi Bank, serta mampu menjadi perusahaan yang tangguh dan terus berkembang.

Untuk itu, Bank senantiasa berupaya menyempurnakan penerapan praktik-praktik terbaik GCG pada seluruh tingkatan organisasi secara berkesinambungan. Bank menyadari bahwa GCG merupakan salah satu komponen utama dalam rangka meningkatkan kinerja Bank, melindungi kepentingan para pemangku kepentingan, dan meningkatkan kepatuhan terhadap peraturan perundang-undangan, serta nilai-nilai etika yang berlaku umum pada industri perbankan.

FOREWORD

For Bank ICBC Indonesia (The Bank), the implementation of Good Corporate Governance (GCG) in today's global competitive era is a much-needed element in undertaking The Bank's business activities. The GCG implementation will enable The Bank to create solid foundation and adequate endeavor to achieve The Bank's vision and mission, as well as to become a sustainable strong corporation.

To that end, The Bank strives to refine the sustainable implementation of its GCG best practices in all level of organizations. The Bank realizes that GCG becomes one of the main components in the improvement of The Bank's performance, safeguard the stakeholders' interests, and enhance compliance with prevailing regulatory and ethics values in the banking industry.

DASAR PENERAPAN TATA KELOLA PERUSAHAAN

Penerapan GCG Bank berdasarkan pada peraturan perundangan-undangan berikut:

1. Undang-Undang Republik Indonesia No. 10 tahun 1998 tentang perubahan atas Undang-Undang No 7 tahun 1992 tentang Perbankan;
2. Undang-Undang Republik Indonesia No. 40 Tahun 2007 tentang Perseroan Terbatas;
3. Undang-Undang No. 25 Tahun 2007 tentang Penanaman Modal;
4. Undang-Undang Republik Indonesia No. 7 Tahun 1992 tentang Perbankan sebagaimana telah diubah dengan Undang-Undang Republik Indonesia No. 10 Tahun 1998;
5. Peraturan Otoritas Jasa Keuangan (POJK) No. 55/POJK.03/2016 tanggal 7 Desember 2016 tentang Penerapan Tata Kelola bagi Bank Umum;
6. Surat Edaran Otoritas Jasa Keuangan (SEOJK) No. 13/SEOJK.03/2017 tanggal 17 Maret 2017 tentang Penerapan Tata Kelola bagi Bank Umum;
7. POJK No. 29/POJK.04/2016 tanggal 29 Juli 2016 tentang Laporan Tahunan Emiten atau Perusahaan Publik;
8. *Roadmap* Tata Kelola Perusahaan Indonesia Menuju Tata Kelola Emiten dan Perusahaan Publik yang Lebih Baik yang diterbitkan oleh OJK tanggal 4 Februari 2014;
9. POJK No. 21/POJK.04/2015 tanggal 16 November 2015 tentang Penerapan Pedoman Tata Kelola Perusahaan Terbuka;
10. Surat Edaran Otoritas Jasa Keuangan (SEOJK) No. 32/SEOJK.04/2015 tanggal 17 November 2015 tentang Pedoman Tata Kelola Perusahaan Terbuka;
11. SEOJK No. 30/SEOJK.04/2016 tanggal 3 Agustus 2016 tentang Bentuk dan Isi Laporan Tahunan Emiten atau Perusahaan Publik.

CORPORATE GOVERNANCE LEGAL REFERENCES

The Bank's GCG implementation refers to the following regulatory:

1. Law of the Republic of Indonesia No. 10 of 1998 concerning the amendments to Law No. 7 of 1992 concerning the Banking;
2. Law of the Republic of Indonesia No. 40 of 2007 concerning the Limited Liability Companies;
3. Law No. 25 of 2007 concerning the Capital Investment;
4. Law of the Republic of Indonesia No. 7 of 1992 concerning the Banking as amended by the Law of the Republic of Indonesia No. 10 of 1998;
5. Regulation of the Financial Services Authority (POJK) No. 55/POJK.03/2016 dated December 7, 2016 concerning the Implementation of Governance for Commercial Banks;
6. Circular Letter of the Financial Services Authority (SEOJK) No. 13/SEOJK.03/2017 dated March 17, 2017 concerning the Implementation of Governance for Commercial Banks;
7. POJK No. 29/POJK.04/2016 dated July 29, 2016 concerning the Annual Report of Issuers or Public Companies;
8. Roadmap of Indonesian Corporate Governance Towards Better Governance of Issuers and Public Companies issued by OJK on February 4, 2014;
9. POJK No. 21/POJK.04/2015 dated November 16, 2015 concerning the Implementation of Corporate Governance Guidelines for Public Companies;
10. Circular of the Financial Services Authority (SEOJK) No. 32/SEOJK.04/2015 dated November 17, 2015 concerning the Governance Guidelines for Public Companies;
11. SEOJK No. 30/SEOJK.04/2016 dated August 3, 2016 concerning the Formulation and Content of the Annual Report of Issuers or Public Companies.

PENDEKATAN TATA KELOLA PERUSAHAAN

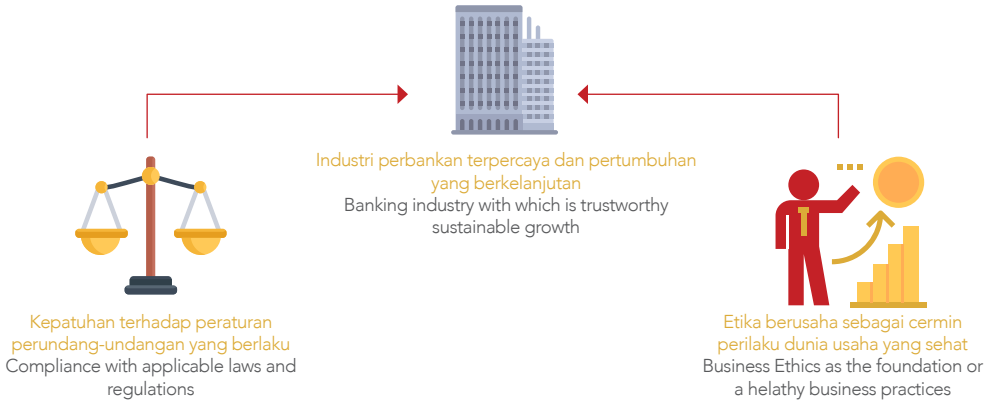
Bank memahami bahwa industri perbankan memiliki peran penting dalam perekonomian nasional. Oleh karena itu, kualitas governance yang tidak baik akan berdampak negatif bagi perekonomian nasional. Bank menyadari bahwa penyelenggaraan kegiatan perbankan yang baik disertai dasar penerapan GCG yang kuat akan berdampak positif terhadap kinerja Bank secara keseluruhan, yang pada akhirnya akan memperkuat posisi Bank baik dalam persaingan industri perbankan lokal maupun global.

Penegasan yang kuat terhadap pentingya hubungan yang harmonis antara entitas usaha dan pemangku kepentingan telah berlangsung secara berkesinambungan di Indonesia, yang didukung komitmen dari Regulator dan para pemangku kepentingan lainnya. Hubungan harmonis ini diharapkan akan membentuk dunia usaha yang berkelanjutan, serta mampu berkontribusi dalam jangka panjang guna pengembangan sosial dan lingkungan di sekitarnya.

CORPORATE GOVERNANCE APPROACH

Banking industry holds a pivotal role in the national economy; hence The Bank acknowledges that bad governance will render negative impact to our economy. Good banking implementation and strong GCG application will deliver positive performances for The Bank, which eventually will strengthen The Bank's position both domestically and in the global banking industry competition.

In Indonesia, the regulators together with other stakeholders render a strong affirmation of the importance of harmonious relationships between business entities and stakeholders. This harmonious relationship is expected to create a sustainable business culture, and able to contribute in the long term for the surrounding social and environmental development.



PRINSIP-PRINSIP TATA KELOLA PERUSAHAAN

Dasar penerapan prinsip-prinsip GCG di Bank dilandasi komitmen untuk menciptakan perusahaan yang transparan dan terpercaya melalui manajemen bisnis yang dapat dipertanggungjawabkan.

Dalam melaksanakan kinerjanya dan pada setiap pengambilan keputusan strategis, Bank terus memperhatikan dan menerapkan lima prinsip-prinsip GCG, yaitu Transparansi, Akuntabilitas, Pertanggungjawaban, Independensi dan Kewajaran.

Penerapan prinsip-prinsip utama tersebut diyakini oleh Bank sebagai instrumen yang dapat diandalkan dalam mengatur segala aspek bisnis yang dijalankan oleh Bank melalui sistem internal yang melibatkan Dewan Komisaris, Direksi dan segenap karyawan Bank sehingga diharapkan dapat menciptakan keseimbangan dalam operasional usaha Bank secara menyeluruh.

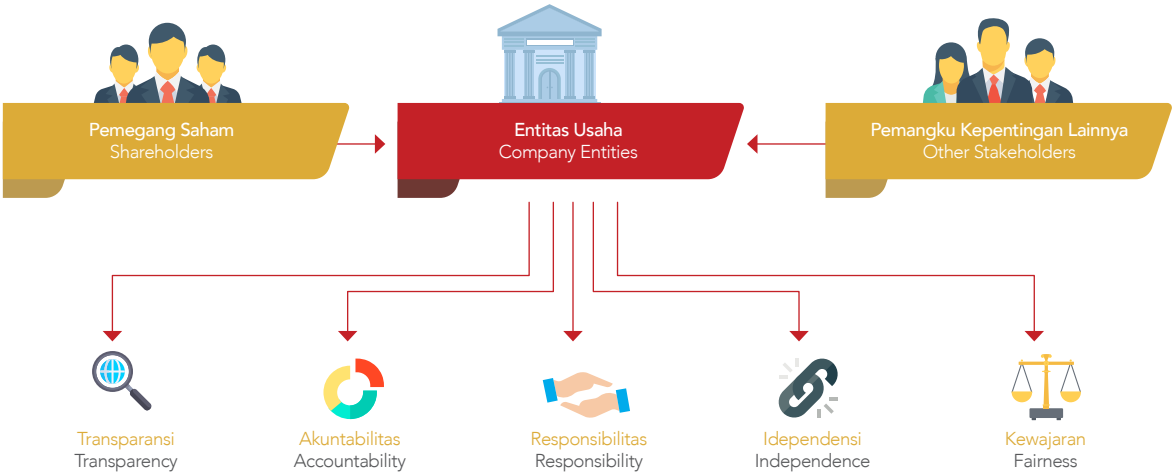
CORPORATE GOVERNANCE PRINCIPLES

GCG principles implementation in The Bank is constituted upon the commitment to create a transparent and reliable company through accountable business management.

In its business performance and in every strategic decision-making, The Bank continually takes into account on the five GCG principles namely Transparency, Accountability, Responsibility, Independency and Fairness.

The implementation of those principles is believed as a reliable instrument in regulating The Bank's business aspects through internal system that involves the Board of Commissioners, Board of Directors and all employees; hence is expected to deliver comprehensive balance of The Bank's business operations.

Harmonisasi Entitas Usaha dengan Pemegang Saham dan Pemangku Kepentingan
Harmonious Relations of Business Entities with Shareholders and other Stakeholders



TRANPARANSI Transparency	AKUNTABILITAS Accountability	RESPONSIBILITAS Responsibility	INDEPENDENSI Independency	KEWAJARAN Fairness
Keterbukaan dalam melaksanakan proses pengambilan keputusan dan dalam mengemukakan informasi materiil yang relevan mengenai Bank. Bank menerapkan prinsip transparansi dengan cara memberikan tanggapan secara efektif dan responsif dalam berkomunikasi 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. The Bank 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 performances and actions.	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 perform effectively and efficiently.	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.	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. The Bank is managed in a professional and independent manner 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.	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. Impartial treatment and equality in fulfilling the right of stakeholders arising pursuant to the prevailing agreement and law regulation fairly, but still pay attention to The Bank rules and regulations.

ROADMAP TATA KELOLA PERUSAHAAN

Dalam rangka meningkatkan kualitas penerapan GCG secara konsisten dan berkesinambungan, Bank telah memilki roadmap GCG yang mencakup tahapan-tahapan yang telah dicapai dalam membangun nilai-nilai tata kelola berdasarkan ketentuan Penerapan Tata Kelola bagi Bank Umum. Dalam tiga tahun terakhir Bank telah melaksanakan beberapa inisiatif dalam penyempurnaan pelaksanaan GCG sebagai berikut:

CORPORATE GOVERNANCE ROADMAP

To improve the quality of consistent and continuous GCG implementation, The Bank has established GCG roadmap, which includes the stages that have been achieved in building the values of governance based on the provisions of Governance Implementation for the Commercial Banks. In the last three years The Bank has implemented several initiatives to improve the implementation of GCG, as follows:

2016	2017	2018
1. Sosialisasi GCG oleh Dewan Komisaris dan Direksi kepada seluruh karyawan untuk membangun kesadaran atas pentingnya penerapan GCG secara konsisten dengan berpedoman pada 5 prinsip GCG. 2. Melakukan pemenuhan struktur organisasi untuk mendukung pelaksanaan GCG. 3. Optimalisasi peran dan fungsi komite dalam menunjang pelaksanaan tugas Dewan Komisaris dan Direksi. 4. Penyempurnaan Kebijakan *Whistleblowing*. 5. Penerapan *check and balance* yang memadai di seluruh lini organisasi.	1. Meningkatkan fungsi kepatuhan dan manajemen risiko. 2. Pemenuhan struktur dan komposisi Dewan Komisaris, Direksi dan pejabat eksekutif. 3. Pemenuhan dan penyesuaian Kebijakan, sistem dan prosedur. 4. Mengoptimalkan peran dan fungsi komite dan satuan kerja dalam mendukung peningkatan kinerja Bank. 5. Menetapkan dan melaksanakan pelatihan GCG kepada seluruh karyawan.	1. Penerapan prinsip-prinsip GCG secara konsisten. 2. Perubahan susunan keanggotaan komite-komite di bawah Dewan Komisaris, yang disesuaikan dengan susunan Komisaris terbaru. 3. Pengkinian Pedoman dan Tata Tertib Kerja Dewan Komisaris. 4. Pengkinian Piagam dan Pedoman Kerja Komite. 5. Pengkinian Pedoman dan Tata Tertib Kerja Direksi. 6. Pembuatan dan pengkinian kebijakan, sistem & prosedur operasional Bank yang disusun sesuai ketentuan undang-undang yang berlaku. 7. Melakukan evaluasi dan pemenuhan kewajiban sertifikasi manajemen risiko kepada pejabat Bank.
1. GCG Socialization by the Board of Commissioners and the Board of Directors to all employees to build awareness on the importance of implementing GCG consistently, guided by the five principles of GCG. 2. Fulfilling the organizational structure to support the implementation of GCG. 3. Optimizing the role and functions of the committees to support the implementation duties of the Board of Commissioners and Board of Directors. 4. Improvement of Whistleblowing Policy 5. Implementation of proper checks and balance in the entire organization.	1. Improving the compliance and risk management functions. 2. Fulfillment of the structure and composition of the Board of Commissioners, Directors and executive officers. 3. Compliance and adjustment of policies, systems and procedures. 4. Optimize the role and functions of the committees and its business units in supporting The Bank's performance. 5. Establish and implement GCG training to all employees.	1. Consistent application of the principles of GCG. 2. Changes of the Board of Commissioners committees memberships composition, which has been adjusted with the new Commissioners structure. 3. Update of the Board of Commissioners Charter. 4. Update of the Committee Charter. 5. Update of the Board of Directors Charter. 6. Formation and updating of policies, transparency and operational procedures of The Bank as prepared in accordance with applicable laws. 7. Evaluation and risk management compliance certification obligations to The Bank officials.

IMPLEMENTASI TATA KELOLA PERUSAHAAN TAHUN 2018

Bank terus memperkokoh pelaksanaan GCG dengan praktik terbaik berlandaskan pada prinsip-prinsip GCG dan kriteria pencapaian, serta standar implementasi GCG, yang dirumuskan berdasarkan peraturan terkait, masukan dari para pemangku kepentingan, hasil *assessment* dan *benchmarking*.

Pelaksanaan GCG menjadi salah satu perhatian utama Bank sebagai proses berkesinambungan yang terutama bertujuan untuk:

- Meningkatkan kinerja Bank;
- Melindungi kepentingan para pemangku kepentingan; dan
- Meningkatkan kepatuhan terhadap peraturan perundang-undangan serta nilai etika yang berlaku umum di industri perbankan.

CORPORATE GOVERNANCE IMPLEMENTATION IN 2018

The Bank continues to strengthen its GCG practise based on GCG principles and achievements criteria, as well as GCG implementation standards, which are formulated based on relevant laws, stakeholders feedback, assessment and benchmarking results.

The Bank places its main concern on GCG implementation, as a continuous process that aims to:

- Improve The Bank's performance;
- Safeguard the interests of stakeholders;
- Improve the compliance with the prevailing laws and banking ethics values.

Pada tahun 2018, Bank telah melaksanakan beberapa peningkatan yang meliputi:

- Divisi Kepatuhan Bank telah menyampaikan laporan GCG semester I dan II tahun 2018 secara tepat waktu.
- Bank telah melakukan *self-assessment* GCG untuk periode I dan II tahun 2018, dengan pencapaian rating 2 yang mengindikasikan "Baik" atas kategori penerapan GCG Bank.

Pelaksanaan *Self-Assessment* Tata Kelola Perusahaan

Sesuai Surat Edaran Otorits Jasa Keuangan No. 13/SEOJK.03/2017 tentang Pelaksanaan Tata Kelola Perusahaan Bagi Bank Umum, Bank melaksanakan *self-assessment* terhadap pelaksanaan GCG sesuai dengan periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan per semester.

Bank melaksanakan *self-assessment* GCG juga dengan tujuan mengukur kedalaman implementasi praktik GCG sekaligus mendapatkan umpan baik bagi perbaikannya di masa mendatang.

Untuk itu, Bank melaksanakan *self-assessment* terhadap 11 (sebelas) faktor penilaian pelaksanaan GCG secara berkala, yang meliputi:

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 dan penyediaan dana besar.
10. Transparansi kondisi keuangan dan non-keuangan Bank, laporan pelaksanaan GCG dan pelaporan internal.
11. Rencana strategis Bank.

In 2018, The Bank has implemented several enhancement amongst others:

- The Bank's Compliance Division has submitted GCG reports first and second semesters of 2018 in a timely manner.
- The Bank has carried out GCG self-assessment for the period of first half and second half of 2018, with an achievement of rating 2 that indicated "Good" for The Bank's GCG implementation category.

Corporate Governance Self-Assessment Implementation

Pursuant to the Circular Letter of Financial Services Authority No. 13/SEOJK.03/2017 concerning the Implementation of Corporate Governance for Commercial Banks, The Bank carried out self assessment on GCG implementation in accordance with the Risk-Based Bank Rating (RBBR) evaluation period at every semester.

The Bank also conducted GCG self-assessment that aim to measure the depth of GCG practice at the same time to attain feedbacks for future improvements.

To that end, The Bank's self-assessment is carried out periodically towards 11 (eleven) factors of GCG implementation, as follows:

1. The Board of Commissioners' duties implementation and responsibilities.
2. The Board of Directors' duties implementation and responsibilities.
3. Comprehesiveness and duties implementation of the committee.
4. Conflict of interests handling.
5. Compliance function implementation.
6. Internal audit function implementation.
7. External audit function implementation.
8. Risk management implementation including internal control system.
9. Funding to related parties and large exposures.
10. The Bank's financial and non-financial condition transparency, GCG implementation report and internal reporting.
11. The Bank's strategic plan.

Penilaian faktor-faktor GCG tersebut di atas menjadi dasar penilaian kualitas manajemen Bank atas pelaksanaan prinsip-prinsip GCG, dengan memperhatikan materialitas permasalahan terhadap penerapan GCG secara *bank-wide*, sesuai skala, karakteristik and kompleksitas usaha Bank.

Selanjutnya, penilaiaan dikelompokkan dalam sistem *governance* yang terdiri dari 3 (tiga) aspek *governance*, yaitu:

- *Governance Structure,*
- *Governance Process*, dan
- *Governance Outcome*.

The above GCG factors represent the assessment of The Bank's management quality on GCG principles implementation, with due observance to the materiality of issues on GCG application bankwide, according to The Bank's business scales, characteristics and complexities.

Furthermore, the assessment is grouped under 3 (three) governance systems of the following aspects:

- Governance Structure,
- Governance Process, and
- Goveranance Outcome.

HASIL & TINDAK LANJUT *SELF-ASSESSMENT* TATA KELOLA PERUSAHAAN

Bank telah melaksanaan *self-assessment* GCG untuk periode semester II tahun 2018 dengan hasil akhir peniliaian 2 yang terkategori "Baik". Penilaian berdasarkan 11 (sebelas) indikator yang dapat dilihat sebagai berikut:

CORPORATE GOVERNANCE SELF-ASSESSMENT RESULTS & FOLLOW UPS

The Bank has undertaken the GCG self-assessment for the period of second semester of 2018 with the assessment result of 2 categorized as "Good". The assessment was based on the following 11 (eleven) indicators:

	FAKTOR PENILIAIAN PELAKSANAAN GCG GCG ASSESSMENT FACTORS	SKOR SCORE
1	Pelaksanaan tugas dan tanggung jawab Dewan Komisaris The Board of Commissioners' duties implementation and responsibilities	1
2	Pelaksanaan tugas dan tanggung jawab Direksi The Board of Directors' duties implementation and responsibilities	2
3	Kelengkapan dan pelaksanaan tugas komite Comprehensiveness and duties implementation of the committee	1
4	Penanganan benturan kepentingan Conflict of interest handling	1
5	Penerapan fungsi kepatuhan Compliance functions implementation	2
6	Penerapan fungsi audit internal Internal audit functions implementation	2
7	Penerapan fungsi audit eksternal External audit function implementation	1
8	Penerapan manajemen risiko termasuk sistem pengendalian internal Risk management implementation including internal control system	2
9	Penyediaan dana kepada pihak terkait dan penyediaan dana besar Funding to related parties and large exposures.	2
10	Transparansi kondisi keuangan dan non-keuangan Bank, laporan pelaksanaan GCG dan pelaporan internal The Bank's financial and non-financial condition transparency, GCG implementation report and internal reporting.	1
11	Rencana strategis Bank The Bank's strategic plan	2
	Rating GCG	**2**

Berdasarkan hasil assessment dari regulator, maka hasil penilaian rating GCG tahun 2018 adalah 3*
Based on the assessment results of the regulator, the GCG rating in 2018 is 3*

* Rating tersebut merupakan hasil dari *assessment* di tahun 2017
This rating is the result of an assessment in 2017

REKOMENDASI DAN TINDAK LANJUT BANK

Berikut adalah rekomendasi dan tindak lanjut yang dilakukan oleh Bank.

THE BANK'S RECOMMENDATIONS AND FOLLOW-UPS

The following are The Bank's recommendations and follow ups:

ASPEK YANG PERLU MENDAPAT PERHATIAN/ REKOMENDASI ASPECTS REQUIRED ATTENTION/ RECOMMENDATIONS	TELAH ATAU BELUM DITINDAKLANJUTI HAVE BEEN OR YET TO BE FOLLOWED UP	BENTUK TINDAK LANJUT FOLLOW UP ACTIONS
Bank perlu memfinalisasi kebijakan mengenai mekanisme remunerasi yang jelas. The Bank has to finalize clear remuneration mechanism policy.	○	Saat ini Bank dalam pengembangan mekanisme remunerasi yang jelas yang dituangkan dalam bentuk kebijakan. The Bank is currently developing the clear remuneration mechanism into a policy.
Bank perlu meningkatkan distribusi agenda dan bahan pertemuan komite terlebih dahulu, terkadang agenda dan/atau materi rapat disampaikan satu hari sebelum pertemuan. The Bank have to improve the distribution of the committee's meeting agenda and material in advance, as these matters are sometimes submitted one day prior.	●	Bank telah menerapkan mekanisme agar distribusi agenda atau materi rapat dapat disampaikan satu hari sebelum pertemuan. The Bank has implemented the distribution mechanism of meeting agenda or materials to be submitted one day prior.
Laporan audit internal Bank belum mencakup penilaian komprehensif tentang kecukupan dan efektivitas pengendalian internal dan kualitas kinerja bank. The Bank's internal audit report has not included the comprehensive assessment on The Bank's internal control adequacy and effectiveness as well as performance quality.	●	Bank telah melengkapi laporan internal audit Bank sesuai dengan yang diminta regulator. The Bank has completed its audit internal report in accordance with the regulator's requests.
Bank perlu memperlihatkan progres *onshoring*. The Bank shall inform the onshoring progress.	○	Bank akan memperlihatkan keseriusannya dalam menunjukan progress *onshoring* melalui laporan triwulanan progres *onshoring* yang detail dan jelas. The Bank will render seriousness in informing the onshoring progress through detailed and clear quarterly onshoring progress report.
Bank harus menjaga kinerja dan independensi Audit Internal dan SKMR. The Bank shall maintain the Internal Audit and Risk Management Unit performance and independency.	●	Bank telah menerapkan mekanisme yang memastikan fungsi Audit Internal dan SKMR independen. The Bank has implemented mechanism that ensures the independent function of Internal Audit and Risk Management Unit.
Direksi perlu memonitor komitmen terhadap regulator: Kemajuan *onshoring* dan pengawasan untuk menghindari NPL baru dan menyelesaikan akun NPL yang ada. The Board of Directors shall monitor the commitment to the regulators: Onshoring progress and oversight on the prevention of new NPL and settlement of existing NPL accounts.	○	Bank akan melakukan monitoring terhadap kemajuan onshoring serta pengawasan terhadap kredit berkualitas rendah. The Bank will monitor the onshoring progress and oversight on the non performing loans.
Masih terdapat kesalahan administratif dalam pelaporan kepada regulator. Perbaikan proses maupun akurasi laporan perlu dilaksanakan guna menghindari terjadinya kesalahan serupa. Occurence of administrative errors in the reporting to the regulators. Improvements on reporting process and accuracy shall be carried out to prevent the occurence of the same negligences.	●	Bank telah melakukan *refreshment training* untuk mengindari kesalahan berulang dan menerapkan kebijakan *reward* dan *punishment*. The Bank has undertaken refreshment training to prevent the occurence of such errors and implemented the reward and punishment policy.
Terdapat pelampauan Batas Maksimum Pemberian Kredit (BMPK) PT Megah Prima. Occurence of legal lending limit excess for PT Megah Prima.	●	Bank telah mengirimkan *action plan* kepada regulator terkait hal ini dan memiliki mekanisme *monitoring* yang dapat mencegah pelampauan dan pelanggaran. The Bank has submitted the action plan to the regulator on such matter and has the monitoring mechanism in place to prevent such excess and violation.

PENILAIAN PERIODE TAHUN 2018

Pada tahun 2018, Bank melaksanakan *self-assessment* GCG untuk periode semester II tahun 2018 dengan hasil akhir penilaian 2 (dua) dengan kategori "Baik".

Dibandingkan hasil penilaian pada periode semester I yang sebelumnya, terdapat perbedaan hasil untuk semester II yaitu pada pilar Audit Internal dan Rencana Strategis Bank.

Perbedaan hasil pada pilar Audit Internal terjadi antara hasil periode sebelumnya yang mencapai rating 1 (satu), pada periode semester II 2018 menjadi rating 2 (dua). Hal ini dikarenakan laporan audit internal Bank belum mencakup penilaian komprehensif tentang kecukupan dan efektivitas pengendalian internal dan kualitas kinerja Bank.

Sedangkan pada pilar Transparansi terjadi perbaikan rating yang sebelumnya tercatat rating 2 (dua) menjadi rating 1 (satu) pada periode semester II tahun 2018. Hal ini dikarenakan Bank telah memiliki dan mempresentasikan rencana jangka panjang Bank kepada OJK.

Berdasarkan hasil *self-assessment* terhadap 11 indikator penilaian *rating* GCG tahun 2018, dapat disimpulkan 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 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.

ASSESSMENT FOR THE PERIOD OF 2018

In 2018, The Bank implements GCG self-assessment for the period of second semester 2018 with final assessment result of 2 (two) categorized as "Good".

In comparison to the previous first semester result, there are differences of the second semester result, namely on the Internal Audit and The Bank's Strategic Plan pillars.

The Internal Audit pillar recorded differences in the result of previous period that reached 1 (one) rating, and the result of second semester 2018 with the rating of 2 (two). This was due to the insufficiency of comprehensive evaluation of The Bank's internal audit report on The Bank's internal control adequacy and effectiveness and performance quality.

The Transparency pillar saw rating improvement from previously of 2 (two) to 1 (one) in the second semester 2018. This was due to the implementation and presentation of The Bank's corporate plan to OJK.

In reference to the self-assessment result on 11 indicators of GCG rating assessment in 2018, the summary is as follows:

Governance Structure

Positive factors of Governance Structure aspect:

- All Board of Directors members have integrity, competency and adequate financial reputation.
- All Independent Commissioners does not have financial relationship, management, ownership and family relationship with the other Board of Commissioners members, Directors and/or controlling shareholders or relationship with The Bank, which may impact their ability to act independently.
- The Board of Commissioners and Board of Directors already have communication mechanism through the BOC - BOD communication meeting which conducted regularly. At the meeting, current matters related to the company development as well as issues were discussed.

- Frekuensi komunikasi dan pemantauan oleh Dewan Komisaris mengenai kondisi Bank (tingkat koreksi terhadap audit OJK, manajemen risiko dan Anti Pencucian Uang-APU) telah meningkat.
- Bank telah membuat perbaikan terhadap *governance structure* terutama pada komposisi Direksi dan struktur organisasi.
- Saat ini Bank telah menindak-lanjuti sebagian besar (98%) temuan audit OJK dan temuan audit internal yang berpengaruh pada penilaian RBBR dan GCG secara keseluruhan.
- Risalah rapat telah dibuat dalam format percakapan individu dan secara jelas mengungkapkan orang yang berbicara dalam rapat termasuk pendapat yang berbeda pendapat. Hal ini didukung dengan rekaman seluruh percakapan dalam rapat.
- Bank telah memperbaiki kebijakan, prosedur dan metodologi dalam melakukan identifikasi, pengukuran, pemantauan, dan pengendalian risiko dengan unit kerja yang melakukan dan menyelesaikan transaksi (unit pengambilan risiko).
- Bank telah memperbaiki kebijakan dan prosedur mengenai *risk appetite* dan mitigasi untuk penerimaan kredit.
- Bank telah menyelesaikan kebijakan untuk mengatur pihak terkait dan eksposur besar termasuk batas sesuai dengan prinsip kehati-hatian.
- Bank telah menyerahkan dan mempresentasikan rencana perusahaan jangka panjang kepada OJK.

Faktor yang perlu mendapat perhatian pada aspek *Governance Structure*:

- Bank perlu meningkatkan distribusi agenda dan bahan pertemuan komite terlebih dahulu, terkadang agenda dan/atau materi rapat disampaikan satu hari sebelum pertemuan.
- Laporan audit internal Bank belum mencakup penilaian komprehensif tentang kecukupan dan efektivitas pengendalian internal dan kualitas kinerja Bank.
- Bank perlu memperlihatkan progres *onshoring*.

- The frequency of communication and monitoring by the Board of Commissioners regarding The Bank conditions (OJK audit rectification rate, risk management, Anti Money Laundering-AML concerns) has been improved.
- The Bank has made improvement to the governance structure, especially in the composition of the Board of Directors and organizational structure.
- Currently, The Bank has followed up most of OJK audit findings (98%) and internal audit findings, which impact on the overall RBBR and GCG assessment.
- The Minutes of Meeting (MoM) has been developed in the format of individual conversations and clearly disclosed the spoke person in the meeting including a dissenting opinion. This is supported by recording of the entire conversation in the meeting.
- The Bank has improved the policy, procedure and methodology in performing risk identification, measurement, monitoring, and control with the working unit that conducts and settles the transactions (risk taking unit).
- The Bank has improved the policies and procedures regarding risk appetite and mitigation for credit acceptance.
- The Bank has already finalized the policy to govern related party and large exposures including limit in line with the prudential principle.
- The Bank has submitted and presented long-term corporate plan to OJK.

Factors that needed attention of Governance Structure aspect:

- The Bank needs to improve distribution of agenda and meeting material of committee in advance, sometimes the agenda and/or meeting material submitted one day prior to the meeting.
- The Bank's internal audit report has not included a comprehensive assessment of the adequacy and effectiveness of internal control and the quality of The Bank performance.
- The Bank needs to inform the onshoring progress.

Proses Tata Kelola

Faktor-faktor positif aspek *Governance Process*:

- Seluruh komite telah menjalankan tugasnya dengan baik dan 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.
- Direksi telah secara aktif terlibat dalam komunikasi dengan regulator (OJK dan BI).
- Direksi telah secara aktif menindaklanjuti perbaikan atas temuan audit dan sanksi regulator.
- Bank telah mengkomunikasikan rencana bisnis Bank pada tanggal 19 Desember 2018 dan OJK telah memberikan beberapa masukan terhadap angka-angka finansial.
- Direksi Bank telah mengkomunikasikan rencana bisnis Bank kepada pemegang saham dan semua level organisasi.

Faktor-faktor yang perlu mendapat perhatian pada aspek *Governance Process*:

- Bank harus menjaga kinerja dan independensi Audit Internal dan SKMR.
- Direksi perlu memonitor komitmen terhadap regulator: Kemajuan onshoring dan pengawasan untuk menghindari NPL baru dan menyelesaikan akun NPL yang ada.

Governance Process

Positive factors of Governance Process:

- All committees have performed their duties well and able to assist the Board of Commissioners in monitoring probable risk event.
- The Board of Commissioners has performed its duties to conduct supervision to the implementation of the Board of Directors duties and responsibilities regularly or ad hoc, including providing advice to the Board of Directors.
- The Board of Commissioners does not involve in the decision of operational aspect of The Bank, except on the aspect of funding to related party and other issues, which is determined in The Bank's Articles of Association and/or the prevailing laws in performing its supervisory function.
- The Board of Directors has rendered a serious attention to OJK findings follow up and ensuring the said follow up has been met according to the commitment.
- The Board of Directors has actively involved in communication with regulators (OJK and BI)
- The Board of Directors actively follows up on the regulatory audit findings rectification and regulatory sanctions.
- The Bank has communicated The Bank's business plan to OJK on December 19, 2018 and OJK has acknowledged the financial figure with several suggestions.
- The Bank's Board of Directors has communicated The Bank's business plan to shareholders and to all level of organizations.

Factors that needed attention of Governance Process aspect:

- The Bank must maintain the performance and independency of the Internal Audit and Risk Management Unit.
- The Board of Directors needs to closely monitor the commitment to regulator: The onshoring progress and oversight to prevent new NPL and settlement of existing NPL accounts.

Hasil Tata Kelola

Faktor-faktor positif aspek *Governance Outcome*:

- Bank telah meninjaklanjuti 98% temuan audit OJK sesuai dengan target penyelesaian posisi Desember 2018.
- Bank telah meningkatkan implementasi sistem kontrol internal yang andal dan komprehensif pada kredit dan kegiatan operasional dengan memperluas ruang lingkup audit.
- Laporan-laporan yang diwajibkan oleh Bank Indonesia/OJK telah disampaikan kepada regulator maupun pihak lain sesuai dengan ketentuan yang berlaku.
- Tidak terdapat permasalahan terkait dengan penunjukan, komunikasi dan independensi serta ruang lingkup pekerjaan dari eksternal auditor.

Faktor-faktor yang perlu mendapat perhatian pada aspek *Governance Outcome*:

- Masih terdapat kesalahan administratif dalam pelaporan kepada regulator. Perbaikan proses maupun akurasi laporan perlu dilaksanakan guna menghindari terjadinya kesalahan serupa.

Perkembangan Penilaian dan Hasilnya

Bank secara berkala melakukan penilaian dengan tujuan melakukan pemantauan, evaluasi, serta perbaikan terhadap penerapan praktik GCG di lingkup Bank. Bank telah mencapai rating 2 (dua) selama 5 (lima) tahun terakhir. Pencapaian rating tersebut dapat disimpulkan bahwa penerapan praktik GCG di lingkup Bank telah berjalan dengan baik didukung dengan kesinambungan yang konsisten.

Struktur Tata Kelola Perusahaan

Struktur GCG Bank dibentuk berdasarkan fungsi, kewenangan dan tanggung jawab masing-masing organ sesuai dengan Undang-Undang No. 40 tahun 2007, Peraturan Otoritas Jasa Keuangan terkait, dan Anggaran Dasar Bank.

Struktur GCG Bank secara garis besar terbagi atas Organ Utama dan Organ Pendukung.

Governance Outcomes

Positive factors of Governance Outcome aspects:

- The Bank has followed up 98% audit findings from OJK as of a target dated of December 2018.
- The Bank has improved the implementation of reliable and comprehensive internal control system on credit and operational activities by expanding the audit scope.
- A regulatory report that must be submitted to Bank Indonesia/OJK has been reported accordingly to the regulator or other parties in line with the prevailing regulations.
- No issues related to the appointment, communication, independency and scope of work of external auditors.

Factors that needed attention of Governance Outcome aspect:

- Occurence of administrative errors in the reporting to the regulators. Improvements on reporting process and accuracy shall be carried out to prevent the occurence of the same negligences.

Assessment Progress and Results

The Bank regularly carries out the assessment aim at monitoring, evaluating, and improving the GCG practice within The Bank's environment. During the last 5 (five) years, The Bank has achieved an assessment rating of 2 (two), this indicated well implementation of GCG practice within The Bank's scopes supported with consistent sustainability.

Corporate Governance Structure

The Bank governance structure is established based on the functions, authorities and responsibilities of each organ in accordance with Law No. 40 year 2007, related Financial Services Authority regulations and The Bank's Articles of Association.

In general, The Bank governance structure is divided into Primary Organs and Supporting Organs.

Organ Utama Bank adalah sebagai berikut:

1. Rapat Umum Pemegang Saham (RUPS)
   Rapat Umum Pemegang Saham merupakan forum bagi pemegang saham untuk melakukan pembahasan dan pengambilan keputusan strategis usaha Bank dan didasarkan pada Anggaran Dasar Bank serta peraturan perundang-undangan.

2. Dewan Komisaris
   Dewan Komisaris adalah organ yang secara kolektif memiliki tugas dan tanggung jawab untuk melaksanakan fungsi pengawasan dan pemberian arahan terhadap pengelolaan usaha Bank serta memastikan terpenuhinya kepentingan para pemangku kepentingan berdasarkan prinsip-prinsip GCG.

3. Direksi
   Direksi adalah organ yang secara kolektif memiliki tugas dan tanggung jawab untuk melaksanakan pengelolaan Bank sesuai dengan arah dan tujuan yang telah ditetapkan, serta bertindak atas nama Bank dalam urusan di dalam maupun di luar pengadilan.

Selanjutnya Organ Pendukung terdiri dari komite di bawah Dewan Komisaris serta komite dan fungsi di bawah Direksi.

Bank juga telah memiliki *soft stucture* atau perangkat kebijakan yang akan memberikan definisi batasan-batasan tugas, peran dan tanggung jawab dari masing-masing organ Bank, sebagai berikut:

- Kode Etik
- Speak Up
- Kebijakan GCG
- Pedoman dan Tata Tertib Kerja Direksi
- Pedoman dan Tata Tertib Kerja Dewan Komisaris
- Piagam Kepatuhan
- Piagam Internal Audit
- Piagam Komite Audit

The Primary Organs are as follows:

1. General Meeting of Shareholders (GMS)
   The General Meeting of Shareholders is a strategic discussion and decision-making forum for the shareholders, in relation with The Bank interests and is based on Articles of Association as well as laws and regulations.

2. Board of Commissioners
   The Board of Commissioners is an organ collectively assigned with supervisory and advisory functions on the management of The Bank as well as ensuring that all stakeholders' interests are met based on the governance principles.

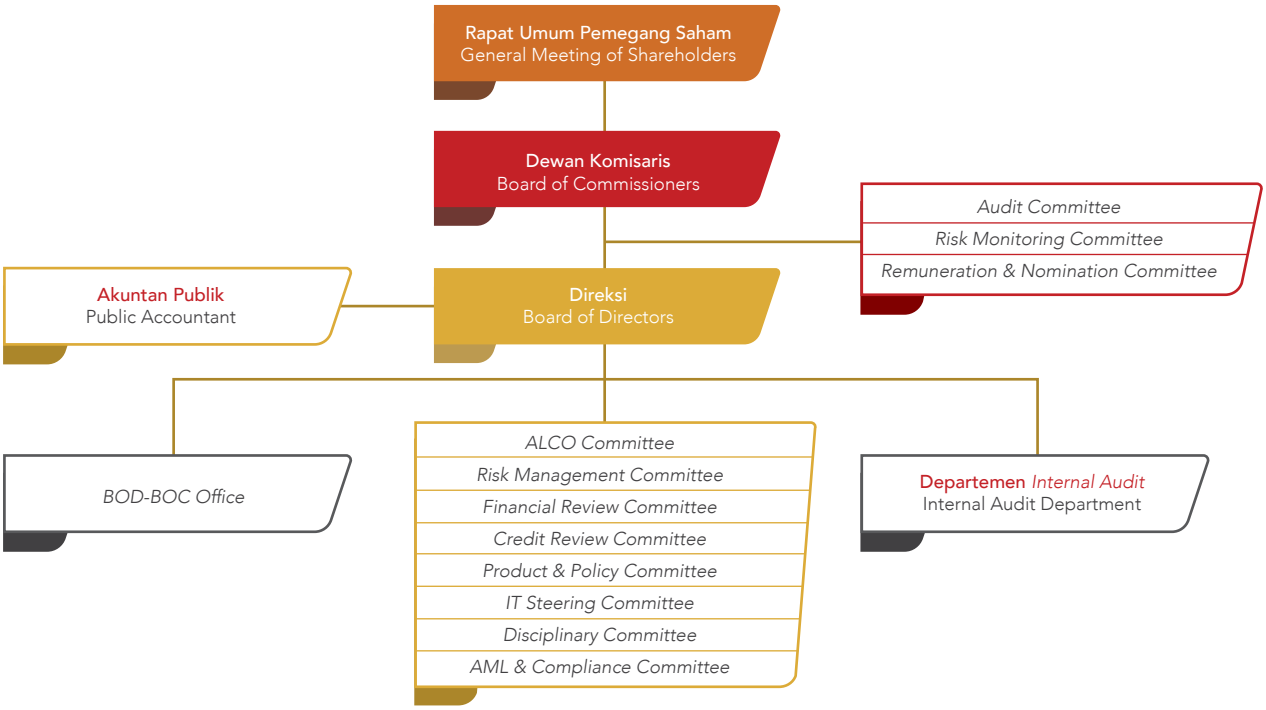
3. Board of Directors
   The Board of Directors is an organ collectively responsible for managing The Bank in accordance with the set direction and objectives, as well as acting on behalf of The Bank in both legal and non-legal settings.

The Supporting Organs consist of committees under the Board of Commissioners as well as committees and functions under the Board of Directors.

The Bank also has in place the soft structures or policies that define the boundaries of duties, roles and responsibilities of each of The Bank's organs, as follows:

- Code of Conduct
- Speak Up
- GCG Policy
- BOD Charter
- BOC Charter
- Compliance Charter
- Internal Audit Charter
- Audit Committee Charter

Struktur Tata Kelola Perusahaan
Corporate Governance Structures



RENCANA PENINGKATAN PENERAPAN TATA KELOLA PERUSAHAAN

Sebagai tindak lanjut dan komitmen yang tinggi atas kesinambungan peningkatan praktik GCG pada seluruh level organisasi, Bank merencanakan beberapa kegiatan penting terkait praktik GCG. Kegiatan dimaksud mencakup diantaranya:

1. Melengkapi seluruh *soft structure* yang disesuaikan dengan peraturan yang berlaku dan praktik terbaik penerapan GCG serta melakukan kajian bagi penyempurnaan yang sudah ada guna meningkatkan kualitas penerapan GCG.
2. Melakukan *monitoring*, pelaporan secara reguler, dan mengkaji penerapan GCG serta memfasilitasi *assessment* oleh pihak independen terhadap implementasi GCG di Bank untuk mendapatkan *feedback* penerapan GCG.

CORPORATE GOVERNANCE IMPLEMENTATION IMPROVEMENT PLANS

As a follow up and high commitment on sustainability of GCG practise at all operational level, The Bank has planned key activities related to GCG practice. The activities include as follows:

1. Complete all soft structures in accordance with prevailing regulations and best practices for GCG implementation as well as review the existing improvements in order to improve the quality of GCG implementation.
2. Monitoring, regular reporting, and reviewing the GCG implementation as well as facilitating the independent assessment of GCG implementation in The Bank to obtain GCG implementation feedbacks.

RAPAT UMUM PEMEGANG SAHAM

General Meeting of Shareholders

Rapat Umum Pemegang Saham (RUPS) adalah organ perusahaan dengan kewenangan yang tidak diberikan kepada Dewan Komisaris atau Direksi dalam batas yang ditentukan dalam Anggaran Dasar dan peraturan perundang-undangan yang berlaku.

RUPS merupakan forum bagi pemegang saham untuk menggunakan haknya, menjalankan wewenang, mengemukakan pendapat, memberikan suara serta meminta informasi berkaitan dengan pengambilan keputusan strategis ataupun pengelolaan Bank.

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.

The General Meeting of Shareholders (GMS) is a company's organ with authorities not granted to the Board of Commissioners and the Board of Directors within threshold as set forth under the Articles of Association and prevailing regulations.

The GMS serves as a forum for shareholders to exercise rights, initiate authorities, and submission of opinions, voting, and request of information relating to the strategic decision-making or The Bank management.

The Bank's Articles of Association states that the GMS is to be held at least once a year and shall be held no later than 6 (six) months after the end of the fiscal year.

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.

SHAREHOLDERS AND INFORMATION ON THE MAJORITY SHAREHOLDERS

The majority shareholders of The Bank is ICBC Ltd with shares ownership of 98.61%. Meanwhile, minority shareholder is PT Intidana Wijaya with shares ownership of 1.39%. As the controlling shareholder of The Bank, ICBC Ltd 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

- 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 Dewan Komisaris dan/atau Direksi lalai menyelenggarakan RUPS Tahunan dan/atau RUPS Luar Biasa, setelah mendapat izin dari Ketua Pengadilan Negeri setempat;

SHAREHOLDERS 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 Commissioners and/or the Board of Directors fails to hold an Annual GMS and/or an Extraordinary GMS, after obtaining a permission from the local District Court Chairman;

- 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 Dewan Komisaris dan/atau Direksi 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, Dewan Komisaris, dan/atau Direksi;
- Meminta secara tertulis untuk penyelenggaraan Rapat Dewan Komisaris, Rapat Direksi dan RUPS Luar Biasa bila dipandang perlu.

WEWENANG RAPAT UMUM PEMEGANG SAHAM

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 Dewan Komisaris dan Direksi;
- Menilai kinerja Dewan Komisaris dan Direksi;
- Mendelegasikan kepada Dewan Komisaris tentang pembagian tugas dan wewenang setiap anggota Direksi;

- 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 Commissioners and/or the Board of Directors 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 Commissioners, and/or the Board of Directors;
- Requesting in writing for the holding of a Board of Commissioners Meeting, a Board of Directors Meeting and an Extraordinary GMS if deemed necessary.

GENERAL MEETING OF SHAREHOLDERS AUTHORITIES

The GMS has the authorities to do the following:

- Deciding on amendments to The Bank's Articles of Association;
- Deciding on changes in The Bank's 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 Commissioners and Board of Directors;
- Assessing the performance of the Boards of Commissioners and Directors;
- Delegating the Board of Commissioners on the distribution of duties and authorities of each member of the Board of Directors;

- 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 RAPAT UMUM PEMEGANG SAHAM

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.
- 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 Perusahaan Terbatas telah dipenuhi.

- 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.

GENERAL MEETING OF SHAREHOLDERS CONVENTION PROCEDURES

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;
- 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 Company has been fulfilled;

- Pemungutan suara mengenai diri orang dilakukan dengan surat tertutup dan mengenai hal lain dilakukan secara lisan.
- Suara blanko (*abstain*) tidak dihitung.

- The voting of a person is by a closed letter and on other matters done orally;
- Abstained votes are not counted.

PELAKSANAAN DAN HASIL KEPUTUSAN RAPAT UMUM PEMEGANG SAHAM TAHUN 2018

Selama tahun 2018, Bank menyelenggarakan 1 (satu) kali RUPS Tahunan, bertempat di ICBC Tower, Jakarta. Agenda dan hasil keputusan RUPS serta realisasi dan/atau rencana realisasi oleh manajemen Bank disampaikan pada tabel di bawah ini.

GENERAL MEETING OF SHAREHOLDERS CONVENTION AND RESOLUTIONS IN 2018

During 2018, The Bank convened 1 (one) Annual GMS, held in ICBC Tower, Jakarta. Followings are the GMS resolutions and realizations and/or realization plans by The Bank management.

RUPS Tanggal 29 Agustus 2018
GMS Dated August 29, 2018

HASIL KEPUTUSAN RESOLUTIONS	SUDAH TERLAKSANA FOLLOWED UP ON	REALISASI OLEH MANAJEMEN FOLLOW UP BY MANAGEMENT
Menerima pengunduran diri anggota Dewan Komisaris: Christina Harapan selaku Komisaris Independen, terhitung sejak tanggal 31 Mei 2018. Accepted the resignation of member of the Board of Commissioners: Christina Harapan as Independent Commissioner, effective as of May 31, 2018.	●	Seluruh pergantian Manajemen Kunci Bank telah dilakukan dan dilegal-formalkan melalui Akta No. 137 tanggal 29 Agustus 2018. All changes of The Bank's Key Management have been carried out and legalized-formalized through the Deed No. 137 dated August 29, 2018.
Menerima pengunduran diri anggota Direksi: Liang Qinjun selaku Direktur, terhitung sejak tanggal 31 Mei 2018. Accepted the resignation of member of the Board of Directors: Liang Qinjun as Director, effective as of May 31, 2018.	●	
Mengangkat anggota Dewan Komisaris yang baru: H. Yunno Kusumo, SE.AKT.MA selaku Komisaris Independen, yang berlaku efektif sejak diperolehnya persetujuan/perijinan sesuai ketentuan yang berlaku. Appointed new member of the Board of Commissioners: H. Yunno Kusumo, SE.AKT.MA as Independent Commissioner, effective as of the obtaining of approval/permit in accordance with applicable regulations.	●	

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 CONVENTION AND RESOLUTIONS IN 2017

During 2017, The Bank convened 3 (three) GMS, held in ICBC Tower, Jakarta. Followings are the GMS resolutions and realizations and/or realization plans by The Bank Management.

RUPS Tanggal 13 April 2017
GMS Dated April 13, 2017

HASIL KEPUTUSAN RESOLUTIONS	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. Established 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. Appointed 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 June 21, 2017

HASIL KEPUTUSAN RESOLUTIONS	SUDAH TERLAKSANA FOLLOWED UP ON	REALISASI OLEH MANAJEMEN FOLLOW-UP BY MANAGEMENT
Menyetujui peningkatan modal Bank dari semula Rp2.692.250.000.000 (dua triliun enam ratus sembilan puluh dua miliar dua ratus lima puluh juta rupiah) menjadi sebesar Rp3.706.150.000.000 (tiga triliun tujuh ratus enam miliar seratus lima puluh juta rupiah). Approving the increase of Bank capital from IDR2,692,250,000,000 (two trillion six hundred ninety two billion two hundred and fifty thousand million rupiah) to IDR3,706,150,000,000 (three trillion seven hundred six billion and one hundred fifty million rupiah).	●	Tambahan modal tersebut dimasukkan ke dalam Modal inti Bank yang secara total menjadi lebih dari Rp5 (lima) triliun 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

Rapat Umum Pemegang Saham
General Meeting of Shareholders

RUPS Tanggal 12 Desember 2017
GMS Dated December 21, 2017

HASIL KEPUTUSAN RESOLUTIONS	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: 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. Accepted the resignation of Mr. Ma Xiangjun as President Commissioner. Accepted the resignation of members of the Board of Directors: 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. Appointed Mr. Zhang Jinxing as President Director effective as of the obtaining of approval/permit in accordance with applicable provisions.		

● telah ditindaklanjuti | Has been followed-up
○ belum ditindaklanjuti | Has not been follow-up

DEWAN KOMISARIS
Board of Commissioners

Dewan Komisaris adalah organ perseroan yang melakukan fungsi pengawasan serta memberikan nasihat terhadap kegiatan pengelolaan perseroan oleh Direksi perseroan sesuai dengan Anggaran Dasar untuk memastikan pengelolaan perseroan sesuai dengan tujuan bisnis dan target perusahaan.

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.

The Board of Commissioners is a company organ that undertakes supervisory and advisory function to the Board of Directors management activities in accordance with the Articles of Association to ensure that the company is being managed in accordance with its business objectives and purposes.

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.

DASAR HUKUM

Ketentuan mengenai Dewan Komisaris termasuk penunjukkan, kriteria, wewenang serta tugas dan tanggung jawab adalah berdasarkan pada:

- Undang-Undang No. 40 tahun 2007
- POJK no. 55/POJK.03/2016
- Anggaran Dasar

LEGAL BASIS

Stipulations on the Board of Commissioners including the appointment, criterias, authorities as well as the duties and responsibilities refer to:

- Law No. 40 year 2007
- POJK no. 55/POJK.03/2016
- Articles of Association

KRITERIA & PERSYARATAN ANGGOTA DEWAN KOMISARIS

Kriteria dan 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

BOARD OF COMMISSIONERS CRITERIA & MEMBER REQUIREMENTS

The minimum requirements for the Board of Commissioners are:

- At the very least the 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 of Commissioners must be domiciled in Indonesia.
- The Board of Commissioners has to be led by President Commissioner.
- The Board of Commissioners shall consist of Independent Commissioner and Non-Independent Commissioner.
- Independent Commissioners shall at the very least occupy 50% (fifty percent) of the total members of the Board of Commissioners.
- Former member of the bank's Board of Directors or Executive Members or other parties, which have relationship with bank, who have the ability to act as an Independent requires to undergo a cooling off period at the very least 1 (one) year prior to the

Komisaris Independen pada bank. Ketentuan tersebut tidak berlaku bagi mantan anggota Direksi yang membawahi fungsi pengawasan atau Pejabat Eksekutif yang melakukan fungsi pengawasan pada bank tersebut.

- 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; dan 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 & Nominasi.
- Anggota Komite Remunerasi & 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.

appointment as Independent Commissioner of the bank. The rule is ruled out for former member of the Board of Directors in charge of monitoring function or Executive Members whose duties is to perform monitoring function.

- 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 the Financial Services Authority (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 the conditions of the Board of Commissioners' meeting concludes that Independent Commissioner can act independently; and the Independent Commissioners stated his/her independency in the GMS.
- 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 the Board of Commissioners to the GMS has to consider the recommendation from the Remuneration & Nomination Committee.
- Members of the Remuneration & Nomination Committee who have conflict of interest with the recommended inputs shall disclose in the recommended inputs.
- Members of the Board of Commissioners have to fulfill the capability requirements in accordance with POJK on the Fit and Proper Test as the Main Party of Financial Institutions.
- Majority of the Board of Commissioners are prohibited to have family relations to the second degree within the Board of Commissioners and/or Board of Directors.

RANGKAP JABATAN

- 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.
- 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.

MULTIPLE BOARD MEMBERSHIPS

- Members of the Board of Commissioners are prohibited to have a concurrent position as member of the Board of Directors, member of the Board of Commissioners 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.
- Conditions which do not fall as concurrent positions:
  - The Board of Commissioners member who has a concurrent position as member of the Board of Directors, member of the Board of Commissioners or Executive Members and who perform the monitoring function in 1 (one) non-bank subsidiary company that is controlled by the bank;
  - Non-Independent Commissioners who performs functional responsibility from the bank's shareholders in the form of legal entity in The Bank business group; and/or
  - The Board of Commissioners member who assumes position in an organization or non-profit institutions.

PENGANGKATAN DAN PEMBERHENTIAN DEWAN KOMISARIS

Berikut ini adalah mekanisme serta prosedur pengangkatan Dewan Komisaris Bank:

1. Setiap usulan atas kandidat anggota Dewan Komisaris harus memperhatikan rekomendasi dari Komite Remunerasi dan Nominasi.
2. Kandidat anggota Dewan Komisaris yang telah dinominasikan melalui hasil rekomendasi dari Komite Remunerasi dan Nominasi akan diajukan kepada pemegang saham guna mendapatkan persetujuan awal.
3. 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.

BOARD OF COMMISSIONERS APPOINTMENTS AND DISMISSALS

The following are mechanisms and procedures for the appointment of members of The Bank's Board of Commissioners:

1. Every proposal of candidates for the Board of Commissioners have to take into account the recommendations of the Remuneration and Nomination Committee.
2. The candidate for the Board of Commissioners who has been nominated through the recommendation from the Remuneration and Nomination Committee will be proposed to the shareholders for initial approval.
3. After receiving the inital approval from the shareholders, the candidate will be arranged to undergo the Fit and Proper Test by the regulator. medical test, and other forms of inspection that will be carried out by the shareholders and The Bank.

4. Setelah kandidat memenuhi persyaratan penilaian kemampuan dan kepatutan sesuai peraturan Otoritas Jasa Keuangan (OJK) dan juga bentuk pemeriksaan lainnya yang akan dilakukan oleh pemegang saham dan Bank, maka pemegang saham akan melakukan RUPS untuk memutuskan secara formal anggota baru dan komposisi baru dari anggota Dewan Komisaris termasuk di dalamnya persetujuan atas paket remunerasi. Persetujuan RUPS akan berupa keputusan pemegang saham dalam bentuk risalah rapat RUPS atau cara lain yang diatur dalam Anggaran Dasar.
5. Berdasarkan keputusan tersebut di atas, Departemen Sumber Daya Manusia akan mempersiapkan surat pemberitahuan kepada *supervisor/regulator* mengenai perubahan komposisi dari Dewan Komisaris.
6. 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.

4. After the candidate meets the requirements for the Fit and Proper Test according to the Financial Services Authority regulations (OJK) and other inspections carried out by the shareholders and The Bank, the shareholders will hold a GMS to formally decide a new member and the new composition of the Board of Commissioners members, including the approval of the remuneration package. The agreement will be in the form of shareholders' decisions and the GMS Minutes of Meeting (MoM) or other methods stipulated in the Articles of Association.
5. Based on the aforementioned decision, the Human Resources Department will prepare a notification letter to the supervisors/regulators regarding changes in the composition of the Board of Commissioners.
6. For candidates from the shareholders or internal (executive officers of The Bank), the same general selection process applies, except for some points, which may not apply to candidates from ICBC Ltd., as mentioned above.

SUSUNAN DAN KOMPOSISI DEWAN KOMISARIS TAHUN 2018

Susunan Dewan Komisaris Bank pada 31 Desember 2018 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 Tata Kelola bagi Bank Umum.

BOARD OF COMMISSIONERS COMPOSITION IN 2018

The composition of The Bank's Board of Commissioners as of December 31, 2018 consists of 1 (one) President Commissioner and 2 (two) Independent Commissioners. The two Independent Commissioners are domiciled in Indonesia. As such, the Board of Commissioners' composition has complied with OJK Regulations on the Governance Implementation for Commercial Banks.

NAMA NAME	JABATAN POSITION	PERIODE PERIOD	DASAR PENUNJUKKAN APPOINTMENT LEGAL BASIS
Wang Kun	Presiden Komisaris President Commissioner	13 Desember 2017 - sekarang December 13, 2017 - current	Akta pengangkatan No. 108 tanggal 13 Desember 2017 Deed of appointment No. 108 dated December 13, 2017
Hendra Widjojo	Komisaris Independen Independent Commissioner	19 September 2007 - sekarang September 19, 2007 - current	Akta pengangkatan No. 024 tanggal 19 September 2007 Deed of appointment No. 024 dated September 19, 2007
H. Yunno Kusumo	Komisaris Independen Independent Commissioner	29 Agustus 2018 - sekarang August 29, 2018 - current	Akta pengangkatan No. 137 tanggal 29 Agustus 2018 Deed of appointment No. 137 dated August 29, 2018

NAMA NAME	JABATAN POSITION	PERIODE PERIOD	DASAR PENUNJUKKAN APPOINTMENT LEGAL BASIS
Christina Harapan	Komisaris Independen Independent Commissioner	22 Februari 2016 - 31 Mei 2018 February 22, 2016 - May 31, 2018	Christina Harapan mengundurkan diri sebagai Komisaris Independen efektif sejak tanggal 31 Mei 2018 Christina Harapan resigned as Independent Commissioner as of May 31, 2018

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.

Per 31 Desember 2018, seluruh anggota Dewan Komisaris Bank telah lulus Uji Kemampuan dan Kepatutan oleh regulator melalui keputusan di bawah ini:

FIT AND PROPER TEST

The Fit and Proper Test of the Board of Commissioners shall be conducted upon receiving the initial approval from the shareholders. The candidate will be required to undergo the Fit and Proper Test by regulators, medical test, and other forms of inspection that will be carried out by the shareholders and The Bank.

As of December 31, 2018, all members of the Bank's Board of Commissioners have passed the Fit and Proper Test from the regulator through below decrees:

NAMA NAME	JABATAN POSITION	SURAT UJI KEMAMPUAN DAN KEPATUTAN LETTER OF FIT AND PROPER TEST
Wang Kun	Presiden Komisaris President Commissioner	Surat No. KEP-203/D.03/2017 tanggal 3 November 2017 Letter No. KEP-203/D.03/2017 dated November 3, 2017
Hendra Widjojo	Komisaris Independen Independent Commissioner	Surat No. 9/9/DPIP/Prz/Sb/Rahasia tanggal 7 November 2007 Letter No. 9/9/DPIP/Prz/Sb/Rahasia dated November 7, 2007
H. Yunno Kusumo	Komisaris Independen Independent Commissioner	Surat No. SR-165/PB.12/2018 tanggal 9 Agustus 2018 Letter No. SR-165/PB.12/2018 dated August 9, 2018

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.

Pada tahun 2018, Bank telah memberikan program orientasi dan pengenalan kepada H. Yunno Kusumo yang menjabat sebagai Komisaris Independen yang baru.

BOARD OF COMMISSIONERS' ORIENTATION AND INDUCTION PROGRAM

The Bank has an orientation and induction 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 Director and Board of Directors members and covers; The Bank's vision and mission; The Bank's code of conduct; The Bank's organizational structure; the Board Charter and Committee Charter; information on segments/fields of The Bank, submitted by each field Director; and other related regulations.

In 2018, The Bank has provided orientation and induction program to H. Yunno Kusumo who is assigned as the new Independent Commissioner.

PELATIHAN DAN PENGEMBANGAN KOMPETENSI

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Dewan Komisaris, yang dilakukan melalui berbagai pelatihan dan pendidikan. Daftar pelatihan dan pengembangan kompetensi Dewan Komisaris dapat dilihat pada Bab Profil Perusahaan pada laporan tahunan ini.

TRAINING AND COMPETENCY DEVELOPMENT

The Bank has policies related to the development and enhancement of the Board of Commissioners, which are conducted through trainings and workshops. The trainings and development of the Board of Commissioners can be referred to the Company Profile section in this annual report.

PEDOMAN KERJA

Dewan Komisaris Bank melaksanakan fungsi pengawasan berdasarkan pedoman dan tata tertib kerja Dewan Komisaris, yang telah diperbaharui pada tanggal 10 Oktober 2017, yang antara lain mengatur tugas dan tanggung jawab Dewan Komisaris; etika atau pedoman berperilaku; waktu kerja Dewan Komisaris; kategori rapat; serta tata tertib rapat.

BOARD CHARTER

The Bank's Board of Commissioners conducts the oversight function based on the Board Charter, which have been updated on October 10, 2017. The Board Charter among others regulates the duties and responsibilities, as well as the authorities of the Board of Commissioners; ethics or code of conduct; working time of the Board of Commissioners; meeting category; and the meeting procedures.

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.

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 Bank, 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 Bank.
- Melakukan penilaian atas kinerja Direksi.

CODE OF CONDUCT

The Board of Commissioners has acted professionally and avoided any form of potential conflict of interest directly or indirectly, ensured the security and confidentiality of corporate key information.

Interaction between the Board of Commissioners and shareholders occurs, among others, when theyare:

- Providing opinions and suggestions during the GMS on the corporate long term plan, budget and business plan proposed by the Board of Directors.
- Supervising the management of The Bank, and provide opinions and suggestions to the GMS regarding any issues that are considered important.
- Reporting immediately to the GMS in the event of declining inclination of the 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 periodical reports and annual reports prepared by the Board of Directors, and signing these annual reports.
- Conducting supervision and providing opinions on the management of The Bank.
- Assessing the performance of the Board of Directors.

TUGAS DAN TANGGUNG JAWAB

Tugas dan tanggung jawab Dewan Komisaris antara lain:

- Melaksanakan pengawasan terhadap Direksi Bank dalam 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.
- 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.
- Melaksanakan pengawasan terhadap rencana bisnis Bank yang dilakukan Direksi.
- Mengevaluasi pertanggungjawaban Direksi atas pelaksanaan kebijakan manajemen risiko Bank.
- Memberikan persetujuan pengangkatan dan pemberhentian kepala Satuan Kerja Audit Internal (SKAI).
- Melakukan kajian 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 sebelumnya kepada RUPS.
- Mengevaluasi laporan tahunan yang telah diaudit untuk diajukan dalam RUPST.
- Melakukan pengawasan terhadap pelaksanaan fungsi kepatuhan Bank.
- Memastikan terselenggaranya pelaksanaan tata kelola perusahaan yang baik dalam setiap kegiatan usaha Bank pada seluruh tingkatan atau jenjang organisasi.
- Memastikan bahwa Direksi Bank telah menindaklanjuti temuan audit dan rekomendasi dari SKAI, auditor eksternal, hasil pengawasan regulator.
- Memastikan bahwa Komite Audit, Komite Pemantau Risiko, serta Komite Remunerasi dan Nominasi telah menjalankan tugasnya secara efektif.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Board of Commissioners are as follows:

- Conduct oversight on the Board of Directors of The Bank in the implementation of The Bank's policies, duties and responsibilities in accordance with the Resolutions of the GMS and all applicable regulations.
- Advise the Board of Directors on strategic matters relating to The Bank's business activities.
- Create and submit reports for violation 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.
- Implement oversight of The Bank's business plan conducted by the Board of Directors.
- Evaluate the Board of Directors' accountability for the implementation of The Bank's risk management policy.
- Provide approval of the appointment and dismissal of the Internal Audit Unit.
- Review the audit planning and its 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 oversight duties that have been conducted during the previous financial year to the GMS.
- Evaluate audited annual reports for submission in the AGMS.
- Monitor the implementation 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.
- Ensure the Board of Directors of The Bank has followed-up on audit findings and recommendations of The Bank Internal Audit Unit, external auditors, the results of supervision by Bank Indonesia or other authorities.
- Ensure the Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee have performed their duties effectively.

Dewan Komisaris
Board of Commissioners

- Menjamin SKAI dapat melaksanakan tugasnya secara independen.
- Memberikan persetujuan atas kebijakan dan prosedur penerapan program Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme (APU dan PPT), serta melakukan pengawasan atas pelaksanaan tanggung jawab Direksi terhadap program APU dan PPT.
- Menyetujui dan mengevaluasi kebijakan alih daya termasuk penyempurnaannya, termasuk mengevaluasi pertanggungjawaban Direksi atas penerapan manajemen risiko pada alih daya.
- Mengarahkan, memantau dan mengevaluasi rencana strategis Teknologi Informasi dan kebijakan Bank terkait dengan penyelenggaraan teknologi informasi.
- Memelihara dan memantau tingkat kesehatan Bank serta mengambil langkah-langkah yang diperlukan untuk memelihara dan/atau meningkatkan tingkat kesehatan 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.
- 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.

- Ensure the Internal Audit Unit can carry out its duties independently.
- Provide approval on the Anti Money Laundering and Counter Terrorism Financing (AML and CTF) program policies and procedures, as well as supervision over the implementation of the Board of Directors' responsibilities to AML and CTF programs.
- Approve and evaluate outsourcing policy and its improvements, including evaluating the responsibility of the Board of Directors on the implementation of risk management on outsourcing.
- Direct, monitor and evaluate the strategic plan of Information Technology and The Bank policy related to the implementation of information technology.
- Maintain and monitor The Bank's soundness rating and take necessary measures to maintain and/or to increase the soundness rating of The Bank.
- Individually and/or collectively with the Board of Directors and controlling shareholders, to submit the action plans to OJK in which contain remedial measures that must be performed by The Bank in order to address the significant problems faced by The Bank and their time of completion target.
- Conduct active oversight of the implementation of risk management in the activities of foreign financial product agency;
- Monitor and provide approval to the Board of Directors to establish policies and procedures on the transparancy use of customer personal data , as well as policies and procedures on the transparency of information for The Bank's products.

LAPORAN PELAKSANAAN TUGAS DEWAN KOMISARIS TAHUN 2018

Dewan Komisaris telah melakukan pengawasan terhadap pelaksanaan rencana bisnis yang dijalankan oleh Direksi tahun 2018. 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 2018, Dewan Komisaris telah mengadakan rapat Dewan Komisaris, dimana terdapat 18 (delapan belas) proposal utama yang telah dibahas. Rapat Komite Pemantau Risiko dan Komite Audit yang berada di bawah Dewan Komisaris telah dilaksanakan dengan masing-masing 40 (empat puluh) topik dan 18 (delapan belas) 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.

REPORT ON THE DUTIES IMPLEMENTATION OF THE BOARD OF COMMISSIONERS IN 2018

The Board of Commissioners has supervised the implementation of the business plan performed by the Board of Directors in 2018. The 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's 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 2018, the Board of Commissioners has held the Board of Commissioners meeting, during which 18 (eighteen) main proposals were discussed. The meetings of the Risk Monitoring Committee and the Audit Committee under the Board of Commissioners have been implemented, with 40 (forty) topics and 18 (eighteen) topics respectively of major concerns 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 the communication and coordination between the Board of 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 2018, 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 OJK Regulation No. 55/POJK.03/2016 on the Implementation of Corporate Governance for Commercial Banks, the committees have reported quarterly performance results to the Board of Commissioners and have been well received by the Board of Commissioners.

During 2018, 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
13 September 2018 September 13, 2018	Kunjungan ke Kantor OJK, dalam rangka memperkuat komunikasi antara Bank dan OJK. Visit to the OJK Office, to strengthen communication between The Bank and OJK.	Wang Kun Presiden Komisaris/President Commissioner Hendra Widjojo Komisaris Independen/Independent Commissioner H. Yunno Kusumo Komisaris Independen/Independent Commissioner	Kantor OJK, Jakarta OJK Office, Jakarta
05 Oktober 2018 October 05, 2018	Kunjungan ke Kantor Cabang Batam, dalam rangka menghadiri *internal audit exit meeting*. Visit to the Batam Branch Office, to attend the internal audit exit meeting.	Ricky Dompas Anggota Komite Audit/Audit Committee Member Waldy Gutama Anggota Komite Audit/Audit Committee Member	Kantor Cabang Batam Batam Branch Office

KOMISARIS INDEPENDEN

Komisaris Independen Bank memiliki peranan penting dalam menjaga pelaksanaan pengawasan Dewan Komisaris yang obyektif dan memastikan kewajaran terhadap berbagai kepentingan termasuk kepentingan pemegang saham minoritas.

Kriteria Penentuan 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.

INDEPENDENT COMMISSIONER

The Independent Commissioner of The Bank have significant roles in promoting objective and fairness supervision in order to maintain the interests of shareholders, in particular the minorities.

Independent Commissioner Stipulation Criteria

Pursuant to OJK Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks, Independent Commissioners are members of the Board of Commissioners who have no financial, management, share ownerships 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.

Peraturan 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.

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 H. Yunno Kusumo.

Pernyataan Independensi Dewan Komisaris

Dewan Komisaris wajib bersifat independen dalam melaksanakan tugasnya termasuk dalam memberikan keputusan strategis terkait Bank yang bebas dari tekanan atau kepentingan pihak tertentu.

Masing-masing anggota Dewan Komisaris Bank wajib menghindari adanya benturan kepentingan dalam bentuk hubungan keuangan maupun hubungan keluarga dengan sesama anggota Dewan Komisaris, Direksi, Pemegang saham Pengendali maupun pihak eksternal yang memiliki hubungan bisnis dengan Bank.

Seluruh anggota Dewan Komisaris Bank telah menandatangani Surat Pernyataan yang menyatakan pemenuhan seluruh kriteria dan independensi jabatannya sesuai kriteria yang disyaratkan oleh Peraturan perundang-undang yang berlaku.

The regulation also requires that at least 50% (fifty percent) of the Board of Commissioners members are 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 remains independent.
- An Independent Commissioner declares during the GMS concerning his/her independence.

The Bank has complied with the above regulations, in which the composition of its Independent Commissioners consist of 2 (two) members, or 66.67% (sixty-six point sixty-seven percent) of the overall total 3 (three) members of the Board of Commissioners, namely Hendra Widjojo and H. Yunno Kusumo.

Independence Statement of the Board of Commissioners

The Board of Commissioners shall be independent in carrying out its duties including in providing strategic decisions pertaining with The Bank that are free from pressure or interest of certain parties.

Each member of The Bank's Board of Commissioners shall avoid any conflict of interest in the form of financial or family relationships with other members of the Board of Commissioners, the Board of Directors, Controlling Shareholders or any external party having business relationship with The Bank.

All members of The Bank's Board of Commissioners have signed Statement certifying fulfillment of criteria as well as his/her independency of position in accordance with the criteria as set under prevailing regulations.

Dewan Komisaris
Board of Commissioners

ICBC PT. BANK ICBC INDONESIA

PRESIDENT COMMISSIONER
GOOD COROPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
As of 31 December 2018

To comply with OJK Regulation No.55/POJK.03/2016, dated December 7th, 2016 regarding the regarding the Implementation of Good Corporate Governance, as President Commissioner of PT Bank ICBC Indonesia, herewith I declare the followings:

1. With regard to holding multiple positions, I have complied with the prevailing regulations, as stated on "Multi Occupations Form" (**attachment 1**);
2. I have/do not have[2] financial and family relationship up to second degree with other members of the Board of Commissioners and members of the Board of Directors, as stated on "Financial and Family Relationship Form" (**attachment 2**);
3. I owned/do 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 3**);
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.

Jakarta, 31 December 2018

Wang Kun
President Commissioner

[1] This statement letter is an integral part of following attachments:
- Attachment 1 : Multi Occupations Form
- Attachment 2 : Financial and Family Relationship Form
- Attachment 3 : Shares Ownership Form
- Attachment 4 : Definitions and Requirements

[2] Cross as necessary

ICBC PT. BANK ICBC INDONESIA

INDEPENDENT COMMISSIONER
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
As of 31 December 2018

To comply with OJK Regulation No.55/POJK.03/2016, dated December 7th, 2016 regarding the Implementation of Good Corporate Governance, 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 ~~owned~~/do 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.

Jakarta, 31 December 2018

Hendra Wibowo
Independent Commissioner

[1] This statement letter is an integral part of following attachments:
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- Attachment 2 : Shares Ownership Form
- Attachment 3 : Definitions and Requirements

[2] Cross as necessary

ICBC PT. BANK ICBC INDONESIA

INDEPENDENT COMMISSIONER
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
As of 31 December 2018

To comply with OJK Regulation No.55/POJK.03/2016, dated December 7th, 2016 regarding the Implementation of Good Corporate Governance, 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**);
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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.

Jakarta, 31 December 2018

H. Yusuf Kusumo SE.,AKT.MA
Independent Commissioner

[1] This statement letter is an integral part of following attachments:
- Attachment 1 : Multi Occupations Form
- Attachment 2 : Shares Ownership Form
- Attachment 3 : Definitions and Requirements

[2] Cross as necessary

DIREKSI
Board of Directors

Direksi adalah organ perseroan yang bertanggung jawab terhadap pengelolaan operasional sehari-hari Bank untuk kepentingan terbaik Bank sesuai dengan tujuan dan target usaha. Direksi dapat mewakili Bank baik di dalam maupun di luar pengadilan tentang segala hal dan dalam segala kejadian terkait Perseroan.

The Board of Directors is a company organ responsibles for the management of The Bank daily operations for The Bank best interests, in accordance with its target and objectives. The Board of Directors may represent The Bank both in and out of court with regards to all matters and events related with The Bank.

DASAR HUKUM

Dasar hukum penunjukan, kriteria, kewenangan serta tugas dan tanggung jawab Direksi berdasarkan pada:

- Undang-Undang No. 40 tahun 2007
- Anggaran Dasar
- POJK no. 55/POJK.03/2016

LEGAL BASIS

The appointment, criterias, authorities as well as the duties and responsibilities of the Board of Directors refer to:

- Law No. 40 year 2007
- Articles of Association
- POJK no. 55/POJK.03/2016

KRITERIA & PERSYARATAN ANGGOTA DIREKSI

Kriteria dan Persyaratan minimum untuk Direksi adalah:

1. Bank diurus dan dipimpin oleh suatu Direksi yang terdiri dari sekurangnya 3 (tiga) Direktur, satu diantaranya akan ditunjuk sebagai Presiden Direktur.
2. Presiden Direktur diangkat dari calon yang dinominasikan oleh pemegang saham asing di dalam RUPS, yang akan mengikat RUPS untuk menunjuk Presiden Direktur tersebut.
3. Presiden Direktur haruslah seseorang yang independen dari pemegang saham pengendali.
4. Mereka yang diangkat sebagai anggota Direksi harus:
   a. Mayoritas anggota Direksi harus Warga Negara Indonesia;
   b. Mayoritas anggota Direksi harus memiliki setidaknya 5 (lima) tahun pengalaman dalam operasional perbankan sebagai Pejabat Eksekutif dalam bank.
   c. Bertempat tinggal di Indonesia dan bersedia tinggal di Indonesia (apabila kandidat adalah warga negara aslng);
   d. Minimum memiliki gelar sarjana;
   e. Tidak memegang jabatan lain sebagai Dewan Komisaris, Direktur atau Pejabat Eksekutif di Bank lain, perusahaan atau institusi lain,

BOARD OF DIRECTORS CRITERIA & MEMBER REQUIREMENTS

The minimum requirements for the Board of Directors are:

1. The Bank is managed and led by the Board of Directors, which consists of at least 3 (three) Directors, one of which will be appointed by the President Director.
2. President Director is appointed from nominated candidate by foreign shareholders in the GMS, which will bind the GMS to appoint concerned President Director.
3. President Director shall be independent from the controlling shareholders.
4. Those appointed as members of the Board of Directors shall be:
   a. Majority of the Board of Directors must be Indonesian Citizen;
   b. Majority of the Board of Directors should have minimum 5 (five) years experience as the Bank's Executive Officer, and preferably in similar area that he/she will be assigned to as Director;
   c. Reside in Indonesia and willing to stay in Indonesia (if the candidate is non Indonesian);
   d. Minimum hold a bachelor degree;
   e. Does not hold any other position as the Board of Commissioners, Director or Executive Officer in other bank, company or other institution

kecuali yang telah diatur oleh Peraturan Bank Indonesia mengenai Pelaksanaan GCG;

f. Tidak secara sendiri-sendiri atau bersama-sama memiliki saham untuk jumlah lebih dari 25% (dua puluh lima persen) dari modal disetor di Bank atau perseroan terbatas lainnya.

g. Anggota Direksi tidak boleh memiliki hubungan darah sampai derajat kedua dengan anggota Direksi atau Dewan Komisaris lainnya.

h. Memiliki integritas tinggi, kompetensi, dan reputasi keuangan yang cukup (tidak pernah dinyatakan pailit atau menjadi anggota Direksi atau anggota Dewan Komisaris yang dinyatakan pernah menyebabkan suatu perusahaan dinyatakan pailit dalam 5 tahun atau lebih). Integritas dibuktikan melalui SID.

i. Tidak memiliki catatan kriminal (dalam waktu 20 tahun atau lebih), tidak memiliki publikasi negatif yang telah dibuktikan dengan proses pengecekan latar belakang. Kompetensi dibuktikan dari pengalaman kerja yang relevan di Bank maupun perusahaan keuangan.

j. Untuk kandidat yang berasal dari ICBC Ltd poin a, b, d, i dapat dicek dan dikonfirmasi oleh ICBC LTd.

k. Memiliki sertifikasi manajemen risiko dan sertifikasi lainnya sesuai ketentuan yang berlaku.

l. Lulus Uji Kepatuhan dan Kelayakan sesuai dengan peraturan Bank Indonesia;

5. Anggota Direksi harus ditunjuk berdasarkan keputusan yang diambil berdasarkan suara yang setuju lebih dari 2/3 (dua pertiga) dari jumlah suara yang dikeluarkan secara sah di RUPS untuk periode 3 (tiga) tahun dimulai sejak tanggal penunjukkan anggota Direksi tersebut dan setelah lulus Uji Kepatuhan dan Kelayakan yang dilakukan oleh Bank Indonesia. Anggota Direksi yang masa jabatannya telah berakhir dapat dipilih kembali untuk periode 3 (tiga) tahun selanjutnya.

6. Gaji dan/atau remunerasi lainnya dapat diberikan kepada anggota Direksi, yang jumlahnya ditetapkan oleh RUPS dan wewenang tersebut oleh RUPS dapat dilimpahkan kepada Dewan Komisaris.

except for those determined in Bank Indonesia regulation regarding GCG implementation;

f. Individually or jointly does not have more than 25% (twenty five percent) shares of capital paid to The Bank and or in other company;

g. Board of Directors members do not have family relationship up to second degree, with other member of the Board of Directors of Board of Commissioners;

h. Have strong integrity, competency and sufficient financial reputation (never been declared bankrupt or becoming member of the Board of Directors or the Board of Commissioners that declared guilty for causing a company to be bankrupt in the past 5 years or more). Integrity is proven through SID;

i. No criminal record (in the past 20 years or more), no negative publication that has been proven through background check process. Competency is evidenced by related work experience in banking and finance.

j. For candidate from ICBC Ltd, point a, b, d, I might be checked and confirmed by ICBC Ltd.

k. Attained risk management certification and other certification according to prevailing regulations.

l. Have passed Fit and Proper Test in accordance with Bank Indonesia regulation.

5. Members of the Board of Directors shall be appointed based on decisions taken by agreed votes of more than 2/3 (two thirds) from legitimate votes at the GMS for a period of 3 (three) years commencing from the date of an appointment of concerned members of the Board of Directors and has passed the Fit and Proper Test by Bank Indonesia. Members of the Board of Directors whose term of office has completed can be re-appointed for the next 3 (three) years.

6. Salary and/or other remuneration may ber provided to members of the Board of Directors, which sums are determined by the GMS and such authority may be delegated by the GMS to the Board of Commissioners.

7. Apabila oleh sebab apapun jabatan anggota Direksi lowong, RUPS harus diselenggarakan dalam jangka waktu 30 (tiga puluh) hari kalender sejak terjadi lowongan untuk mengisi kekosongan tersebut dengan memperhatikan ketentuan yang berlaku. Masa jabatan dari pihak yang ditunjuk untuk mengisi kekosongan oleh sebab apapun adalah masa jabatan dari anggota Direksi yang digantikan.
8. Apabila oleh suatu sebab apapun semua jabatan anggota Direksi lowong, maka dalam jangka waktu 30 (tiga puluh) hari kalender sejak terjadinya lowongan tersebut RUPS harus diselenggarakan untuk mengangkat Direksi baru, dan Bank untuk sementara diurus oleh setiap pihak yang diberi kewenangan oleh Direksi untuk bertindak atas nama Direksi dengan suatu surat kuasa.
9. Seorang anggota Direksi berhak mengundurkan diri dari jabatannya dengan memberitahukan secara tertulis mengenai maksudnya tersebut kepada Bank sekurangnya 30 (tiga puluh) hari kalender sebelum tanggal pengunduran dirinya.
10. Jabatan anggota Direksi berakhir apabila:
    a. Mengundurkan diri sesuai dengan ketentuan ayat 12;
    b. Tidak lagi memenuhi persyaratan untuk menjabat sesuai perundang-undangan yang berlaku;
    c. Meninggal dunia;
    d. Diberhentikan berdasarkan keputusan RUPS;
    e. Dinyatakan pailit.

7. If for any reason the position of members of the Board of Directors is vacant, the GMS shall be convened within 30 (thirty) calendar days since the occurence of such vacancies for further replacement by taking into account the applicable rules. The term of office of the appointment for replacement due to any reasons is following the tenure of the replaced member of the Board of Directors.
8. If by any reason all positions of members of the Board of Directors are vacant, then within a period of 30 (thirty) calendar days from the occurrence of such vacancies the GMS shall be convened for the appointment of new Board of Directors, and the Bank is temporarily managed by party authorized by the Board of Directors to act on behalf of the Board of Directors with a proxy.
9. A member of the Board of Directors has the rights to tender his resignation from a position by written notice of his/her intentions to The Bank at least 30 (thirty) calendar days prior to his/her date of resignation.
10. The tenure of members of the Board of Directors ends if:
    a. Resign in accordance with the rules of paragraph 12;
    b. No longer meet the requirements to perform according to prevailing laws and regulations;
    c. Passed away;
    d. Dismissed pursuant to the GMS resolution;
    e. Declared bankrupt.

PENGANGKATAN DAN PEMBERHENTIAN DIREKSI

Berikut ini adalah mekanisme serta prosedur pengangkatan Direksi Bank:

- Direksi, Dewan Komisaris atau pemegang saham akan memberikan proposal kandidat anggota Direksi kepada Komite Remunerasi & Nominasi yang akan memproses kandidat lebih lanjut.

- Sebelum diajukan kepada pemegang saham melalui Dewan Komisaris, kandidat akan menjalani proses seleksi. Kandidiat yang telah memenuhi

BOARD OF DIRECTORS APPOINTMENTS AND DISMISSALS

The following are mechanisms and procedures for the appointment of members of The Bank's Board of Directors:

- The Board of Directors, Board of Commissioners or shareholders will give proposal of the candidates of the Board of Directors members to the Remuneration & Nomination Committee who will then process the candidate.
- Prior to be proposed to shareholders thru the Board of Commissioners, the candidate will go through the selection process. Those who meet criteria will

kriteria selanjutnya akan diwawancara. Kandidat yang lulus wawancara akan dicek latar belakangnya oleh pihak eksternal dan secara internal.

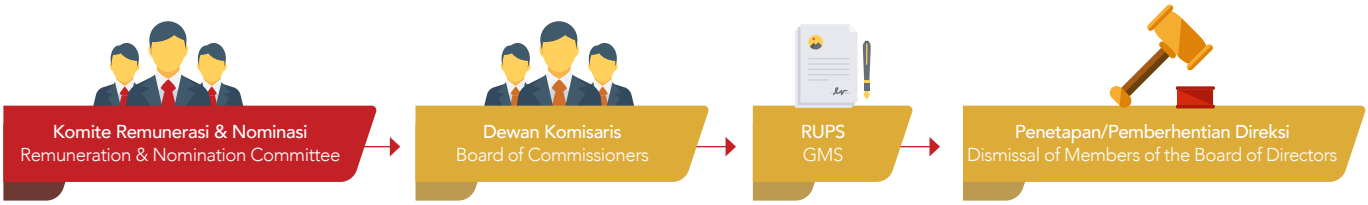
- Setelah melakukan beberapa proses seleksi di atas, kandidat yang terpilih akan dinominasikan oleh Komite Remunerasi & Nominasi kepada Dewan Komisaris yang kemudian akan mengajukan kepada RUPS.
- Setelah menerima persetujuan awal dari pemegang saham, kandidat akan diatur untuk menjalani Uji Kelayakan dan Kemampuan di regulator, tes kesehatan, dan bentuk pemeriksaan lainnya yang akan dilakukan oleh pemegang saham maupun Bank.
- Kandidat yang telah lolos akan diusulkan oleh Dewan Komisaris dan Direksi untuk ditunjuk oleh pemegang saham. Proposal akan termasuk di dalamnya paket remunerasi untuk kandidat anggota Direksi.
- Berdasarkan persetujuan dari pemegang saham, Departemen Sumber Daya Manusia akan memberikan penawaran kepada kandidat anggota Direksi.
- Setelah meninjau proposal dari Dewan Komisaris, dan persetujuan penawaran dari kandidat anggota Dewan Komisaris atau Direksi, kemudian RUPS akan memutuskan secara formal anggota baru dan komposisi baru dari anggota Direksi termasuk didalamnya persetujuan paket remunerasi untuk anggota Direksi yang baru.
- Keputusan akan berupa Keputusan Pemegang Saham atau Risalah rapat dari RUPS atau cara lain yang diatur dalam anggaran dasar.
- Berdasarkan keputusan tersebut, Departemen Sumber Daya Manusia akan mempersiapkan surat pemberitahuan kepada Regulator mengenai perubahan komposisi Direksi.
- Untuk kandidat yang datang dari pemegang saham atau dari internal (yaitu 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.

be arranged for interview. Candidates, who pass the interview, will be checked by external party for background check, and internally.

- After going through the above selection process, the chosen candidate will be nominated by the Remuneration & Nomination Committee to the Board of Commissioners, who will then propose to the GMS.
- After receiving initial approval from shareholder, the candidate will be arranged for Fit and Proper Test in regulator, medical check-up, and other forms of checking that will be done by shareholders or The Bank.
- Candidate who has passed the process will be proposed by the Board of Commissioners and the Board of Directors to be appointed by the shareholders. The proposal will include the remuneration package for the member of the Board of Directors candidate.
- Based on the approval from shareholder, Human Resources Department will give the offer to candidate of the Board of Directors member.
- After reviewing the proposal from the Board of Commissioners, and having agreed offer from the candidate of the Board of Directors member, then the GMS will decide the new member or new composition of the Board of Directors members including the agreed remuneration package for new Board of Directors members.
- The approval will be in the form of Shareholders' Resolution or Minutes of Meeting of the GMS or any other way that is regulated in the articles of association.
- Based on the decision, Human Resources Department will prepare a notification letter to Regulator regarding the change of the Board of Directors composition.
- For candidates who came from shareholders or from internal (i.e. executive officer of The Bank), the selection process in general must be the same. Except some points that might not applicable for candidate from ICBC Ltd as mentioned above.

Direksi
Board of Directors

Proses Pengangkatan dan Pemberhentian Direksi
Process the Appointment and Dismissal of members of the Board of Directors



SUSUNAN DAN KOMPOSISI DIREKSI TAHUN 2018

Komposisi Direksi Bank telah memperhitungkan dan disesuaikan dengan kondisi Bank dimana masing-masing anggota Direksi memiliki kemampuan sesuai kebutuhan Bank dalam menjalankan tugasnya baik secara individu maupun kolektif.

Jumlah anggota Direksi Bank per 31 Desember 2018 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.

BOARD OF DIRECTORS STRUCTURE AND COMPOSITION IN 2018

The composition of the Board of Directors has taken into account and in accordance with The Bank's condition whereby each member of the Board of Directors has the ability based on The Bank's needs to perform the duty both individually or collectively.

As of December 31, 2018, The Bank's Board of Directors consists of 7 (seven) members and respectively has good experience in banking. All members of The Bank's Board of Directors are domiciled in Indonesia and have adequate integrity and competence in accordance with regulatory requirements on the Fit and Proper Test.

NAMA NAME	JABATAN POSITION	PERIODE PERIOD	DASAR PENUNJUKKAN APPOINTMENT LEGAL BASIS
Zhang Jinxing	Presiden Direktur President Director	20 April 2018 - sekarang April 20, 2018 - current	Akta pengangkatan No. 108 tanggal 13 Desember 2018 Deed of appointment No. 108 dated December 13, 2018
Yu Guangzhu	Direktur Director	13 Mei 2014 - sekarang May 13, 2014 - current	Akta pengangkatan No. 118 tanggal 13 Mei 2014 Deed of appointment No. 118 dated May 13, 2014
Jeff S. V. Eman	Direktur Director	30 Juni 2015 - sekarang June 30, 2015 - current	Akta pengangkatan No. 417 tanggal 30 Juni 2015 Deed of appointment No. 417 dated June 30, 2015
Xin Haiyan	Direktur Director	13 April 2017 - sekarang April 13, 2017 - current	Akta pengangkatan No. 71 tanggal 13 April 2017 Deed of appointment No. 71 dated April 13, 2017
Thomas Arifin	Direktur Director	22 Februari 2016 - sekarang February 22, 2016 - current	Akta pengangkatan No. 135 tanggal 22 Februari 2016 Deed of appointment No. 135 dated February 22, 2016
Sandy T. Muliana	Direktur Director	24 November 2009 - sekarang November 24, 2009 - current	Akta pengangkatan No. 35 tanggal 24 November 2009 Deed of appointment No. 35 dated November 24, 2009
Fransisca Nelwan Mok	Direktur Director	13 April 2017 - sekarang April 13, 2017 - current	Akta pengangkatan No. 71 tanggal 13 April 2017 Deed of appointment No. 71 dated April 13, 2017
Liang Qinjun	Direktur Director	3 Juni 2016 - 31 Mei 2018 June 3, 2016 - May 31, 2018	Liang Qinjun mengundurkan diri sebagai Direktur efektif sejak tanggal 31 Mei 2018 Liang Qinjun resigned as Director as of May 31, 2018

UJI KEMAMPUAN DAN KEPATUTAN

Sebagai bentuk kepatuhan dan komitmen terhadap GCG, proses penetapan Direksi Bank dilakukan melalui Uji Kemampuan dan Kepatutan yang dilaksanakan oleh Otoritas Jasa Keuangan (OJK). Bank mengajukan dan melengkapi *compliance checklist* 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:

FIT AND PROPER TEST

As a form of compliance and commitment towards GCG, The Bank's process of determining its Board of Directors members is done through Fit and Proper Test conducted by OJK. This is done through the Bank's proposal that has filled out an administrative compliance checklist to OJK, signed by the Director in charge of the compliance function.

All members of The Bank's Board of Directors has passed the Fit and Proper Test by the regulator through the following decrees:

NAMA NAME	JABATAN POSITION	SURAT UJI KEMAMPUAN DAN KEPATUTAN LETTER OF FIT AND PROPER TEST
Zhang Jinxing	Presiden Direktur President Director	Surat No. SR-58/PB.12/2018 tanggal 6 April 2018 Letter No. SR-58/PB.12/2018 dated April 6, 2018
Yu Guangzhu	Direktur - Kredit Director - Credit	Surat No. SR-48/D.03/2014 tanggal 8 April 2014 Letter No. SR-48/D.03/2014 dated April 8, 2014
Jeff S. V. Eman	Direktur - Operasional Director - Operations	Surat No. SR-4/D.03/2015 tanggal 5 Januari 2015 Letter No. SR-4/D.03/2015 dated January 5, 2015
Xin Haiyan	Direktur - Marketing Director - Marketing	Surat No. SR-55/PB.12/2017 tanggal 24 Maret 2017 Letter No. SR-55/PB.12/2017 dated March 24, 2017
Thomas Arifin	Direktur - Marketing Director - Marketing	Surat No. SR-190/D.03/2015 tanggal 15 Oktober 2015 Letter No. SR-190/D.03/2015 dated October 15, 2015
Sandy T. Muliana	Direktur - Kepatuhan Director - Compliance	Surat No. 11/109/GBI/DPIP/Rahasia tanggal 21 Agustus 2009 Letter No. 11/109/GBI/DPIP/Rahasia dated August 21, 2009
Fransisca Nelwan Mok	Direktur - Sumber Daya Manusia Director - Human Resources	Surat No. SR-22/PB.12/2017 tanggal 8 Februari 2017 Letter No. SR-22/PB.12/2017 dated February 8, 2017

PROGRAM ORIENTASI DIREKSI BARU

Anggota 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.

BOARD OF DIRECTORS' ORIENTATION PROGRAM

A newly appointed member of the Board of Directors shall be provided an induction program concerning The Bank and shall be done immediately following its appointment. Responsibility to hold an induction program for a new member of the Board of Directors lies on the President Director, or if the President Director is absent, then the responsibility for the implementation of induction program rests with the existing Directors. This induction program can be carried out in the form of presentations/seminars/workshops, meetings, site visits, document review, or any other forms 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 di bawah 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 2018, Bank melakukan program orientasi dan pengenalan kepada Presiden Direktur yang baru, yaitu Zhang Jinxing.

The induction program to the new Board of Directors includes the following:

- Description on The Bank's vision and mission, values and culture, The 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.
- Description of the duties and responsibilities of the Board of Commissioners, the Board of Directors, as well as the committees under the Board of Commissioners and committees under the Board of Directors.
- Description of TheBank's key stakeholders and The Bank's social responsibility.
- Internal control system, 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 2018, The Bank conducted an orientation and induction program to the new President Director, namely Zhang Jinxing.

PELATIHAN DAN PENGEMBANGAN KOMPETENSI

Bank memiliki kebijakan terkait pengembangan dan peningkatan kompetensi Direksi, yang dilakukan melalui berbagai pelatihan dan pendidikan. Daftar pelatihan dan pengembangan kompetensi Direksi dapat dilihat pada Bab Profil Perusahaan pada Laporan Tahunan ini.

TRAINING AND COMPETENCY DEVELOPMENT

The Bank has policies related to the development and enhancement of the Board of Directors, which are conducted through trainings and workshops. The trainings and development of the Board of Directors can be referred to the Company Profile section in this annual report.

PEDOMAN DAN TATA TERTIB KERJA DIREKSI

Bank memiliki pedoman dan tata tertib kerja bagi Direksi *(Board Charter)*, yang telah disahkan pada tanggal 30 Juni 2015.

Board Charter berfungsi sebagai pedoman bagi masing-masing anggota Direksi untuk menjaga hubungan kerja yang profesional dan produktif secara efisien dalam menjalankan tugasnya serta untuk memahami peran serta wewenang masing-masing.

BOARD OF DIRECTORS BOARD CHARTER

The Bank has in place the guidelines and working procedures of the Board of Directors (Board Charter), which was ratified on June 30, 2015.

The Board Charter serves as a guideline for each member of the Board of Directors to maintain professional and productive working relationships in an efficient manner in performing their duties as well as understanding each roles and authorities.

TUGAS DAN TANGGUNG JAWAB

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.

Tanggung Jawab

Direksi Bank bertanggung jawab dalam hal-hal sebagai berikut:

- Bertanggung jawab penuh atas pelaksanaan kepengurusan Bank untuk kepentingan dan tujuan Bank.
- Bertanggung jawab penuh atas pelaksanaan tugas kepada pemegang saham melalui RUPS.
- Wajib mengelola Bank sesuai dengan kewenangan dan tanggung jawab Direksi sebagaimana diatur dalam Anggaran Dasar dan peraturan perundang-undangan.
- Wajib menerapkan prinsip-prinsip tata kelola yang baik dalam setiap kegiatan usaha Bank pada seluruh tingkatan atau jenjang organisasi.
- Direksi paling sedikit wajib membentuk Satuan Kerja Audit Internal (SKAI); Satuan Kerja Manajemen Risiko (SKMR) dan Komite Manajemen Risiko; dan Satuan Kerja Kepatuhan.
- Wajib menciptakan struktur pengendalian intern, menjamin terselenggaranya fungsi audit internal dalam setiap tingkatan manajemen dan menindaklanjuti temuan audit dan rekomendasi dari SKAI Bank, auditor eksternal, hasil pengawasan OJK dan/atau hasil pengawasan otoritas lain, dan melaporkan kegiatan tersebut kepada RUPS.
- Mendorong terciptanya budaya kepatuhan melalui perumusan strategi, kebijakan kepatuhan, menetapkan sistem dan prosedur kepatuhan, dan memastikan bahwa seluruh kebijakan, ketentuan, sistem, dan prosedur, serta kegiatan usaha yang dilakukan Bank telah sesuai dengan ketentuan OJK dan peraturan perundang-undangan.
- Meminimalkan risiko kepatuhan Bank.
- Sesuai dengan POJK No. 46/POJK.03/2017, Direktur yang membawahi fungsi kepatuhan wajib

DUTIES AND RESPONSIBILITIES

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 August 16, 2007 on Limited Liability Company; POJK No. 55/POJK.03/2016 on GCG Implementation for Commercial Banks; and the Bank's Articles of Association.

Responsibilities

The Bank's Board of Directors is responsible for the following matters:

- Fully responsible for the execution of The Bank's management in the interests and objectives of The Bank.
- Fully responsible for the performance of duties to shareholders through the GMS.
- Responsible to manage The Bank in accordance with the authorities and responsibilities of the Board of Directors as stipulated in the Articles of Association and laws and regulations.
- Responsible to apply the Good Governance principles in each of The Bank's business activities at all levels of the organization.
- The Board of Directors shall at least be required to establish the Internal Audit Unit; Risk Management Unit and Risk Management Committee; and Compliance Unit.
- Responsible to establish 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 unit, external auditors, the results of the supervision of OJK and/or the results of supervision of other authorities, and shall report the activity to GMS.
- Encourage the creation of compliance culture through strategy formulation, compliance policy, compliance systems and procedures, and ensure that all policies, regulations, systems, procedures and business activities conducted by The Bank are in compliance with the provisions of OJK,laws and regulations.
- Minimize The Bank compliance risk.
- In reference to POJK No. 46/POJK.03/2017, the Director in charge of compliance function must

melaporkan pelaksanaan tugas dan tanggung jawabnya kepada Presiden Direktur dengan tembusan kepada Dewan Komisaris, serta menyampaikan laporan kepada OJK tentang pelaksanaan tugasnya.

- Memastikan bahwa Bank memiliki kebijakan dan prosedur penerapan program APU dan PPT, serta melakukan pengawasan atas kepatuhan unit kerja yang dibentuk dalam menerapkan program APU dan PPT.
- Menyusun dan menyempurnakan kebijakan dan prosedur alih daya, termasuk memantau, mengevaluasi, dan bertanggung jawab atas penerapan manajemen risiko atas alih daya.
- Menetapkan rencana strategis Teknologi Informasi dan kebijakan Bank terkait penggunaan teknologi informasi, dan memastikan penerapan proses manajemen risiko dalam penggunaan teknologi informasi dilaksanakan secara memadai dan efektif.
- Memelihara dan memantau tingkat kesehatan Bank serta mengambil langkah-langkah yang diperlukan untuk memelihara dan/atau meningkatkan tingkat kesehatan Bank.
- 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.
- Menetapkan rencana, kebijakan dan prosedur Bank untuk aktivitas keagenan produk keuangan luar negeri, termasuk memantau dan mengevaluasinya.
- Menetapkan kebijakan dan prosedur tertulis transparansi informasi produk Bank dan penggunaan data pribadi nasabah.
- Menyusun dan melaksanakan rencana bisnis secara efektif, dan mengkomunikasikan rencana bisnis kepada pemegang saham Bank dan seluruh jenjang organisasi yang ada pada Bank.
- Menyusun kebijakan dan strategi manajemen risiko secara tertulis dan komprehensif, serta bertanggung jawab atas pelaksanaan kebijakan manajemen risiko dan eksposur risiko yang diambil oleh Bank secara keseluruhan.
- Direksi bersama-sama dengan Dewan Komisaris Bank wajib menumbuhkan budaya dan kepedulian *anti-fraud* pada seluruh jajaran organisasi Bank.

report the execution of its duties and responsibilities to the President Director with copies to the Board of Commissioners, and shall submit a report to OJK concerning the performance of its duties.

- Ensure that The Bank has policies and procedures for implementing AML and CTF programs, and supervising the compliance of the established work units in implementing the AML and CTF programs.
- Develop and refine the outsourcing policies and procedures, including monitoring and evaluating the overall implementation of the outsourcing.
- Establish the Information Technology strategic plan and The Bank's policy regarding the use of information technology, and ensure that the implementation of risk management process in the use of information technology is carried out adequately and effectively.
- Maintain and monitor The Bank's soundness rating and taking necessary steps to maintain and/or improve The Bank's soundness rating.
- Pursuant to POJK No. 4/POJK.03/2016, the Board of Directors together with the Board of Commissioners and/or controlling shareholders must submit action plan to OJK.
- Establish The Bank's plan, policies and procedures for agency activities related to overseas financial products, including its monitoring and evaluation.
- Establish the policies and procedures of The Bank's product information transparency, as well as of the use of customers' personal data.
- Prepare and implement the business plan effectively, and to communicate the business plan to The Bank's shareholders and all levels of the organization in The Bank.
- Develop the risk management policy and strategy comprehensively in writing, and be responsible for the implementation of risk management policy and risk exposure taken by The Bank as a whole.
- The Board of Directors together with the Board of Commissioners of The Bank shall foster the culture of and concern for anti-fraud in all levels of The Bank's organization.

- Wajib menilai dan memantau kualitas aset, serta mengambil langkah-langkah yang diperlukan agar kualitas aset senantiasa baik.
- Menyusun kebijakan remunerasi yang paling sedikit memuat struktur remunerasi, skala remunerasi berdasarkan tingkat dan jabatan, serta komponen remunerasi, termasuk metode dan mekanisme penetapan remunerasi.

- The Board of Directors shall assess and monitor the assets quality, including taking the necessary steps to ensure continuous appropriation of assets quality.
- Develop the remuneration policy containing at least the remuneration structure, remuneration scale based on level and position, and remuneration component, as well as method and mechanism for determining remuneration.

Pembagian Lingkup Tugas Anggota Direksi

Dalam menjalankan tugasnya, setiap anggota Direksi memiliki lingkup tugas dan tanggung jawab masing-masing, yaitu:

Board of Directors Delegation of Duties

In performing their duties, the members of the Board of Directors have their respective duties and responsibilities, as follows:

NAMA NAME	JABATAN POSITION	LINGKUP TUGAS DAN TANGGUNG JAWAB SCOPE OF DUTIES AND RESPONSIBILITIES
Zhang Jinxing	Presiden Direktur President Director	*Financial Management*
		Internal Audit
		Strategy Management and Investor Relation
Yu Guangzhu	Direktur Director	*Credit Management*
		Credit Review
Jeff S. V. Eman	Direktur Director	*Information Technology*
		Management Information and Accounting
		Loan Operation
		Operation Management
		Bills Center
Xin Haiyan	Direktur Director	*Corporate Banking I*
		Corporate Banking II
		Corporate Banking Surabaya
		Trade Finance

Direksi
Board of Directors

NAMA NAME	JABATAN POSITION	LINGKUP TUGAS DAN TANGGUNG JAWAB SCOPE OF DUTIES AND RESPONSIBILITIES
Thomas Arifin	Direktur Director	*Global Market*
		SME Banking
		Consumer Banking
		Branches
Sandy T. Muliana	Direktur Director	*Compliance*
		Anti-Money Laundering
		Risk Management
Fransisca Nelwan Mok	Direktur Director	*Human Resources*
		General Affairs
		Special Asset Management
		Legal

PERNYATAAN INDEPENDENSI DIREKSI

Direksi Bank wajib bersifat independen dalam memutuskan hal-hal terkait kepentingan Perseroan.

Masing-masing anggota Direksi wajib menghindari benturan kepentingan dari pihak manapun termasuk hubungan keluarga dengan Anggota Direksi dan Dewan Komisaris.

Seluruh anggota Direksi Bank telah menandatangani Surat Pernyataan yang menyatakan pemenuhan seluruh kriteria dan independensi jabatannya sesuai kriteria yang disyaratkan oleh Peraturan perundang-undang yang berlaku.

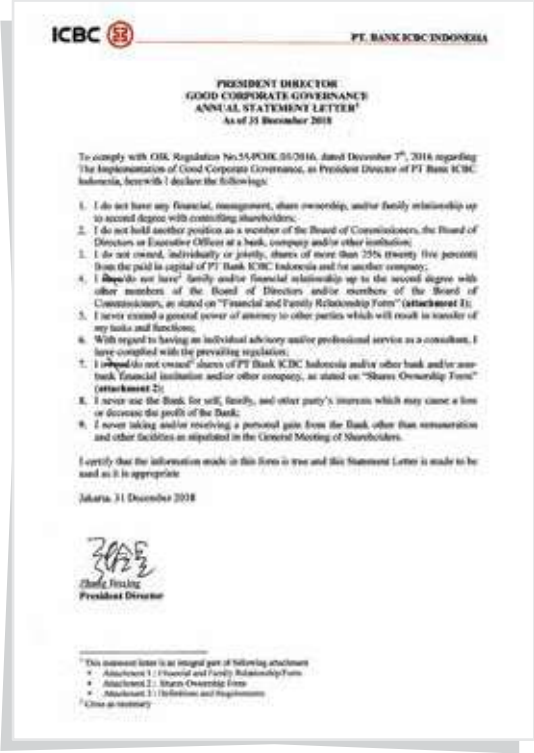
INDEPENDENCE STATEMENT OF THE BOARD OF DIRECTORS

The Bank's Board of Directors shall be independent in deciding matters concerning the interests of The Bank.

Each member of the Board of Directors shall avoid any conflict of interest from any party including family relationships with members of the Board of Directors and Board of Commissioners.

All members of The Bank's Board of Directors have signed Statement certifying fulfillment of criteria as well as his/her independency of position in accordance with the criteria as set under prevailing regulations.

Direksi
Board of Directors



ICBC PT. BANK ICBC INDONESIA

PRESIDENT DIRECTOR
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
As of 31 December 2018

To comply with OJK Regulation No.55/POJK.03/2016, dated December 7th, 2016 regarding The Implementation of Good Corporate Governance, as President Director 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 controlling shareholders;
2. I do not hold another position as a member of the Board of Commissioners, the Board of Directors or Executive Officer at a bank, company and/or other institution;
3. I do not owned, individually or jointly, shares of more than 25% (twenty five percent) from the paid in capital of PT Bank ICBC Indonesia and /or another company;
4. I have/do not have[2] family and/or financial relationship up to the second degree with other members of the Board of Directors and/or members of the Board of Commissioners, as stated on "Financial and Family Relationship Form" (**attachment 1**);
5. I never extend a general power of attorney to other parties which will result in transfer of my tasks and functions;
6. With regard to having an individual advisory and/or professional service as a consultant, I have complied with the prevailing regulation;
7. I owned/do 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**);
8. 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;
9. 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

Jakarta, 31 December 2018

Zhang Fenxing
President Director

[1] This statement letter is an integral part of following attachment
- Attachment 1 : Financial and Family Relationship Form
- Attachment 2 : Shares Ownership Form
- Attachment 3 : Definition and Requirements

[2] Cross as necessary

ICBC PT. BANK ICBC INDONESIA

DIRECTOR
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
As of 31 December 2018

To comply with with OJK Regulation No.55/POJK.03/2016, dated December 7th, 2016 regarding The Implementation of Good Corporate Governance, as Director of PT Bank ICBC Indonesia, herewith I declare the followings:

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Jakarta, 31 December 2018

Sandy Tirta Mulana
Director

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DIRECTOR
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
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Jakarta, 31 December 2018

Thomas Sello
Director

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Direksi
Board of Directors

ICBC PT. BANK ICBC INDONESIA

DIRECTOR
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
As of 31 December 2018

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Jakarta, 31 December 2018

Xin Haiyan
Director

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DIRECTOR
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
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Jakarta, 31 December 2018

Yu Guangzhi
Director

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DIRECTOR
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
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Jakarta, 31 December 2018

Francisca Sulvani Mok
Director

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ICBC PT. BANK ICBC INDONESIA

DIRECTOR
GOOD CORPORATE GOVERNANCE
ANNUAL STATEMENT LETTER[1]
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Jakarta, 31 December 2018

Adi S. Y Fusan
Director

[1] This statement letter is an integral part of following attachment
- Attachment 1 : Financial and Family Relationship Form
- Attachment 2 : Share Ownership Form
- Attachment 3 : Definition and Requirements

[2] Cross as necessary

PENILAIAN PENERAPAN GCG 2018 TERHADAP DEWAN KOMISARIS DAN DIREKSI

2018 GCG Assessment for the Board of Commissioners and Board of Directors

Bank melakukan *self-assessment* terhadap penerapan GCG tahun 2018 sejalan dengan periode penilaian *Risk-Based Bank Rating* (RBBR) yang dilakukan setiap semester sebagaimana dimaksud dalam Surat Edaran OJK No. 13/SEOJK.03/2017 tentang Pelaksanaan Tata Kelola Bagi Bank Umum.

Berdasarkan acuan tersebut, Bank melakukan *self-assessment* secara berkala terhadap 11 (sebelas) faktor penilaian penerapan 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 *self-assessment* tahun 2018 terhadap kedua aspek di atas menunjukkan berfungsinya perangkat organ Dewan Komisaris dan Direksi, dengan hasil sebagai berikut:

The Bank conducts self-assessment of GCG implementation in 2018 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 Governance for Commercial Banks.

Based on these guidelines, the The Bank conducts the self-assessment regularly for 11 (eleven) GCG implementation assessment factors, of which 2 (two) factors are on 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 2018 on the above aspects indicate the proper functioning of the organ of the Board of Commissioners and the Board of Directors, with the following results:

FAKTOR PENILAIAN PENERAPAN 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

Realisasi/Tindak Lanjut atas Hasil Rekomendasi
Realization/Follow Up on Recommendations

REKOMENDASI ATAS ASSESSMENT PENERAPAN GCG TAHUN 2017 & 2018 RECOMMENDATION ON THE GCG IMPLEMENTATION ASSESSMENT IN 2017 & 2018	TINDAK LANJUT DI TAHUN 2018 FOLLOW UP IN 2018		
	STATUS	PERIODE TINDAK LANJUT FOLLOW UP PERIODS	BENTUK REALISASI/TINDAK LANJUT REALIZATION/FOLLOW UP
Aspek Dewan Komisaris Board of Commissioners Aspect			
Bank harus menjaga kinerja dan independensi Audit Internal dan Satuan Kerja Manajemen Risiko. The Bank shall maintain the performance and independency of Internal Audit and Risk Management Unit.	○	2019	OJK memberikan masukan pada rapat RBB tanggal 19 Desember 2018 bahwa Komisaris Independen harus menjaga kinerja dan independensi Audit Internal dan Satuan Kerja Manajemen Risiko. OJK mentioned in RBB meeting on December 19, 2018 that Independent Commissioners must maintain the performance of Internal Audit and Risk Management Unit, also to maintain the independency of Internal Auditor.

Penilaian Penerapan GCG 2018 Terhadap Dewan Komisaris dan Direksi
2018 GCG Assessment for the Board of Commissioners and Board of Directors

REKOMENDASI ATAS ASSESSMENT PENERAPAN GCG TAHUN 2017 & 2018 RECOMMENDATION ON THE GCG IMPLEMENTATION ASSESSMENT IN 2017 & 2018	TINDAK LANJUT DI TAHUN 2018 FOLLOW UP IN 2018		
	STATUS	PERIODE TINDAK LANJUT FOLLOW UP PERIODS	BENTUK REALISASI/TINDAK LANJUT REALIZATION/FOLLOW UP
Aspek Direksi Board of Directors Aspect			
Pemisahan tugas dan wewenang Direktur yang membawahi SAM dan *General Affairs* Bank Separation of duties and authorities of the Director in charge of SAM and General Affairs	●	2018	Bank telah memisahkan tugas dan wewenang Direktur yang membawahi SAM dan *General Affairs* sesuai dengan struktur organisasi Bank yang baru. The Bank has carried out the separation of duties and authorities of the Director in charge of SAM and General Affairs in accordance with The Bank's new organization structure.
Direksi perlu memonitor komitmen terhadap regulator: Kemajuan *onshoring* dan pengawasan untuk menghindari NPL baru serta menyelesaikan akun NPL yang ada. The Board of Directors shall closely monitor the commitment to regulator: Progress of onshoring and oversight in order to prevent new NPL and settle the existing NPL accounts.	●	2019	Bank telah mengirimkan *action plan* yang lebih detail terkait dengan *onshoring* dan Bank telah menerapkan mekanisme pemantauan terhadap akun-akun yang termasuk dalam *watchlist* untuk menghindari timbulnya NPL baru. The Bank has submitted a more detailed action plan on the onshoring progress and The Bank has implemented monitoring mechanism on the watchlist accounts to prevent the occurence of new NPL.
Bank perlu memfinalisasi kebijakan mengenai mekanisme remunerasi yang jelas. The Bank needs to finalize the policy regarding clear mechanism for remuneration.	○	2019	Bank sedang dalam tahap finalisasi kebijakan yang dimaksud. The Bank is under finalization phase of such policy.

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.*

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/

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

Assessment Methods/Mechanisms

The GCG assessment 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.

Assessment Results

Governance Structure

- All members of the Board of Directors have integrity, competency and adequate financial reputation.
- All Independent Commissioners does not have financial relationship, management, ownership and family relationship with the other Board of Commissioners members, Directors and/

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.
- Frekuensi komunikasi dan pemantauan oleh Dewan Komisaris mengenai kondisi Bank (tingkat koreksi terhadap audit OJK, manajemen risiko dan Anti Pencucian Uang-APU) telah meningkat.

- Bank telah membuat perbaikan terhadap *governance structure* terutama pada komposisi Direksi dan struktur organisasi.
- Saat ini Bank telah menindak-lanjuti sebagian besar (98%) temuan audit OJK dan temuan audit internal yang berpengaruh pada penilaian RBBR dan GCG secara keseluruhan.
- Risalah rapat telah dibuat dalam format percakapan individu dan secara jelas mengungkapkan orang yang berbicara dalam rapat termasuk yang berbeda pendapat. Hal ini didukung dengan rekaman seluruh percakapan dalam rapat.
- Bank telah memperbaiki kebijakan, prosedur dan metodologi dalam melakukan identifikasi, pengukuran, pemantauan, dan pengendalian risiko dengan unit kerja yang melakukan dan menyelesaikan transaksi (unit pengambilan risiko).
- Bank telah memperbaiki kebijakan dan prosedur mengenai *risk appetite* dan mitigasi untuk penerimaan kredit.
- Bank telah menyelesaikan kebijakan untuk mengatur pihak terkait dan eksposur besar termasuk batas sesuai dengan prinsip kehati-hatian.
- Bank telah menyerahkan dan mempresentasikan rencana perusahaan jangka panjang kepada OJK.

Governance Process

- Seluruh komite telah menjalankan tugasnya dengan baik dan membantu Dewan Komisaris dalam memantau risiko yang mungkin terjadi.
- Dewan Komisaris telah melaksanakan pengawasan terhadap pelaksanaan tugas dan tanggung jawab

or controlling shareholders or relationship with The Bank, which may impact their ability to act independently.

- The Board of Commissioners and Board of Directors already have communication mechanism through the BOC – BOD communication meeting which conducted regularly. At the meeting, current matters related to the company development as well as issues were discussed.
- The frequency of communication and monitoring by the Board of Commissioners regarding The Bank conditions (OJK audit rectification rate, risk management, Anti Money Laundering-AML concerns) has been improved.
- The Bank has made improvement to the governance structure, especially in the composition of the Board of Directors and organizational structure.
- Currently, The Bank has followed up most of OJK audit findings (98%) and internal audit findings, which impact on the overall RBBR and GCG assessment.
- The Minutes of Meeting (MoM) has been developed in the format of individual conversations and clearly disclosed the spoke person in the meeting including a dissenting opinion. This is supported by recording of the entire conversation in the meeting.
- The Bank has improved the policy, procedure and methodology in performing risk identification, measurement, monitoring, and control with the working unit that conducts and settles the transactions (risk taking unit).
- The Bank has improved the policy and procedure regarding risk appetite and mitigation for credit acceptance.
- The Bank has already finalized the policy to govern related party and large exposures including limit in line with the prudential principle.
- The Bank has submitted and presented long-term corporate plan to OJK.

Governance Process

- All committees have performed their duties well and able to assist the Board of Commissioners in monitoring probable risk event.
- The Board of Commissioners has performed its duties to conduct supervision to the implementation

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.
- Direksi telah secara aktif terlibat dalam komunikasi dengan regulator (OJK dan BI).
- Direksi telah secara aktif menindaklanjuti perbaikan atas temuan audit dan sanksi regulator.

- Bank telah mengkomunikasikan rencana bisnis Bank pada tanggal 19 Desember 2018 dan OJK telah memberikan beberapa masukan terhadap angak-angka finansial.
- Direksi Bank telah mengkomunikasikan rencana bisnis Bank kepada pemegang saham dan semua level organisasi.

Governance Outcome

- Bank telah meninjaklanjuti 98% temuan audit OJK sesuai dengan target penyelesaian posisi Desember 2018.
- Bank telah meningkatkan implementasi sistem kontrol internal yang andal dan komprehensif pada kredit dan kegiatan operasional dengan memperluas ruang lingkup audit.
- Laporan-laporan yang diwajibkan oleh Bank Indonesia/OJK telah disampaikan kepada regulator maupun pihak lain sesuai dengan ketentuan yang berlaku.
- Tidak terdapat permasalahan terkait dengan penunjukan, komunikasi dan independensi serta ruang lingkup pekerjaan dari eksternal auditor.

of the Board of Directors duties and responsibilities regularly or ad hoc, including providing advice to the Board of Directors.

- The Board of Commissioners does not involve in the decision of operational aspect of The Bank, except on the aspect of funding to related party and other issues, which is determined in The Bank's Articles of Association and/or the prevailing laws in performing its supervisory function.

- The Board of Directors has rendered a serious attention to OJK findings follow up and ensuring the said follow up has been met according to the commitment.
- The Board of Directors has actively involved in communication with regulators (OJK and BI)
- The Board of Directors actively follows up on the regulatory audit findings rectification and regulatory sanctions.
- The Bank has communicated The Bank's business plan to OJK on December 19, 2018 and OJK has acknowledged the financial figure with several suggestions.
- The Bank's Board of Directors has communicated The Bank's business plan to shareholders and to all level of organizations.

Governance Outcome

- The Bank has followed up 98% audit findings from OJK as of a target dated of December 2018.

- The Bank has improved the implementation of reliable and comprehensive internal control system on credit and operational activities by expanding the audit scope.
- A regulatory report that must be submitted to Bank Indonesia/OJK has been reported accordingly to the regulator or other parties in line with the prevailing regulations.
- No issues related to the appointment, communication, independency and scope of work of external auditors.

KEBIJAKAN REMUNERASI DEWAN KOMISARIS DAN DIREKSI

Remuneration Policy of the Board of Commissioners and Board of Directors

Berdasarkan Undang-undang Undang-Undang No. 40 Tahun 2007 tentang Perseroan Terbatas dan Anggaran Dasar Peseroan; gaji, honorarium, atau tunjangan yang diberikan kepada Anggota Dewan Komisaris dan Direksi harus ditetapkan dalam keputusan Rapat Umum Pemegang Saham (RUPS).

Remunerasi Dewan Komisaris dan Direksi Bank direkomendasikan oleh Komite Remunerasi dan Nominasi, untuk kemudian diserahkan kepada Dewan Komisaris dan disampaikan kepada RUPS untuk mendapatkan persetujuan.

Pursuant to Law No.40 Year 2007 concerning the Limited Liability Companies and Articles of Associaton; the General Meeting of Shareholders (GMS) shall approve the salary, fees, or benefits paid to the Board of Commissioners and Board of Directors members.

The Remuneration and Nomination Committee provides recommendation of remuneration for the Bank's Board of Commissioners and Board of Directors, for further submission to the GMS for approval.

Prosedur Remunerasi Dewan Komisaris dan Direksi
Remuneration Procedures of the Board of Commissioners and Board of Directors

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 remunerasi Dewan Komisaris dan 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.

REMUNERATION DETERMINATION INDICATORS

The remuneration recommendations by the Remuneration and Nomination Committee are prepared based on the remuneration formulation referring to The Bank's internal policies, applicable external regulations, industrial comparisons and consideration of The Bank's performances.

The remuneration of the Board of Commissioners and the Board of Directors is recommended by the Remuneration and Nomination Committee with reference to The Bank's remuneration principles and the assessment results of the target setting, applicable regulations, industrial comparison and The Bank's performances.

Jumlah Remunerasi Diterima dalam 1 Tahun
Total Remuneration Accepted in 1 Year

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 IDR2 miliar Above IDR2 billion	0	8
Diatas IDR1 miliar s.d IDR2 miliar Above IDR1 billion up to IDR2 billion	1	1
Diatas IDR500 juta s.d IDR1 miliar Above IDR500 million up to IDR1 billion	1	0
Dibawah IDR500 juta IDR500 million or less	1	0
TOTAL	3	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).		
Jumlah anggota Dewan Komisaris awal tahun adalah 3 (tiga) dan pada akhir tahun menjadi 2 (dua) orang. The number of Board of Commissioners' members earlier in the year is 3 (three) and at the end of the year to 2 (two).		

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 Bank's organization is as follows:

RASIO GAJI | SALARY RATIO	2018	2017
Gaji Direktur tertinggi terhadap gaji Direktur paling rendah The highest salary of Directors compared to the lowest salary of Directors	2,04 : 1	1,32 : 1
Gaji Direktur tertinggi terhadap gaji Komisaris tertinggi The highest salary of Directors compared to the highest salary of Commissioners	7,29 : 1	3,58 : 1
Gaji Komisaris tertinggi terhadap gaji Komisaris paling rendah The highest salary of Commissioners compared to the lowest salary of Commissioners	1,14 : 1	1 : 1
Gaji Direktur tertinggi terhadap gaji karyawan tertinggi The highest salary of Directors compared to the highest salary of employees	2,48 : 1	1,55 : 1
Gaji karyawan tertinggi terhadap gaji karyawan paling rendah The highest salary of employees compared to the lowest salary of employees	34,55 : 1	32,21 : 1
Gaji karyawan paling rendah terhadap Upah Minimum Provinsi (UMP) The lowest salary of employees compared to the Provincial Minimum Wage	0,81 : 1	1,10 : 1

OPSI SAHAM DAN *BUY BACK*
Hingga akhir tahun 2018, Bank tidak memiliki kebijakan mengenai Opsi Saham bagi Dewan Komisaris dan Direksi.

STOCK OPTIONS AND BUY BACK
By the end of 2018, The Bank does not have a policy on stock options for the Board of Commissioners and Board of Directors.

RAPAT DEWAN KOMISARIS DAN DIREKSI

Board of Commissioners and Board of Directors Meetings

RAPAT DEWAN KOMISARIS

Rapat Dewan Komisaris dilaksanakan berdasarkan Peraturan OJK no. 55/POJK.03/2016 mengenai penetapan rapat Dewan Komisaris yang diwajibkan untuk mengadakan rapat minimum satu kali dalam dua bulan.

Kebijakan Rapat Dewan Komisaris

Kebijakan rapat Dewan Komisaris diatur dalam *Board Charter* dengan pokok-pokok sebagai berikut:

- 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 menandatangani 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.

Agenda dan Frekuensi Rapat

Sepanjang tahun 2018, Dewan Komisaris menyelenggarakan rapat sebanyak 4 (empat) kali. Berikut disampaikan agenda dan tingkat kehadiran Dewan Komisaris dalam rapat-rapat tersebut.

BOARD OF COMMISSIONERS MEETING

The Board of Commissioners meetings is implemented pursuant to the OJK Regulation no. 55/POJK.03/2016 on the meeting convetion by the Board of Commissioners at least once every two months.

Board of Commissioners Meeting Policy

The Board of Commissioners meeting policy is accommodated under the Board Charter with the following key points:

- 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 agreeing and disagreeing votes are equal 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.

Meetings Agenda and Frequencies

Throughout 2018, the Board of Commissioners held 4 (four) meetings. The following are the Board of Commissioners meetings agenda and attendance.

Agenda Rapat Dewan Komisaris
Board of Commissioners Meeting Agenda

TANGGAL DATE	AGENDA
27-Mar-18	*1. Measures to be taken to improve GCG rating* *2. OJK's concerns:* *2.1. Organization structure* *2.2. NPL progress and action plan* *2.3. DC-DRC updates*

Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings

TANGGAL DATE	AGENDA
13-Sep-18	*1. Working progress, challenges and working plan in Business Units* *2. DC-DRC updates* *3. Financial performance* *4. Organization structure*
19-Oct-18	*1. Corporate Plan 2019-2023* *2. Projection of financial figures by end of 2018* *3. NPL updates* *4. Exchange program of local and expatriate employees*
21-Dec-18	*1. AC work summary in 2018 and work plan in 2019* *2. RMC work summary in 2018 and work plan in 2019* *3. RNC work summary in 2018 and work plan in 2019* *4. NPL updates* *5. DC-DRC updates* *6. AML and Compliance activities*

Kehadiran Rapat Dewan Komisaris
Board of Commissioners Meeting Attendance

BOC	27-MAR-18	13-SEP-18	19-OCT-18	21-DEC-18	TOTAL RAPAT TOTAL MEETINGS	TOTAL KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Wang Kun	1	1	1	1	4	4	100%
Hendra Widjojo	1	1	1	1	4	4	100%
H. Yunno Kusumo*		1	1	1	3	3	100%
Christina Harapan**	1				1	1	100%

* efektif penunjukkan per tanggal 29 Agustus 2018/officially appointed as of August 29, 2018
** efektif pengunduran diri per tanggal 31 Mei 2018/officially resigned as of May 31, 2018

RAPAT DIREKSI

Rapat Direksi dilaksanakan berdasarkan Peraturan OJK no. 55/POJK.03/2016 tentang penetapan kewajiban rapat Direksi minimum satu kali sebulan. Selain dari kewajiban tersebut, rapat Direksi juga dapat dilaksanakan setiap waktu apabila dan ketika diperlukan.

Kebijakan Rapat Direksi

Rapat Direksi dilaksanakan di kantor pusat Bank, lokasi usaha atau lokasi lain yang disetujui oleh Direksi. Namun, rapat juga dapat dilaksanakan melalui media komunikasi lainnya, yang mana para direktur dapat berkomunikasi satu sama lainnya dan berpartisipasi seperti kehadiran dalam rapat.

Agenda dan Frekuensi Rapat

Sepanjang tahun 2018, Direksi menyelenggarakan rapat sebanyak 28 (dua puluh delapan) kali. Berikut disampaikan agenda dan tingkat kehadiran Direksi dalam rapat-rapat tersebut.

BOARD OF DIRECTORS MEETINGS

The Board of Directors meeting is implemented based on OJK Regulation no. 55/POJK.03/2016 on the meeting convention of Board of Directors at least once a month. Furthermore, the Board of Directors may convene a meeting when is deemed necessary.

Board of Directors Meeting Policy

The Board of Directors meeting is held at The Bank head office, other business locations or places agreed by the Board of Directors. However, the meeting can also be done via other means of communication, through which the directors can communicate with one another and participate as if they are present in that meeting.

Meetings Agenda and Frequencies

Throughout 2018, the Board of Directors held 28 (twenty-eight) meetings. The following are the Board of Directors meetings agenda and attendance.

Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings

Agenda Rapat Direksi
Board of Directors Meeting Agenda

TANGGAL DATE	AGENDA
08-Jan-18	*1. Financial Report-full year 2017* *2. SAM's achievement in 2017 and 2018 action plan* *3. Transfer of non-clerical staffs to outsourcing company* *4. IT strategic plan* *5. Confirmation to counterparties*
15-Jan-18	*1. Corporate Plan 2018-2022/3 kick-off meeting* *2. Business Plan 2018 preparation meeting with OJK*
17-Jan-18	*1. CCTV standardization project* *2. Preparation for Business Plan 2018 presentation to OJK*
05-Feb-18	*1. Temporary PIC of Internal Audit department* *2. NPL progress* *3. Potential NPL updates*
12-Feb-18	*1. Bank-wide financial performance Jan'18* *2. OJK's response towards Business Plan 2018-2020*
27-Feb-18	*1. NPL accounts* *2. Potential NPL accounts* *3. External audit findings*
05-Mar-18	*1. Preparation for audit from ICBC Limited* *2. General discussion*
14-Mar-18	*1. KPI achievement* *2. Organization structure* *3. 2017 performance bonus*
26-Mar-18	*1. 2017 performance bonus* *2. KPMG audit results* *3. NPL progress* *4. Potential NPL updates*
02-Apr-18	*1. 2018 KPI formulation* *2. Potential NPL updates*
20-Apr-18	*Bank-wide organization structure*
20-Apr-18	*Bank-wide organization structure*
25-Apr-18	*General updates*
14-May-18	*1. Updates on ICBC Limited audit findings* *2. Current situation regarding bomb threatening* *3. 2018 Business Plan Revision*
28-May-18	*1. Limited Operations on 19 and 20 June 2018* *2. OJK Audit Updates* *3. Global Market Business Solutions* *4. Reward and Punishment for NPL and Potential Settlement Collection* *5. PT The First National Glassware* *6. Business Plan Revision*
30-May-18	*NPL accounts updates*
05-Jun-18	*1. Sarmedia case* *2. NPL updates (i.e. Bhirawa and Royal)* *3. Breakfasting event* *4. General updates*
05-Jul-18	*General updates*
18-Jul-18	*1. Potential NPL updates and post-disbursement management in business units* *2. General updates* *3. Post-disbursement management in CMD* *4. NPL updates*
24-Jul-18	*General updates*
31-Jul-18	*1. KPI* *2. Employee rotation* *3. Summit system*
27-Aug-18	*1. Rectification progress on ICBC Limited audit findings* *2. Rectification progress on OJK audit findings* *Clear Up Projects:* *3. Outsourcing management* *4. Fix asset management* *5. Warehouse management* *6. Various legal contracts and documents*
31-Aug-18	*Updates on OJK Meeting on 29 Aug'18*

Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings

TANGGAL DATE	AGENDA
31-Aug-18	*1. Document, policy-procedures, stamp clear up management* *2. Various legal contracts and documents* *3. The remaining six clear up and six governance activities*
4-Oct-18	*1. Corporate Plan* *2. General updates*
29-Oct-18	*1. OJK audit findings rectification progress* *2. ICBC Limited audit findings rectification progress* *3. ICBC Limited risk management implementation progress* *4. General Updates*
31-Oct-18	*Corporate Plan*
29-Nov-18	*General updates*
12-Dec-18	*General updates*

Kehadiran Rapat Direksi
Board of Directors Meeting Attendance

TANGGAL RAPAT MEETING DATE	DIREKSI | BOARD OF DIRECTORS							
	ZHANG JINXING*	YU GUANGZHU**	JEFF S. V. EMAN	XIN HAIYAN	THOMAS ARIFIN	SANDY T. MULIANA	FRANSISCA NELWAN MOK	LIANG QINJUN***
08-Jan-18		1	1	1		1	1	1
15-Jan-18		1	1		1	1	1	1
17-Jan-18		1	1		1	1	1	1
05-Feb-18		1	1		1	1	1	1
12-Feb-18		1	1		1	1	1	
27-Feb-18		1	*Conflicting with other meeting*	1	1		1	1
05-Mar-18		1		1	1	1	1	
14-Mar-18		1	1	1	1	1	1	
26-Mar-18		1	1	1	1	1	1	
02-Apr-18		1		1	1	1	1	
20-Apr-18		1	1	1	1	1	1	
25-Apr-18	1	1	1	1	1	1	1	
14-May-18		1	1	1	1	1	1	
28-May-18	1	1	1		1	1	1	
30-May-18	1	1	1	1	1	1	1	
05-Jun-18	1	1	1	1	1	1	1	
05-Jul-18	1	1	1	1	1	1	1	

Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings

TANGGAL RAPAT MEETING DATE	DIREKSI | BOARD OF DIRECTORS							
	ZHANG JINXING*	YU GUANGZHU**	JEFF S. V. EMAN	XIN HAIYAN	THOMAS ARIFIN	SANDY T. MULIANA	FRANSISCA NELWAN MOK	LIANG QINJUN***
18-Jul-18	1	1	1	1	1	1	1	
24-Jul-18	1	1	1	1	1	1	1	
31-Jul-18	1	1	1	1	1	1	1	
27-Aug-18	1	1	1	1	1	1	1	
31-Aug-18	1	1	1	1		1	1	
31-Aug-18	1	1	1	1		1	1	
04-Oct-18		1	1		1	1	1	
29-Oct-18		1	1	1	1	1	1	
31-Oct-18		1		1		1	1	
29-Nov-18	1	1	1	1	1	1	1	
12-Dec-18	1	1	1	1	1	1	1	
Total Kehadiran Total Attendance	13	28	24	22	24	27	28	5
Total Rapat Total Meetings	13	28	28	28	28	28	28	15
Persentase Kehadiran Percentage of Attendance	100%	100%	86%	79%	86%	96%	100%	33%

* efektif penunjukkan sebagai Presiden Direktur per tanggal 20 April 2018/Officially appointed as President Director as of April 20, 2018
** pelaksana tugas Presiden Direktur per tanggal 31 Oktober 2017 s.d 19 April 2018/Temporary acting as President Director as of October 31, 2017 until April 19, 2018
*** efektif mengundurkan diri sebagai Direktur per tanggal 31 Mei 2018/Officially resigned as Director as of May 31, 2018

- Belum bergabung/efektif mengundurkan diri/Not yet on board/officially resigned
- Pelatihan/Training
- Perjalanan Dinas/Business Trip
- Cuti/On Leave

RAPAT GABUNGAN DEWAN KOMISARIS DAN DIREKSI

Rapat gabungan Dewan Komisaris dan Direksi dilaksanakan guna memelihara koordinasi, sinergi dan penyelaras antara Dewan Komisaris dan Direksi dalam menjalankan tugas mencapai tujuan perusahaan. Materi pembahasan rapat meliputi isu strategis termasuk tentang kelangsungan usaha perusahaan serta pelaporan kinerja Direksi.

JOINT MEETING OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Board of Commissioners and Board of Directors joint meetings are implemented for coordination, synergy and alignment between the Board of Commissioners and Board of Directors in carrying out their duties to achieve the company objectives. Meetings discussion includes strategic issues regarding the company's business sustainability as well as the Board of Directors performance report.

Rapat Dewan Komisaris dan Direksi
Board of Commissioners and Board of Directors Meetings

Agenda dan Frekuensi Rapat

Pada tahun 2018, rapat gabungan dilaksanakan 1 (satu) kali. Berikut agenda dan tingkat kehadiran Dewan Komisaris dan Direksi dalam rapat gabungan.

Meetings Agenda and Frequencies

In 2018, a joint meeting was held 1 (one) time. The following are the joint meeting agenda and attendance of the Board of Commissioners and Board of Directors.

Agenda Rapat Gabungan
Joint Meeting Agenda

TANGGAL DATE	AGENDA
27-Mar-18	*2018 overview and YTD realization* *1. Summary of 2018 Business Plan V. 2* *2. Bank-wide realization YTD 2018* *3. YTD business achievements, strategies and challenges going forward (each of Business Director)*

Kehadiran Rapat Gabungan
Joint Meeting Attendance

DEWAN KOMISARIS BOC	27-MAR-18	TOTAL RAPAT TOTAL MEETING	TOTAL KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Wang Kun	1	1	1	100%
Hendra Widjojo	1	1	1	100%
H. Yunno Kusumo*		0	0	100%
Christina Harapan**	1	1	1	100%

* efektif penunjukkan per tanggal 29 Agustus 2018/officially appointed as of August 29, 2018
** efektif pengunduran diri per tanggal 31 Mei 2018/officially resigned as of May 31, 2018

DIREKSI BOD	27-MAR-18	TOTAL RAPAT TOTAL MEETING	TOTAL KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Zhang Jinxing*		0	0	100%
Yu Guangzhu	1	1	1	100%
Jeff S. V. Eman	1	1	1	100%
Xin Haiyan		1	0	0%
Liang Qinjun**		1	0	0%
Thomas Arifin		1	0	0%
Sandy T. Muliana		1	0	0%
Fransisca Nelwan Mok	1	1	1	100%

* efektif penunjukkan sebagai Presiden Direktur per tanggal 20 April 2018/officially appointed as of April 20, 2018
** efektif pengunduran diri per tanggal 31 Mei 2018/officially resigned as of May 31, 2018

- Belum bergabung/efektif mengundurkan diri/Not yet on board/officially resigned
- Perjalanan Dinas/Business Trip
- Cuti/On Leave

INFORMASI MENGENAI PEMEGANG SAHAM UTAMA & PENGENDALI

Information on Ultimate Shareholders & Controling Shareholders

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.

The majority shareholder of The Bank is ICBC Ltd. with shares ownership of 98.61%. Meanwhile, minority shareholder is PT Intidana Wijaya with shares ownership of 1.39%. As the controlling shareholder of The Bank, ICBC Ltd. has fulfilled the requirements of ability, propriety and compliance established by Financial Services Authority (OJK), Bank Indonesia and applicable banking related legislation in Indonesia.

HUBUNGAN AFILIASI ANTARA ANGGOTA DIREKSI, DEWAN KOMISARIS, DAN PEMEGANG SAHAM UTAMA & PENGENDALI

Affilliates Relationship Between Members of the Board of Directors, Board of Commissioners, and Ultimate & Controling Shareholders

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, kerja sama 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.

The majority shareholders, Board of Commissioners and Board of Directors honor their respective duties, responsibilities, and authorities in accordance with the laws and the Articles of Association. The disclosure of affiliation includes family relationships and financial relationships. The form of financial relations includes 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 forth.

Hubungan Afiliasi Antara Anggota Direksi, Dewan Komisaris, dan Pemegang Saham Utama & Pengendali
Affilliates Relationship Between Members of the Board of Directors, Board of Commissioners, and Ultimate & Controling Shareholders

	HUBUNGAN KELUARGA DENGAN FAMILY RELATIONSHIP WITH			HUBUNGAN KEUANGAN DENGAN FINANCIAL RELATIONSHIP WITH		
	DEWAN KOMISARIS BOARD OF COMMISSIONERS	DIREKSI BOARD OF DIRECTORS	ICBC LTD. (PEMEGANG SAHAM UTAMA/ PENGENDALI) ICBC LTD. (MAJORITY/ CONTROLLING SHAREHOLDER)	DEWAN KOMISARIS BOARD OF COMMISSIONERS	DIREKSI BOARD OF DIRECTORS	ICBC LTD. (PEMEGANG SAHAM UTAMA/PENGENDALI) ICBC LTD. (MAJORITY/ CONTROLLING SHAREHOLDER)
Dewan Komisaris | Board of Commissioners						
Wang Kun Presiden Komisaris President Commissioner	○	○	○	○	○	●
Hendra Widjojo Komisaris Independen Independent Commissioner	○	○	○	○	○	○
H. Yunno Kusumo Komisaris Independen Independent Commissioner	○	○	○	○	○	○
Direksi | Board of Directors						
Zhang Jinxing Presiden Direktur President Director	○	○	○	○	○	○
Yu Guangzhu Direktur Director	○	○	○	○	○	○
Jeff S. V. Eman Direktur Director	○	○	○	○	○	○
Xin Haiyan Direktur Director	○	○	○	○	○	○
Thomas Arifin Direktur Director	○	○	○	○	○	○
Sandy T. Muliana Direktur Director	○	○	○	○	○	○
Fransisca Nelwan Mok Direktur Director	○	○	○	○	○	○

● Terdapat hubungan/A relationship with
○ Tidak terdapat hubungan/No relationship

PENGUNGKAPAN RANGKAP JABATAN DEWAN KOMISARIS DAN DIREKSI

Disclosure of Concurrent Positions of the Board of Commissioners and Board of Directors

Rangkap jabatan oleh Dewan Komisaris maupun Direksi dapat dilakukan sepanjang memenuhi kriteria dan persyaratan sesuai perundang-undangan yang berlaku.

Berikut ini tabel yang menunjukan rangkap jabatan Dewan Komisaris dan Direksi pada perusahaan/institusi lain dalam periode tahun 2018.

Multiple board membership by members of the Board of Commissioners and Board of Directors can be done upon criteria and requirements in accordance with prevailing laws and regulations.

The following table illustrates the concurrent positions of the Board of Commissioners and Board of Directors in other companies/institutions in 2018.

	Kepengurusan pada Perusahaan/Institusi Lain Management of Other Companies/Institutions		
	Sebagai Anggota Dewan Komisaris As Board of Commissioners Member	Sebagai Anggota Direksi As Board of Directors Member	Jabatan Lainnya Other Position
Dewan Komisaris | Board of Commissioners			
Wang Kun Presiden Komisaris President Commissioner	○	○	●
Hendra Widjojo Komisaris Independen Independent Commissioner	○	○	○
H. Yunno Kusumo Komisaris Independen Independent Commissioner	○	○	○
Direksi | Board of Directors			
Zhang Jinxing Presiden Direktur President Director	○	○	○
Yu Guangzhu Direktur Director	○	○	○
Jeff S. V. Eman Direktur Director	○	○	○
Xin Haiyan Direktur Director	○	○	○
Thomas Arifin Direktur Director	○	○	○
Sandy T. Muliana Direktur Director	○	○	○
Fransisca Nelwan Mok Direktur Director	○	○	○

● Wang Kun memegang jabatan sebagai Deputy General Manager International Dept di ICBC Ltd./Wang Kun serves as Deputy General Manager International Dept at ICBC Ltd.
○ Tidak terdapat hubungan kepengurusan/No management relationship

KEBERAGAMAN KOMPOSISI DEWAN KOMISARIS & DIREKSI

Diversity of the 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, and optimal decision-making process that has a positive impact on The 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 The Bank's activities, as well as the implementation of Good Corporate Governance within the scope of The Bank.

Keberagaman Komposisi Dewan Komisaris
Board of Commissioners Diversity

NAMA DAN JABATAN NAME AND POSITION	LATAR BELAKANG PENDIDIKAN EDUCATIONAL BACKGROUND	PENGALAMAN KERJA WORK EXPERIENCE	USIA AGE	JENIS KELAMIN GENDER
Wang Kun Presiden Komisaris President Commissioner	*English Education & Literature*	Bekerja di ICBC Ltd. sejak tahun 2002 Careers at ICBC Ltd. since 2002	41	Laki-laki Male
Hendra Widjojo Komisaris Independen Independent Commissioner	Ekonomi Economy	Menjabat sebagai manajemen kunci PT Bank Halim Indonesia, pendahulu Bank ICBC Indonesia, sejak tahun 1989 Served as the key management of PT Bank Halim Indonesia, the predecessor of Bank ICBC Indonesia since 1989	55	Laki-laki Male
H. Yunno Kusumo Komisaris Independen Independent Commissioner	Ekonomi Economy	Pengawasan Perbankan Banking Supervision	62	Laki-laki Male

Keberagaman Komposisi Direksi
Board of Directors Diversity

NAMA DAN JABATAN NAME AND POSITION	LATAR BELAKANG PENDIDIKAN EDUCATIONAL BACKGROUND	PENGALAMAN KERJA WORK EXPERIENCE	USIA AGE	JENIS KELAMIN GENDER
Zhang Jinxing Presiden Direktur President Director	*Science and Economics*	Bekerja di ICBC Ltd. sejak tahun 1988 Careers at ICBC Ltd. since 1988	52	Laki-laki Male
Yu Guangzhu Direktur Director	*Geochemistry and Business Administration*	Bekerja di ICBC Ltd. sejak tahun 1988 Careers at ICBC Ltd. since 1988	52	Laki-laki Male
Jeff S. V. Eman Direktur Director	*Accounting*	Bekerja di PT Bank Halim Indonesia, pendahulu Bank ICBC Indonesia, sejak tahun 1989 Working at PT Bank Halim Indonesia, the predecessor of PT Bank ICBC Indonesia since 1990	61	Laki-laki Male
Xin Haiyan Direktur Director	*International Trade and Administration*	Bekerja di ICBC Ltd. sejak tahun 1995 Careers at ICBC Ltd. since 1995	44	Perempuan Female
Thomas Arifin Direktur Director	*Business Administration and Management*	Perbankan Banking	57	Laki-laki Male
Sandy T. Muliana Direktur Director	*Economic Management*	Perbankan Banking	54	Laki-laki Male
Fransisca Nelwan Mok Direktur Director	*Husbandry and Finance*	Perbankan Banking	62	Perempuan Female

ORGAN PENDUKUNG DEWAN KOMISARIS

Board of Commissioners' Supporting Organ

SEKRETARIS DEWAN KOMISARIS

Board of Commissioners' Secretary

Dalam rangka mendukung pelaksanaan fungsi dan efektivitas tugasnya, Dewan Komisaris menunjuk SMIR yang salah satu fungsi utamanya sebagai Sekretaris Dewan Komisaris untuk membantu Dewan Komisaris dalam melaksanakan tugas dan tanggung jawabnya terhadap Bank.

TUGAS DAN TANGGUNG JAWAB SEKRETARIS DEWAN KOMISARIS

Tugas Sekretaris Dewan Komisaris adalah sebagai berikut:

- Berperan membantu Dewan Komisaris dan komite dalam pengadaan rapat Dewan Komisaris dan komite baik sebelum, selama, dan setelah rapat tersebut dilaksanakan, termasuk segala sesuatu yang berkaitan dengan agenda rapat antara lain 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 komite 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.

To support the implementation of functions and effectiveness of its duties, the Board of Commissioners appoints SMIR as one of its main functions as Secretary of the Board of Commissioners to assist them in carrying out their duties and responsibilities to The Bank.

DUTIES AND RESPONSIBILITIES OF SECRETARY TO THE BOARD OF COMMISSIONERS

The duty of Secretary to the Board of Commissioners are as follows:

- Assist the Board of Commissioners and committees in the meeting implementation both before, during and after the meetings, as well as everything related to the meeting agenda including scheduling, agenda setting, coordination, preparation, attendance, recording, minutes of meetings (MoM) and material distribution.
- Arrange the meeting schedule as well as drafting the annual agenda for the Board of Commissioners and committee meetings while ensuring compliance with external and internal requirements, and coordinate with the Board of Commissioners and committees in any changes or revision to the agenda as necessary.
- Coordinate the preparation and dissemination of meeting materials in both hard copy or soft copy form, while ensuring adequate, consistency (with previous and subsequent documents), ease of use, and quality of materials.
- Support the fulfilment of documents from relevant departments for meetings and members of the committees and Board of Commissioners.
- Attend the Board of Commissioners and committee meetings, record and circulate MoM that includes among others, decisions, information, actions, and direction.

- Laporan mengenai agenda yang tertunda dan mengambil tindakan untuk memastikan informasi diberikan kepada anggota Dewan Komisaris dan komite pada waktu yang tepat.
- Melakukan aktivitas sekretarial, system 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 dan komite dengan pihak internal maupun eksternal.
- Melakukan fungsi peninjauan dan pengecekkan untuk surat keluar resmi yang dikeluarkan oleh Dewan Komisaris dan komite 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 dan komite sesuai dengan diskusi dan instruksi.
- Mengatur perjalanan dinas untuk Dewan Komisaris dan komite, serta 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 2018

Pada tahun 2018, Sekretaris Dewan Komisaris telah melaksanakan tugas yang secara garis besar terbagi atas pengadaan rapat Dewan Komisaris dan komite, penyusunan laporan sebagai pemenuhan peraturan OJK, pelaksanaan kegiatan terkait tata kelola perusahaan, dan administrasi atas surat keputusan Dewan Komisaris dan Direksi.

- Provide report on any pending agenda and to take action to ensure information is provided to the Board of Commissioners and committees at appropriate times.
- Conduct secretarial activities, filing systems, and official incoming/outgoing forms (document flows) in line with existing guidelines to ensure security and compliance with existing procedures and systems.
- Responsible for the proper implementation of correspondence activities between the Board of Commissioners and committes with internal or external parties.
- Conduct review and check function for an official outgoing letter issued by the Board of Commissioners and committees in order to ensure the accuracy of the information provided.
- Arrange the agenda of 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 and committees in accordance with the discussions and instructions received.
- Arrange business travel for the Board of Commissioners and committees, as well as 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 of bank-wide social responsibility activities.

IMPLEMENTATION OF DUTIES OF SECRETARY TO THE BOARD OF COMMISSIONERS IN 2018

In 2018, the Secretary of the Board of Commissioners has carried out duties that in general are divided into the implementation of the Board of Commissioners and committee meetings, preparation of reports in compliance with OJK regulations, implementation of activities related to the corporate governance and administration on the decrees of the Board of Commissioners and Board of Directors.

Sekretaris Dewan Komisaris
Board of Commissioners' Secretary

THE AUDIT COMMITTEE HAS CARRIED OUT WORK PROGRAMS IN 2018 AS FOLLOWS:	PELAKSANAAN PADA TAHUN 2018 IMPLEMENTATION IN 2018
Monitor and evaluate the IAU policies, procedures, programs and implementation.	· Menyelenggarakan rapat Dewan Komisaris sebanyak 4 (empat) kali. · Menyelenggarakan rapat gabungan Dewan Komisaris dan Direksi sebanyak 1 (satu) kali. · Menyelenggarakan rapat Komite Audit sebanyak 11 (sebelas) kali. · Menyelenggarakan rapat Komite Pemantau Risiko sebanyak 10 (sepuluh) 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. · Convened 4 (four) times of the Board of Commissioners meetings. · Convened 1 (one) joint meeting of the Board of Commissioners and Board of Directors. · Convened 11 (eleven) times of the Audit Committee meetings. · Convened 10 (ten) times of the Risk Monitoring Committee meetings. · Convened 4 (four) times of the Remuneration and Nomination Committee meetings. · Develop, distribute, filing the Board of Commissioners MoM, joint meetings of the Boards, as well as meetings of the committees.
Monitor and evaluate actions from the management on the findings of IAU, external audit, and the OJK.	· Membantu dalam menyusun laporan rutin pengawasan Dewan Komisaris, laporan eveluasi Komite Audit terhadap kinerja Akuntan Publik dan/atau Kantor Akuntan Publik kepada OJK. · Menyusun laporan perubahan susunan anggota komite kepada OJK serta perubahan susunan Dewan Komisaris dan Direksi kepada LPS. · Assist in preparing regular supervision report of the Board of Commissioners, Audit Committee evaluation report on Public Accountant and/or Public Accounting Firm performance to OJK. · Prepare report on the changes of committees' members to OJK and the changes of the Board of Commissioners and Board of Directors to Indonesia Deposit Insurance Corporation (LPS).
Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accounting Firm.	· Melengkapi GCG *self-assessment* dan *risk assessment* pada aspek yang terkait dengan tugas dan tanggung jawab Dewan Komisaris, Direksi dan komite-komite. · Complete the GCG self-assessment and risk assessment on aspects related to duties and responsibilities of the Board of Commissioners, Board of Directors and committees.
Administrasi atas surat keputusan Dewan Komisaris dan Direksi Administration of the decrees of the Board of Commissioners and Board of Directors	· Mempersiapkan surat keputusan yang memerlukan persetujuan Dewan Komisaris dan Direksi. · Prepare the decree requiring the approval from the Board of Commissioners and Board of Directors.

KOMITE AUDIT
Audit Committee

Sebagai bentuk pemenuhan atas Peraturan Otoritas Jasa Keuangan No. 55/POJK.04/2015 tentang Pembentukan dan Pedoman Pelaksanaan Kerja Komite Audit, Dewan Komisaris Bank membentuk Komite Audit.

Komite Audit membantu Dewan Komisaris dalam menjalankan fungsi pengawasan terhadap Bank.

KRITERIA ANGGOTA KOMITE AUDIT

Kriteria anggota Komite Audit Bank telah sesuai dengan POJK No. 55/POJK.04/2015 yaitu sebagai berikut:

- Berkewarganegaraan Indonesia.
- Sehat jasmani dan rohani.

In compliance with the Financial Authority Regulation No. 55/POJK.04/2015 on the Establishment and Working Guidelines of the Audit Committee, The Bank's Board of Commissioners established the Audit Committee.

The Audit Committee assists the Board of Commissioners in performing its supervisory duty towards The Bank.

CRITERIA OF AUDIT COMMITTEE MEMBERS

Criteria of the Audit Committee members of The Bank are in accordance with POJK No. 55/POJK.04/2015, as follows:

- Indonesian citizenship.
- Physically and mentally healthy.

- 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.
- 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 Bank 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 horisontal 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.

- Having the integrity, commitment, ability, knowledge and adequate experience in accordance with educational background and able to communicate well.
- A member of the Audit Committee has an accounting or financial education background.
- Having sufficient knowledge to read and understand the financial statements.
- Not 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 1 (one) year prior to the 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 Commissioners, Directors or major shareholders of The Bank.
- Has no direct or indirect business relationship related to The Bank's business activities.

KETENTUAN MASA JABATAN

Berdasarkan piagam Komite Audit, 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.

TERMS OF OFFICE

Based on the Audit Committee charter, the tenure of the chairman of the Audit Committee is following the term of office as a member of The Bank's Board of Commissioners. While tenure for members of the Audit Committee is 1 (one) year and may be re-elected only for 1 (one) next period without prejudice to the right of the Commissioner to dismiss them at anytime.

Komite Audit
Audit Committee

SUSUNAN DAN PROFIL KOMITE AUDIT

Komite Audit terdiri dari seorang ketua yang merupakan Komisaris Independen dan 2 (dua) orang pihak independen sebagai anggota. Ketua dan anggota-anggota Komite Audit memiliki latar belakang, kompetensi, dan pengalaman yang memadai.

Kronologi susunan Komite Audit Bank sepanjang tahun 2018 adalah sebagai berikut:

STRUCTURE AND PROFILE OF AUDIT COMMITTEE

This committee consists of a chairman who is an Independent Commissioner and 2 (two) independent parties. The chairman and members of the Audit Committee have adequate background, competence and experience.

The chronology of The Bank's Audit Committee composition throughout 2018 is as follows:

1 JANUARI 2018 – 31 MEI 2018 JANUARY 1, 2018 – MAY 31, 2018	1 JUNI 2018 – 12 SEPTEMBER 2018 JUNE 1, 2018 – SEPTEMBER 12, 2018	13 SEPTEMBER 2018 - 31 DESEMBER 2018 SEPTEMBER 13, 2018 - DECEMBER 31, 2018
Christina Harapan Ketua Komite Audit & Komisaris Independen Audit Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Audit & Komisaris Independen Audit Committee Chairman & Independent Commissioner	H. Yunno Kusumo Ketua Komite Audit & Komisaris Independen Audit Committee Chairman & Independent Commissioner
Waldy Gutama Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party	Waldy Gutama Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party	Waldy Gutama Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party
Ricky Dompas Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party	Ricky Dompas Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party	Ricky Dompas Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party

Profil Komite Audit per 31 Desember 2018 sebagai berikut:

The following is the Audit Committee profile as of December 31, 2018:

H. Yunno Kusumo Ketua Komite Audit & Komisaris Independen Audit Committee Chairman & Independent Commissioner	Profil H. Yunno Kusumo sebagai Ketua Komite Audit tersedia pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini. H. Yunno Kusumo's profile as Audit Committee Chairman is available in the Board of Commissioners Profile section in Company Profile of this annual report. Efektif menjabat sebagai Ketua Komite Audit pada 13 September 2018. Serves as Chairman of Audit Committee effective as of September 13, 2018.
Ricky Dompas Anggota Komite Audit/Pihak Independen Audit Committee Member/Independent Party	**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, dan 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 of PT Bank Permata Tbk (2006-2011), Vice President, Division Head Audit Support & Centralized Operations of 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/Pihak Independen
Audit Committee Member/Independent Party

Pengalaman Kerja/Jabatan
Komite Pemantau Risiko Bank Woori Saudara (BWS) (2015-sekarang), Komite Audit PT Bank Tabungan Negara (Persero) (2013-2017), 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.

Latar Belakang Pendidikan
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).

Work experience
Risk Monitoring Committee of Bank Woori Brothers (BWS) (2015-present), Audit Committee of PT Bank Tabungan Negara (Persero) (2013-2017), 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.

Education
Bachelor of State Administration from State Administration High School of the Republic of Indonesia (STIA-LAN RI), Jakarta (1988), and Master's 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 criterias established by The Bank and prevailing 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:

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE AUDIT | AUDIT COMMITTEE				
	CHRISTINA HARAPAN	HENDRA WIDJOJO	H. YUNNO KUSUMO	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 Bank 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 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.	○	○	○	○	○

Komite Audit
Audit Committee

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE AUDIT | AUDIT COMMITTEE				
	CHRISTINA HARAPAN	HENDRA WIDJOJO	H. YUNNO KUSUMO	RICKY DOMPAS	WALDY GUTAMA
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, in accordance with laws and regulations.	○	○	○	○	○
Mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horisontal 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 Commissioners, 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 oleh Dewan Komisaris pada tanggal 23 Februari 2017 dan diperbaharui sesuai dengan ketentuan Otoritas Jasa Keuangan 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).

AUDIT COMMITTEE CHARTER

In carrying out its duties, The Bank's Audit Committee refers to the Audit Committee Charter which was enacted by the Board of Commissioners on February 23, 2017 and updated in accordance with provision of Financial Services Authority on September 6, 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 duties 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 (IAU) tasks.

- 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 penelaahan 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 penelaahan dan pemantauan atas implementasi GCG yang efektif dan berkelanjutan.

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

- Compliance of audit conducted by Public Accounting Firm with applicable audit standards.
- Provide an independent opinion in the event of dissenting opinions between the management and a Public Accounting Firm for its services.
- Implementation of follow-up by the Board of Directors on findings made by the IAU, Public Accountants, Bank Indonesia, as well as of the supervision results from OJK.

· Review 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.
· Review 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 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.

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.

AUTHORITIES

In performing its duties, the Audit Committee has the following authorities:

· Accessing documents, data, and The Bank's information on its employees, funds, assets, and resources required.
· The ability to communicate directly with employees, including the Board of Directors and

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. Per 31 Desember 2018 keanggotaan Komite Audit adalah sebagai berikut:

1. H. Yunno Kusumo, sebagai ketua sekaligus mewakili peran Komisaris Independen dalam Komite Audit.

2. Ricky Dompas, sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.
3. Waldy Gutama, sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.

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.

Informasi terkait pelatihan dan pengembangan kompetensi Komite Audit tersedia pada bab Profil Perusahaan pada laporan tahunan ini.

RAPAT KOMITE AUDIT

Rapat Komite Audit diselenggarakan sesuai dengan kebutuhan Bank, sekurang-kurangnya 4 (empat) kali dalam 1 (satu) tahun.

Selama tahun 2018, Komite Audit menyelenggarakan rapat sebanyak 11 (sebelas) kali dengan pelaksanaan sebagai berikut:

parties performing internal audit functions, risk management, accounting and information system, related 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 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 consists of 2 (two) independent parties. As of December 31, 2018, the membership of the Audit Committee is as follows:

1. H. Yunno Kusumo, as chairman and representing the role of Independent Commissioner in the Audit Committee.
2. Ricky Dompas, as an independent party with expertise in finance.
3. Waldy Gutama, as an independent party with expertise in finance.

TRAINING AND COMPETENCY DEVELOPMENT

The Bank has policies related to the development and the competency of the Audit Committee, which is conducted through various trainings and education programs being fully funded as part of The Bank's responsibility.

The list of trainings and competency development programs for the Audit Committee can be seen in its respective chapter within the Company Profile in this annual report.

AUDIT COMMITTEE MEETING

The Audit Committee meetings are convened in accordance with the needs of The Bank, at least 4 (four) times in 1 (one) year.

During 2018, the Audit Committee held 11 (eleven) meetings with the following implementation:

NO.	TANGGAL DATE	PEMBAHASAN TOPIC
1	18-Jan-18	*1. Internal Audit Activity Report* *2. 2018 Internal Audit Plan* *3. Year 2017 - Disciplinary Meeting & Implementation*
2	22-Feb-18	*1. KPMG Audit Progress* *2. Internal Audit Activity Report*
3	28-Mar-18	*1. KPMG Audit Progress* *2. Internal Audit Activity Report*
4	13-Apr-18	*KPMG Management Letter*
5	2-May-18	*Internal Audit Activity Report*
6	24-May-18	*Internal Audit Activity Report*
7	12-Jul-18	*Internal Audit Activity Report*
8	27-Aug-18	*Internal Audit Activity Report*
9	1-Oct-18	*Internal Audit Activity Report*
10	15-Nov-18	*1. Entry meeting with KPMG* *2. Internal Audit Activity Report*
11	20-Dec-18	*1. Internal Audit Plan in 2019* *2. Follow up on ICBC Ltd, External and Internal Audit findings which are still pending or overdue as of 30 November 2018* *3. Follow up on OJK Audit Findings which are still pending or overdue as of 30 November 2018*

KOMITE AUDIT AUDIT COMMITTEE	18-JAN-18	22-FEB-18	28-MAR-18	13-APR-18	2-MAY-18	24-MAY-18	12-JUL-18	27-AUG-18	1-OCT-18	15-NOV-18	20-DEC-18	JUMLAH RAPAT TOTAL MEETING	JUMLAH KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Christina Harapan*	1	1	1	1	1	1						6	6	100%
Hendra Widjojo**							1	1				2	2	100%
H. Yunno Kusumo***									1	1	1	3	3	100%
Ricky Dompas	1	1	1	1	1	1	-	1	1	1	1	11	10	91%
Waldy Gutama	1	1	1	1	1	1	1	1	1	1	1	11	11	100%

* Resmi mengundurkan diri sejak 31 Mei 2018 | Officially resigned on May 31, 2018
** Mengambil alih tugas sebagai Ketua Komite sejak 1 Juni 2018 | Take over Committee Chairman duty as of June 1, 2018
*** Efektif menjabat sebagai Ketua Komite Audit sejak 13 September 2018 | Officially appointed as Chairman of Audit Committee as of September 13, 2018

LAPORAN SINGKAT PELAKSANAAN KEGIATAN KOMITE AUDIT TAHUN 2018

Komite Audit telah menjalankan program kerja pada 2018, 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.

BRIEF REPORT ON THE IMPLEMENTATION OF THE ACTIVITIES OF THE AUDIT COMMITTEE IN 2018

The Audit Committee has carried out work programs in 2018 as follows:

- Monitor and evaluate the IAU policies, procedures, programs and implementation.
- Monitor and evaluate actions from the management on the findings of IAU, external audit, and the OJK.
- Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accounting Firm.

KOMITE REMUNERASI DAN NOMINASI

Remuneration and Nomination Committee

Komite Remunerasi dan Nominasi Bank dibentuk dalam rangka membantu pelaksanaan tugas Dewan Komisaris terkait evaluasi dan rekomendasi atas kebijakan remunerasi yang berlaku bagi Dewan Komisaris, Direksi dan karyawan Bank serta 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.

Pembentukan dan tugas serta tanggung jawab Komite Remunerasi dan Nominasi telah sesuai dengan Peraturan Otoritas Jasa Keuangan No. 34/POJK.04/2014 tentang Komite Remunerasi dan Nominasi Emiten atau Perusahaan Publik.

SUSUNAN DAN PROFIL KOMITE REMUNERASI DAN NOMINASI

Komite Remunerasi dan Nominasi Bank dikepalai oleh seorang Komisaris Independen dan terdiri atas Komisaris Independen serta pihak yang menduduki jabatan manajerial di bawah Direksi yang membidangi sumber daya manusia.

Kronologis susunan Komite Remunerasi dan Nominasi Bank sepanjang tahun 2018 adalah sebagai berikut:

The Bank's Remuneration and Nomination Committee was established to support the implementation duty of the Board of Commissioners in regards to evaluation and recommendation on prevailing remuneration policy for the Board of Commissioners, Board of Directors and employees of The Bank, as well as to provide recommendation to the Board of Commissioners on the follow up action pursuant to findings from internal auditors and/or external auditors and OJK supervision on Human Resource Management policy.

The establishment and duties and responsibilities of Remuneration and Nomination Committee has been in accordance with the Financial Services Authority Regulation No. 34/POJK.04/2014 on the Remuneration and Nomination Committee of Issuers or Public Companies.

STRUCTURE AND PROFILE OF THE REMUNERATION AND NOMINATION COMMITTEE

The Bank's Remuneration and Nomination Committee is chaired by an Independent Commissioner and comprised of Independent Commissioners, as well as personnel within managerial level below the Board of Directors in charge of human resources.

The chronology of The Bank's Remuneration and Nomination Committee composition during 2018 is as follows:

1 JANUARI 2018 – 13 SEPTEMBER 2018 JANUARY 1, 2018 – SEPTEMBER 13, 2018	13 SEPTEMBER 2018 – 31 DESEMBER 2018 SEPTEMBER 13, 2018 – DECEMBER 31, 2018
Hendra Widjojo Ketua Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Chairman & Independent Commissioner
Christina Harapan Anggota Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Member & Independent Commissioner Resmi mengundurkan diri pada 31 Mei 2018 Officially resigned on May 31, 2018	H. Yunno Kusumo Anggota Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Member & Independent Commissioner Efektif menjabat pada 13 September 2018 Serves as of September 13, 2018
Josephine Sambajon Anggota Komite Remunerasi dan Nominasi Remuneration and Nomination Committee Member	Josephine Sambajon Anggota Komite Remunerasi dan Nominasi Remuneration and Nomination Committee Member

Per 31 Desember 2018 profil Komite Remunerasi dan Nominasi Bank adalah sebagai berikut:

As of December 31, 2018, the profile of The Bank's Remuneration and Nomination Committee is as follows:

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 tersedia pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini. Hendra Widjojo's profile as Remuneration and Nomination Committee Chairman is available in the Board of Commissioners Profile section in the Company Profile of this annual report.
H. Yunno Kusumo Anggota Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Member & Independent Commissioner	Profil H. Yunno Kusumo sebagai anggota Komite Remunerasi dan Nominasi tersedia pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini. H. Yunno Kusumo's profile as member of Remuneration and Nomination Committee is available in the Board of Commissioners Profile section in the Company Profile of this annual report. Efektif menjabat sebagai anggota Komite Remunerasi dan Nominasi pada 13 September 2018. Serves as member of Remuneration and Nomination Committee effective as of September 13, 2018.
Christina Harapan Anggota Komite Remunerasi dan Nominasi & Komisaris Independen Remuneration and Nomination Committee Member & Independent Commissioner	Anggota Komite Remunerasi dan Nominasi Member of Remuneration and Nomination Committee Resmi mengundurkan diri pada 31 Mei 2018. Officially resigned on May 31, 2018
Josephine Sambajon Anggota Komite Remunerasi dan Nominasi Remuneration and Nomination Committee Member	Profil Josephine Sambajon sebagai anggota Komite Remunerasi dan Nominasi tersedia pada bagian Profil Pejabat Excecutive dalam bab Profil Perusahaan di laporan tahunan ini. Josephine Sambajon' profile as member of Remuneration and Nomination Committee is available in the Executive Officer Profile section in the Company Profile 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 prevailing 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.

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE REMUNERASI DAN NOMINASI REMUNERATION AND NOMINATION COMMITTEE			
	HENDRA WIDJOJO	H. YUNNO KUSUMO	CHRISTINA HARAPAN	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 Bank 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 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, in accordance with laws and regulations.	○	○	○	○

Komite Remunerasi dan Nominasi
Remuneration and Nomination Committee

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE REMUNERASI DAN NOMINASI REMUNERATION AND NOMINATION COMMITTEE			
	HENDRA WIDJOJO	H. YUNNO KUSUMO	CHRISTINA HARAPAN	JOSEPHINE SAMBAJON
Mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horisontal 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 Commissioners, 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

PEDOMAN KOMITE REMUNERASI DAN NOMINASI

Komite Remunerasi dan Nominasi Bank telah memiliki Pedoman Komite Remunerasi dan Nominasi berdasarkan Keputusan Dewan Komisaris tanggal 24 Juli 2013 yang telah di perbaharui pada tanggal 6 September 2017.

TUGAS DAN TANGGUNG JAWAB KOMITE REMUNERASI DAN NOMINASI

Tugas dan tanggung jawab Komite Remunerasi dan Nominasi sebagaimana diatur dalam POJK 34/POJK.04/2014 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 Dewan Komisaris dan Direksi untuk disampaikan kepada RUPS; dan
    - Kebijakan remunerasi bagi pegawai secara keseluruhan untuk disampaikan kepada Direksi.

CHARTER OF REMUNERATION AND NOMINATION

The Bank's Remuneration and Nomination Committee has in place the Remuneration and Nomination Charter based on the Board of Commissioners Decree dated July 24, 2013 that has been updated on September 6, 2017.

DUTIES AND RESPONSIBILITIES OF THE REMUNERATION AND NOMINATION COMMITTEE

As stipulated in POJK 34/POJK.04/2014, the Remuneration and Nomination Committee shall perform at least:

- In relation to remuneration policy:
  - Perform an evaluation of the remuneration policy based on performance, risks, fairness with peer group, target, and The Bank's long-term strategies, the fulfilment of reserves as stipulated in laws, and future revenue of The Bank;
  - Submit evaluation result and recommendation to the Board of Commissioners regarding:
    - The Board of Commissioners and Board of Directors remuneration policy to be submitted to the GMS; and
    - Employee remuneration policies to be submitted to the Board of Directors.

- Memastikan bahwa kebijakan remunerasi telah sesuai dengan ketentuan; dan
- Melakukan evaluasi secara berkala terhadap penerapan kebijakan remunerasi.

· Terkait dengan kebijakan nominasi:
- Menyusun dan memberikan rekomendasi mengenai sistem serta prosedur pemilihan dan/atau penggantian anggota Dewan Komisaris dan anggota Direksi kepada Dewan Komisaris untuk disampaikan kepada RUPS;
- Memberikan rekomendasi mengenai calon anggota Dewan Komisaris dan/atau calon anggota Direksi kepada Dewan Komisaris untuk disampaikan kepada RUPS; dan
- Memberikan rekomendasi mengenai Pihak Independen yang akan menjadi anggota Komite kepada Dewan Komisaris.

PEMBAGIAN TUGAS DAN TANGGUNG JAWAB DALAM KEANGGOTAAN KOMITE REMUNERASI DAN NOMINASI

Berikut komposisi Komite Remunerasi dan Nominasi:

1. Hendra Widjojo, sebagai ketua yang juga mewakili peranan Komisaris Independen dalam komite.
2. H. Yunno Kusumo, sebagai anggota komite yang juga merupakan Komisaris Independen.
3. Josephine Sambajon, sebagai anggota komite yang merupakan Pejabat Eksekutif yang membawahi bagian sumber daya manusia Bank.

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 tersedia pada bab Profil Perusahaan pada laporan tahunan ini.

- Ensure remuneration policy is in accordance with the provision; and
- Conduct periodic evaluation of the implementation of remuneration policy.

· In relation to nomination policy:
- Prepare and provide recommendation on the system and procedure in selecting and/or replacing members of the Board of Commissioners and Board of Directors to the Board of Commissioners to be submitted to the GMS;
- Submit a recommendation on candidate members of the Board of Commissioners and/or Board of Directors to the Board of Commissioners to be submitted to the GMS;
- Submit a recommendation on Independent Parties as the committees' candidate to the Board of Commissioners.

DIVISION OF DUTIES AND RESPONSIBILITIES BETWEEN MEMBER OF THE REMUNERATION AND NOMINATION COMMITTEE

The composition of the Remuneration and Nomination Committee is as follows:

1. Hendra Widjojo, as chairman, who also represents the role of Independent Commissioner in the committee.
2. H. Yunno Kusumo, as a committee member who is also an Independent Commissioner.
3. Josephine Sambajon, as a committee member who is an Executive Officer in charge of The Bank's human resources.

TRAINING AND COMPETENCE DEVELOPMENT

The Bank has its own policy related to the development and improvement of the competency of the 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 the Remuneration and Nomination Committee is available in in its respective chapter within the Company Profile in this annual report.

Komite Remunerasi dan Nominasi
Remuneration and Nomination Committee

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 2018, 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 Remuneration and Nomination Committee's meetings are held in accordance with the needs of The Bank, at least 4 (four) times annually. Throughout 2018, 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.

TANGGAL DATE	PEMBAHASAN TOPIC
13-Apr-18	*1. 2017 Employee Performance Bonus* *2. Interview Candidate of Risk Monitoring Committee*
16-May-18	*1. Nomination of Candidate of Independent Commissioner* *2. Resignation of Independent Commissioner and Director*
12-Jul-18	*1. 2018 Salary Adjustment for Employees* *2. Revision of Material Risk Taker Policy* *3. 2017 Performance Bonus and 2018 Salary Adjustment for BOD-BOC* *4. Nomination of new candidate of Risk Monitoring Committee* *5. Nomination of new Head of Internal Audit*
15-Nov-18	*1. Revision of 2017 Performance Bonus for BOD-BOC* *2. Contract Extension of Pak Lando Simatupang and Pak Richard S. Dompas* *3. Candidates for Risk Monitoring Committee*

KOMITE REMUNERASI & NOMINASI REMUNERATION & NOMINATION COMMITTEE	13-APR-18	16-MAY-18	12-JUL-18	15-NOV-18	JUMLAH RAPAT TOTAL MEETING	JUMLAH KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Hendra Widjojo	1	1	1	1	4	4	100%
Christina Harapan*	1	1			2	2	100%
H. Yunno Kusumo**				1	1	1	100%
Josephine Sambajon	1	1	1	1	4	4	100%

Resmi mengundurkan diri sejak 31 Mei 2018 | Officially resigned on May 31, 2018
** Resmi diangkat sejak 13 September 2018 | Officially appointed on September 13, 2018

LAPORAN SINGKAT PELAKSANAAN KEGIATAN KOMITE REMUNERASI DAN NOMINASI

Di sepanjang tahun 2018, Komite Remunerasi dan Nominasi melaksanakan tugas sebagai berikut:

- Mengevaluasi dan memberikan rekomendasi terhadap kebijakan remunerasi bagi *Material Risk Takers* (MRT) HR/POL/034 yang mengacu kepada POJK No. 45/POJK.03/2015.

BRIEF SUMMARY OF THE ACTIVITIES OF THE REMUNERATION AND NOMINATION COMMITTEE

Throughout 2018, the Remuneration and Nomination Committee performed the following duties:

- Evaluate and provide recommendations on the remuneration policy of Material Risk Takers (MRT) HR/POL/034 in accordance to POJK No. 45/POJK.03/2015.

- Memberikan rekomendasi kepada Dewan Komisaris untuk pengangkatan calon Komisaris, calon Direktur, calon anggota komite serta calon Pejabat Eksekutif baru.
- Memberikan rekomendasi terkait remunerasi bagi Dewan Komisaris, Direktur dan karyawan.

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.

- Provide recommendations to the Board of Commissioners for the appointment of candidates for Commissioners, Directors, prospective members of committees, and candidates for Executive Officers.
- Provide recommendations regarding remuneration to the Boards of Commissioners, Board of Directors and employees.

POLICY CONCERNING THE SUCCESSION OF THE BOARD OF DIRECTORS

The succession of The Bank's Board of Directors is governed by the 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 candidates 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

Risk Monitoring Committee

Komite Pemantau Risiko bertugas untuk membantu Dewan Komisaris dalam mengawasi pelaksanaan manajemen risiko di lingkungan Bank. Komite ini diketuai oleh Komisaris Independen dengan 2 (dua) orang anggota yang berasal dari pihak independen yang memiliki keahlian pada bidang keuangan dan manajemen risiko.

The Risk Monitoring Committee has the duty to assist the Board of Commissioners in overseeing the implementation of risk management within The Bank. The Committee is chaired by an Independent Commissioner, with 2 (two) members from independent parties with expertise in the area of finance and risk management.

Susunan dan Profil Komite Pemantau Risiko
Kronologis susunan Komite Pemantau Risiko Bank di tahun 2018 adalah sebagai berikut:

Structure and Profile of the Risk Monitoring Committee
The chronology of The Bank's Risk Monitoring Committee composition in 2018 is as follows:

1 JANUARI 2018 – 2 FEBRUARI 2018 JANUARY 1, 2018 – FEBRUARY 2, 2018	3 FEBRUARI 2018 – 9 AGUSTUS 2018 FEBRUARY 3, 2018 – AUGUST 9, 2018	10 AGUSTUS 2018 – 12 DESEMBER 2018 AUGUST 10, 2018 – DECEMBER 12, 2018	13 DESEMBER 2018 – 31 DESEMBER 2018 DECEMBER 13, 2018 – DECEMBER 31, 2018
Hendra Widjojo Ketua Komite Pemantau Risiko & Komisaris Independen Risk Monitoring Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Pemantau Risiko & Komisaris Independen Risk Monitoring Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Pemantau Risiko & Komisaris Independen Risk Monitoring Committee Chairman & Independent Commissioner	Hendra Widjojo Ketua Komite Pemantau Risiko & Komisaris Independen Risk Monitoring Committee Chairman & Independent Commissioner
Sukarwan Anggota Komite Pemantau Risiko Risk Monitoring Committee Member	Lando Simatupang Anggota Komite Pemantau Risiko Risk Monitoring Committee Member	Ignace Widiatmoko Anggota Komite Pemantau Risiko Risk Monitoring Committee Member	Ignace Widiatmoko Anggota Komite Pemantau Risiko Risk Monitoring Committee Member
Lando Simatupang Anggota Komite Pemantau Risiko Risk Monitoring Committee Member		Lando Simatupang Anggota Komite Pemantau Risiko Risk Monitoring Committee Member	Aki H. Parwoto Anggota Komite Pemantau Risiko Risk Monitoring Committee Member

Per 31 Desember 2018 profil Komite Pemantau Risiko Bank adalah sebagai berikut:

As of December 31, 2018, the profile of The Bank's Risk Monitoring Committee is as follows:

Hendra Widjojo Ketua Komite Pemantau Risiko & Komisaris Independen Risk Monitoring Committee Chairman & Independent Commissioner	Profil Hendra Widjojo sebagai Ketua Komite Pemantau Risiko tersedia pada bagian Profil Dewan Komisaris dalam bab Profil Perusahaan di laporan tahunan ini. Hendra Widjojo's profile as Risk Monitoring Committee Chairman is available in the Board of Commissioners Profile section in the Company Profile of this annual report.

Ignace Widiatmoko
Anggota Komite Pemantau Risiko
Risk Monitoring Committee Member

Pengalaman Kerja/Jabatan
Ignace Widiatmoko sebelumnya menjabat sebagai Managing Director, PT. Gedung Bank Exim and Komisaris PT. Resik Guna Maju (2015-2018). Beliau juga menjalankan karir profesionalnya antara lain pada Bank Mandiri sebagai VP of Risk Management Directorate (2007-2015), VP of Consumer Banking (2006-2007), Department Head Bancassurance (2004-2006), Department Head Fee Base Business/E–banking (2001-2003), Department Head Liabilities Products (1999-2001) serta pada Bank Ekspor Impor Indonesia (1985-1998).

Latar Belakang Pendidikan
- Chartered Financial Consultant & Diploma in Financial Planning, Singapore College of Insurance, Jakarta-Singapore, 2006.
- MBA in Marketing, Rutgers University, Graduate School of Management Newark, New Jersey USA, 1995.
- USA Pre MBA Program, The Economic Institute, Colorado University, Boulder USA, 1993.
- Sarjana Ekonomi, University of Diponegoro, Indonesia, 1994.

Work Experience
Ignace Widitmoko previously served as Managing Director, PT. Bank Exim Building and Commissioner of PT. Resik Guna Maju (2015-2018). His other professional careers are, at Bank Mandiri as the VP of Risk Management Directorate (2007-2015), VP of Consumer Banking (2006-2007), Department Head Bancassurance (2004-2006), Department Head Fee Base Business/E–banking (2001-2003), Department. Head Liabilities Products (1999-2001) and at Bank Ekspor Impor Indonesia (1985-1998).

Education
- Chartered Financial Consultant & Diploma in Financial Planning, Singapore College of Insurance, Jakarta-Singapore, 2006.
- MBA in Marketing, Rutgers University, Graduate School of Management Newark, New Jersey USA, 1995.
- USA Pre MBA Program, The Economic Institute, Colorado University, Boulder USA, 1993.
- BA in Economics, University of Diponegoro, Indonesia, 1984.

Aki H. Parwoto
Anggota Komite Pemantau Risiko
Risk Monitoring Committee Member

Pengalaman Kerja/Jabatan
Aki H. Parwoto saat ini menjabat sebagai anggota Komite Pemantau Risiko dan Komite Audit pada PT Bank Resona Perdania. Sebelumnya beliau bergabung dengan PT Bank CIMB Niaga sejak tahun 2009 dan menjabat antara lain sebagai Senior Vice President Head of Credit and Operations Policy (2015-2017), First Vice President Credit Risk Management Group Head (2010–2014) dan Vice President Credit Risk Management Group Head (2009-2010). Beliau juga pernah menjabat berbagai posisi strategis pada PT Bank Niaga untuk periode 1987–2008 dengan menjabat antara lain sebagai Vice President Credit pada Risk Division Head (2004–2008), Risk Asset Audit Division Head (2001-2004), Assistant Vice President Compliance Management Group (2000), Assistant Vice President Credit Policy and Administration Group (1998-1999), Senior Manager – Branch Bali (1994-1997), Manager – Credit Audit (1988-1993) dan Officer Development Program (1987). Beliau memulai karir profesionalnya pada Kantor Akuntan Publik Amir Abadi Jusuf pada tahun 1986.

Latar Belakang Pendidikan
- Magister Management, Universitas Gajah Mada, 2004.
- Sarjana Akuntansi, Fakultas Ekonomi, Universitas Indonesia, 1985.

Work Experience
Aki H. Parwoto currently serving as a member of Risk Monitoring Comittee and Audit Committee at PT Bank Resona Perdania. He previously joined at PT Bank CIMB Niaga in 2009 and served as Senior Vice President of Credit and Operations Policy (2015-2017), First Vice President of Credit Risk Management Group Head (2010-2014) and Vice President Credit Risk Management Group Head (2009-2010). He also had various strategic positions at PT Bank Niaga for the period 1987-2008 with the positions including Vice President Credit at the Risk Division Head (2004-2008), Risk Asset Audit Division Head (2001-2004), Assistant Vice President Compliance Management Group (2000), Assistant Vice President of the Credit Policy and Administration Group (1998-1999), Senior Manager - Branch Bali (1994-1997), Manager - Credit Audit (1988-1993) and Officer Development Program (1987). He began his professional career at Amir Abadi Jusuf Public Accounting Office in 1986.

Education
- Magister Management, Universitas Gajah Mada, 2004.
- Bachelor of Accountant, Faculty of Economy, Universitas Indonesia, 1985.

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.

Komite Pemantau Risiko
Risk Monitoring Committee

ASPEK INDEPENDENSI INDEPENDENCY ASPECTS	KOMITE PEMANTAU RISIKO | RISK MONITORING COMMITTEE				
	HENDRA WIDJOJO	IGNACE WIDIATMOKO	AKI H. PARWOTO	SUKARWAN	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 Bank 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 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, in accordance with laws and regulations.	○	○	○	○	○
Mempunyai hubungan keluarga karena perkawinan dan keturunan sampai derajat kedua, baik secara horisontal 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 Commissioners, 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

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 25, 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 maka 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:

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 The Bank's risk management policy and implementation;
- Monitor and evaluate the implementation of duties of Risk Management Committee and Risk Management Unit (RMU).

The result of evaluation mentioned above to be submitted to the Board of Commissioners with its recommendation. The report on evaluation result shall be submitted quarterly every year. Risk Monitoring Committee priority duties are as follows:

- Evaluate the 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 provide guidance on potential business risks and risk management issues.
- Pay attention to The Bank's soundness rating and provide practical recommendations.
- During each quarter of work progress, if there are any findings, it is necessary to give recommendation and follow-up of the recommendation and report to the 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:

- Ignace Widiatmoko, berperan sebagai pihak yang memiliki keahlian dalam bidang manajemen risiko.
- Aki H. Parwoto, berperan sebagai pihak independen yang memiliki keahlian dalam bidang keuangan.

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.

RAPAT KOMITE PEMANTAU RISIKO

Komite Pemantau Risiko mengadakan rapat sesuai dengan ketentuan OJK yang mensyaratkan penyelenggaraan rapat paling kurang 4 (empat) kali dalam setahun.

Selama tahun 2018, 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.

- Ignace Widiatmoko, as an independent party with an expertise in risk management.
- Aki H. Parwoto, as an independent party with an expertise in finance.

TRAINING AND COMPETENCE DEVELOPMENT

The Bank has its own policy related to the development and improvement of the competency of the 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 the Risk Monitoring Committee can be seen in its respective chapter within the Company Profile in this annual report.

RISK MONITORING COMMITTEE MEETINGS

The Risk Monitoring Committee's meetings are held in accordance with OJK regulation, at least 4 (four) times annually.

Throughout 2018, 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.

TANGGAL DATE	PEMBAHASAN TOPIC
18-Jan-18	*1. RBBR Assessment Semester II - 2017* *2. Work Plan Summary 2018*
22-Feb-18	*1. Progress of RMD Plan and Updates on Policy-Procedure* *2. NPL Progress* *3. Progress on Implementation of PSAK 71/IFRS 9*
28-Mar-18	*1. Loan Portfolio Analysis* *2. Potential NPL (CB III, CMB, CCB SBY, SME)* *3. Potential NPL (CB I)*
2-May-18	*1. Amendment of Risk Management Policy* *2. Risk Profile Assessment Q1-2018* *3. Risk Appetite Q1-2018*
24-May-18	*1. Stress Testing* *2. NPL Progress* *3. YTD Financial Performance*
12-Jul-18	*1. Watch List Accounts* *2. Projection of RBBR as of June 2018* *3. Impelementation Progress of RMD as of June 2018* *4. Operational Risk Assessment Result* *5. Amendment of Risk Management Policy*
27-Aug-18	*1. Corporate and Commercial NPL Progress as of July 2018* *2. Haiyin* *3. Individual NPL Accounts Progress*

TANGGAL DATE	PEMBAHASAN TOPIC
1-Oct-18	*1. Potential NPL Updates* *2. Corporate and Commercial NPL Progress* *3. Individual NPL Accounts Progress*
15-Nov-18	*1. Corporate and Commercial NPL Progress* *2. Potential NPL Updates* *3. Risk Profile Report Q3-2018*
20-Dec-18	*1. Potential NPL Updates* *2. Risk Management Plan in 2019*

KOMITE PEMANTAU RISIKO RISK MONITORING COMMITTEE	18-JAN-18	22-FEB-18	28-MAR-18	2-MAY-18	24-MAY-18	12-JUL-18	27-AUG-18	1-OCT-18	15-NOV-18	20-DEC-18	JUMLAH RAPAT TOTAL MEETING	JUMLAH KEHADIRAN TOTAL ATTENDANCE	PERSENTASE KEHADIRAN PERCENTAGE OF ATTENDANCE
Hendra Widjojo	1	1	1	1	1	1	1	1	1	1	9	9	100%
Sukarwan*	1										1	1	100%
Ignace Widiatmoko**							1	1	1	1	4	4	100%
Aki H. Parwoto***										1	1	1	100%
Lando Simatupang****	1	1	1	1	1	1	1	1	1		9	9	100%

*Resmi mengundurkan diri pada 3 Februari 2018 | Officially resigned on February 3, 2018
**Resmi diangkat pada 10 Agustus 2018 | Officially appointed on August 10, 2018
*** Resmi diangkat pada 13 Desember 2018 | Officially appointed on December 13, 2018
**** Resmi mengundurkan diri pada 12 Desember 2018 | Officially resigned on December 12, 2018

LAPORAN SINGKAT PELAKSANAAN KEGIATAN KOMITE PEMANTAU RISIKO TAHUN 2018

Sepanjang tahun 2018, 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 2018 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.

BRIEF SUMMARY OF THE ACTIVITIES OF THE RISK MONITORING COMMITTEE OF 2018

hroughout 2018, the Risk Monitoring Committee has assisted the Board of Commissioners, which includes the results of evaluation on duties and responsibilities with recommendations.

The following are activities carried out by the committee until December 2018:

- Monitor and evaluate the implementation of duties of the Risk Monitoring Committee and Risk Management Unit.
- Evaluate the work plan of the Risk Management Unit.
- Evaluate the quality of risk management implementation in Risk-Based Bank Rating (RBBR).
- Evaluate The Bank's risk profile report every quarter, as well as the adequacy of The Bank policies and procedures.
- Monitor and evaluate the implementation of the tasks of the Special Asset Management Department in overcoming the non-performing loans.

ORGAN PENDUKUNG DIREKSI

Supporting Organs of The Board of Directors

KOMITE-KOMITE EKSEKUTIF

Dalam menjalankan tugas pengelolaan Bank, Direksi memiliki komite-komite eksekutif yang masing-masing beranggotakan Direktur dan para Pejabat Eksekutif Bank. Seluruh komite bertanggung jawab dan melapor kepada Direksi.

ASSETS AND LIABILITIES COMMITTEE (ALCO)

Assets and Liabilities Committee (ALCO) bertugas untuk membantu Direksi dalam mengelola aset, liabilitas, dan ekuitas Bank, termasuk namun tidak terbatas pada 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 2018, ALCO mengadakan rapat sebanyak 11 (sebelas) kali.

RISK MANAGEMENT COMMITTEE (RMC)

Tugas utama Risk Management Committee (RMC) adalah membantu Direksi dalam merumuskan kebijakan dan mengawasi pelaksanaan kebijakan yang berkaitan dengan manajemen risiko, memantau perkembangan dan kondisi profil risiko, serta memberikan saran dan perbaikan terkait dengan manajemen risiko. Selain itu, komite ini berwenang dan bertanggung jawab untuk menyusun kebijakan, strategi, dan pedoman pelaksanaan manajemen risiko termasuk penetapan limit, *risk appetite*, *risk tolorance*, dan *contingency plan*. Selama tahun 2018, Komite Manajemen Risiko mengadakan rapat sebanyak 10 (sepuluh) kali.

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. Bank mewajibkan penggunaan dana diatas nilai tertentu harus mendapat persetujuan para

EXECUTIVE COMMITTEES

In carrying out The Bank's management duties, the Board of Directors has executive committees, each of which consists of Directors and The Bank Executive Officers. All committees are responsible and report to the Board of Directors.

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 but not limited to setting interest rates on deposits, loans and interbank loans, and checking policies and regulations related to the value of The Bank's assets and liabilities.

In addition, the committee is also assigned to ensure that The Bank's liquidity level is at a sound level and meets the requirements set by Bank Indonesia. In terms of asset, liability and equity management of The Bank, ALCO has the authority to issue and evaluate policies related to The Bank's assets, liabilities and equity. Throughout 2018, ALCO held 11 (eleven) meetings.

RISK MANAGEMENT COMMITTEE (RMC)

The main duty of the Risk Management Committee (RMC) is to assist the Board of Directors in formulating policy and observe the implementation of the policy related to risk management, to monitor the progress and condition of risk profile, and also to provide suggestions and improvement associated with risk management. In addition, the committee authorizes and is responsible to develop policy, strategy, and guideline of risk management implementation, including limit determination, risk appetite, risk tolerance, and contingency plan. Throughout 2018, the Risk Management Committee conducted 10 (ten) meetings.

FINANCIAL REVIEW COMMITTEE (FRC)

The duties of this committee are to oversee, examine and evaluate the need for large exposures which 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

pemegang saham dalam Rapat Umum Pemegang Saham (RUPS). Biaya-biaya yang menggunakan dana dalam jumlah besar juga harus diperiksa sesuai dengan standar dan prosedur FRC yang berlaku melalui mekanisme rapat FRC. Selama tahun 2018, FRC mengadakan rapat untuk pemeriksaan 44 aplikasi dalam meeting FRC.

CREDIT REVIEW COMMITTEE (CRC)

Credit Review Committee (CRC) bertugas untuk memberikan rekomendasi atas usulan pinjaman yang memerlukan persetujuan Direksi. Dalam melaksanakan tugasnya, CRC berkoordinasi dengan ALCO terkait dengan pembiayaan kredit. Selama 2018, CRC mengadakan rapat sebanyak 43 (empat puluh tiga) kali untuk Kredit Korporasi & SME dan 32 (tiga puluh dua) kali untuk Kredit Konsumen.

PRODUCT AND POLICY COMMITTEE (PPC)

Product and Policy Committee (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 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.

COMPLIANCE AND AML COMMITTEE

Untuk mengimplementasikan prinsip GCG, serta menerapkan budaya kepatuhan dan anti pencucian uang yang kuat.

Pembentukan komite ini adalah untuk mengawasi risiko-risiko kepatuhan dan AML Bank, untuk memastikan bahwa manajemen Bank memahami risiko-risiko kepatuhan dan AML yang mungkin dihadapi, dan memiliki kebijakan dan prosedur yang tepat serta tindakan untuk mengelola risiko tersebut.

(GMS). Applications which require large exposures shall be verified in accordance with the prevailing FRC standards and procedures, which are through FRC meeting. Throughout 2018, FRC reviewed 44 (forty four) applications during FRC meetings.

CREDIT REVIEW COMMITTEE (CRC)

Credit Review Committee (CRC) is assigned to provide recommendations on proposed loans that require the approval of the Board of Directors. In performing its duties, CRC coordinates with ALCO in relation to lending. Throughout 2018, CRC held 43 (forty three) meetings for Corporate & SME Loans and 32 (thirty two) meetings for Consumer Loans.

PRODUCT AND POLICY COMMITTEE (PPC)

Product and Policy Committee (PPC) is a committee which duty is to assist the management in implementing the principles of Good Corporate Governance related to the issuance of policies and procedures, among others through:

- Decision on the policies and procedures for publication as well as its amendments.
- Monitor the 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 the prevailing policies and procedures to prevent conflicts between the policies and procedures.

COMPLIANCE AND AML COMMITTEE

To implement the principle of GCG, as well as implementing compliance culture and robust anti money laundering.

The objective of the formation of this committee is to oversee the compliance and AML risks in The Bank, to ensure that The Bank's management understands the compliance and AML risks to which The Bank may be exposed, and to have in place appropriate policies and procedures as well as action to manage such risks.

Komite akan meninjau tindakan yang diambil untuk memastikan sistem kepatuhan dan AML yang kuat dan konsisten diterapkan, menciptakan budaya kepatuhan yang tinggi, dan membantu Direksi untuk mengurangi potensi permasalahan di area kepatuhan dan AML.

Tujuan Compliance and AML Committee adalah untuk membantu Direksi dalam memenuhi tanggung jawab pengawasannya terkait dengan:

a. Kepatuhan dan AML Bank sesuai peraturan yang berlaku;
b. Memberikan saran untuk pengembangan dan pelaksanaan kontrol untuk mengelola dan memantau kualitas kegiatan kepatuhan dan AML Bank;
c. Mengawasi risiko kepatuhan dan AML di Bank.
d. Mendorong budaya kepatuhan yang tinggi dan prinsip AML.
e. Memberikan saran kepada Direksi mengenai kesesuaian dan efisiensi sistem pengendalian internal Bank terkait dengan kepatuhan dan AML.

Selama 2018, Compliance and AML Committee mengadakan rapat sebanyak 4 (empat) kali.

KOMITE PENGARAH TEKNOLOGI INFORMASI

Komite Pengarah Teknologi Informasi bertanggung jawab memberikan rekomendasi kepada Direksi paling sedikit terkait dengan:

a. Rencana strategis Teknologi Informasi yang sejalan dengan rencana strategis kegiatan usaha Bank;
b. Perumusan kebijakan, standar, dan prosedur TI yang utama;
c. Kesesuaian antara proyek TI yang disetujui dengan rencana strategis TI;
d. Kesesuaian antara pelaksanaan proyek TI dengan rencana proyek yang disepakati;
e. Kesesuaian antara TI dengan kebutuhan sistem informasi manajemen serta kebutuhan kegiatan usaha Bank;

The committee shall review actions taken to ensure a robust and consistent compliance and AML system is in place, promote a high compliance culture, and assist the Board of Directors to mitigate the risk of compliance and AML.

The purpose of the Compliance and AML Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to:

a. The Bank's compliance and AML with regulatory requirements;
b. Providing advice for the development and the implementation of controls to manage and monitor The Bank's compliance and AML activities;
c. Overseeing the risk of compliance and AML functions in The Bank;
d. Promoting a high compliance culture and AML principle.
e. Providing advice to the Board of Directors regarding appropriateness and efficiency of The Bank's internal controls system related to compliance and AML.

Throughout 2018, the Compliance and AML Committee held 4 (four) meetings.

INFORMATION TECHNOLOGY STEERING COMMITTEE

Information Technology Steering Committee is responsible for providing recommendations to the Board of Directors at least related to:

a. Information Technology strategic plan that is consistent with the strategic plan of The Bank's business activities;
b. Formulation of policies, standards, and procedures for the main IT;
c. Alignment between the approved IT project with IT strategic plan;
d. Alignment between IT implementation with the agreed project charter;
e. Alignment between IT with the needs of management information system and the needs of The Bank's business activities;

f. Efektivitas langkah-langkah dalam meminimalkan risiko atas investasi Bank pada sektor TI agar investasi Bank pada sektor TI memberikan kontribusi terhadap pencapaian tujuan bisnis Bank;
g. Pemantauan atas kinerja TI dan upaya peningkatan kinerja TI;
h. Upaya penyelesaian berbagai masalah terkait TI yang tidak dapat diselesaikan oleh satuan kerja pengguna dan penyelenggara TI secara efektif, efisien, dan tepat waktu; dan
i. Kecukupan dan alokasi sumber daya yang dimiliki Bank.

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 2018, Disciplinary Committee mengadakan rapat sebanyak 17 (tujuh belas) kali.

f. Effectiveness of the measures taken in order to minimize the investment risk in The Bank's IT sector so that The Bank's investment in IT can contribute to the business objectives of The Bank;
g. Monitor the performance of IT and efforts to improve IT performance;
h. Efforts to resolve various problems related to IT that cannot be resolved by the working unit of IT's users and providers effectively, efficiently, and on time; and
i. Adequacy and allocation of resources owned by The Bank.

DISCIPLINARY COMMITTEE

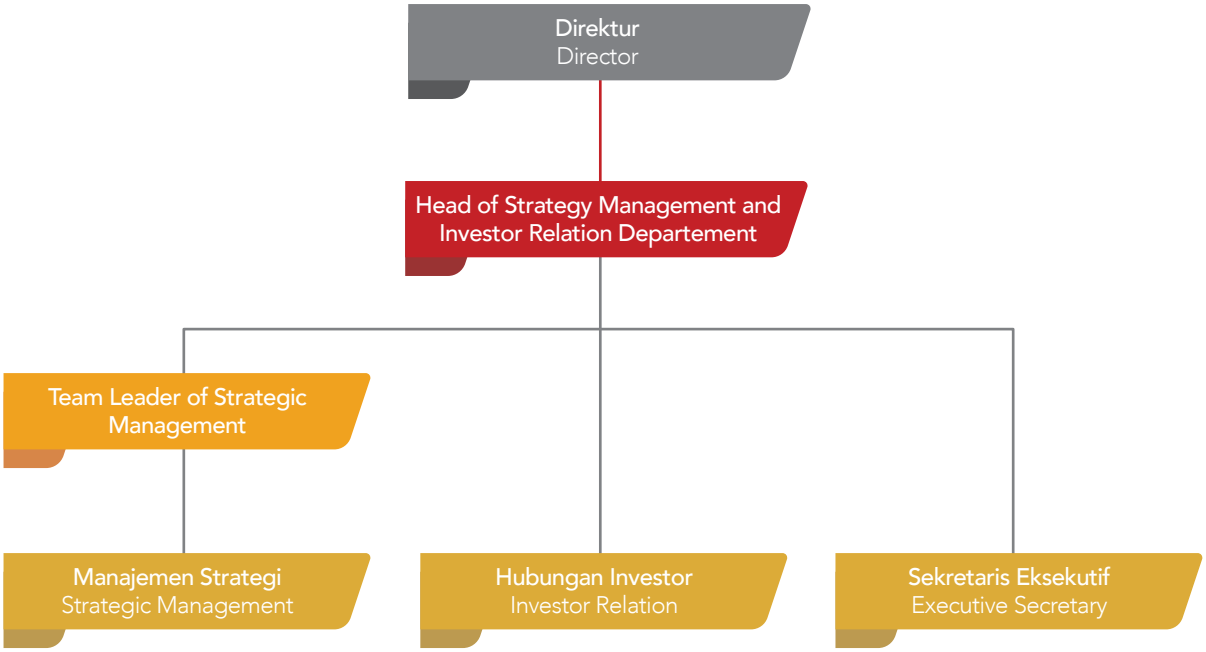
To ensure public trust in the integrity of The Bank, The Bank has established a Disciplinary Committee. The committee has a special working unit, a disciplinary working team, which is in charge of investigating and filing sanctions against violators of The Bank's rules and codes of ethics. Throughout 2018, the Disciplinary Committee held 17 (seventeen) 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 Departemen SMIR.

Corporate Secretary is one of the supporting organs taking an important role in facilitating The Bank's inter-organ communications, the relationship between The Bank and its shareholders, regulators, and other stakeholders. The Bank's Corporate Secretary function is carried out by the SMIR Department.

Struktur Organisasi Sekretaris Perusahaan
Corporate Secretary Organizational Structure



PEJABAT PELAKSANA FUNGSI SEKRETARIS PERUSAHAAN

Berdasarkan Surat Keputusan Direksi No. 020A/KPTS. DIR/ICBC.IND/2017 tanggal 30 November 2017, Bank telah menunjuk posisi Head of Strategy Management and Investor Relation Department sebagai Pejabat Pelaksana Fungsi Sekretaris Perusahaan.

EXECUTIVE IN CHARGE OF CORPORATE SECRETARY FUNCTION

Based on the Board of Directors Decree No. 020A/KPTS. DIR/ICBC.IND/2017 dated November 30, 2017, The Bank has appointed the Head of Strategy Management and Investor Relation Department as Executive in Charge of Corporate Secretary Function.

Johan Candra
Kepala Departemen Strategy Management and Investor Relation & Pejabat Pelaksana Fungsi Sekretaris Perusahaan
Head of Strategy Management and Investor Relation & Executive in Charge of Corporate Secretary Function

Profil Johan Candra sebagai Pejabat Pelaksana Fungsi Sekretaris Perusahaan dapat dilihat pada bab Profil Perusahaan di laporan tahunan ini.

Profile of Johan Candra as Executive in Charge of Corporate Secretary Function can be seen in Company Profile chapter in this Annual Report.

KUALIFIKASI

Dalam melaksanakan tugasnya, sesuai dengan Peraturan Otoritas Jasa Keuangan No. 35/POJK.04/2014 maka Sekretaris Perusahaan wajib memiliki pengetahuan mengenai peraturan yang berkaitan dengan Bank, hubungan masyarakat, ketrampilan administratif, dan pengalaman yang mendukung pelaksanaan tugasnya.

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 Bank.
- Bertindak sebagai administrator yang mengelola dokumen Bank.
- Mempersiapkan RUPS.
- Mengkoordinasikan dan menghadiri rapat Direksi dan rapat komunikasi antara Dewan Komisaris dan 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 Dewan Komisaris dan Direksi, daftar pemegang saham, daftar khusus perusahaan dan dokumen-dokumen penting Bank lainnya.
- Mencatat daftar khusus berkaitan dengan Dewan Komisaris dan keluarganya serta Direksi dan keluarganya baik dalam Bank 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.

QUALIFICATION

In carrying out its duties, in accordance with the Financial Services Authority Regulation No. 35/POJK.04/2014, the Corporate Secretary shall have the knowledge on regulations related to The Bank, public relations, administrative skills, and experiences that support the implementation of their duties.

CORPORATE SECRETARY FUNCTION

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 Bank.
- As the administrator that manages The Bank's documents.
- Prepare the General Meeting of Shareholders (GMS).
- Coordinate and attend the Board of Directors meetings and communication meetings between the Board of Commissioners and the Board of Directors.
- Prepare invitations, schedules, agendas, materials, and drafting minutes of meetings (MoM).
- Manage and prepare documents related to The Bank's activities including the GMS documents, MoM of the Board of Directors, minutes of joint meetings between the Board of Commissioners and the Board of Directors, shareholders registry, company registry, and other important documents.
- Record a special registry with regard to the Board of Commissioners and their families as well as the Board of Directors and their families in both The Bank and its affiliates that include share ownership, business relation and other roles that may create a conflict of interest with The Bank's interests.
- Define criteria on the types and materials of information that can be submitted to stakeholders, including information that may be disseminated as public documents.
- Provide relevant information required by the stakeholders.
- Plan and execute The Bank's activities that involve external parties with the aim to establish The Bank's image.

- 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.
- Melaksanakan aktivitas *investor relationship*.

PENGANGKATAN DAN PEMBERHENTIAN SEKRETARIS PERUSAHAAN

Sekretaris Perusahaan diangkat dan diberhentikan oleh Direksi.

LAPORAN SINGKAT PELAKSANAAN TUGAS TAHUN 2018

Selama tahun 2018, Sekretaris Perusahaan telah melaksanakan tugas dan tanggung jawabnya, antara lain:

- Memfasilitasi pengiriman dan penerimaan sebanyak 971 dokumen/informasi penting yang berkenaan dengan pemegang saham melalui *Overseas Administration Systems*.
- Menerjemahkan lebih kurang 1500 halaman dokumen dari bahasa asing ke Bahasa Indonesia atau sebaliknya dengan tujuan menjembatani komunikasi antara para pemangku kepentingan.

Maintain and update information on The Bank to be submitted to stakeholders, both through the website and other information media.

DUTIES AND RESPONSIBILITIES OF CORPORRATE SECRETARY FUNCTION

The duties and responsibilities of the Corporate Secretary are as follows:

- Coordinate internal activities.
- Conduct coaching on relationships with the media.
- Coordinate monthly meetings of the Board of Commissioners and the Board of Directors.
- Coordinate the Annual GMS and Extraordinary GMS.
- Coordinate The Bank's work/coordination meetings.
- Plan and carry out The Bank's CSR activities.
- Coordinate The Bank's internal and external legal handlings.
- Prepare The Bank's Annual Report.
- Conduct investor relationship activities.

APPOINTMENT AND DISMISSAL OF CORPORATE SECRETARY

The Corporate Secretary is appointed and dismissed by the Board of Directors.

BRIEF REPORT OF DUTIES IMPLEMENTATION IN 2018

Throughout 2018, the Corporate Secretary has carried out the duties and responsibilities, among others:

- Facilitating shipping and receiving 971 documents/ important information related to shareholders through Overseas Administration Systems.
- Translating more or less 1500 pages of documents from foreign language to Bahasa Indonesia or vice versa, with the aim to bridge communications among stakeholders.

- Melaksanakan tugas-tugas dalam 57 (lima puluh tujuh) rapat yang berkaitan dengan Dewan Komisaris, Direksi, 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 8 (delapan) kegiatan.
- Menjadi mitra yang aktif dengan Dewan Komisaris, Direksi, dan anggota komite dalam pemenuhan kewajiban tata kelola perusahaan (misalnya: kewajiban menghadiri jumlah tertentu dari rapat). Alhasil, *self-assessment* untuk parameter GCG yang dikelola Departemen SMIR membaik dari tahun sebelumnya.
- Melaksanakan persiapan yang matang dalam menyambut kunjungan para delegasi ICBC Ltd ke ICBC Indonesia.

PROGRAM KERJA SEKRETARIS PERUSAHAAN TAHUN 2019

Fungsi Sekretaris Perusahaan telah menyusun program kerja yang akan dilaksanakan di tahun 2019, 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 tanggung jawab 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 2018.

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. Berikut adalah daftar pelatihan yang diikuti oleh Sekretaris Perusahaan:

- Implementing duties in 57 (fifty-seven) meetings related to the the Board of Commissioners, Board of Directors, 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 8 (eight) CSR activities.
- Becoming an active partner with Board of Commissioners, the Board of Directors, and members of committees in fulfilling the corporate governance requirements (for instance: the requirement to attend certain number of meetings). As a result, self-assessments for GCG parameter managed by the SMIR Department has improved, compared to the previous year.
- Executing well preparation in welcoming ICBC Ltd delegation visit to ICBC Indonesia.

CORPORATE SECRETARY WORK PROGRAM IN 2019

The Corporate Secretary function has prepared work programs to be implemented in 2019, 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 communication with stakeholders.
- Continuing tasks executed in 2018.

TRAINING AND COMPETENCY DEVELOPMENT

The Bank has its own policy related to the development and improvement of Corporate Secretary competency. This is done through various trainings and education programs with full funding being the responsibility of The Bank. The trainings participated by the Corporate Secretary are as follows:

Sekretaris Perusahaan
Corporate Secretary

NAMA DAN JABATAN NAME AND POSITION	MATERI PENDIDIKAN DAN PELATIHAN EDUCATION AND TRAINING MATERIAL	TEMPAT/TANGGAL PLACE/DATE	PENYELENGGARA ORGANIZER
Sandra Dewinta	Preparation of Risk Management Certification Level 1	Jakarta 23 February 2018	GPS
	Translation for Banking Industry	Jakarta 10 March 2018	HPI
	Service Value at Work	Jakarta 8 June 2018	Cyltamia Irawan
	Office Information System	Jakarta 25 July 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 9 August 2018	ICBC Indonesia
	Compliance, AML, Risk, Audit & Legal	Jakarta 28 August 2018	ICBC Indonesia
	Personal Leadership in Challenging Situation	Jakarta 29 September 2018	Elgro
	Team Improvement 2018	Kuala Lumpur 5-7 October 2018	ICBC Indonesia
	Exposure Training Program	Hangzhou 15-19 October 2018	Hangzhou Training Centre
Elycia Liberty	Compliance, AML, Risk, Audit & Legal	Jakarta 15 November 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 26 November 2018	ICBC Indonesia – Financial Management Department
	New Employee Orientation Program	Jakarta 30 November 2018	ICBC Indonesia
Jessica Chondro Wanjaya	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 9 August 2018	ICBC Indonesia
	Compliance, AML, Risk, Audit & Legal	Jakarta 28 August 2018	ICBC Indonesia
	Personal Leadership in Challenging Situation	Jakarta 29 September 2018	Elgro
	Team Improvement 2018	Kuala Lumpur 5-7 October 2018	ICBC Indonesia
	Socialization of Policy & Procedure Financial Authorization & Operational Expense	Jakarta 26 November 2018	ICBC Indonesia - Financial Management Department

AUDIT INTERNAL

Internal Audit

VISI

Menjadi audit internal yang profesional sesuai dengan peraturan dan *best practice*, serta menjadi mitra manajemen dalam pencapaian rencana bisnis Bank.

MISI

Untuk memberikan keyakinan yang memadai dan jasa konsultasi, melalui aktivitas 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.

Bank memiliki fungsi audit internal yang dilaksanakan oleh Departemen Internal Audit (SKAI) dan dipimpin oleh seorang Kepala Departemen.

FUNGSI DEPARTEMEN INTERNAL AUDIT

SKAI Bank bersifat independen dan bertanggung jawab langsung kepada Presiden Direktur, serta memiliki jalur komunikasi langsung kepada Dewan Komisaris melalui Komite Audit untuk menginformasikan hal-hal signifikan yang berhubungan dengan aktivitas audit internal.

SKAI 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 di area Bank yang membutuhkan

Rencana kerja SKAI 2018 disetujui oleh Presiden Direktur dan Komite Audit. Rencana tersebut dikaji ulang secara berkala untuk memastikan relevansinya dengan kondisi dan risiko bisnis Bank.

KEORGANISASIAN DEPARTEMEN INTERNAL AUDIT

Struktur organisasi SKAI dapat dilihat pada diagram di bawah ini:

VISION

Being a professional internal audit in accordance with regulations and best practices, as well as being a management partner in achieving The Bank's business plan.

MISSION

To provide reasonable assurance 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.

The Bank has the internal audit function conducted by the Internal Audit Department (SKAI) and led by a Head of Department.

FUNCTIONS OF INTERNAL AUDIT DEPARTMENT

The Bank's SKAI has independent functions with direct responsibility to the President Director, and has direct communication channels to the Board of Commissioners through the Audit Committee to inform significant matters related with activities of the internal audit.

SKAI examines the effectiveness of The Bank's internal control system, including 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.

SKAI's work programs in 2018 were approved by President Director and the Audit Committee. The plan is reviewed periodically to ensure its relevance to The Bank's business conditions and risks.

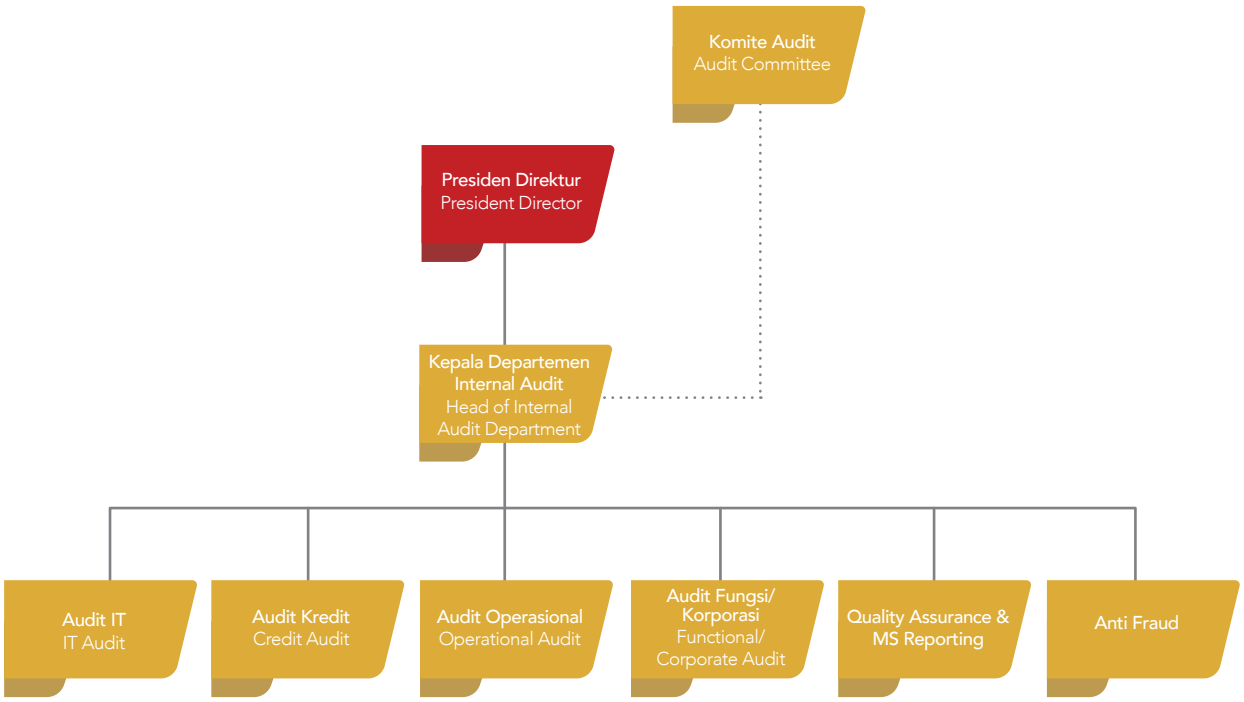
INTERNAL AUDIT DEPARTMENT ORGANIZATION

SKAI's organizational structure can be seen in the diagram below:

Audit Internal
Internal Audit

STRUKTUR ORGANISASI DEPARTEMEN INTERNAL AUDIT

Internal Audit Departement Organizational Structure



Per 31 Desember 2018, jumlah karyawan Departemen Audit Internal sebanyak 16 (enam belas) orang dengan rinican karyawan sebagai berikut:

As of 31 December 2018, the Internal Audit Department has 16 (sixteen) staffs as per following details:

JABATAN POSITION	FUNGSI FUNCTION	JUMLAH ORANG TOTAL PERSON(S)
Kepala Departemen Department Head	SKAI | Internal Audit Department & Anti Fraud	1
Ketua Tim Team Leader	Audit Teknologi Informasi | Information Technology Audit	1
	Audit Kredit | Credit Audit	1
	Audit Operasional | Operational Audit	1
	Audit Fungsi Korporasi | Corporate Function Audit	1

JABATAN POSITION	FUNGSI FUNCTION	JUMLAH ORANG TOTAL PERSON(S)
Auditor Internal Internal Auditor	Audit Teknologi Informasi | Information Technology Audit	1
	Audit Kredit | Credit Audit	3
	Audit Operasional | Operational Audit	3
	Audit Fungsi Korporasi | Corporate Function Audit	2
	Quality Assurance dan SIM| Quality Assurance & MIS	1
Anti Fraud Anti Fraud	Manajemen Anti Fraud | Anti Fraud Management	1

PEJABAT KEPALA DEPARTEMEN INTERNAL AUDIT

Berdasarkan Surat Keputusan Direksi No.026/KPTS.DIR/ICBC.IND/2018 tanggal 5 November 2018, Bank telah menunjuk I Gde Wiyadnya sebagai Kepala Departemen Internal Audit.

HEAD OF INTERNAL AUDIT DEPARTMENT

In accordance to BOD Decree No. No.026/KPTS.DIR/ICBC.IND/2018 dated November 5, 2018, The Bank has appointed I Gde Wiyadnya as Head of Internal Audit Department.

I Gde Wiyadnya
Kepala Departemen Audit Internal | Head of Internal Audit Department

Profil I Gde Wiyadnya sebagai Kepala SKAI dipaparkan pada bagian Profil Pejabat Eksekutif dalam bab Profil Perusahaan di laporan tahun ini.

Profile of I Gde Wiyadnya as the Head of Internal Audit Department is disclosed in the Executive Officers Profile section in the Company Profile of 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 Internal Audit Department is appointed and dismissed and directly responsible to President Director upon approval of the Board of Commissioners, and subsequently reported to the Financial Services Authority (OJK).

PIAGAM AUDIT INTERNAL

SKAI memiliki Piagam Audit Internal sebagai pedoman kerja yang telah disahkan oleh Presiden Direktur, Presiden Komisaris, dan Komisaris Independen (Ketua Komite Audit) Bank dengan revisi terakhir pada 1 Januari 2018.

Piagam ini merupakan dokumen resmi yang mendefinisikan tujuan, kewenangan dan tanggung jawab aktivitas audit internal. Kedudukan, kewenangan dan tanggung jawab yang dinyatakan secara formal dalam Piagam Audit Internal 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

INTERNAL AUDIT CHARTER

SKAI has established an Internal Audit Charter as working guideline as approved by the President Director, President Commissioner, and Independent Commissioner (Chairman of the Audit Committee) of The Bank with the latest revision on January 1, 2018.

This Charter is an official document that defines the objectives, authority and responsibilities of the internal audit activities. The position, authority and responsibilities that 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

Penyusunan Piagam Audit Internal serta *best practice* yang mengacu pada International Professional Practice Framework (IPPF) oleh Institute of Internal Auditor (IIA).

WEWENANG, TUGAS DAN TANGGUNG JAWAB DEPARTEMEN INTERNAL AUDIT

SKAI 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.

SKAI 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 Internal 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.

SKAI 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.

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).

AUTHORITIES, DUTIES AND RESPONSIBILITIES OF INTERNAL AUDIT DEPARTMENT

SKAI has the following authorities:

- Acquiring unrestricted access to all functions, records, books, personnels, 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.

SKAI 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 employees who are not employed by the Internal Audit Department, unless the employee has been assigned as a review team or seconded to the Internal Audit Department.

SKAI has the following tasks:

- Assist the President Director and the Board of Commissioners in conducting supervisory duties 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.

- 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.
- 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 SKAI 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.

- 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.
- Monitor the implementation of follow-ups conducted by the party being audited 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 damage 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 SKAI 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 actions and/or proposed sanctions if necessary for violations/irregularities committed by the party in the audit.

- Memastikan kesesuaian fungsi dan aktivitas Departemen Internal Audit dengan Standar Pelaksanaan Fungsi Audit Intern Bank (SPFAIB).

RUANG LINGKUP PEKERJAAN DEPARTEMEN INTERNAL AUDIT

Ruang lingkup pekerjaan SKAI mencakup pemeriksaan atas seluruh aspek operasional Bank yang secara langsung ataupun tidak langsung dapat membahayakan kepentingan Bank dan masyarakat umum. 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 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 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 SKAI 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.

SKAI 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 OJK pada setiap semester.

- Ensure the suitability of functions and activities of the Internal Audit Department with the Bank Internal Audit Function Implementation Standard (SPFAIB).

INTERNAL AUDIT DEPARTMENT SCOPE OF WORK

The scope of work of SKAI 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 The Bank 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 GCG principles and practices 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 SKAI 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 ad-hoc audits is carried out according to the needs of The Bank.

SKAI monitors the follow ups action that conducted by the management and the audited parties on monthly basis. A summary of the activities of the Internal Audit Department and summary of inspection results have been submitted to the OJK in 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 shall be complied, namely:

- Integrity
  - Must work honestly, sincerely and responsibly.
  - Must comply with the laws 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 2018, SKAI mencatat pencapaian 152% (seratus lima puluh dua persen) dari rencana kerja tahunan. Pencapaian ini merupakan pelaksanaan serangkaian penugasan terencana dan 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 kerangka acuan yang diterbitkan oleh Committee of Sponsoring Organization of the Treadway Commission (COSO) dan kepatuhan terhadap regulasi yang berlaku. COSO terdiri dari 5 (lima) komponen yaitu lingkungan pengendalian, penilaian risiko, aktivitas pengendalian, informasi & komunikasi, dan monitoring.

Selain itu, SKAI mengembangkan dan mengoptimalkan 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 audit internal, yang bertujuan agar laporan hasil audit diselesaikan secara tepat waktu, dan proses penyelesaian temuan dilakukan lebih efektif.

SKAI secara rutin melakukan kajian pengendalian mutu (*quality assurance review)* atas aktivitas audit internal. Tujuan pelaksanaan *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.

REPORT ON IMPLEMENTATION OF DUTIES OF INTERNAL AUDIT DEPARTMENT

As of December 31, 2018, SKAI recorded a 152% (one hundred and fifty two percent) achievement of the annual work plan. This achievement is the implementation of a series of planned and ad-hoc assignments for SKAI in the current year in line with business growth and The Bank's risk profile.

SKAI 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 framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and through compliance with applicable regulations. COSO consists of 5 (five) components, namely, the control environment, risk assessment, control activities, information and communication, and monitoring.

In addition, SKAI develops and optimizes 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.

SKAI 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.

- Memastikan pelaksanaan audit terdokumentasikan dengan baik dan temuan audit didukung dengan bukti yang cukup.
- Memastikan penggunaan *audit management system* dengan baik.

SERTIFIKASI DAN PELATIHAN

SKAI memberikan pelatihan dan ujian sertifikasi manajemen risiko kepada para auditor internal agar mematuhi regulasi yang berlaku. Untuk mendukung pertumbuhan bisnis, SKAI 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, SKAI juga memberikan pelatihan yang bersifat *soft-skills* maupun pelatihan untuk memperoleh sertifikasi profesi bagi para auditor internal.

Berikut data sertifikasi profesi yang dimiliki oleh para auditor internal Bank:

- To ensure that audits are properly documented and audit findings are supported with sufficient evidence.
- To ensure the proper use of audit management systems.

CERTIFICATION AND TRAINING

SKAI provides training and risk management certification examinations to internal auditors in order to comply with prevailing regulations. To support business growth, SKAI 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, SKAI also provides soft-skills training and training for obtaining professional certification for internal auditors.

The following is the certification data of the internal auditors of The Bank:

SERTIFIKASI | CERTIFICATION	NAMA | NAME	JABATAN | POSITION
Certified Information System Auditor (CISA)	I Gde Wiyadnya	Head of Internal Audit Department
	Herindra Nurbuana	Team Leader - IT Audit
Chartered Accountant	I Gde Wiyadnya	Head of Internal Audit Department
Qualified Internal Auditor	Deny Syahbani	Team Leader - Operation Audit
Certified Bank Internal Auditor	Deny Syahbani	Team Leader - Operation Audit
	Sampe Tua Haryanto Sinambela	Team Leader - Credit Audit
	Taufiqurarahman	Auditor - Operation Audit
	Susana	Auditor - Corporate Function Audit
	Claudia Jessica Iskandar	Auditor - Credit Audit
	Dany Hermawan	Auditor - Credit Audit
Certified Enterprise Risk Governance (CERG)	I Gde Wiyadnya	Head of Internal Audit Department
Enterprise Risk Management Certified Professional (ERMCP)	Ardi Nanjaya	Team Leader - Corporate Function Audit
Certified COBIT 5 Foundation (COBIT)	Herindra Nurbuana	Team Leader - IT Audit
Information Technology Infrastructure Library Foundation (ITIL)	Herindra Nurbuana	Team Leader - IT Audit

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 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 untuk 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 Para pemegang saham dalam RUPS berdasarkan usulan Dewan Komisaris & Komite Audit.

AKUNTAN PUBLIK TAHUN 2018

Berdasarkan FEM No.027/FEM/FM DEPT/ICBC INA/XI/2018, audit eksternal untuk tahun buku 2018 dilaksanakan oleh Kantor Akuntan Publik Siddharta Widjaja & Rekan (KPMG).

AKUNTAN PUBLIK DAN BIAYA PERIODE 7 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 7 (tujuh) tahun terakhir.

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 shareholders in the GMS based on the proposal from the Board of Commissioners and the Audit Committee.

PUBLIC ACCOUNTANT IN 2018

In accordance to FEM No.027/FEM/FM DEPT/ICBC INA/XI/2018, an external audit for the fiscal year 2018 was conducted by Registered Public Accountants Siddharta Widjaja & Partners (KPMG).

PUBLIC ACCOUNTANT AND FEES FOR THE LAST 7 YEARS

In the name of transparency, the following submission is the list of Public Accounting Firms, accountants, services provided, other services, and costs in auditing the financial statements of The Bank for the last 7 (seven) years.

TAHUN BUKU FISCAL YEAR	KANTOR AKUNTAN PUBLIK PUBLIC ACCOUNTING FIRM	AKUNTAN ACCOUNTANT	JASA YANG DIBERIKAN SERVICES PROVIDED	JASA LAINNYA OTHER SERVICES	BIAYA COST
2018	Siddharta Widjaja & Rekan (KPMG)	Kusumaningsih Angkawijaya	Audit Eksternal External Auditor	-	Rp1.260.000.000 (Termasuk Pajak) Rp1,260,000,000 (Tax Inclusive)
2017	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjie	Audit Eksternal External Auditor	-	Rp1.149.120.000 (Termasuk Pajak) Rp1,149,120,000 (Tax Inclusive)
2016	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjie	Audit Eksternal External Auditor	-	Rp1.149.120.000 (Termasuk Pajak) Rp1,149,120,000 (Tax Inclusive)
2015	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjie	Audit Eksternal External Auditor	-	Rp925.000.000 (Tidak Termasuk Pajak) Rp925,000,000 (Tax Exclusive)
2014	Siddharta Widjaja & Rekan (KPMG)	Kusumaningsih Angkawijaya	Audit Eksternal External Auditor	-	USD55.000 (Tidak Termasuk Pajak) USD55,000 (Tax Exclusive)
2013	Siddharta Widjaja & Rekan (KPMG)	Susanto Tjie	Audit Eksternal External Auditor	-	USD49.500 (Tidak Termasuk Pajak) USD49,500 (Tax Exclusive)

Akuntan Publik
Public Accountant

TAHUN BUKU FISCAL YEAR	KANTOR AKUNTAN PUBLIK PUBLIC ACCOUNTING FIRM	AKUNTAN ACCOUNTANT	JASA YANG DIBERIKAN SERVICES PROVIDED	JASA LAINNYA OTHER SERVICES	BIAYA COST
2012	Purwantono, Suherman & Surja (Ernst & Young)	Peter Surja	Audit Eksternal External Auditor	-	Rp550.000.000 (Tidak Termasuk Pajak) Rp550,000,000 (Tax Exclusive)

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.

Mekanisme Penunjukan Akuntan Publik dan Pelaksanaan Audit Eksternal

1. Komite Audit mengusulkan Kantor Akuntan Publik kepada Dewan Komisaris.
2. Dewan Komisaris mengusulkan Kantor Akuntan Publik kepada pemegang saham melalui RUPS.
3. Pengesahan dan penunjukan Kantor Akuntan Publik oleh RUPS.
4. *Kick-off meeting* dengan manajemen, audit internal, serta Komite Audit.
5. Menyampaikan jadwal audit sesuai dengan target waktu yang telah disepakati.
6. Melaksanakan audit umum untuk interim dan akhir tahun berdasarkan standar audit yang berlaku umum di Indonesia.
7. Mengidentifikasi isu yang signifikan dan melakukan pembahasan dengan manajemen.

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 the auditing process is on par with the standards of professional accountant as well as working 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.

Mechanism of Appointing Public Accountant and Implementation of External Audit

1. The Audit Committee proposes the Public Accounting Firm to the Board of Commissioners.
2. The Board of Commissioners proposes the Public Accounting Firm to shareholders through the GMS.
3. Ratification and appointment of Public Accounting Firm by the GMS.
4. Kick-off meetings with management, internal audit, and Audit Committee.
5. Delivering the audit schedule in accordance with agreed time targets.
6. Conduct public audits for interim and the end of the year based on generally-accepted auditing standards in Indonesia.
7. Identify significant issues and conduct discussions with management.

8. Melakukan *exit meeting* dengan manajemen, audit internal, Komite Audit.
9. Menerbitkan laporan audit.
10. Menyampaikan laporan audit.

HUBUNGAN AUDITOR EKSTERNAL DENGAN DEPARTEMEN INTERNAL AUDIT

Dalam mendukung kelancaran tugas-tugas auditor eksternal, SKAI dan Departemen *Management Information & Accounting* (MI&Acc), dan SKAI bekerjasama dengan auditor eksternal, bertanggung jawab untuk mengkoordinasikan kegiatannya dengan kegiatan auditor eksternal 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

Departemen Internal Audit telah memantau tindak lanjut atas temuan-temuan yang disampaikan oleh auditor eksternal. Temuan Auditor Eksternal telah ditindaklanjuti sesuai dengan komitmen target waktu.

8. Conducting exit meetings with management, internal audit, Audit Committee.
9. Publish an audit report.
10. Submit an audit report.

EXTERNAL AUDITOR'S RELATIONSHIP WITH INTERNAL AUDIT DEPARTMENT

In performing its duties, the external auditor cooperates with the Internal Audit Department (SKAI) and Management Information & Accounting (MI&Acc) Department to supports the efficient operations of the external auditor's duties. In this case the MI&Acc and SKAI are responsible for coordinating its activities with the activities of external auditor 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

Internal Audit Department has monitored the follow-ups of findings raised by external auditors. Findings of the External Auditor have been followed-up as per committed target.

MANAJEMEN RISIKO
Risk Management

KERANGKA MANAJEMEN RISIKO

Kegiatan usaha Bank senantiasa menghadapi risiko-risiko yang terkait dengan fungsinya sebagai lembaga intermediasi keuangan baik risiko yang sudah ada maupun potensi risiko dimasa depan, 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:

1. Pengawasan aktif Dewan Komisaris dan Direksi.
2. Kebijakan dan prosedur manajemen risiko serta penetapan limit risiko.
3. Proses identifikasi, pengukuran, pemantauan, dan pengendalian risiko, serta sistem informasi manajemen risiko.
4. Sistem pengendalian internal yang menyeluruh.

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.

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.

Tanggung Jawab Dewan Komisaris dan Direksi Terhadap Manajemen Risiko

RISK MANAGEMENT FRAMEWORK

The Bank's business activities continue to encounter risks associated with its function as a financial intermediary institution both current risk and future potential risk. 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 with Financial Services Authority Regulation No. 18/POJK.03/2016 on the Application of Risk Management for Commercial Banks is as follows:

1. Active supervision of the Board of Commissioners and Board of Directors.
2. Risk management policies and procedures and the establishment of risk threshold.
3. The process of identifying, measuring, monitoring, and controlling risk, as well as a risk management information system.
4. A comprehensive internal control system

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.

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.

Responsibility of the Board of Commissioners and Board of Directors on Risk Management

Dalam rangka memastikan penerapan fungsi manajemen risiko dan pengendalian internal yang baik, Bank telah memiliki 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 Dewan Komisaris 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.

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 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.

In order to ensure the proper implementation of risk management and internal control functions, The Bank has in place 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 Board of 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.

BOARD OF DIRECTORS

The authority and responsibilities of the Board of Directors of The Bank in relation to risk management shall include, among othes:

- Establish the risk management policy of The Bank based on recommendations from the Risk Management Committee, and submitting these policies to the Board of Commissioners for approval;
- Establish, maintain, evaluate and/or update a comprehensive risk management strategy in accordance with prevailing rules, including the establishment and approval of risks threshold for overall situations and per type situations;
- Responsibility for implementing risk management policy and risk exposure taken by The Bank 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, penetapan dan pelaksanaan limit, kecukupan permodalan Bank 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. The committee assists the Board of Directors in formulating policies, overseeing policy implementation, monitoring the progress and conditions of risk profiles, and providing suggestions and improvement 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 Unit, and other relevant Heads of Department. The authority and responsibilities of the Risk Management Committee include:

- Establish policies, strategies and guidelines for the implementation of risk management, including the establishment of limits and contingency plans in abnormal conditions;
- Improve or enhance the implementation of risk management based on the results of evaluations of the implementations;
- Monitor, evaluate and asses the development of risk profile compositions in The Bank's portfolio, the establishment and implementation of limits, the adequacy of The Bank's capital against risk exposure in accordance with prevailing rules, and ensure 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;

RISK MANAGEMENT DEPARTMENT

The Risk Management Department is a 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:

- Provide input to the Board of Directors in formulating policies, strategies and risk management frameworks;
- Develop procedures and tools for identifying, measuring, monitoring, and controlling risks, and designing and implementing the tools required for the implementation of risk management;
-

- 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 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;
  - 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;

- Monitor 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 overall portfolio or performance of The Bank;

- Conduct periodic reviews to ensure adequate risk management framework, accuracy of risk assessment methodology, and adequacy of risk management information systems;
- Provide 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 not limited to the following:

- The Bank has established 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;

  - 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;

- 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.

- 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*

- 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 non-performing 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.

- 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

(MATs), *stress testing*, faktor risiko (*PSE risk factor*) dalam penentuan limit FX untuk *counterparty*, VaR, 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.

Triggers (MATs), stress testing and risk factors (PSE risk factor) in determining FX limit for counterparties, VAR, 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 Interest 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 The 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 dan penyempurnaan alat bantu Risiko Operasional, antara lain *Risk Control Self-Assessment* (RCSA) pada *risk taking units*, pemantauan pencatatan *Risk/Loss Event Database* (RLED), *Risk Representative Officer* 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.

- Operational Risk
  As part of The Bank's initiatives to improve Operational Risk monitoring, The Bank continues to adjust and enhance Operational Risk tools, such as Risk Control Self-Assessments (RCSA) on risk taking units, and monitoring of Risk/Loss Event Database (RLED) records, Risk Representative Officers 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.

- Risiko Hukum, Risiko Stratejik, Risiko Kepatuhan, dan Risiko Reputasi
  Kerjasama dengan departemen terkait, yaitu Departemen Hukum, Departemen *Strategy Management and Investor Relations*, Departemen Kepatuhan dan Departemen *Consumer Banking* 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.

- Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk
  Cooperation with relevant departments, namely Legal Department, Strategy Management and Investor Relation Department, Compliance Department and Consumer Banking 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.

- 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.

- 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 CARAL (*Compliance*, AML/CFT, *Risk Management*, *Internal Audit*, *Legal*), forum diskusi dengan cabang, *awareness* terkait Rencana Kontinuitas Bisnis, termasuk mengingatkan kembali pemahaman terhadap kebijakan dan prosedur yang ada dan yang akan diimplementasikan.

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.

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 antar-bank, transaksi nilai tukar dan derivatif, transaksi pembiayaan perdagangan, dan liabilitas komitmen dan kontinjensi.

- Risk Management Culture
  In improvement of risk management culture, awareness of risk management is continuously conducted through CARAL (Compliance, AML/CFT, Risk Management, Internal Audit, Legal) programs, discussion forums with branches, awareness related to the Business Continuity Plan, as well as through the refining the understanding of existing policies and procedures and which will be implemented.

RISK MANAGEMENT PROCESS AND ASSESSMENT

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.

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 The 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;

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 The 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 procedure, 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 limits setting on the internal economic/industrial sector. This aims at providing guidance on lending, as well as efforts to diversify and improve the credit risk management process;

- 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;
- 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.

- 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;
- 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 financial statement, the maximum exposure to Credit Risk equals the carrying amount. For bank guarantee and Standby L/C issued outstanding irrevocable L/C and SKBDN, 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 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

		2018	2017
Laporan posisi keuangan	Statement of financial position		
Giro pada Bank Indonesia	Current accounts with Bank Indonesia	3.848.283	3.888.038
Giro pada bank-bank lain	Current accounts with other banks	3.456.397	3.314.446
Penempatan pada Bank Indonesia dan bank-bank lain	Placement with Bank Indonesia and other banks	5.410.777	5.135.049
Aset Derivatif	Derivative assets	267.422	5.980
Tagihan akseptasi	Acceptance receivables	595.160	1.519.878
Efek-efek untuk tujuan investasi	Investment securities	3.791.167	6.248.877
Kredit yang diberikan	Loan receivable	36.542.280	35.068.608

Risiko Kredit Maksimum
Maximum Credit Risk

		2018	2017
Aset lain-lain	Other assets	261.580	243.300
Rekening Administratif dengan Risiko Kredit	**Off-balance sheet accounts with credit risk**		
Fasilitas kredit yang diberikan yang belum digunakan - *committed*	Unused loan facilities - committed	9.601.421	10.248.418
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan	Outstanding irrevocable L/C and domestic L/C	265.968	726.454
Garansi bank dan *Standby L/C* yang diterbitkan	Bank guarantees and Standy L/C issued	7.326.525	4.486.597
TOTAL		**71.366.980**	**70.885.645**

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.

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.

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.

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.

Risiko Kredit Berdasarkan Risiko Konsentrasi Kredit

	PEMERINTAH (TERMASUK BI) GOVERNMENT (INCLUDING BI)		BADAN USAHA MILIK NEGARA STATE-OWNED ENTERPRISES	
	2018	2017	2018	2017
Laporan posisi keuangan **Statement of financial position**				
Giro pada Bank Indonesia Current accounts with Bank Indonesia	3,848,283	3,888,038	-	-
Giro pada bank-bank lain Current accounts with other banks	-	-	-	-
Penempatan pada Bank Indonesia dan bank-bank lain Placement with Bank Indonesia and other banks	3,349,184	1,198,324	-	-
Aset Derivatif Derivative assets	-	-	-	-
Tagihan akseptasi Acceptance receivables	-	-	107,279	273,472
Efek-efek untuk tujuan investasi Investment securities	3,781,502	5,418,837	-	-
Kredit yang diberikan Loan receivable	-	-	11,147,803	7,588,481
Aset lain-lain Other assets	42,964	42,304	54,455	37,999
Rekening Administratif dengan Risiko Kredit **Off-balance sheet accounts with credit risk**				
Fasilitas kredit yang diberikan yang belum digunakan - *committed* Unused loan facilities - committed	-	-	4,000,255	3,609,065
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan Outstanding irrevocable L/C and domestic L/C	-	-	69,518	107,513
Garansi bank dan *Standby* L/C yang diterbitkan Bank guarantees and Standy L/C issued	-	-	63,282	61,054
TOTAL	11,021,933	10,547,503	15,442,592	11,677,584
Persentase	16%	15%	22%	17%

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.

	BANK DAN LEMBAGA KEUANGAN LAINNYA BANKS AND OTHER FINANCIAL INSTITUTIONS		PERUSAHAAN CORPORATE		RITEL RETAIL		JUMLAH TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017
	-	-	-	-	-	-	3,848,283	3,888,038
	3,456,397	3,314,446	-	-	-	-	3,456,397	3,314,446
	2,061,593	3,936,725	-	-	-	-	5,410,777	5,135,049
	267,422	5,980	-	-	-	-	267,422	5,980
	-	-	487,881	1,246,406	-	-	595,160	1,519,878
	5,703	830,040	3,962	-	-	-	3,791,167	6,248,877
	712,676	671,968	24,147,619	26,134,533	534,182	673,626	36,542,280	35,068,608
	32,667	21,682	128,712	138,598	2,782	2,717	261,580	243,300
	-	-	5,249,855	6,279,465	351,311	359,888	9,601,421	10,248,418
	-	-	196,450	618,941	-	-	265,968	726,454
	1,438,000	-	5,824,868	4,425,168	375	375	7,326,525	4,486,597
	7,974,458	8,780,841	36,039,347	38,843,111	888,650	1,036,606	71,366,980	70,885,645
	11%	12%	50%	55%	1%	1%	100%	100%

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

	NILAI KREDIT YANG DIBERIKAN SEBELUM PENYISIHAN KERUGIAN PENURUNAN NILAI BALANCE OF LOANS RECEIVABLE BEFORE ALLOWANCE FOR IMPAIRMENT LOSSES		JENIS AGUNAN TYPE OF COLLATERAL	
	2018	2017		
Dijamin penuh	4.518.738	4.589.695	Kas, Standby L/C	Cash, Standby L/C
Dijamin sebagian	24.509.329	25.591.568	Kas, piutang dagang, tanah dan bangunan, aset bergerak, garansi	Cash, accounts receivable, land and buildings, moveable assets, guarantees
Tidak memiliki jaminan	8.185.764	5.483.069		
TOTAL	37.213.831	35.664.332		

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.

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.

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 file kredit.

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.

EVALUASI PENURUNAN NILAI

Pertimbangan utama evaluasi penurunan nilai kredit yang diberikan antara lain adalah kualitas asset 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

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.

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:

INDIVIDUAL IMPAIRMENT EVALUATION

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.

COLLECTIVE IMPAIRMENT EVALUATION

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

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.

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:

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.

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

	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	
	2018	2017	2018	2017
Laporan posisi keuangan Statement of financial position				
Giro pada Bank Indonesia Current accounts with Bank Indonesia	3,848,283	3,888,038	-	-
Giro pada bank-bank lain Current accounts with other banks	3,456,397	3,314,446	-	-
Penempatan pada Bank Indonesia dan bank-bank lain Placement with Bank Indonesia and other banks	5,410,777	5,135,049	-	-
Aset Derivatif Derivative assets	267,422	5,980	-	-
Tagihan akseptasi Acceptance receivables	595,160	1,519,078	-	800
Efek-efek untuk tujuan investasi Investment securities	3,791,167	6,248,877	-	-
Kredit yang diberikan Loan receivable	32,348,622	30,497,824	273,434	114,735
Aset lain-lain Other assets	225,773	211,254	2,640	2,737
TOTAL	49,943,601	50,820,546	276,074	118,272

	MENGALAMI PENURUNAN NILAI IMPAIRED		PENYISIHAN KERUGIAN NILAI ALLOWANCE FOR IMPAIRMENT LOSSES		JUMLAH TOTAL	
	2018	2017	2018	2017	2018	2017
	-	-	-	-	3,848,283	3,888,038
	-	-	-	-	3,456,397	3,314,446
	-	-	-	-	5,410,777	5,135,049
	-	-	-	-	267,422	5,980
	-	-	-	-	595,160	1,519,878
	-	-	-	-	3,791,167	6,248,877
	4,591,775	5,051,773	(671,551)	(595,724)	36,542,280	35,068,608
	33,167	29,309	-	-	261,580	243,300
	4,624,942	5,081,082	(671,551)	(595,724)	54,173,066	55,424,176

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 The Bank 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 creditquality 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.

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*.

Komite *Asset & Liability* (ALCO), yang diketuai oleh Presiden Direktur, dengan anggota Direksi terkait, Kepala Departemen terkait, Departemen *Global Markets*, dan Departemen *Finance Management*, keduanya sebagai sekretaris ALCO. ALCO mengadakan rapat secara berkala untuk mengkaji profil bisnis Bank dan dampaknya terhadap pengelolaan asset dan kewajiban. ALCO menentukan strategi pengelolaan asset dan kewajiban dengan mempertimbangkan lingkungan bisnis saat ini dan yang diharapkan. ALCO mengkaji posisi aset, kewajiban, dan suku bunga dan posisi gap likuiditas pada *banking book*. ALCO juga menetapkan suku bunga deposito dan suku bunga acuan kredit.

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:

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.

The Asset & Liability Committee (ALCO), chaired by President Director, with members consists of related Directors, related Department Heads, Global Markets Department and Finance Management Department, both as secretary of ALCO. The ALCO meets periodically to review The Bank's business profile and its impact on asset and liability management. It determines the asset and liability management strategy in light of the current and expected business environment. It reviews positions of assets, liabilities, and the interest rate and liquidity gap positions on the banking book. The ALCO also sets deposit and benchmark lending rates.

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 The 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

	NILAI TERCATAT CARRYING AMOUNT		HINGGA 3 BULAN UP TO 3 MONTHS	
	2018	2017	2018	2017
Giro pada bank-bank lain Current accounts with other banks	3,456,397	3,314,446		
Penempatan pada Bank Indonesia dan bank-bank lain Placement with Bank Indonesia and other banks	5,410,777	5,135,049	458,483	
Kredit yang diberikan Loans receivable	37,213,831	35,664,332	11,158,828	14,226,764
Efek-efek untuk tujuan investasi Investment securities	3,791,167	6,248,877		
	49,872,172	50,362,704	11,617,311	14,226,764
Simpanan nasabah Deposits from customer	(30,418,315)	(32,864,123)	(8,521,981)	(5,927,233)
Simpanan dari bank-bank lain Deposits from other banks	(2,227,491)	(4,235,045)	(1,551)	(1,224)
Efek-efek yang dijual dengan janji dibeli kembali Securities sold under agreements to repurchase		(88,979)		
Pinjaman yang diterima Borrowings	(13,780,073)	(2,858,866)	(12,561,105)	(2,180,491)
Surat berharga yang diterbitkan Securities issued		(6,783,641)		(6,783,641)
Pinjaman subordinasi Subordinated loan	(1,222,300)	(1,153,238)	(1,222,300)	(1,153,238)
	(47,648,179)	(47,983,892)	(22,306,937)	(16,045,827)
Jumlah Total	**2,223,993**	**2,378,812**	**(10,689,626)**	**(1,819,063)**

	3-12 BULAN MONTHS		> 1 TAHUN YEAR	
	2018	**2017**	**2018**	**2017**
	20,181,956	18,789,761		
	20,181,956	18,789,761	-	-
	(115)			
		(678,375)		
	(115)	(678,375)	-	-
	20,181,841	**18,111,386**	**-**	**-**

Instrumen dengan Tingkat Suku Bunga Tetap

	NILAI TERCATAT CARRYING AMOUNT		HINGGA 3 BULAN UP TO 3 MONTHS	
	2018	2017	2018	2017
Giro pada bank-bank lain Current accounts with other banks	3,456,397	3,314,446	3,456,397	3,314,446
Penempatan pada Bank Indonesia dan bank-bank lain Placement with Bank Indonesia and other banks	5,410,777	5,135,049	3,579,146	2,950,681
Kredit yang diberikan Loans receivable	37,213,831	35,664,332	51,893	7,448
Efek-efek untuk tujuan investasi Investment securities	3,791,167	6,248,877	1,356,388	1,771,720
	49,872,172	50,362,704	8,443,824	8,044,295
Simpanan nasabah Deposits from customer	(30,418,315)	(32,864,123)	(16,711,471)	(18,758,286)
Simpanan dari bank-bank lain Deposits from other banks	(2,227,491)	(4,235,045)	(1,495,414)	(2,196,171)
Efek-efek yang dijual dengan janji dibeli kembali Securities sold under agreements to repurchase		(88,979)		(88,979)
Pinjaman yang diterima Borrowings	(13,780,073)	(2,858,866)		
Surat berharga yang diterbitkan Securities issued		(6,783,641)		
Pinjaman subordinasi Subordinated loan	(1,222,300)	(1,153,238)		
	(47,648,179)	(47,983,892)	(18,206,885)	(21,043,436)
Jumlah Total	**2,223,993**	**2,378,812**	**(9,763,061)**	**(12,999,141)**

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.

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.

	3-12 BULAN MONTHS		> 1-2 TAHUN YEARS		> 2 TAHUN YEARS	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
	1,373,148	2,184,368				
	991,423	21,620	4,429,117	3,448	400,614	2,615,291
	881,925	2,544,781	177,502	631,850	1,375,352	1,300,526
	3,246,496	4,750,769	4,606,619	635,298	1,775,966	3,915,817
	(5,172,705)	(8,166,936)	(5,235)	(4,205)	(6,808)	(7,463)
	(730,526)	(2,037,650)				
	(1,218,968)					
	(7,122,199)	(10,204,586)	(5,235)	(4,205)	(6,808)	(7,463)
	(3,875,703)	**(5,453,817)**	**4,601,384**	**631,093**	**1,769,158**	**3,908,354**

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.

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. The Bank is required to keep the total NOP at a maximum of 20% of total capital.

PDN pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

The NOP as of December 31, 2018 and 2017 is as follows:

Perhitungan Posisi Devisa Neto

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)	
	2018	2017	2018	2017	2018	2017
Dolar Amerika Serikat	34.120.530	33.666.415	34.144.988	33.696.501	24.458	30.086
Yuan China	1.426.797	1.602.930	1.383.693	1.597.899	43.104	5.031
Euro Eropa	2.285	12.584	2.702	12.487	417	97
Dolar Singapura	24.433	40.416	24.792	40.173	359	243
Dolar Australia	6.805	11.460	7.010	11.139	205	321
Dolar Hong Kong	4.015	2.284	1.117	1.026	2.898	1.258
Poundsterling Inggris	4.436	4.252	4.773	4.283	337	31
Yen Jepang	693	1.004	797	542	104	462
Dolar Selandia Baru	407	1.449	249	1.021	158	428
					72.040	**37.957**
Jumlah Modal					**6.349.385**	**6.704.664**
Rasio PDN					**1,13%**	**0,57%**

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 Markets* (*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 independent 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*, *off market*, PDN, VaR 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 Department as 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, NOP, VaR, have been done on a daily basis. These limits are reviewed regularly.

Risiko Suku Bunga dengan menggunakan pendekatan *repricing* diukur sensitivitas terhadap pendapatan bunga bersih dan nilai ekonomi permodalan.

Selain itu *stress testing* dilakukan dengan berbagai *scenario* untuk mengukur kerugian dan inisiasi langkah-langkah pengendalian.

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 Funding Ratio* (LDR), rasio deposan besar, profil maturitas, *Liquidity Coverage Ratio* (LCR), *Net Stable Funding Ratio* (NSFR). 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, dengan mempertimbangkan *stress testing* yang dilakukan. 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.

Komite ALCO Bank bertanggung jawab terhadap pengelolaan Risiko Likuiditas.

The Interest Rate Risk by using repricing approach is measured its net interest income sensitivity and economic value of equity.

In addition, stress testing is simulated using various scenarios in order to measure losses and initiate control measures.

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 Funding Ratio (LFR), the ratio of large depositors, maturity profile, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR). 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, by considering stress testing. Liquidity Risk control is conducted through funding strategy, liquidity position management and daily Liquidity Risk, high quality liquid asset management, and contingency funding plan.

The Bank's Asset & Liability Committee (ALCO) is responsible for Liquidity Risk management.

Nilai Nominal Bruto Arus Kas Masuk (Keluar) Berdasarkan Sisa Jatuh Tempo Kontraktual Liabilitas Keuangan

	NILAI TERCATAT CARRYING AMOUNT		NILAI NOMINAL BRUTO ARUS KASMASUK (KELUAR) GROSS NOMINAL CASH INFLOW (OUTFLOW)	
	2018	**2017**	**2018**	**2017**
Liabilitas non-derivatif Non-derivative liabilities				
Liabilitas segera Liabilities immediately payable	2,355	6,544	(2,355)	(6,544)
Simpanan nasabah Deposits from customer	30,588,043	33,044,505	(30,813,257)	(33,377,746)
Simpanan dari bank-bank lain Deposits from other banks	2,227,491	4,235,045	(2,241,452)	(4,248,461)
Efek-efek yang dijual dengan janji dibeli kembali Securities sold under agreements to repurchase		88,979		(89,429)
Liabilitas akseptasi Acceptance payables	595,160	1,519,878	(595,160)	(1,519,878)
Pinjaman yang diterima Borrowings	13,780,073	2,858,866	(15,282,897)	(2,979,308)
Efek-efek yang diterbitkan Securities issued		6,783,641		(6,833,569)
Liabilitas lain-lain dan beban yang masih harus dibayar Other liabilities and accrued expenses	270,166	172,454	(270,166)	(172,454)
Pinjaman subordinasi Subordinated loan	1,222,300	1,153,238	(1,358,465)	(1,279,794)
	48,685,588	49,863,150	(50,563,752)	(50,507,183)
Liabilitas derivatif Derivative liabilities				
Diperdagangkan: Trading:	538	2,865		
Arus kas keluar Cash outflow			(101,607)	(3,279,144)
Arus kas masuk Cash inflow			101,042	3,276,279
	538	2,865	(565)	(2,865)
	48,686,126	**49,866,015**	**(50,564,317)**	**(50,510,048)**

	KURANG DARI 3 BULAN LESS THAN 3 MONTHS		3-12 BULAN MONTHS		1-5 TAHUN YEARS		LEBIH DARI 5 TAHUN MORE THAN 5 YEARS	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
	(2,355)	(6,544)						
	(25,423,713)	(24,896,182)	(5,367,513)	(8,459,188)	(22,031)	(22,376)		
	(1,502,008)	(2,879,958)	(739,444)	(1,368,503)				
		(89,429)						
	(369,471)	(761,007)	(225,689)	(758,871)				
	(153,470)	(3,630)	(4,752,751)	(2,238,651)	(10,376,676)	(737,027)		
		(6,833,569)						
	(270,166)	(172,454)	-					
	(9,212)	(7,383)	(385,071)	(22,116)	(964,182)	(426,286)		(824,009)
	(27,730,395)	(35,650,156)	(11,470,468)	(12,847,329)	(11,362,889)	(1,185,689)	-	(824,009)
	(101,607)	(3,279,144)						
	101,042	3,276,279						
	(565)	(2,865)	-	-	-	-	-	-
	(27,730,960)	**(35,653,021)**	**(11,470,468)**	**(12,847,329)**	**(11,362,889)**	**(1,185,689)**	**-**	**(824,009)**

SISA JATUH TEMPO KONTRAKTUAL DARI LIABILITAS KEUANGAN

Per 31 Desember 2018, 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, 2018, 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.

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, kegiatan operasional dan produk Bank. Kegagalan mengelola Risiko Operasional dapat menyebabkan kerugian finansial, mempengaruhi keselamatan karyawan dan reputasi Bank.

Kerangka kerja manajemen Risiko Operasional terdiri dari identifikasi dan penilaian risiko dan kontrol, kerangka proses analisa risiko atas produk baru, pengukuran dan pemantauan melalui alat bantu Risiko Operasional, dan mitigasi melalui peningkatan proses dan kontrol. 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.

OPERATIONAL RISK

Operational Risk is a risk 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 of The Bank activities, operational activities and products. Failure to manage Operational Risk can cause financial loss, affecting employee safety and reputation of The Bank.

The Operational Risk management framework comprises identification and assessment of risks and controls, new products and risk analysis process framework, measurement and monitoring through Operational Risk tools, and mitigation through process and control enhancement. 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.

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. Selain itu, fungsi audit juga secara aktif memberikan rekomendasi perbaikan terhadap proses operasional dan kualitas pelayanan.

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.

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.

Selanjutnya, untuk memitigasi risiko operasional, Bank telah menerapkan kontrol internal yang komprehensif termasuk jejak audit, pemisahan yang tepat dari *front, middle* dan operasional *back office*, proses pemantauan pasca transaksi di bagian belakang untuk memastikan

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.

The support business functions work together to help to determine strategies, implement The Bank policies and procedures, and collect information to provide overall risk of The Bank. 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. In addition, the audit function also proactively recommends improvements in operational processes and service quality.

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.

The Bank also develops periodic monitoring by the Risk Management Department on self-assessment results conducted by risk taking 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.

Furthermore, to mitigate Operational Risk, The Bank has put in place extensive internal controls including audit trails, appropriate segregation of front, middle, and back office operations, post transaction monitoring processes at the back end to ensure independent checks

pemeriksaan secara independen, kepatuhan terhadap pelaksanaan kebijakan dan prosedur Bank dan untuk semua pedoman peraturan yang berlaku.

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.

and balances, adherence to the laid down policies and procedures of The Bank and to all applicable regulatory guidelines.

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 The Bank, the absence and/or change of regulation legislation causing a transaction that has been done by The 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.

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.

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 Dewan Komisaris dan Direksi dalam rangka mengevaluasi pelaksanaan rencana bisnis, dimana Risiko Stratejik diidentifikasi dan langkah-langkah perbaikan akan diambil apabila terjadi penyimpangan.

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 unfavourable 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. 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 Commissioners and the Board of Directors 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.

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 *Strategy Management and Investor Relation* bersama dengan Departemen Manajemen Risiko untuk mengidentifikasi dan mengevaluasi perkembangan rencana stratejik berdasarkan parameter yang telah ditentukan.

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 Investor Relation 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.

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.

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.

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.

Di tahun 2018, Bank telah membentuk Komite Kepatuhan dan APU/PPT yang diketuai oleh Direktur Kepatuhan, dengan anggota terdiri dari Direktur yang membawahi operasional, Kepala Departemen Satuan Kerja Audit Internal, Kepala Departemen yang memimpin Satuan Kerja Manajemen Risiko (SKMR), Kepala Departemen APU/PPT, dan Kepala Departemen Kepatuhan, juga sebagai sekretaris komite.

In 2018, The Bank has established Compliance and AML/CFT Committee, which is chaired by Compliance Director, with members consisting of Director in charge of operation, the Head of the Internal Audit, the Head of the Department who leads the Risk Management Unit, the Head of AML/CFT, and the Head of Compliance, who also as secretary of the committee.

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.

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.

REPUTATION RISK

Reputation Risk is the risk that comes due to the decreasing of stakeholders trust level pertaining to negative perception towards The 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.

Monitoring of print media, social networking, internet, and other media, is conducted 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 nonfinancial 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.

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.

Bank telah mematuhi semua persyaratan modal yang ditetapkan sepanjang periode pelaporan. Kewajiban Penyediaan Modal Minimum (KPMM) Bank, sesuai dengan peraturan Otoritas Jasa Keuangan (OJK), yang saat ini menggunakan pendekatan standar untuk Risiko Kredit dan Pasar, serta pendekatan indikator dasar untuk Risiko Operasional, adalah sebagai berikut:

The Bank has complied with all capital requirements set out throughout the reporting period. The Minimum Capital Adequacy Ratio (CAR) of The Bank, in accordance with Financial Services Authority (OJK) regulation, is currently on the standardized approach for Credit as well as Market Risk and the basic indicator approach for Operational Risk, are as follows:

Kewajiban Penyediaan Modal Minimum Bank
Bank Capital Adequacy Ratio Obligation

		2018	2017
Modal *Tier* 1	Tier 1 capital	5.095.370	5.339.836
Modal *Tier* 2	Tier 2 capital	1.254.015	1.364.828
Jumlah Modal	Total Capital	6.349.385	6.704.664
ATMR untuk risiko kreditsetelah memperhitungkan risiko spesifik	RWA for credit risks after considering specific risks	36.186.382	35.400.416
ATMR untuk risiko operasional	RWA for operation risks	2.902.493	2.409.396
ATMR untuk risiko pasar	RWA for market risks	72.040	37.957
Jumlah ATMR untuk risiko kredit, pasar, dan operasional	Total RWA for credit, market, and operational risks	39.160.915	37.847.769
Rasio CET 1	CET 1 ratio	13,01%	14,11%
Rasio *Tier* 1	Tier 1 ratio	13,01%	14,11%
Rasio *Tier* 2	Tier 2 ratio	3,20%	3,61%
Rasio total	Total ratio	16,21%	17,72%
Rasio KPMM yang diwajibkan sebelum modal penyangga	Required CAR before buffer	9% - 10%	9% - 10%
Capital conservation buffer	Capital conservation buffer	1,875%	1,25%
Countercyclical buffer	Countercyclical buffer	0%	0%
Capital surcharge	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 timbul dari seluruh risiko yang dihadapi Bank, yang kemungkinan memiliki dampak material terhadap bisnis dan posisi keuangan dan kecukupan permodalan untuk menutup risiko-risiko tersebut, antara lain, Aset Tertimbang

PROCESS CALCULATION OF INTERNAL CAPITAL ADEQUACY (ICAAP)

The Bank has calculated the Internal Capital Adequacy Assessment Process (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 all risks that The Bank encounters, which may have a material adverse impact on its business and financial position and the adequacy of capital to cover these risks, among others, Risk Weighted Assets (RWA) which have taken

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.

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 independen dan 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).

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.

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.

RISK MANAGEMENT IMPLEMENTATION REVIEW

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 independently and 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).

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

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
Sasaran Target	155	206	140	36	7
Terpenuhi Fulfilled	134	168	79	32	7
Tidak terpenuhi Not fulfilled	21	38	61	4	0
Pemenuhan Fulfillment	86,45%	81,55%	56,43%	88,89%	100,00%
Rata-rata pemenuhan Average Fulfillment			82,66%		

PROFIL RISIKO DAN MITIGASI

Penilaian terhadap profil risiko dilakukan setiap triwulan yang dilaporkan kepada Dewan Komisaris, Direksi dan regulator. Penilaian tersebut ditempuh dengan menggabungkan risiko yang melekat (*inherent risk*) dengan kualitas penerapan manajemen risiko.

Berdasarkan penilaian profil risiko per 31 Desember 2018, risiko inheren memiliki peringkat "*low to moderate*" dan kualitas penerapan manajemen risiko memiliki peringkat "*satisfactory*" sehingga risiko komposit Bank adalah "*low to moderate*".

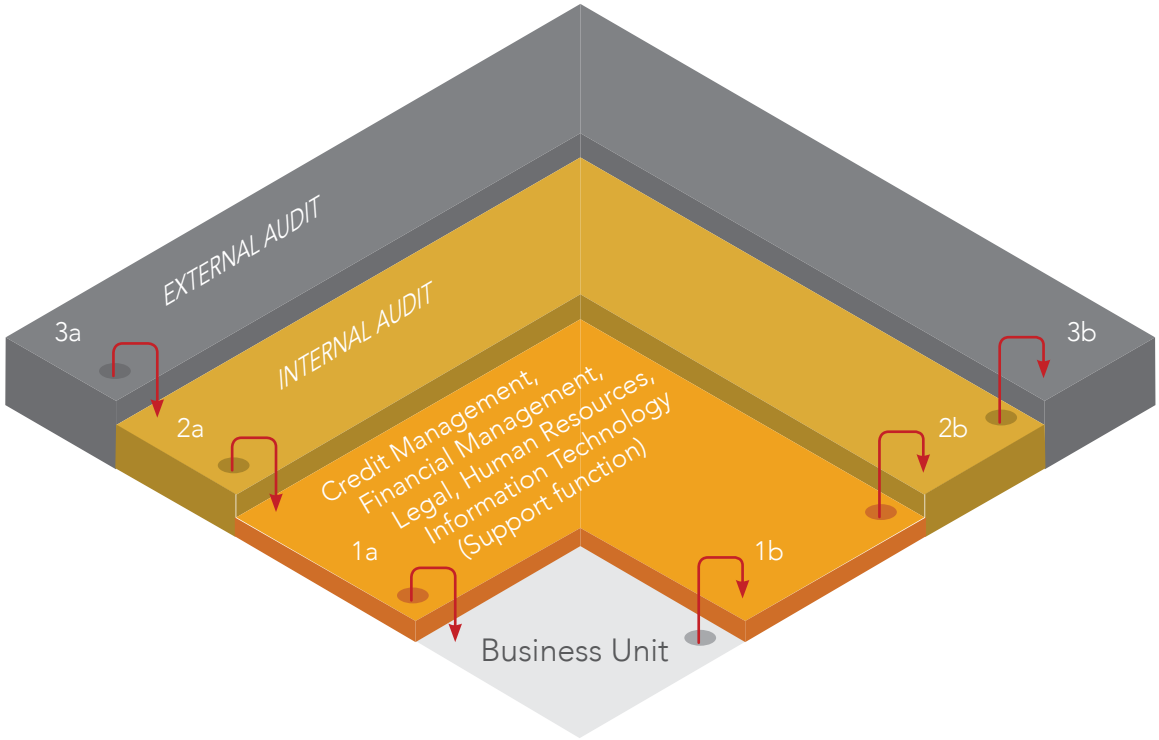
RISK PROFILE AND MITIGATION

An assessment of the risk profile is performed quarterly to the Board of Commissioners, Board of Directors 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, 2018, The Bank's inherent risk has "low to moderate" rating and the quality of risk management implementation has "satisfactory" rating, so the risk of The Bank composite is "low to moderate".

SISTEM PENGENDALIAN INTERNAL

Internal Control System



1a.
- Peraturan perusahaan, kode etik, termasuk tindakan disiplin.
- Kebijakan, prosedur, petunjuk pelaksanaan
- Opini/nasehat dari Compliance
- Pelatihan, sosialisasi, diskusi
- Laporan hasil audit/hal-hal yang menjadi perhatian (*concern*) dari regulator, seperti Bank Indonesia dan Otoritas Jasa Keuangan.
- Laporan hasil audit non-keuangan dari pihak ekternal

1b.
- Laporan *Risk Control Self-Assessment* (RCSA)/ *IT Risk Management* (ITRM), laporan kejadian risiko (RER), laporan *risk officer*
- Tindak lanjut hasil audit/concern, baik internal/ eksternal

1a.
- Company regulation, code of conduct, including disciplinary action.
- Policy, procedure and guideline
- Compliance's opinion/advice
- Training, socialization, discussion
- Report on audit results/concerns from regulators, such as Bank Indonesia and Financial Service Authority
- External audit report (non-financial audit)

1b.
- Risk Control Self-Assessment (RCSA)/IT Risk Management (ITRM) Report, Risk Event Reporting (RER), risk officer report.
- Follow up on audit results/concerns, both internal/external

2a.
- Laporan hasil audit internal (termasuk audit investigasi), penilaian terhadap kualitas penerapan manajemen risiko.
- Penilaian risiko *fraud*
- Laporan hasil audit dari pihak eksternal (keuangan dan non-keuangan)

2b.
- Laporan RCSA/ITRM, laporan RER, laporan *risk officer*
- Tindak lanjut hasil audit, baik internal/eksternal

3a.
- Laporan hasil audit ekternal
- Ruang lingkup dan strategi audit eksternal

3b.
- Laporan hasil audit internal
- Ruang lingkup dan rencana strategis internal audit

2a.
- Internal audit report (including investigation), assessment on the quality risk management implementation
- Fraud risk assessment.
- External audit report (financial and non-financial).

2b.
- RCSA/ITRM, RER and risk officer reports
- Follow up internal/external audit results

3a.
- External audit report
- External audit scope and strategy

3b.
- Internal audit report
- Internal audit scope and strategic plan

Pada prinsipnya, sistem pengendalian internal melekat dalam seluruh aktivitas dan seluruh 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.

Unit bisnis/pendukung/operasional, yang memiliki dan mengelola risiko, baik yang ada di cabang dan kantor pusat adalah lapis pertama *assurance*. Lapis kedua *assurance* adalah fungsi yang memantau dan meyakini bahwa risiko dan pengendalian terkelola dengan baik oleh lapis pertama, 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.

In principle, the internal control system is attached in all activities and throughout all units. The Board of Commissioners and the Board of Directors are fully responsible in overseeing and implementing the internal control system framework implemented at The Bank, and to propose changes when necessary. The Bank has established three layers of assurance to ensure the internal control system is functioning accordingly.

Business/support/operational units who own and manage risk, both in the branch and head office serves as the first layer of assurance. The second layer of assurance is a function that monitors and ensures that the risks and controls are well managed by the first layer, 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.

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 (SKAI) 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. SKAI melakukan audit secara periodik terhadap seluruh aktivitas di unit kerja. Hasil audit disampaikan kepada manajemen untuk ditindaklanjuti dan dimonitor pelaksanaannya. Hal ini dilakukan untuk memastikan sistem pengendalian internal berjalan secara efektif.

Proses penilaian kecukupan pengendalian internal dilakukan terhadap 5 (lima) komponen pengendalian internal yang merujuk ke kerangka acuan yang diterbitkan oleh Committee of Sponsoring Organization of the Treadway Commission (COSO) dan komponen kepatuhan terhadap regulasi (*compliance*).

Penilaian pengendalian internal dengan berdasarkan kepada hasil audit dan reviu lainnya menunjukkan

FINANCIAL AND OPERATIONAL CONTROL SYSTEMS

The internal control system is established by the Board of Directors with the approval of the Board of Commissioners. The implementation of effective internal 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 (SKAI) 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. SKAI conducts periodic audits of all activities in the work unit. Audit results are submitted to the management for follow-up and monitored for implementation. This is done to ensure the internal control system runs effectively.

The process of assessing the adequacy of internal control is carried out on 5 (five) components of internal control that refers to framework issued by the Treadway Commission Sponsor Organizing Committee (COSO) and the component of compliances to regulations.

The assessment of internal control which is based on audit results and other reviews shows internal controls

pengendalian internal yang ada telah dirancang untuk memitigasi risiko, namun masih memerlukan perbaikan, serta keefektifan pelaksanaannya masih perlu ditingkatkan.

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 Dewan Komisaris, Direksi 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 terutama dalam pengelolaan risiko kepatuhan (ex-ante).

KESESUAIAN DENGAN COSO

Sistem pengendalian internal Bank disusun secara terintegrasi dan telah sesuai dengan kerangka acuan yang diterbitkan oleh Committee of Sponsoring Organization of the Treadway Commission (COSO) dan kepatuhan terhadap peraturan yang berlaku.

that have been designed to mitigate risk, however the improvement is still required as well as the effectiveness of the implementation of internal control.

COMPLIANCE FUNCTIONS

In compliance with 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 Commissioners, the Board of Directors 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 to mitigate the risks to The Bank's business activities specially to manage compliance risk. (ex-ante).

COMPATIBILITY WITH COSO

The internal control system of The Bank is developed in an integrated manner and is in accordance with the framework published by the Committee of Sponsoring Organization of the Treadway Commission (COSO) and comply with prevailing regulations.

PERKARA PENTING
Litigation

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:

PERKARA HUKUM LEGAL ISSUE	2018		2017		2016	
	PERDATA CIVIL	PIDANA CRIMINAL	PERDATA CIVIL	PIDANA CRIMINAL	PERDATA CIVIL	PIDANA CRIMINAL
Selesai (telah mempunyai kekuatan hukum tetap) Completed (has valid legal force)	4	-	1	-	4	-
Dalam proses penyelesaian In the process of settlement	6	-	5	-	-	-
Jumlah I Total	10	-	6	-	4	-

Selama tahun 2018 terdapat 10 (sepuluh) perkara yang dihadapi Bank. Perkara hukum yang telah selesai (telah mempunyai kekuatan hukum tetap) berjumlah 4 (empat) perkara dengan nominal uang yang menjadi objek perkara sejumlah Rp13.413.884.683. Perkara hukum yang sedang dalam proses penyelesaian berjumlah 6 (enam) perkara dengan nominal uang yang menjadi objek perkara sejumlah Rp71.127.369.221. Perkara 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 perkara hukum.

Untuk Dewan Komisaris dan Direksi, tidak terdapat perkara hukum yang melibatkan anggota dari kedua organ tersebut.

During 2018 there were 10 (ten) cases encountered by The Bank. The legal cases that have been completed (have valid legal force) are 4 (four) cases with the nominal money being the object of the case amounting to Rp13,413,884,683. The legal cases that are in the process of settlement are 6 (six) cases with the nominal money being the object of the case amounting to Rp71,127,369,221. The legal case is carried out through a process that applies in Indonesia with full awareness as a form of legal compliance. The Bank is always committed to providing good cooperation in the settlement of legal cases.

As for the Board of Commissioners and Board of Directors, there is no legal case involving members of both organs.

SANKSI ADMINISTRATIF
Pada tahun 2018 terdapat 7 (tujuh) sanksi administratif dari Bank Indonesia senilai total Rp3.652.000 dan 3 (tiga) sanksi administratif dari Otoritas Jasa Keuangan senilai total Rp5.900.000. Seluruh sanksi administratif tersebut telah dibayarkan oleh Bank kepada instansi terkait.

ADMINISTRATIVE SANCTION
In 2018 there are 7 (seven) administrative sanctions from Bank Indonesia amounted to Rp3,652,000 and 3 (three) administrative sanctions from the Financial Services Authority amounted to Rp5,900,000. All administrative sanctions have been paid by The Bank to the relevant agencies.

AKSES INFORMASI & DATA PERUSAHAAN

Information Access & Corporate Data

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 dapat diakses di situs resmi Bank, media cetak, dan media elektronik lainnya seperti:

BANK INFORMATION ACCESS

Law of the Republic of Indonesia No. 14 Year 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 apply the principle of transparency to all stakeholders of The Bank by providing access and means of obtaining adequate information to all stakeholders.

Access to The Bank information and data for the public is externally accessible on The Bank's official website, as well as through print media and the following channels:

@ Email: customer_care@ina.icbc.com.cn

www. 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 performances:

Perkembangan Keterbukaan Informasi
Development of Information Disclosure

BENTUK KETERBUKAAN | TRANSPARENCY DISCLOSURES	2018	2017	2016
Iklan Publikasi Pengumuman Lelang | Tender Publications	-	-	-
Laporan Tahunan | Annual Reports	1	1	1
Paparan Kinerja Bank | Bank Performance Presentations	7	5	6
Siaran/Konferensi Pers | Press Conferences/Releases	2	3	12

SITUS WEB

Bank memiliki situs elektronik dengan alamat www.icbc.co.id yang dapat diakses oleh pemegang saham dan segenap pemangku kepentingan. Dalam situs ini disajikan informasi mengenai profil dan sejarah perusahaan, manajemen perusahaan, produk dan layanan, 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, company management, products and services, financial performance, and other information disclosure documents.

PAPARAN KINERJA

Sepanjang 2018 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 2018, 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 advertisement as follows:

Publikasi Laporan Keuangan
Financial Report Publication

POSISI KEUANGAN FINANCIAL POSITION	TANGGAL PUBLIKASI PUBLICATION DATE	MEDIA
31 Desember 2017 | December 31, 2017	29 Maret 2018 | March 29, 2018	Bisnis Indonesia
31 Maret 2018 | March 31, 2018	8 Mei 2018 | May 8, 2018	Bisnis Indonesia
30 Juni 2018 | June 30, 2018	14 Agustus 2018 | August 14, 2018	Bisnis Indonesia
30 September 2018 | September 30, 2018	9 November 2018 | November 9, 2018	Bisnis Indonesia
31 Desember 2018 | December 31, 2018		

Publikasi Laporan keuangan ICBC Ltd
ICBC Ltd Financial Report Publication

POSISI KEUANGAN FINANCIAL POSITION	TANGGAL PUBLIKASI PUBLICATION DATE	MEDIA
30 Juni 2018 | June 30, 2018	10 September 2018 | Septemer 10, 2018	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 2018 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 2018 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

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:

- E-mail
- 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 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

Dalam mencapai keseimbangan dalam pengelolaan pemangku kepentingan, Bank wajib 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, dengan demikian:

- Bank mengkomunikasikan hak-hak para pemangku kepentingan secara transparan, akurat, dan tepat waktu melalui Sekretaris Perusahaan atau pejabat yang ditunjuk untuk menjadi penghubung antara Bank 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.
- Bank memberikan kesempatan kepada masyarakat sekitar untuk bekerja di Bank sepanjang sesuai dengan kebutuhan dan standar mutu yang ditetapkan.

Stakeholders are parties who have an interest with The Bank either directly or indirectly. The main stakeholders of The Bank are ICBC Ltd and PT Intidana Wijaya. Other stakeholders include employees, customers, vendors of goods and services provider, government, regulators and society.

BASIC PRINCIPLES

The Bank respects the rights of each stakeholder, as is reflected in the following policies:

- Stakeholder management is directed to The Bank'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 achieving the 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 Bank 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.
- 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

Upaya yang dilakukan Bank dalam membangun komunikasi dengan para pemangku kepentingan dilaksanakan dengan menggunakan berbagai media, diantaranya sebagai berikut:

DEVELOPMENT OF COMMUNICATION WITH 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 Bank's work performance · Laporan tahunan | Annual reports
Regulator Regulators	· 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 reports
Pesaing Competitors	· Asosiasi industri | Industry associations · Laporan tahunan | Annual reports
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*).

Kode etik Bank berlaku bersama dengan peraturan internal Bank, peraturan pemerintah dan undang-undang yang berlaku, dan sama sekali tidak dimaksud untuk menggantikan regulasi tersebut karena tidak semua hal tercakup di dalam kode etik. Karyawan diharapkan selalu dapat bertindak dan berperilaku atas

COMPANY CULTURE
The Bank has the following values, culture, and character that serve as the foundation of work for all of The 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 of The 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 so that all of The Bank employees are always cautious, meticulous and intelligent when faced with potential risks that may harm The Bank (risk awareness).

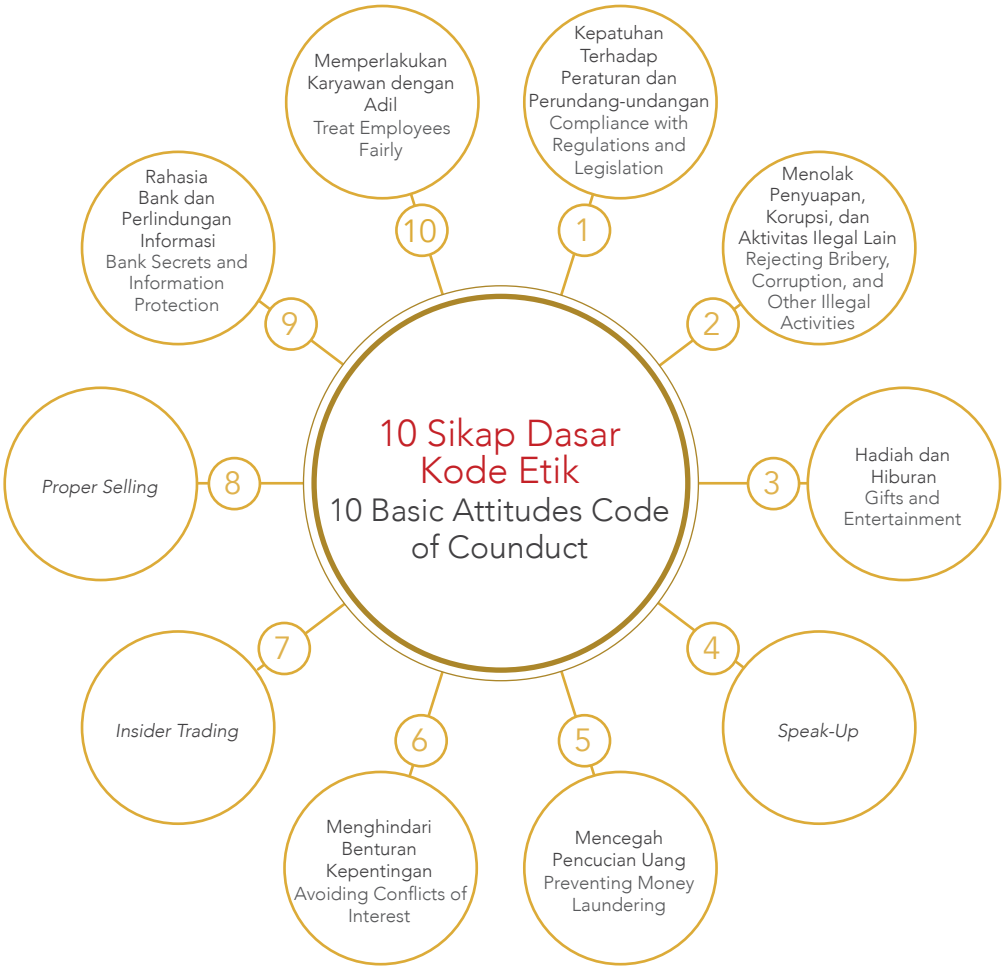
The Bank's code of conduct applies in conjunction with The Bank's internal regulations, government regulations and applicable laws, and is not intended to replace them as not all are covered by it. Employees are expected to always act and behave in good and right manners, and

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 secara ringkas diuraikan di bawah ini:

when necessary discuss things with superiors when there is doubt in acting and behaving.

The Bank's code of conduct contains 10 (ten) basic attitudes as summarized below:



Kode Etik
Code of Conduct

Mematuhi Peraturan Internal Bank, Peraturan Regulator dan Peraturan Perundangan Lain yang Berlaku. Compliance with The Bank's Internal Regulations, Bank Indonesia Regulations and Other Applicable Laws.	Karyawan mewakili dan menjaga reputasi Bank, sehingga karyawan harus memahami dan mengenal seluruh peraturan dan ketentuan yang berlaku terkait dengan departemennya. Jika terdapat keraguan, karyawan harus berkonsultasi dengan rekan-rekan yang berpengalaman pada Departemen Kepatuhan, Departemen Sumber Daya Manusia, Departemen Hukum, Departemen Legal, Departemen MI and Accounting, dan Departemen Financial Management sesegera mungkin. Pelanggaran terhadap undang-undang dan peraturan dapat dikenakan sanksi sesuai dengan peraturan yang berlaku. Employees represent and maintain The Bank's reputation, so they must understand all applicable rules and regulations related to their departments. In case of doubt, employees should consult with experienced colleagues in the Compliance Department, Human Resources Department, Legal Department, MI and Accounting Department, and Financial Management Department as soon as possible. Violations of the laws and regulations may be subject to sanctions in accordance with applicable regulations.
Menolak Penyuapan, Korupsi, dan Aktivitas Ilegal Lain Rejecting of Bribery, Corruption, and Other Illegal Activities	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. Bribery and corruption damage business and upheld 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.
Hadiah dan Hiburan Gifts and Entertainment	Karyawan dilarang menerima atau meminta hadiah dan/atau hiburan 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 memenuhi kriteria berikut: - 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 Rp1.000.000. Hadiah berbentuk uang tunai tetap tidak diperkenankan. - Menawarkan dan menerima jamuan bisnis yang wajar. - 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 Departemen Sumber Daya Manusia 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. 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 provisions: - An employee who, due to his/her 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 which value does not exceed Rp1,000,000. Gifts in cash are still not allowed. - Offer and receive a reasonable business dinner. - 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.

Speak Up	*Speak up* adalah media bagi karyawan untuk mengungkapkan permasalahan yang berkaitan dengan perilaku yang tidak baik dan malpraktek. Karyawan harus menyampaikan *speak up* apabila karyawan memiliki kecurigaan yang besar terhadap suatu hal dengan menyampaikan kekhawatirannya. Semua laporan yang masuk melalui prosedur *speak up* akan diperiksa dan ditindaklanjuti apabila memenuhi kriteria dalam penyampaian *speak up*. 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). Speak up is a medium for employee to express concerns related to bad behavior and malpractice. Employee must convey speak up if the respective employee has a great suspicion of something by expressing his/her concerns. All reports that enter through the speak up procedure will be recorded, reviewed and followed up if they meet the criteria for delivering speak up. Keep in mind that speak up policies are not a mechanism for expressing 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.

Kode Etik
Code of Conduct

Mencegah Pencucian Uang Preventing Money Laundering	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: - Pelatihan dan sosialisasi: 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. 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 practices 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 Compliance Department and AML/CFT Department for suspicion of money laundering. The AML officer must be notified to determine whether or not to file a suspicious transaction report.

Menghindari Benturan Kepentingan Avoiding Conflict of Interest	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 Bank. - 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. - 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. 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. 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 The Bank employees conflict with each other directly or indirectly. There are 5 (five) categories of conflict of interest: - Conflict 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 Bank while maintaining good relationships with prospective customers or customers. - Conflict of interest 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. - Conflict of interest outside The Bank. - The Bank employees are not allowed to gain personal benefit by using information obtained because of their position at The Bank, as the information is not for public consumption. - The Bank employees are not allowed to own a business or personal business outside of their work as The Bank employees. - The Bank 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 employee with special expertise, for example in the field of education (instructor) to devote his/her expertise to the public as long as the employee remains concerned and does not neglect its obligations to The Bank. But for this, the 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. - Conflict of interest with prospective employees and inter-employees. Employees are not allowed to accept gift or 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 employees or prospective employees. - Conflict of interest of family relations. Employees who have family relationships with other employees at The Bank must report their relationships to the Human Resources Department. This is done so that the Human Resources Department can set the position of each employee to not conflict with each other 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.

Kode Etik
Code of Conduct

Insider Trading	Dalam melakukan pekerjaan di dalam Bank, karyawan dapat memiliki akses terhadap *inside 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 Bank 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. In performing their work within The Bank, the employees may have access to inside information. Employees are prohibited to conduct 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 The Bank 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.
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. - 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. 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 customers, as well as the clients' personal goals, finances and conditions in order to assess the consequences and whether the product meets the customers' needs. - Try to get customers to understand the product and its risks, especially the complicated products and purchases of the products must be based on the customers' approval. - Describe the product features clearly both orally and through the media.

Rahasia Bank dan Perlindungan Informasi Bank Confidentiality and Information Protection	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 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. The Bank employees shall at all times respect the principle of The 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 interest, code of conduct, and compliance statement that employees agree upon when joining The Bank. The Bank employees may obtain its 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 they are 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, 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 parties outside The Banks. - Do not reuse used papers containing confidential information.

Memperlakukan Karyawan dengan Adil Employee Fair Treatment	Bank berupaya membantu karyawannya untuk mencapai potensi terbaiknya agar dapat berkinerja tinggi dengan selalu berusaha meningkatkan kesejahteraan dan memperlakukan karyawan secara adil dan bertindak sesuai peraturan internal Bank, peraturan Bank Indonesia dan peraturan perundangan lainnya yang berlaku serta melindungi hak-hak karyawan. Atasan mengemban tugas untuk memperhatikan secara seksama karyawannya. Karyawan harus terus mengembangkan keterampilan dan kemampuan untuk dapat memenuhi komitmen Bank kepada pemangku kepentingan. Dengan demikian, karyawan diharuskan untuk: 1. Mempertahankan standar kinerja dan perilaku · Memenuhi standar kinerja yang diharapkan, perilaku, dan etika. · Setiap perilaku diskriminatif, pelecehan, atau pelanggaran perilaku tidak akan ditolerir dan akan diperlakukan dengan serius. 2. Menjaga kesehatan, keselamatan dan keamanan · Bekerja dengan sehat dan aman supaya tindakan atau kelalaian tidak menimbulkan risiko bagi orang lain. · Mendorong rekan kerja untuk bekerja secara sehat dan aman. · Melaporkan semua kecelakaan dan kejadian. · Meminta perhatian manajemen akan semua bahaya yang ada di tempat kerja. 3. Pembelajaran dan kompetensi · Karyawan bertanggung jawab atas pembelajaran dan perkembangan yang berkesinambungan. · Karyawan harus menjaga keahlian dan pengetahuan yang diperlukan dalam menjalankan pekerjaan dengan baik dan memaksimalkan potensi. · Karyawan harus mengidentifikasi kebutuhan pembelajaran setiap tahun dan berpartisipasi dalam aktivitas pengembangan yang relevan dalam membantu mengembangkan keahlian dan kemampuan baru. The Bank strives to accommodate its employees to reach their best potential and generate great performance by improving their welfare, treating them fairly, and acting in accordance with its internal policies, Bank Indonesia regulations, and other regulatory requirements, as well as protecting the rights of its employees. Managers owe a duty of care to all their subordinates. Employees must continuously develop their skills and capabilities, so they can deliver The Bank's commitments to the stakeholders. Thus, the employees are required to: 1. Maintain the standards of performance and conduct. - Meet the expected standards of performance, behavior, and conduct. - Any discriminatory behavior, harassment, or breach of conduct will not be tolerated and will be treated seriously. 2. Maintain healthy, safety and security work environment - Work in a healthy and safe manner, so that the actions or omissions taken do not put others at risk. - Encourage others to work in a healthy and safe manner. - Report all accidents and incidents. - Bring any hazard in the workplace to the attention of management. 3. Learning and competency - Employees have responsibility for learning and development. - Employees must maintain the skills and knowledge they need to perform their jobs well and to maximize their potential. - Employees must identify their learning needs each year and participate in relevant development activities that help them develop new skills and capabilities.

PENERAPAN KODE ETIK

Kode etik Bank berlaku untuk seluruh karyawan dengan level organisasi dalam Bank.

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.

IMPLEMENTATION OF CODE OF CONDUCT

The Bank's code of conduct applies to all of The Bank employees at each level of the organization.

SOCIALIZATION AND DISSEMINATION OF THE CODE

To socialize to all of The Bank employees, the management disseminates the code of conduct materials through Town Hall Meeting, the publication of a printed and digital code of conduct books that are distributed free of charge, and through the distribution of electronic mail regularly to all of The Bank employees. The dissemination of this code of conduct is under the coordination of the Corporate Secretary and the 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 sesuai dengan peraturan perusahaan yang berlaku mulai dari surat peringatan sampai dengan pemberhentian, sebagaimana diatur dalam Kebijakan dan Prosedur Disipliner.

VIOLATIONS AND DISCIPLINARY SANCTIONS

Compliance with all policies and regulations of The Bank is a mandatory obligation. Any respective employee with direct interaction with the customer or the required partner must emphasize and implement conditions in this policy in any business/commercial cooperation. Violation of this policy can result in disciplinary action even dismissal, as stipulated in Disciplinary Policies and Procedures.

PENYIMPANGAN INTERNAL 2018

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 3 (tiga) penyimpangan internal yang terjadi pada tahun 2018 dan seluruhnya telah diselesaikan berdasarkan peraturan perusahaan yang berlaku.

INTERNAL FRAUD 2018

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 3 (three) internal deviations that occurred 2018 that have been completed based on prevailing company regulation.

KEBIJAKAN TRANSPARANSI DAN BENTURAN KEPENTINGAN

Policy on Transparency and Conflict of Interest

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 The Bank'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 types of conflict of interest that may cause harm to both The Bank itself and the stakeholders.

KEBIJAKAN PENGADAAN BARANG & JASA

Procurement Policy

TATA CARA PENGADAAN BARANG DAN JASA

1. Menerima permintaan dari pemohon dan melakukan penelaahan dan diskusi untuk mendapatkan kriteria barang dan jasa yang diminta.
2. Menghubungi vendor-vendor terkait yang dapat menyediakan barang dan jasa yang diminta dan meminta penawaran harga awal.
3. Membuat analisa perbandingan dari penawaran yang diterima dari vendor-vendor.
4. Membuat proposal pengajuan dana pengadaan ke manajemen untuk mendapatkan persetujuan dana serta persetujuan atas hasil seleksi vendor.
5. Membuat pemesanan barang dan jasa kepada vendor terpilih.
6. Melakukan pengawasan terhadap penyerahan barang dan jasa yang telah dilaksanakan oleh vendor.
7. Melakukan pendataan dan penyimpanan terhadap barang yang telah dikirim oleh vendor.
8. Melakukan serah terima kepada pemohon.
9. Memproses tagihan vendor kebagian keuangan.

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 penanggung jawab termasuk pengadaan untuk jasa perawatan, penggantian barang atas perbaikan, dan kontrak kerja pembelian atau sewa.

Pengajuan pendanaan atas pengadaan barang dan jasa dengan nominal tertentu dianalisa melalui *Finance Review Commitee* (FRC) dan dimintakan persetujuan ke Direktur penanggung jawab FRC dan Presiden Direktur.

PROCEDURE FOR THE PROCUREMENT OF GOODS AND SERVICES

1. Receive requests from applicants and conduct review and discussions for obtaining the criteria of goods and services requested.
2. Contact the relevant vendors who can provide the goods dan services requested and asking for initial price quotes from vendor.
3. Make a comparison analysis of the proposals received from vendors.
4. Make a proposal for procurement funding to management for obtaining approval of funding and result of vendor selection.
5. Make a purchase order of goods and services to the selected vendor.
6. Conduct supervision of goods dan services delivery that have been implemented by the vendor.
7. Collect data and storage the goods that have been sent by vendor.
8. Handover to the applicant.
9. Process billing to finance department

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 department in charge, including procurement for maintenance services, replacement of goods for repairs, and contracts of purchases or leases.

Submission of funding for procurement of goods and services with certain amount is analyzed through the Financial Review Committee (FRC) and request for approval from the Director in charge of FRC and the President Director.

Kebijakan Pengadaan Barang & Jasabarang & Jasa
Procurement Policy

Proses seleksi vendor atas barang dan jasa dengan nominal tertentu dikaji oleh *Centralized Purchase Review Team* (CPRT) yang terdiri dari perwakilan kepala atau penanggung jawab dari Departemen *General Affair*, Departemen *Finance Management* dan departemen-departemen terkait lainnya yang ditunjuk oleh Presiden Direktur.

Tugas dan tanggung jawab dari departemen penanggung jawab dapat diuraikan sebagai berikut:

- Melaksanakan permintaan atas barang dan jasa dari pemohon berdasarkan prosedur yang telah ditetapkan.
- Menyusun detail permintaan atas barang dan jasa sesuai permintaan pemohon.
- Bekerjasama dengan vendor dalam proses pengadaan.
- Melakukan pendataan atas barang yang telah diterima.
- Pengawasan terhadap kualitas barang atau hasil pekerjaan dari vendor.
- Melakukan serah terima barang dan jasa kepada pemohon.

The vendor selection process of goods and services with certain amount is reviewed by the Centralized Purchase Review Team (CPRT) consisting of representatives of head or person in charge of the General Affairs Department, Financial Management Department and other relevant departments appointed by President Director.

The duties and responsibilities of the department in charge can be described as follows:

- Conducting requests for goods dan services from applicants based on established procedures.
- Prepare detail of goods dan services request according to request from applicants.
- Working closely with vendor in the procurement process.
- Collecting data on goods that have been received.
- Monitoring the quality of the goods or work result of the vendor.
- Hand over goods dan services to the applicant.

WHISTLEBLOWING SYSTEM

Whistleblowing System

Dalam menciptakan lingkungan kerja yang sehat, Bank telah memiliki *whistleblowing system* untuk menyelesaikan berbagai permasalahan, penyimpangan dan malpraktek terhadap kode etik perilaku, peraturan perundang-undangan yang berlaku, serta praktek umum yang berlaku pada industri perbankan 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, maka prosedur *whistleblowing* diterapkan melalui:

1. Partisipasi aktif dari pegawai Bank
   Partisipasi aktif dari pegawai Bank 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.
2. Komite Disipliner
   Setelah evaluasi dan analisa laporan yang disampaikan oleh karyawan, maka Komite Disipliner akan mengambil tindak lanjut yang mungkin juga melibatkan pihak-pihak terkait, seperti Departemen Kepatuhan, Departemen Internal Audit, Departemen Hukum, Departemen Sumber Daya Manusia, Departemen Manajemen Risiko dan pihak lain jika dipandang perlu. Jika yang dicurigai melakukan potensi pelanggaran atau pelanggaran adalah anggota Dewan Komisaris atau Direksi, maka laporan ditujukan kepada Ketua Komite Audit (yang diketuai oleh Komisaris Independen).

In creating a favorable working environment, The Bank has a whistleblowing system to resolve various problems, irregularities and malpractices towards the code of conduct, applicable laws and regulations, and general practices that apply to the banking industry including suspicious activities.

Speak up is a media/tool for The Bank employees to express the above issues, The Bank encourages its 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 can transform The Bank into a leading financial service provider, the whistleblowing procedure is implemented through:

1. The active participation of The Bank employees
   The active participation of The Bank employees are required in the form of concrete actions to maintain the creation of a work environment free from offense. Therefore, every employee is entitled to report any indication of any fraud and shall be obliged to disclose any violation committed by other employees to the Compliance Department directly or through the speak up channel provided.
2. The Disciplinary Committee
   Following the evaluation and analysis reports submitted by employees, the Disciplinary Committee will take follow-up actions that may also involve relevant parties, such as Compliance Department, Internal Audit Department, Legal Department, Human Resources Department, Risk Management Department, and others if deemed necessary. If the suspected potential violation or the violation is a member of the Board of Commissioners or Board of Directors, then the report is addressed to the Chairperson of the Audit Committee (chaired by an Independent Commissioner).

PRINSIP DASAR SISTEM PELAPORAN PELANGGARAN

Penerapan sistem pelaporan pelanggaran di Bank memiliki prinsip dasar 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.

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 administrator *speak up*, serta 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.

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 whistleblower does not have to worry about the disclosure of his/her identity as The Bank will keep the identity of the whistleblower. 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 whistleblowing system for the Board of Commissioners, Board of Directors, employees and the parties concerned in dealing with The Bank. This is so that each submitted report is kept confidential and the reported case may be accountable and actionable.

SCOPE

The violation reporting system applies to all of The Bank employees and stakeholders. Reportable offenses include 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, 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.

Whistleblowing System
Whistleblowing System

- 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.

Langkah-langkah dari prosedur tersebut adalah:
1. Pendeteksian
2. Penulisan
3. Penyampaian

PENDETEKSIAN INDIKASI PELANGGARAN

Dalam hal karyawan 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/014).

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.

- The Bank guarantees that all reporting parties and reports submitted will not affect the assessment of performance or career of The 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.

The steps of the procedure are:
1. Detecting
2. Writing
3. Submitting

DETECTING AN INDICATION OF VIOLATION

In the event that The 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 laws in Indonesia, The Bank employee may report such incidents in accordance with applicable escalation mechanisms. In the event that escalation mechanisms cannot be followed due to reported acts of irregularities are related to the direct supervisors of The Bank employees and/or other superiors, The Bank employees may use this speak up procedure.

In the event of a violation report 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, in 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/014).

REPORT DOCUMENTATION

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.

PENYAMPAIAN LAPORAN

Formulir *speak up* yang berisi laporan atas penyimpangan dapat disampaikan dengan menggunakan surel yang dikirimkan kepada: speakup@ina.icbc.com.cn. Jika dicurigai melakukan potensi pelanggaran atau pelanggaran adalah anggota Dewan Komisaris atau Direksi, maka laporan dilakukan secara tertulis dan ditujukan melalui surat tertutup kepada Ketua Komite Audit (yang diketuai oleh Komisaris Independen).

PENERIMAAN LAPORAN

Setiap laporan yang diterima oleh administrator *speak up* 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 5 (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*.

TINDAK LANJUT LAPORAN

Komite Disipliner memutuskan tindakan yang tepat untuk setiap laporan yang disampaikan. Komite Disipliner berwenang 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.

PERLINDUNGAN BAGI PELAPOR

Hanya pihak yang melapor, administrator *speak up*, dan Komite Disipliner yang memiliki kewenangan untuk mengakses laporan. Pegawai yang melapor berhak mendapatkan perlindungan dari Bank dalam hal keselamatannya terancam. Selain itu, pegawai

REPORT SUBMISSION

Speak up forms containing reports of irregularities may be submitted using email sent to: speakup@ina.icbc.com.cn. If the suspected potential violation or violation is a member of the Board of Commissioners or Board of Directors, the report shall be made in writing and addressed by a closed letter to the Chairman of the Audit Committee (chaired by an Independent Commissioner).

REPORT ACCEPTANCE

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 5 (five) working days after the report is received.
- Report received is 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.

FOLLOW-UP REPORT

The Disciplinary Committee has the authority to decide on appropriate action for each report submitted. The Disciplinary 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.

WHISTLEBLOWER PROTECTION

Only the reporting party, speak up administrator, and the Disciplinary Committee have the authority to access the report. The reporting employees are entitled to protection from The Bank in the event of their safety being threatened. In addition, reporting employees are

Whistleblowing System
Whistleblowing System

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.

PELANGGARAN WHISTLEBLOWING 2018

Sepanjang tahun 2018, Bank menemukan adanya laporan yang masuk melalui mekanisme WBS yang dimiliki dan dikelola oleh Bank sebanyak 3 (tiga) kali. Pada Desember 2018, 2 (dua) dari 3 (tiga) laporan telah terbukti.

PIHAK YANG MENGELOLA PENGADUAN

Pengaduan tersebut dikelola oleh Komite disipliner, dimana komite ini merupakan perwakilan dari Direksi Bank dan departemen sebagai berikut: Departemen Sumber Daya Manusia, Departemen Kepatuhan, Departemen Manajemen Risiko, Departemen Legal, dan Departemen Audit Internal. Komite Disipliner, setelah melakukan evaluasi dan menganalisa pelaporan yang disampaikan oleh karyawan akan mengambil tindak lanjut yang mungkin juga melibatkan pihak-pihak terkait dan pihak lain jika dipandang perlu. Jika yang dicurigai melakukan potensi pelanggaran atau pelanggaran adalah anggota Dewan Komisaris atau Direksi, maka laporan ditujukan kepada Ketua Komite Audit yang diketuai oleh Komisaris Independen.

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.

SOSIALISASI WHISTLE BLOWING SYSTEM

Untuk mensosialisasikan kepada seluruh insan Bank, manajemen melakukan penyebarluasan materi kode etik melalui pelatihan CARAL, 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.

also free from any form of sanction, even if their reports are not proven to be true. The Bank also provides assurance to all reporting parties that their report will not affect their performance evaluation and/or career at The Bank.

WHISTLEBLOWING VIOLATION 2018

Throughout 2018, The Bank accepted reports through its whistleblowing system (WBS) with a total of 3 (three) reports. As of December 2018, 2 (two) out of 3 (three) reports were already proven.

PARTIES IN CHARGE OF MANAGING COMPLAINT

Complaints are administered by the Disciplinary Committee, which comprised of the representative of the Board of Directors members and departments as follows: Human Resources Department, Compliance Department, Risk Management Department, Legal Department and Internal Audit Department. The Disciplinary Committee, after evaluating and analyzing the reports submitted by an employee, will take follow-up actions that may also involve relevant parties, and others if deemed necessary. If the suspected of potetial violation or violation is a member of the Board of Commissioners or Board of Directors, the report is addressed to the Chairman of the Audit Committee, chaired by an Independent Commissioner.

SANCTIONS FOR REPORTED PARTIES IN PROVEN REPORT

The form of sanction to the reported party that is proven guilty is given in accordance with the prevailing provisions in The Bank. Based on the Collective Labor Agreement (CLA) of The Bank, disciplinary action to employees may include oral warnings, warning letters, facility retention, postponement of wage increases, wage reductions, transfer (rotation and demotion), payment of losses incurred, or termination of employment in accordance with the level of error made.

WHISTLE BLOWING SYSTEM SOCIALIZATION

To socialize to all of The Bank employees, the management has disseminated code of conduct materials through CARAL trainings, the publication of a printed and digital code of conduct books that are distributed free of charge, and through the distribution of electronic mail regularly to all of The Bank employees. The dissemination of code of conduct is under the coordination of the Corporate Secretary and the Human Resources Department.

TRANSPARANSI PRAKTIK BAD GOVERNANCE

Transparency of Bad Governance Practices

Pada tahun 2018, tidak 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.

In 2018, there were no 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 with violation in environmental pollution.

PENGUNGKAPAN PEMENUHAN KEWAJIBAN PERPAJAKAN

Bank telah berkontribusi dalam pembayaran pajak sebesar Rp158,38 miliar selama tahun 2018.

DISCLOSURE OF TAX OBLIGATION FULFILLMENT

The Bank has contributed commitment related to taxation payment amounting to Rp158.38 billion during 2018.

KETIDAKSESUAIAN PENYAJIAN LAPORAN TAHUNAN DAN LAPORAN KEUANGAN DENGAN PERATURAN YANG BERLAKU DAN PERNYATAAN STANDAR AKUNTASI KEUANGAN (PSAK)

Laporan tahunan Bank tahun buku 2018 disusun melalui acuan laporan keuangan Bank yang berakhir pada 31 Desember 2018. Laporan keuangan Bank tahun buku 2018 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 2018 is prepared through The Bank's financial statements ended December 31, 2018. The Bank's financial statements for the fiscal year 2018 have been audited by the Registered Public Accountants Siddharta Widjaja & Partners (KPMG). These statements have been prepared in accordance with the applicable financial accounting standards (SAK) in Indonesia.

KASUS TERKAIT DENGAN BURUH DAN KARYAWAN

Bank tidak menemukan adanya kasus terkait buruh dan karyawan di sepanjang tahun 2018.

CASES RELATED TO LABOR AND EMPLOYEE

The Bank did not find any labor and employee related cases throughout the year 2018.

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 digital annual 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.

TANGGUNG JAWAB SOSIAL PERUSAHAAN

Corporate Social Responsibility

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Responsibility Towards Employment and Occupational Health and Safety

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TANGGUNG JAWAB SOSIAL PERUSAHAAN

CORPORATE SOCIAL RESPONSIBILITY

PEMBERDAYAAN MASYARAKAT DAN INKLUSI KEUANGAN

People Empowerment and Financial Inclussion

Tanggung jawab sosial perusahaan adalah bagian dari pengembangan hubungan harmonis dengan pemangku kepentingan. Untuk itu, Bank telah merumuskan kebijakan "4 Pilar dan 8 Inisiatif" yang memandu pelaksanaan tanggung jawab sosial perusahaan secara berkesinambungan dari tahun ke tahun.

Corporate social responsibility is part of The Bank's stakeholders' engagement, which will ultimately lead to sustainable business growth. As such, The Bank has formulated "4 Pillars and 8 initiatives" policy to provide a continuous guidance to its corporate social responsibility activities from year to year.

Kebijakan Penerapan Tanggung Jawab Sosial Perusahaan

Bank ICBC Indonesia (Bank) berkomitmen penuh terhadap pelaksanaan tanggung jawab sosial perusahaan (*Corporate Social Responsibility*/CSR) sebagai bagian dari pengembangan hubungan dengan pemangku kepentingan yang senantiasa dijalankan dengan harmonis antara kinerja ekonomi, kinerja lingkungan dan kinerja sosial, yang pada akhirnya berujung pada pertumbuhan yang berkelanjutan.

Konsep keberlanjutan perusahaan tercermin dalam konsep *triple bottom line* yaitu *people, profit*, dan *planet*. Oleh karena itu, kegiatan CSR yang dilaksanakan oleh Bank pada tahun 2018 lebih mengedepankan kepada *people empowerment* and *financial inclusion*. Bagi Bank, CSR merupakan bagian yang penting bagi perusahaan karena aktivitas Bank tidak hanya semata-mata memperoleh keuntungan saja, akan tetapi juga memberikan kontribusi nilai bagi para pemangku kepentingan. Kegiatan CSR juga diharapkan dapat menciptakan iklim usaha dan iklim investasi yang kondusif dengan memperhatikan lingkungan tempat Bank menjalankan bisnisnya.

Pelaksanaan kegiatan CSR Bank berpedoman kepada beberapa kebijakan yang berlaku di Indonesia, yaitu:

1. Undang-Undang No. 1 Tahun 1970 tentang Keselamatan Kerja.
2. Undang-Undang No. 23 Tahun 1992 tentang Kesehatan.
3. Undang-Undang No. 13 Tahun 2003 tentang Ketenagakerjaan.
4. Undang-Undang No. 40 Tahun 2007 tentang Perseroan Terbatas.
5. Undang-Undang No. 25 Tahun 2007 tentang Penanaman Modal.
6. Undang-Undang No. 24 Tahun 2011 tentang Badan Penyelenggara Jaminan Sosial.
7. Peraturan Pemerintah No. 50 Tahun 2012 tentang Penerapan Sistem Manajemen Keselamatan dan Kesehatan Kerja.
8. Peraturan Pemerintah No. 47 Tahun 2012 tentang Tanggung Jawab Sosial dan Lingkungan Perseroan Terbatas.

Corporate Social Responsibility Implementation Policy

Bank ICBC Indonesia (The Bank) is fully committed to the implementation of its Corporate Social Responsibility (CSR) as part of its stakeholders engagement, which is constantly carried out with harmony between economic performance, environmental performance and social performance. This eventually led to sustainable business growth.

The concept of corporate sustainability reflects the "triple bottom line" principle covering people, profit and planet. As such, CSR activities carried out by The Bank in 2018 prioritized people empowerment and financial inclusion. For The Bank, CSR is an important factor, as The Bank does not focus solely on profit, but also provides a value contribution to stakeholders. CSR activities are also expected to create positive business and investment climate by taking into account The Bank's operating environment.

The Bank observes a number of relevant policies applicable in Indonesia, which are:

1. Law No. 1 of 1970 concerning the Occupational Safety.
2. Law No. 23 of 1992 concerning the Health.
3. Law No. 13 of 2003 concerning the Manpower.
4. Law No. 40 of 2007 concerning the Limited Liability Companies.
5. Law No. 25 of 2007 concerning the Investments.
6. Law No. 24 of 2011 concerning the Social Security Development Agency
7. Government Regulation No. 47 of 2012 concerning the Corporate Social and Environmental Responsibility of Limited Liability Companies.
8. Government Regulation No. 50 of 2012 concerning the Implementation of Occupational Safety and Health Management System.

Berdasarkan roadmap yang dikembangkan regulator di Indonesia, Bank mendefinisikan pelaksanaan CSR ke dalam 4 (empat) aspek yang diharapkan dapat menciptakan pola hubungan yang harmonis antara pelaku usaha bersama-sama dengan pemerintah serta pemangku kepentingan. Keempat aspek tersebut adalah lingkungan hidup, praktik ketenagakerjaan, kesehatan dan keselamatan kerja, pengembangan sosial dan kemasyarakatan, serta tanggung jawab terhadap konsumen/produk.

Dengan mengacu pada peraturan dan perkembangan tersebut di atas, Bank merumuskan kebijakan "4 Pilar dan 8 Inisiatif" sebagai kebijakan pelaksanaan CSR, sebagai berikut:

Based on the roadmap formulation by the regulators in Indonesia, The Bank defines its CSR implementation into 4 (four) aspects, all of which are expected to contribute in creating a harmonious co-existence between business communities, the government, and the stakeholders at large. These aspects are environment, employment and occupational, health and safety, social and community development, and responsibility towards customers/ products.

In reference to the above regulatory and development, The Bank defines "4 Pillars and 8 Initiatives" policy to guide its CSR activities, as follows:

4 Pilar dan 8 Inisiatif Tanggung Jawab Sosial Perusahaan | 4 Pillars and 8 Initiatives of CSR

Tanggung Jawab Sosial Bidang Lingkungan Hidup | Responsibility Towards the Environment	Tanggung Jawab Sosial Bidang Ketenagakerjaan, Kesehatan, dan Keselamatan Kerja | Responsibility Towards Employment, and Occupational Health and Safety	Tanggung Jawab Sosial Bidang Pengembangan Sosial dan Kemasyarakatan | Responsibility Towards Social and Community Development	Tanggung Jawab Sosial Terhadap Produk/ Jasa dan Nasabah | Responsibility Towards Banking Products/ Services and Customes
a. Menjaga dan melestarikan lingkungan. | Maintain and preserve the environment. b. Memberikan kontribusi untuk penghijauan lingkungan. | Contribute to reforestation and replanting.	a. Meningkatkan efektivitas dan efisiensi karyawan. | Improve employees' effectiveness and efficiency. b. Membantu berkontribusi untuk kesehatan dan kesejahteraan karyawan. | Contribute to promoting employees' health and welfare.	a. Memfasilitasi pendidikan bagi generasi muda. | Facilitate education access for the youth. b. Membangun solidaritas dengan masyarakat untuk meningkatkan kesehatan, kesejahteraan dan memberikan bantuan untuk masyarakat yang terkena dampak bencana. | Collaborate with people to improve their health quality and welfare, and to provide aid to disaster-affected communities.	a. Meningkatkan hubungan yang baik dengan nasabah. | Improve good relationship with customers. b. Meningkatkan kualitas pelayanan. | Improve service quality.

Selain peraturan dan kebijakan internal, Bank juga merujuk pada praktik-praktik terbaik CSR yang berlaku dalam industri perbankan.

Other than government regualtions and internal policies, The Bank also observes CSR best practices applicable in the banking industry.

TANGGUNG JAWAB SOSIAL PERUSAHAAN BIDANG LINGKUNGAN

Responsibility Towards the Environment

Pelestarian lingkungan adalah tanggung jawab bersama semua pihak agar bumi yang lestari dapat diwariskan kepada generasi-generasi penerus. Dalam hal lingkungan, warga, pemerintah, organisasi masyarakat sipil, dan sektor usaha tanpa terkecuali merupakan pemangku kepentingan mengingat betapa relevannya permasalahan lingkungan dalam kehidupan sehari-hari.

Kebijakan

Bagi sebuah institusi perbankan, dampak langsung kegiatan operasional terhadap lingkungan memang relatif lebih rendah dibandingkan industri lainnya. Namun dengan komitmen Bank yang tinggi, Bank mengelola dan meminimalkan risiko/dampak operasionalnya terhadap lingkungan. Bentuk partisipasi Bank dalam upaya pelestarian terhadap lingkungan hidup dipraktikkan mulai dari hal-hal kecil dalam kegiatan operasional sehari-hari baik di kantor pusat maupun kantor cabang.

Dalam mendukung dan menjaga lingkungan hidup, Bank melakukan beberapa langkah dan upaya, diantaranya penghematan penggunaan kertas, listrik, air dan bahan bakar minyak. Beberapa kegiatan penghematan tersebut selain mengurangi efek negatif terhadap lingkungan sekitar, juga memberikan dampak positif terhadap Bank, yaitu terciptanya budaya efisiensi.

Kegiatan

Program penghematan yang dilaksanakan Bank adalah sebagai berikut:

- Kebijakan Penggunaan Material dan Energi secara Efektif
  Bank memiliki kebijakan dan panduan bagi seluruh karyawan 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:

Environmental preservation is a responsibility shared by all parties in order to make a sustainable planet as legacy for future generations. With respect to the environment and how relevant its issues with our daily lives, individual citizens, government, civil society organizations, and the business sector without exception are considered as environmental stakeholders.

Policy

For a banking institution, the direct impact of operational activities on the environment is necessarily lower than other industries. However, with a firm commitment, The Bank manages and minimizes its risk/operational impacts in the environment. The Bank participation in efforts to conserve the environment starts from small matters in operational day-to-day activities, both at head office and at branch offices.

In support of maintaining the environment, The Bank carries out a range of measures and efforts, including saving paper, electricity usage, and water and fuel consumption. These conservation efforts, besides as reducing negative impacts on the surrounding environment, also provide a positive impact on The Bank, namely creating a culture of efficiency.

Activities

Conservation programs carried out by The Bank are as follows:

- Effective use of materials and energy

  The Bank has developed policies and guidelines for all employees to conserve the environment through reuse, reduce, recycle, energy-saving, and staying healthy programs that have been in place since 2016. The management and all employees are expected to start new, positive habits that could support The Bank's go-green initiative and to promote healthier environment, such as:

- Hemat konsumsi kertas.
- Hemat air.
- Pengelompokan kertas bekas untuk didaur ulang.
- Penghematan penggunaan listrik, antara lain dengan mematikan AC setelah melewati jam kerja dan mematikan komputer pada saat pulang kerja.

- Efficient paper consumption.
- Water-saving.
- Waste paper grouping for recycle.
- Electricity-saving, such as by turning off AC after office hours and computers when leaving the office.

· Pengembangan Kesadaran "*Go Green*"
Melalui "Go Green Initiative", Bank mengumpulkan barang-barang tidak terpakai di lingkungan kerjanya untuk didaur ulang dan disumbangkan ke Depo Pelestarian Lingkungan Yayasan Tzuchi Indonesia. Pada tahun 2018, kegiatan ini berlangsung pada bulan Oktober dan November 2018, dan berhasil mengumpulkan sampah daur ulang sebanyak 964 kg.

· Go-Green Awareness Development
Through the Go-Green Initiative, The Bank collects unused items around its offices to be recycled and donated to the Environmental Conservation Depot owned by Tzuchi Indonesia Foundation. In 2018, this activity took place in October and November 2018, and collected a total of 964 kg of wastes for recycle.

TANGGUNG JAWAB SOSIAL PERUSAHAAN BIDANG KETENAGAKERJAAN, KESEHATAN DAN KESELAMATAN KERJA

Responsibility Towards Employment and Occupational Health and Safety

Bank terus berupaya untuk mematuhi semua peraturan perundang-undangan yang berlaku terkait bidang Ketenagakerjaan, Kesehatan dan Keselamatan Kerja (K3). Prinsip dasar K3 bertujuan untuk memberikan kondisi kerja yang sehat dan aman serta bermanfaat bagi karyawan, perusahaan, dan masyarakat serta lingkungan sekitar lokasi usaha.

Kebijakan

Bank telah memiliki kebijakan K3 yang secara garis besar bertujuan menciptakan lingkungan 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, sehingga berdampak positif terhadap produktivitas karyawan.

Pada tahun 2018 Bank telah menetapkan target pencapaian terkait dengan praktik K3 bagi karyawan:

- Meningkatkan skema fasilitas kesehatan bagi karyawan.
- Menjamin kesetaraan gender dalam kesempatan kerja dan kesempatan dalam memperoleh pelatihan dan pengembangan bagi seluruh karyawan.
- Meningkatkan kesadaran karyawan akan kesehatan dan gaya hidup sehat.
- Menjamin kesejahteraan karyawan sesuai dengan peraturan yang berlaku dan yang tertuang dalam Peraturan Perusahaan.

Kegiatan

- Kesetaraan Gender dalam Kesempatan Kerja
  Dalam proses perekrutan dan promosi, Bank memberikan kesempatan yang sama kepada semua orang tanpa memandang perbedaan agama, etnis, ras, status sosial, warna kulit, dan gender.

The Bank constantly strives to fulfill all laws and regulations relating to the Employment and Occupational Health and Safety (OHS). At its core, the OHS practices aim to create a health, safe, and beneficial work environment for employees, the company, and the community as well as the surrounding environment.

Policy

The Bank has in place the OHS policies that broadly intend to promote an environment that is conducive to growth, free from discrimination, and labor management that seeks to minimize work accidents. The Bank committed to implement OHS policies across its entire operational environments at both the head office and branch offices. The OHS implementation around The Bank's offices is expected to provide convenience to employees, which in turn will positively optimize employee productivity.

In 2018, The Bank has identified the following targets with respect to OHS practices for employees:

- Expand employees' health facility schemes.
- Ensure gender equality in work and training and development opportunities.
- Raise employees' awareness on health and healthy lifestyle.
- Guaranteed fulfillment of employees' welfare in line with the applicable regulations and The Bank's rules.

Activities

- Gender and Opportunity Equality
  In recruitment, The Bank provides equal opportunities to all people regardless of differences in religion, ethnicity, race, social status, skin color, gender.

- Kesetaraan dalam Program Pelatihan dan Pengembangan
  Karyawan diberikan kesempatan yang sama untuk mengikuti setiap program pelatihan yang diselenggarakan sesuai dengan kebutuhan karyawan dan sejalan dengan rencana bisnis dan prioritas Bank. Sepanjang tahun 2018 persentase karyawan yang telah mengikuti program pelatihan yang diselenggarakan oleh Bank mencapai 98,15%.

- Penggunaan Tenaga Kerja Lokal
  Bank senantiasa berusaha untuk memanfaatkan tenaga kerja lokal, meskipun beberapa jenis pekerjaan membutuhkan tenaga kerja asing. Pada tahun 2018, Bank memiliki 9 tenaga kerja asing dan 586 tenaga kerja lokal.

- Program Kesehatan dan Fasilitas
  Bank bekerjasama dengan Palang Merah Indonesia menyelenggarakan kegiatan donor darah, yang dilaksanakan sebanyak 3 kali pada bulan Maret, Juli dan November 2018 dengan para karyawan Bank sebagai pendonornya. Pada bulan April 2018, Bank juga mengadakan kegiatan vaksin difteri untuk para karyawan dengan jumlah partisipasi sebanyak 447 karyawan. Pada November 2018, bersamaan dengan kegiatan donor darah, Bank dan Mandiri Inhealth bekerjasama melaksanakan program "Health Talk", seminar kesehatan dengan tema "Penyakit Jantung Koroner".

  Selain itu, Bank melalui Departemen Sumber Daya Manusia telah meningkatkan *benefit* asuransi kesehatan karyawan. Batas asuransi dinaikkan sebesar 20% untuk rawat inap dan 30% untuk rawat jalan, dan terdapat perubahan pemanfaatan *limit* rawat jalan dari yang sebelumnya menggunakan *inner limit* menjadi *as charge* sehingga karyawan memiliki fleksibilitas dalam menggunakan limit asuransinya.

- Equality in Training and Development Opportunities
  Employees are given the same opportunity to participate in each training program held in accordance with the needs of employees and in line with the business plan and priorities of the Bank. Throughout 2018, the percentage of employees who have participated in training programs held by The Bank reached 98.15%

- Use of Local Manpower
  In carrying out its business operations, The Bank strives to utilize local manpower although foreign employees are stil required for certain positions. In 2018, The Bank hired a total of 9 foreign employees and 586 local employees.

- Health Program and Facility
  The Bank organized a blood donation program in collaboration with the Indonesian Red Cross. The program was held three times in March, July, and November 2018, with The Bank's employees as the donors. In April 2018, The Bank also held a diphtheria vaccination event for employees; a total of 447 employees participated that day. In conjunction with blood donation program in November 2018, The Bank and Mandiri Inhealth organized a health talk session themed "Coronary Disease".

  Additionally, through the Human Resource Department, The Bank increased health insurance benefits for employees. Insurance limits were raised by 20% for inpatient care and 30% for outpatient care. A change was also introduced to outpatient care mechanism, from "inner limit" to "as charge", thereby giving the employees even greater flexibility to use their insurance packages.

- Kegiatan Kesejahteraan Karyawan
  Upaya peningkatan kesejahteraan karyawan dilakukan dengan memberikan tunjangan baik secara material maupun non-material. Program yang bersifat material direalisasikan melalui, antara lain, tunjangan makan, dana pensiun, tunjangan hari raya, dan bonus kinerja. Sementara, program non-material direalisasikan melalui pengadaan ruang laktasi, buka puasa bersama, perayaan Imlek, dan program *team improvement workshop*.

- Keamanan Karyawan
  Bank berupaya menciptakan rasa aman bagi para karyawan antara lain melalui simulasi penanggulangan kejadian perampokan dan pelatihan keamanan. Pada tahun 2018, simulasi berlangsung antara bulan September dan Oktober di delapan kantor cabang dan pelatihan keamanan dilakukan pada bulan Desember.

- Employee Welfare
  The Bank provides monetary and in-kind facilities to improve employee welfare. Monetary facilities include, meal benefit, pension fund, religious observance benefit, and performance bonus. Meanwhile, in-kind facilities include lactation room, iftar, Chinese New Year celebration, and team improvement workshop.

- Employee Security
  The Bank strives to maintain the security of its employees, among others by organizing a security breach event simulation of a bank robbery situation and security training. In 2018, the simulation took place between September and October in eight branch offices, while the security training was held in December.

TANGGUNG JAWAB SOSIAL PERUSAHAAN BIDANG PENGEMBANGAN SOSIAL DAN KEMASYARAKATAN

Responsibility Towards Social and Community Development

Masyarakat merupakan salah satu pemangku kepentingan yang paling penting bagi Bank. Bank juga meyakini bahwa kinerja perusahaan memiliki dampak positif terhadap peningkatan kesejahteraan masyarakat. Peningkatan kesejahteraan masyarakat ini pada akhirnya akan mendukung pengembangan usaha Bank secara berkelanjutan.

The community is an important stakeholder for The Bank. The Bank also firmly believes that company performance has positive correlation to the community welfare, and improved welfare will in turn foster The Bank's sustainable business growth.

Kebijakan

Membina hubungan baik dengan masyarakat merupakan landasan pokok bagi keberhasilan jangka panjang sebuah entitas usaha. Oleh karena itu Bank senantiasa menghormati nilai, norma dan budaya masyarakat di sekitar lingkungan Bank, dan mewujudkan hubungan yang harmonis dengan masyarakat setempat.

Policy

Nurturing solid relationships with the communities are the key to the long-term success of a business entity. Therefore, The Bank consistently respects the values, norms, and culture of the surrounding communities, and strives to realize harmonious relationships with nearby communities.

Tanggung Jawab Sosial Perusahaan Bidang Pengembangan Sosial dan Kemasyarakatan
Responsibility Towards Social and Community Development

Kegiatan

Berbagai kegiatan kemasyarakatan dilaksanakan Bank selama tahun 2018, seperti sosialisasi literasi keuangan dan distribusi sumbangan. Rincian kegiatan adalah sebagai berikut:

- Kunjungan ke Panti Asuhan Adinda, Mei 2018, oleh Kantor Pusat Non-Operasional Bank ICBC Indonesia. Kunjungan bertujuan membagikan sumbangan barang kebutuhan sehari-hari dan mengadakan sosialisasi literasi keuangan.
- Buka puasa bersama, Juni 2018, dengan manajemen Bank, karyawan, serta anak asuh dan pengurus Panti Asuhan Adinda.
- Donasi satu unit AC oleh kantor cabang Surabaya untuk Sekolah Luar Biasa Paedagogia.
- Donasi barang kebutuhan sehari-hari oleh kantor cabang Bandung untuk Rumah Singgah Bina Anak Asuh.
- Donasi barang kebutuhan sehari-hari dan satu unit mesin cuci oleh kantor cabang Makassar untuk Panti Asuhan Abadi.
- Donasi barang kebutuhan sehari-hari dari kantor cabang Batam untuk Panti Asuhan At-Taqwa.
- Donasi barang kebutuhan sehari-hari dari kantor cabang Medan untuk petugas penyapu jalan.
- Donasi dan buka puasa bersama kantor cabang Balikpapan dan Panti Asuhan Al-Mukmin.

Dalam hal penanggulangan bencana, pada bulan Agustus 2018, Bank memberikan tanggapan atas bencana gempa yang terjadi di Lombok dan mengadakan kunjungan serta memberikan donasi kebutuhan sehari-hari bagi para korban bencana. Selanjutnya, pada bulan Oktober 2018, Bank juga turut berkontribusi menyalurkan donasi melalui OJK dalam membantu korban bencana di Donggala.

Activities

The Bank conducted various community-related activities in 2018, such as financial literacy talks and distribution of donations. In details, the activities are:

- A visit to Adinda Children's Home in May 2018 by The Bank Non-Operations Head Office. Donation of daily supplies and financial literacy educational talk were delivered during the visit.
- Group iftar in June 2018 with the Bank's management, employees, residents and carers of Adinda Children's Home.
- Donation of one unit of AC from Surabaya branch office for Paedagogia Special School.
- Donation of daily supplies from Bandung branch office for Bina Anak Asuh Shelter.
- Donation of daily supplies and one unit of washing machine from Makassar branch office for Abadi Children's Home.
- Donation of daily Supplies from Batam branch office for At-Taqwa Children's Home.
- Donation of daily supplies from Medan branch office for road sweepers.
- Donation and group iftar organized by Balikpapan branch office, inviting Al-Mukmin Children's Home.

With respect to The Bank's contribution to disaster response, in August 2018, responding to Lombok earthquake, The Bank visited and distributed donations of daily supplies to help the victims. In October 2018, The Bank through the Financial Services Authority (OJK) contributed donations to help the victims of Donggala disaster.

TANGGUNG JAWAB SOSIAL PERUSAHAAN LINGKUP TANGGUNG JAWAB TERHADAP PRODUK/JASA SERTA NASABAH

Responsibility Towards Products/Services and Customers

Bank berkomitmen untuk memberikan layanan terbaik kepada setiap nasabah. Bukan hanya dari segi produk tapi juga layanan yang terpercaya, konsisten, aman, dan totalitas dalam memenuhi seluruh kebutuhan nasabah. Hal ini merupakan wujud dari pemenuhan tanggung jawab Bank kepada nasabah.

Kebijakan

Bank menyadari bahwa peningkatan kualitas layanan akan berdampak pada peningkatan kepuasan dan loyalitas nasabah. Perbaikan kualitas layanan juga merupakan bentuk tanggung jawab Bank terhadap pemangku kepentingan.

Upaya Bank dalam hal ini dapat dilihat dari beberapa dimensi berikut:

Departemen *Service Quality*

Komitmen Bank terhadap mutu layanan tercermin dari pembentukan tim tersendiri yang bertugas mengelola mutu layanan Bank. Beberapa kegiatan yang dilakukan tim ini adalah:

- Memperbarui prosedur standar layanan.
- Melakukan kunjungan ke kantor-kantor cabang untuk memantau secara langsung pelayanan dan penampilan staf garda depan.
- Memantau pemahaman staf terhadap kebijakan, prosedur, dan produk bank dengan menyelenggarakan tes pengetahuan perbankan secara berkala.
- Mengawasi kondisi fisik infrastrukur yang berkaitan langsung dengan pengalaman pelanggan seperti *banking hall*.

Penanganan Pengaduan Nasabah

Pengaduan nasabah ditangani oleh Call Center Bank yang terus menerus mendapatkan pelatihan dan dipantau kinerjanya. Untuk nasabah dan masyarakat secara luas, Bank telah mempublikasikan prosedur layanan pengaduan yang dapat diakses melalui situs resmi Bank.

Setiap pengaduan nasabah pun dipantau proses penyelesaiannya secara harian melalui laporan yang diserahkan oleh kantor cabang. Selain itu, performa

The Bank committed to providing the best services to every customer, not only in terms of product but also by providing trusted, consistent, safe services to meet all the needs of the customers. This is part of The Bank's responsibility to customers.

Policy

The Bank realizes that service quality improvement will translate to greater customer satisfaction and stronger loyalty. It also reflects The Bank's responsibility to its stakeholders.

The Bank's efforts in this aspect are shown from the following:

Service Quality Department

The Bank's commitment to quality service was reflected through the presence of a dedicated team that manages its service quality. The team's activities include:

- Update service standard operating procedures.
- Visit branch offices to directly monitor the service and performance of frontliners.
- Monitor the knowledge of frontliners on The Bank's policies, procedures, and products by holding banking knowledge test from time to time.
- Monitor physical infrastructures that are directly related to customer experience such as the banking hall.

Customer Complaint Handling

Customer complaints are handled by The Bank's Call Center which continuously trained and monitored. For the knowledge of customers and the public in general, The Bank has published information on complaint procedures that can be accessed on The Bank's official website.

The Bank also monitors the settlement of each complaint on daily basis through branch office reports. In addition, The Bank monitors it's performance based on media

Bank dipantau melalui pemberitaan di media cetak dan elektronik. Data penanganan pengaduan nasabah dan publikasi negatif dilaporkan oleh Bank kepada dua otoritas, yakni Bank Indonesia dan Otoritas Jasa Keuangan (OJK), masing-masing untuk laporan aduan terkait penyetoran dan/atau penarikan uang dan laporan aduan terkait produk bank dan praktik perbankan

Sarana pengaduan nasabah disediakan melalui tiga jalur:

- Cabang-cabang Bank ICBC Indonesia;
- *Call Center* yang dikenal dengan i Call ICBC (1-500-198);
- Surel: customer_care@ina.icbc.com.cn

coverage in print and electronic platforms. The customer complaint data and negative coverage are reported to two authorities namely Bank Indonesia, which receives report on complaints regarding money deposits and/or withdrawals, and the Financial Services Authority (OJK) which focuses on complaints on banking products and practices.

The Bank has provided three channels for customer engagement:

- ICBC Indonesia branch offices
- Call Center, the i Call ICBC (1-500-198);
- Email: customer_care@ina.icbc.com.cn

Data Topik Pengaduan dan Publikasi Negatif Tahun 2018
Complaint and Negative Coverage in 2018

	TOTAL	KARTU KREDIT CREDIT CARDS	ATM	DEPOSITO TIME DEPOSITS	GIRO CURRENT ACCOUNTS	KPR MORTGAGES
Total	57	38	16	1	1	1
Publikasi Negatif Negative Publications	2	1	0	0	1	0

Secara terperinci, terdapat empat pengaduan yang diterima Bank melalui cabang, yaitu pengaduan yang berkaitan dengan produk deposito, giro, KPR, dan kartu kredit. Sementara itu terdapat 53 pengaduan melalui Call Center mengenai kartu kredit dan ATM.

Dari total 57 pengaduan terdapat 2 yang masuk dalam kategori publikasi negatif, yaitu yang terkait dengan:

1. Layanan permintaan dokumen giro yang dimuat di harian Bisnis Indonesia pada 9 Juli 2018. Penyelesaian aduan pada 11 Juli 2018 juga dipublikasikan oleh harian yang sama.
2. Pengaduan nasabah tentang klasifikasi dalam perhatian khusus yang tercantum pada pernyaaan tagihan. Tulisan diunggah ke blog "Lika-Liku Perbankan" pada 26 Agustus 2018. Tulisan telah dihapus setelah aduan diselesaikan dengan baik.

In details, there were four complaints received from branch offices, namely complaints on banking products of term deposit, current accounts, mortgages, and credit cards. 53 complaints recorded from Call Center on credit cards and ATM-related issues.

From the total of 57 complaints, 2 fell into the negative publications:

1. Complaint on current accounts document request, published in Bisnis Indonesia daily on July 9, 2018. The complaint was settled on July 11, 2018 and published in the same media.
2. Customer complaint regarding the "special concern" collectibility status on the billing statement. The complaint was uploaded to "Lika-Liku Perbankan" blog on August 26, 2018 and was removed accordingly following complaint redress.

Literasi Keuangan

Bank mendukung program pemerintah dalam rangka meningkatkan literasi dan inklusi keuangan di sektor jasa keuangan, seperti yang tertuang dalam Peraturan Otoritas Jasa Keuangan No. 76/POJK.07/2016 tentang Peningkatan Literasi dan Inklusi Keuangan di Sektor

Financial Literacy

The Bank supports the Indonesian government's program to promote financial literacy and inclusion in the financial services sector, as articulated in the OJK Regulation No. 76/POJK.07/2016 on the Promotion of Financial Literacy and Inclusion in the Financial Services

Jasa Keuangan Bagi Konsumen dan/atau Masyarakat, Surat Edaran Otoritas Jasa Keuangan Nomor 30/SEOJK.07/2017 tentang Pelaksanaan Kegiatan Dalam Rangka Meningkatkan Literasi Keuangan di Sektor Jasa Keuangan dan Surat Edaran Otoritas Jasa Keuangan Nomor 31/SEOJK.07/2017 tentang Pelaksanaan Kegiatan Dalam Rangka Meningkatkan Inklusi Keuangan di Sektor Jasa Keuangan.

Bank telah melaksanakan edukasi literasi keuangan dengan materi mencakup identifikasi kesehatan keuangan pribadi/perusahaan, tujuan pengelolaan keuangan, tahapan dalam pengelolaan keuangan, pencatatan aset/harta yang dimiliki dan perencanaan keuangan di masa depan. Secara terperinci, kegiatan sosialisasi literasi keuangan adalah sebagai berkut.

Sector for Consumers and/or the Society, OJK Circular No. 30/SEOJK.07/2017 on the Activities of Financial Literacy Enhancement in the Financial Services Sector, and OJK Circular No. 31/SEOJK.07/2017 on the Activities of Financial Inclusion Enhancement in the Financial Services Sector.

The Bank has carried out financial literacy education with topics covering financial health assessment of personal/company finances, financial management goals, stages in financial management, inventory of assets/properties, and long-term financial planning. The details of activities are as follows.

TANGGAL DATE	BENTUK KEGIATAN ACTIVITY	LOKASI LOCATION	PESERTA PARTICIPANTS	DANA KEGIATAN ACTIVITY FUNDING
15 Februari 2018 February 15, 2018	Sosialisasi tatap muka mengenai perbankan On-site banking educational talk	Bandung, Jawa Barat Bandung, West Java	15 pelajar 15 students	Rp5.000.000
28 Maret 2018 March 28, 2018	Sosialisasi tatap muka mengenai perbankan On-site banking educational talk	Surabaya, Jawa Timur Surabaya, East Java	22 mahasiswa 22 college students	Rp5.000.000
26 Mei 2018 May 26, 2018	Sosialisasi tatap muka mengenai kebiasaan menabung sejak dini On-site educational talk on saving as a habit to nurture from early on	Jakarta Barat, DKI Jakarta West Jakarta, DKI Jakarta	Anak-anak yatim piatu Orphans	Rp9.000.000
20 Juli 2018 July 20, 2018	Sosialisasi tatap muka mengenai perbankan On-site banking educational talk	Batam, Kepulauan Ria Batam, Riau Islands	100 pelajar 100 students	Rp1.000.000
24 September 2018 September 24, 2018	Sosialisasi tatap muka mengenai perbankan On-site banking educational talk	Bandung, Jawa Barat Bandung, West Java	50 mahasiswa 50 college students	Rp1.000.000

Inklusi Keuangan

Selain itu, Bank juga mempromosikan inklusi keuangan dengan menyediakan produk dan layanan jasa keuangan yang sesuai kebutuhan masyarakat. Program inklusi keuangan Bank pada tahun 2018 meliputi kegiatan-kegiatan berikut.

Financial Inclusion

The Bank also promotes financial inclusion by offering financial products and services that are suitable to the needs of customers. The details of activities throughout 2018 are as follows.

TANGGAL	BENTUK KEGIATAN	LOKASI	PESERTA	DAMPAK KEGIATAN
9 Agustus 2018 August 9, 2018	*Open booth* pada peringatan Hari Rajin Menabung Open booth at Savings Day celebration	Bogor, Jawa Barat Bogor, West Java	50 orang dari kalangan profesional 50 professionals	Pembukaan 8 (delapan) rekening tabungan baru senilai total Rp12.000.000 Opening of 8 (eight) new savings accounts totaling to Rp12,000,000 in value
14 Oktober 2018 October 14, 2018	*Open booth* pada peringatan Hari Rajin Menabung Open booth at Savings Day celebration	Surabaya, Jawa Timur Surabaya, East Java	50 orang peserta umum 50 people from the general public	Pembukaan 12 (dua belas) rekening tabungan baru senilai Rp503.000.000 Opening of 12 (twelve) new savings accounts totaling to Rp503,000,000 in value
4 November 2018 November 4, 2018	*Open booth* pada peringatan Hari Rajin Menabung Open booth at Savings Day celebration	Medan, Sumatra Utara Medan, North Sumatra	50 orang peserta umum 50 people from the general public	Pembukaan 59 (lima puluh sembilan) rekening tabungan baru senilai Rp83.000.000 Opening of 59 (fifty nine) new savings accounts totaling to Rp83,000,000 in value
6 November 2018 November 6, 2018	*Open booth* pada peringatan Hari Rajin Menabung bersama komunitas senam pagi Open booth at Savings Day celebration with morning aerobics group	Jakarta Barat, DKI Jakarta West Jakarta, DKI Jakarta	10 orang peserta umum 10 people from the general public	Pembukaan 1 (satu) rekening tabungan baru senilai Rp5.000.000.000 Opening of 1 (one) new savings accounts totaling to Rp5,000,000,000 in value
15 November 2018 November 15, 2018	*Open booth* pada peringatan Hari Rajin Menabung bersama kelas memasak Open booth at Savings Day celebration with a cooking course group	Bandung, Jawa Barat Bandung, West Java	20 orang 20 participants	Pembukaan 9 (sembilan) rekening tabungan baru senilai Rp90.700.000 Opening of 9 (nine) new savings accounts totaling to Rp90,700,000 in value

LAPORAN KEUANGAN 2018

FINANCIAL REPORT 2018

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 DECEMBER 2018 PT BANK ICBC INDONESIA ("BANK")

Kami yang bertanda tangan dibawah ini:

1. Nama : Zhang Jinxing
   Alamat Kantor : ICBC Tower, Jl. MH Thamrin No. 81 Jakarta Pusat 10310
   Telepon Kantor : (021) 23556000
   Jabatan : Presiden 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.

DIRECTORS' STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS 31 DECEMBER 2018 PT BANK ICBC INDONESIA ("THE BANK")

We, the undersigned:

1. *Name* : *Zhang Jinxing*
   Office address : *ICBC Tower, Jl. MH Thamrin No. 81 Jakarta Pusat 10310*
   Office telephone : *(021) 23556000*
   Title : *President 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 9F838AFF593886536 6000 ENAM RIBU RUPIAH

Zhang Jinxing	Jeff S.V. Eman
Presiden Direktur/*President Director*	Direktur/*Director*

Jakarta, 29 Maret/*March* 2019

PT BANK ICBC INDONESIA

LAPORAN POSISI KEUANGAN
31 DESEMBER 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	31 Desember/*December* 2018	2017	
ASET				***ASSETS***
Kas		63.490	88.399	*Cash*
Giro pada Bank Indonesia	6	3.848.283	3.888.038	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	7,28	3.456.397	3.314.446	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	8,28	5.410.777	5.135.049	*Placements with Bank Indonesia and other banks*
Aset derivatif	28	267.422	5.980	*Derivative assets*
Tagihan akseptasi	9	595.160	1.519.878	*Acceptance receivables*
Efek-efek untuk tujuan investasi	10	3.791.167	6.248.877	*Investment securities*
Kredit yang diberikan	11,28	36.542.280	35.068.608	*Loans receivable*
Aset tetap	12	246.968	280.695	*Fixed assets*
Aset pajak tangguhan	16	307.645	191.903	*Deffered tax assets*
Aset lain-lain	13	306.585	297.331	*Other assets*
JUMLAH ASET		**54.836.174**	**56.039.204**	***TOTAL ASSETS***
LIABILITAS DAN EKUITAS				***LIABILITIES AND EQUITY***
LIABILITAS				***LIABILITIES***
Liabilitas segera		2.355	6.544	*Liabilities immediately payable*
Simpanan nasabah	14,28	30.588.043	33.044.505	*Deposits from customers*
Simpanan dari bank-bank lain	15,28	2.227.491	4.235.045	*Deposits from other banks*
Liabilitas derivatif	28	538	2.865	*Derivative liabilities*
Efek-efek yang dijual dengan janji dibeli kembali		-	88.979	*Securities sold under agreements to repurchase*
Liabilitas akseptasi	9,28	595.160	1.519.878	*Acceptance payables*
Utang pajak penghasilan	16	3.972	174.068	*Income tax payables*
Pinjaman yang diterima	17,28	13.780.073	2.858.866	*Borrowings*
Efek-efek yang diterbitkan	18,28	-	6.783.641	*Securities issued*
Liabilitas lain - lain dan beban yang masih harus dibayar	19	560.162	417.316	*Other liabilities and accrued expenses*
Pinjaman subordinasi	20,28	1.222.300	1.153.238	*Subordinated loan*
JUMLAH LIABILITAS		**48.980.094**	**50.284.765**	***TOTAL LIABILITIES***
EKUITAS				***EQUITY***
Modal saham	21	3.706.150	3.706.150	*Share capital*
Cadangan nilai wajar - bersih	10	(16.121)	1.993	*Fair value reserve - net*
Saldo laba				*Retained earnings*
Telah ditentukan penggunaannya		224.349	193.217	*Appropriated*
Belum ditentukan penggunaannya		1.941.702	1.853.079	*Unappropriated*
JUMLAH EKUITAS		5.856.080	5.754.439	***TOTAL EQIUTY***
JUMLAH LIABILITAS DAN EKUITAS		**54.836.174**	**56.039.204**	***TOTAL LIAIBLITIES 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 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Tahun berakhir 31 Desember/ *Year ended 31 December* 2018	2017	
PENDAPATAN DAN BEBAN OPERASIONAL				***INCOME AND EXPENSES FROM OPERATIONS***
Pendapatan dan beban bunga				***Interest income and expenses***
Pendapatan bunga	23,28	3.178.646	3.017.384	*Interest income*
Beban bunga	24,28	(2.073.643)	(1.722.565)	*Interest expense*
Pendapatan bunga bersih		1.105.003	1.294.819	***Net interest income***
Pendapatan operasional lainnya				***Other operating income***
Provisi dan komisi lainnya		86.635	118.660	*Other fees and commissions*
Keuntungan transaksi mata uang asing - bersih		307.524	194.477	*Gains on foreign exchange transactions - net*
Keuntungan transaksi penjualan fasilitas kredit	28	-	7.499	*Gains on sale of loan facilities*
Keuntungan atas penjualan efek-efek untuk tujuan investasi - bersih	10	4.688	26.044	*Gains on sale of investment securities - net*
Lain-lain		19.445	106.401	*Others*
Pendapatan operasional lainnya		418.292	453.081	***Other operating income***
Jumlah pendapatan operasional		1.523.295	1.747.900	***Total operating income***
Beban operasional				***Operating expenses***
Beban kerugian penurunan nilai aset keuangan - bersih	25	(841.992)	(783.417)	*Impairment losses on financial assets - net*
Beban umum dan administrasi	26	(155.587)	(163.556)	*General and administrative expenses*
Beban tenaga kerja	27,28	(333.441)	(339.521)	*Personnel expenses*
Lain-lain		(31.252)	(32.880)	*Others*
Jumlah beban operasional		(1.362.272)	(1.319.374)	***Total operating expenses***
LABA SEBELUM PAJAK PENGHASILAN		**161.023**	**428.526**	***INCOME BEFORE INCOME TAX***
Beban pajak penghasilan	16	(46.241)	(117.210)	*Income tax expense*
LABA BERSIH		**114.782**	**311.316**	***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***
(Kerugian) keuntungan yang belum direalisasi atas perubahan nilai wajar aset keuangan yang tersedia untuk dijual - bersih	10	(19.464)	53.333	*Unrealized (loss) 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	10	(4.688)	(26.044)	*Fair value changes transferred to profit or loss on disposal - net*
Pajak penghasilan terkait pos-pos yang akan direklasifikasikan ke laba rugi	16	6.038	(6.822)	*Income tax related to items that would be reclassified to profit or loss*
		(18.114)	20.467	

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 2018
(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 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Tahun berakhir 31 Desember/ *Year ended 31 December* 2018	2017	
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		6.630	(2.727)	*Remeasurements of defined benefit liability*
Pajak penghasilan terkait pos-pos yang tidak akan direklasifikasi ke laba rugi	16	(1.657)	682	*Income tax related to items that would never be reclassified to profit loss*
		4.973	(2.045)	
PENGHASILAN KOMPREHENSIF LAIN, SETELAH PAJAK PENGHASILAN		(13.141)	18.422	***OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX***
JUMLAH LABA KOMPREHENSIF		**101.641**	**329.738**	***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 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2018
(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 2016		2.692.250	15.500	(18.474)	138.526	1.598.499	4.426.301	***Balance, 31 December 2016***
Tambahan modal disetor	21, 22	1.013.900	(14.100)	-	-	-	999.800	*Additional paid-up capital*
Pengembalian kelebihan modal dibayar dimuka	22	-	(1.400)	-	-	-	(1.400)	*Refund of excess advanced capital*
Cadangan umum dan wajib yang telah ditentukan penggunaannya	21	-	-	-	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	10	-	-	20.467	-	-	20.467	*Fair value reserve (available-for-sale financial assets) - net*
Saldo, 31 Desember 2017		3.706.150	-	1.993	193.217	1.853.079	5.754.439	***Balance, 31 December 2017***
Cadangan umum dan wajib yang telah ditentukan penggunaannya	21	-	-	-	31.132	(31.132)	-	*Appropriation for general and legal reserves*
Laba bersih tahun berjalan		-	-	-	-	114.782	114.782	*Net income for the year*
Pendapatan komprehensif lain, setelah pajak penghasilan:								*Other comprehensive income, net of income tax:*
Pengukuran kembali atas liabilitas imbalan pasti		-	-	-	-	4.973	4.973	*Remeasurements of defined benefit liability*
Cadangan nilai wajar (aset keuangan tersedia untuk dijual) - bersih	10	-	-	(18.114)	-	-	(18.114)	*Fair value reserve (available-for-sale financial assets) - net*
Saldo, 31 Desember 2018		**3.706.150**	**-**	**(16.121)**	**224.349**	**1.941.702**	**5.856.080**	***Balance, 31 December 2018***

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 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Tahun berakhir 31 Desember/ *Year ended 31 December* 2018	2017	
ARUS KAS DARI AKTIVITAS OPERASI				***CASH FLOWS FROM OPERATING ACTIVITIES***
Penerimaan bunga, provisi dan komisi		3.247.177	3.144.019	*Interest, fees and commissions received*
Pembayaran bunga		(1.975.931)	(1.685.262)	*Interest paid*
Keuntungan transaksi mata uang asing - bersih		855.445	144.302	*Gain on foreign exchange transactions - net*
Keuntungan atas penjualan fasilitas kredit dan efek-efek untuk tujuan investasi		4.688	33.543	*Gain on sale of loan facilities and investment securities*
Pembayaran gaji dan tunjangan karyawan		(279.330)	(327.725)	*Payments of salaries and employee benefits*
Beban operasional lainnya		(891.301)	(644.875)	*Other operating expenses*
Pembayaran pajak penghasilan badan		(327.698)	(409.747)	*Payments of corporate income taxes*
Arus kas sebelum perubahan dalam aset dan liabilitas operasi		633.050	254.255	***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		352.736	(2.137.887)	*Placement with Bank Indonesia and other banks with original maturities more than 3 months from acquisition date*
Aset derivatif		(261.442)	4.983	*Derivative assets*
Efek-efek - pinjaman yang diberikan dan piutang		162.564	498.987	*Securities - loans and receivables*
Kredit yang diberikan		(1.549.499)	(2.211.688)	*Loans receivable*
Aset lain-lain		4.758	28.871	*Other assets*
Liabilitas segera		(4.189)	4.544	*Liabilities immediately payable*
Simpanan nasabah		(2.456.462)	8.295.853	*Deposits from customers*
Simpanan dari bank-bank lain		(2.007.554)	29.363	*Deposits from other banks*
Liabilitas derivatif		(2.327)	(2.629)	*Derivative liabilities*
Efek-efek yang dijual dengan janji dibeli kembali		(88.979)	(174.711)	*Securities sold under agreements to repurchase*
Liabilitas lain-lain dan beban yang masih harus dibayar		(2.166)	(36.712)	*Other liabilities and accrued expenses*
Kas bersih (digunakan untuk) diperoleh dari aktivitas operasi		**(5.219.510)**	**4.553.229**	***Net cash (used in) provided from operating activities***
ARUS KAS DARI AKTIVITAS INVESTASI				***CASH FLOWS FROM INVESTING ACTIVITIES***
Kenaikan (penurunan) efek-efek tersedia untuk dijual dan dimiliki hingga jatuh tempo		2.270.994	(434.410)	*Increase (decrease) in available-for-sale and held-to-maturity securities*
Perolehan aset tetap	12	(4.325)	(7.102)	*Acquisition of fixed assets*
Perolehan aset takberwujud		(4)	(397)	*Acquisition of intangible assets*
Kas bersih diperoleh dari (digunakan untuk) aktivitas investasi		**2.266.665**	**(441.909)**	***Net cash provided from (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 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED 31 DECEMBER 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Tahun berakhir 31 Desember/ *Year ended 31 December* 2018	2017	
ARUS KAS DARI AKTIVITAS PENDANAAN				***CASH FLOWS FROM FINANCING ACTIVITIES***
Hasil dari pinjaman yang diterima	33	12.546.605	2.858.866	*Proceeds from borrowings*
Pembayaran untuk pinjaman yang diterima	33	(2.259.236)	(5.013.288)	*Payments for borrowings*
Setoran modal saham	21	-	999.800	*Issuance of share capital*
Pembayaran untuk efek-efek yang diterbitkan	33	(6.653.500)	(187.500)	*Payment for securities issued*
Pengembalian kelebihan modal dibayar dimuka	22	-	(1.400)	*Refund of excess advanced capital*
Kas bersih diperoleh dari (digunakan untuk) aktivitas pendanaan		**3.633.869**	**(1.343.522)**	***Net cash provided from (used in) financing activities***
Pengaruh fluktuasi kurs mata uang asing pada kas dan setara kas		24.727	58.251	*Effect of foreign exchange rate fluctuation on cash and cash equivalents*
KENAIKAN BERSIH KAS DAN SETARA KAS		**705.751**	**2.826.049**	***NET INCREASE IN CASH AND CASH EQUIVALENTS***
KAS DAN SETARA KAS AWAL TAHUN		10.241.565	7.415.516	***CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR***
KAS DAN SETARA KAS AKHIR TAHUN		**10.947.316**	**10.241.565**	***CASH AND CASH EQUIVALENTS AT THE END OF YEAR***
Kas dan setara kas terdiri dari:				***Cash and cash equivalents consist of:***
Kas		63.490	88.399	*Cash*
Giro pada Bank Indonesia	6	3.848.283	3.888.038	*Current account with Bank Indonesia*
Giro pada bank-bank lain	7	3.456.397	3.314.446	*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	8	3.579.146	2.950.682	*Placements with Bank Indonesia and other banks with original maturities of 3 months or less from acquisition date*
		10.947.316	**10.241.565**	

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 2018 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

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 s ama. 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 p ada 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 N opember 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 t ujuan 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 2018 dan 2017, susunan Dewan Komisaris dan D ireksi Bank adalah sebagai berikut:

PT BANK ICBC INDONESIA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (Expressed in millions of Rupiah, unless otherwise stated)

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 t he 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 N ovember 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 2018 and 2017, the composition of the Bank's Board of Commissioners and Board of Directors was as follows:

	2018	2017	
Dewan Komisaris			***Board of Commissioners***
Komisaris Utama	Wang Kun	Wang Kun	*President Commissioner*
Komisaris Independen	Hendra Widjojo	Hendra Widjojo	*Independent Commissioner*
Komisaris Independen	H.Yunno Kusumo[3)]	Christina Harapan[1)]	*Independent Commissioner*
Direksi			***Board of Directors***
Presiden Direktur	Zhang Jinxing[4)]	Yu Guangzhu[2)]	*President Director*
Direktur	Yu Guangzhu	Yu Guangzhu	*Director*
Direktur	-	Liang Qinjun[1)]	*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	Fransisca Nelwan Mok	*Director*
Direktur	Xin Haiyan	Xin Haiyan	*Director*

1) Resmi mengundurkan diri pada tanggal 31 Mei 2018.

2) Yu Guangzhu untuk sementara waktu menjalankan fungsi sebagai Pejabat Pelaksana Presiden Direktur sampai dengan ditunjuknya Presiden Direktur yang definitif.

3) H.Yunno Kusumo diangkat sebagai Komisaris Independen sejak tanggal 29 Agustus 2018.

4) Zhang Jinxing diangkat sebagai Presiden Direktur sejak tanggal 20 April 2018.

1) Officially resigned on 31 May 2018.

2) Yu Guangzhu temporarily act as President Director until the appointment of a definitive President Director.

3) H. Yunno Kusumo was appointed as Independent Commissioner since 29 August 2018.

4) Zhang Jinxing was appointed as President Director since 20 April 2018.

PT BANK ICBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN TAHUN BERAKHIR 31 DESEMBER 2018 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (Expressed in millions of Rupiah, unless otherwise stated)

1. UMUM (Lanjutan)

Pada tanggal 31 Desember 2018 dan 2017, susunan Komite Audit Bank terdiri dari:

1. GENERAL (Continued)

As of 31 December 2018 and 2017, the composition of the Bank's Audit Committee was as follows:

	2018	2017	
Ketua	H. Yunno Kusumo	Christina Harapan	*Chair Person*
Anggota	Waldy Gutama	Waldy Gutama	*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 D esember 2018 dan 2017 sebagai berikut:

The Bank's head office is located at Jalan M.H. Thamrin No. 81, Jakarta with the distribution network as of 31 December 2018 and 2017 was as follows:

	Cabang/ Branches		
	2018	2017	
Kantor pusat	1	1	*Head office*
Kantor cabang	15	15	*Branches*
Kantor cabang pembantu	3	4	*Sub-branches*
Kantor kas	1	1	*Cash offices*
	20	21	

Pada tanggal 31 Desember 2018 dan 2017, Bank memperkerjakan masing-masing 595 dan 649 karyawan tetap.

As of 31 D ecember 2018 and 2017, the Bank employed 595 and 649 permanent employees, respectively.

Manajemen Bank bertanggung jawab atas penyusunan laporan keuangan yang telah diselesaikan dan disetujui untuk diterbitkan oleh Direksi Bank pada tanggal 29 Maret 2019.

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 29 March 2019.

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 akuntansi mensyaratkan pengukuran nilai wajar.

c. Laporan arus kas

Laporan arus kas menyajikan perubahan dalam kas dan s etara kas dari aktivitas operasi, investasi dan pendanaan. Laporan arus kas disusun dengan metode langsung.

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 c ash equivalents from operating, investing and financing activities. The statement of cash flows is prepared using direct method.

PT BANK ICBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN TAHUN BERAKHIR 31 DESEMBER 2018 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

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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 s ignifikan terhadap laporan keuangan dijelaskan di Catatan 5.

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 ac tivities, actual results may differ from those estimates.

Estimates and un derlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and i n any future periods affected.

Information about significant areas of estimation uncertainty and c ritical judgements in applying accounting policies that are significant to the financial statements are described in Note 5.

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING

Kebijakan-kebijakan akuntansi yang penting di bawah ini telah diterapkan secara konsisten pada s eluruh periode yang disajikan dalam laporan keuangan ini.

a. Setara kas

Untuk tujuan laporan arus kas, kas dan s etara 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 penggunaannya.

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.

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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.

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.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

b. Aset dan liabilitas keuangan (lanjutan)

b.1. Pengakuan dan pengukuran (lanjutan)

Biaya transaksi hanya m eliputi 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 f inancial 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 m erupakan 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 y ang tidak ditetapkan pada nilai wajar melalui laba rugi, tersedia untuk dijual, atau memenuhi definisi pinjaman dan piutang.

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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, available-for-sale, or does not fulfill the definition of loan and receivables.

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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 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:

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)*

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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 dan beban yang masih harus dibayar)	Liabilitas yang diukur pada biaya perolehan diamortisasi/*Liabilities measured at amortized cost*	*Accrued expenses (part of other liabilities and accrued expenses)*
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 kewajiban 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 kewajiban 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 keberlanjutan 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.

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 the 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.

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.

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 s aat 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 s ebagai k euntungan at au 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 andother 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.

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.

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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.

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 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.

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 m erugikan), 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 k olektif. 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 m enjual agunan, terlepas apakah pengambilalihan tersebut berpeluang terjadi atau tidak.

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 f inancial 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 gr oup 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 r esult of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') which has an i mpact on the estimated future cash flows of the financial asset or the group of financial assets that can be r eliably 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 obs ervable data indicate that there is a m easurable 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 i ndividual 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 i ncurred, 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 c ollateralized 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.

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 t elah 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 per iode berikutnya, nilai wajar instrumen utang yang diklasifikasikan dalam kelompok tersedia untuk dijual yang mengalami penurunan nilai meningkat dan pe ningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian penurunan nilai pada l aba 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.

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 t he 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 ev ent 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 at 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 d an risiko yang t erkait 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 l agi. Kerugian penurunan nilai dijurnal balik ketika terdapat perubahan estimasi yang digunakan dalam menentukan nilai yang d apat dipulihkan. Jumlah kerugian penurunan nilai yang dibalik tidak boleh menyebabkan nilai aset melebihi nilai tercatat neto setelah penyusutan atau amortisasi, seandainya tidak ada k erugian 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 i nventaris 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:

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 ass et 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 a 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 bal ance 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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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

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 l uar negeri, dalam bentuk giro, tabungan, *inter-bank call money*, dan depos ito berjangka.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Fixed assets (continued)

The cost of repairs and maintenance is charged to profit or loss as i ncurred. 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 t he 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 ar e intended to be used in business activity. These ass ets are reclassified to fixed assets and intangible assets accounts when the construction is completed and r eady for use. Depreciation is charged from such date.

l. Liabilities immediately payable

Liabilities immediately payable represent obligations to third parties based on c ontract 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, saving accounts, inter-bank call money, and time deposits.

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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 merupakan obligasi diterbitkan.

Setelah pengakuan awal, efek-efek yang diterbitkan diukur pada bi aya 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 r ewards 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 represents 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 penghasilan 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 substantif 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

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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 substantively 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.

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ketidakpastian yang melekat pada kompleksitas peraturan-peraturan pajak.

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

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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 subtantively 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 become 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

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dari jasa masa lalu yang diberikan oleh pekerja dan kewajiban tersebut dapat diestimasi secara handal.

3. 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. Perhitungan dilakukan oleh aktuaris independen dengan metode *projected-unit-credit*.

Laba atau rugi yang timbul dari pengukuran kembali aktuarial dari kewajiban manfaat bersih pasti diakui segera dalam penghasilan komprehensif lain. 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.

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.

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provided by the employee and the obligation can be estimated reliably.

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. The calculation is performed by an independent actuary using the projected-unit-credit method.

Gains or losses arising from actuarial measurements of the net defined benefit liability are recognized immediately in other comprehensive income. 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.

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.

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3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

x. Penjabaran transaksi dan saldo dalam mata uang asing (lanjutan)

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 2018 dan 2017 adalah sebagai berikut (Rupiah penuh):

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Foreign currency transactions and balances translations (continued)

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 2018 and 2017 were as follows (whole Rupiah):

		2018	2017	
1	Dolar Amerika Serikat (USD)	14.380,00	13.567,50	*1 United States Dollar (USD)*
1	Yuan China (RMB)	2.090,57	2.083,64	*1 Chinese Yuan (RMB)*
1	Dolar Australia (AUD)	10.162,35	10.594,19	*1 Australian Dollar (AUD)*
1	Dolar Singapura (SGD)	10.554,91	10.154,56	*1 Singapore Dollar (SGD)*
1	Dolar Hong Kong (HKD)	1.836,28	1.736,21	*1 Hong Kong Dollar (HKD)*
1	Poundsterling Inggris (GBP)	18.311,50	18.325,62	*1 British Poundsterling (GBP)*
1	Yen Jepang (JPY)	130,62	120,52	*1 Japanese Yen (JPY)*
1	Euro (EUR)	16.440,66	16.236,23	*1 Euro (EUR)*
1	Dolar Selandia Baru (NZD)	9.659,05	9.650,57	*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 untuk mengidentifikasi terjadinya perubahan pada 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 to identify any change in factors that significantly affect 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 di ambil oleh Bank secara keseluruhan;
- Mengembangkan budaya manajemen risiko pada s eluruh jenjang organisasi, yang meliputi komunikasi yang m emadai 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 m embantu 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, 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.

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 r isk 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, Head of Internal Audit, Department Head who leads the Risk Management Unit, and other related Department Heads.

Authorities and r esponsibilities 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, the determination and implementation of limit, the adequacy of the Bank's capital 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 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 risks 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.

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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 procedures 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 certain sectors or large debtors, maintain quality of the funding at the safety level of risk, maintain the adequacy of provision, ensure that 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 pen gambilan keputusan kredit senantiasa mengacu pada kebijakan tertulis yang t elah 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 m eningkatkan 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 di terbitkan 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.

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 C redit Authority Policy which covers authorities delegation and c redit 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 r eference 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* 2018	31 Desember/*December* 2017	
Laporan posisi keuangan			*Statement of financial position*
Giro pada Bank Indonesia	3.848.283	3.888.038	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	3.456.397	3.314.446	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	5.410.777	5.135.049	*Placements with Bank Indonesia and other banks*
Aset derivatif	267.422	5.980	*Derivative assets*
Tagihan akseptasi	595.160	1.519.878	*Acceptance receivables*
Efek-efek untuk tujuan investasi	3.791.167	6.248.877	*Investment securities*
Kredit yang diberikan	36.542.280	35.068.608	*Loans receivable*
Aset lain-lain	261.580	243.300	*Other assets*
Rekening administratif dengan risiko kredit			*Off-balance sheet accounts with credit risk*
Fasilitas kredit yang diberikan yang belum digunakan - *committed*	9.601.421	10.248.418	*Unused loan facilities - committed*
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan	265.968	726.454	*Outstanding irrevocable L/C and domestic L/C*
Garansi bank dan *Standby* L/C yang diterbitkan	7.326.525	4.486.597	*Bank guarantees and Standby L/C issued*
	71.366.980	70.885.645	

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* 2018						
	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	3.848.283	-	-	-	-	3.848.283	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	-	-	3.456.397	-	-	3.456.397	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	3.349.184	-	2.061.593	-	-	5.410.777	*Placements with Bank Indonesia and other banks*
Aset derivatif	-	-	267.422	-	-	267.422	*Derivative assets*
Tagihan akseptasi	-	107.279	-	487.881	-	595.160	*Acceptance receivables*
Efek-efek untuk tujuan investasi	3.781.502	-	5.703	3.962	-	3.791.167	*Investment securities*
Kredit yang diberikan	-	11.147.803	712.676	24.147.619	534.182	36.542.280	*Loans receivable*
Aset lain-lain	42.964	54.455	32.667	128.712	2.782	261.580	*Other assets*
Rekening administratif dengan risiko kredit							*Off-balance sheet accounts with credit risk*
Fasilitas kredit yang diberikan yang belum digunakan - *committed*	-	4.000.255	-	5.249.855	351.311	9.601.421	*Unused loan facilities - committed*
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan	-	69.518	-	196.450	-	265.968	*Outstanding irrevocable L/C and domestic L/C*
Garansi bank dan *Standby* L/C yang diterbitkan	-	63.282	1.438.000	5.824.868	375	7.326.525	*Bank gurantees and Standby L/C issued*
	11.021.933	15.442.592	7.974.458	36.039.347	888.650	71.366.980	
Persentase	16%	22%	11%	50%	1%	100%	*Percentage*

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

4. FINANCIAL RISK MANAGEMENT (continued)

b. Risiko Kredit (lanjutan)

b. Credit Risk (continued)

	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	138.598	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*

iii. Agunan dan perlindungan kredit lainnya

Sebagai salah satu kebijakan Bank dalam memitigasi risiko kredit, Bank meminta agunan sebagai jaminan pembayaran atas dana yang di berikan 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 dap at 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:

	2018	2017		
	Nilai kredit yang diberikan sebelum penyisihan kerugian penurunan nilai/ *Balance of loans receivable before allowance for impairment losses*	**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	4.518.738	4.589.695	Kas, *Standby L/C/ Cash, Standby L/C*	*Fully secured*
Dijamin sebagian	24.509.329	25.591.568	Kas, piutang dagang, tanah dan bangunan, aset bergerak, garansi/ *Cash, accounts receivable, land and buildings, moveable assets, guarantees*	*Partially secured*
Tidak memiliki jaminan	8.185.764	5.483.069	-	*Unsecured*
	37.213.831	35.664.332		

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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.

Pada tanggal 31 Desember 2018 dan 2017, 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)

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.

As of 31 December 2018 and 2017, the table below shows quality of financial assets that are neither past due nor impaired, past due but not impaired, and impaired:

	2018					
	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	3.848.283	-	-	-	3.848.283	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	3.456.397	-	-	-	3.456.397	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	5.410.777	-	-	-	5.410.777	*Placements with Bank Indonesia and other banks*
Aset derivatif	267.422	-	-	-	267.422	*Derivative assets*
Tagihan akseptasi	595.160	-	-	-	595.160	*Acceptance receivables*
Efek-efek untuk tujuan investasi	3.791.167	-	-	-	3.791.167	*Investment securities*
Kredit yang diberikan	32.348.622	273.434	4.591.775	(671.551)	36.542.280	*Loans receivable*
Aset lain-lain	225.773	2.640	33.167	-	261.580	*Other assets*
	49.943.601	276.074	4.624.942	(671.551)	54.173.066	

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b.Risiko Kredit (lanjutan)

v. Evaluasi penurunan nilai (lanjutan)

4. FINANCIAL RISK MANAGEMENT (continued)

b. Credit Risk (continued)

v. Impairment Assessment (continued)

	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	5.051.773	(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	5.081.082	(595.724)	55.424.176	

- Belum jatuh tempo dan tidak mengalami penurunan nilai: eksposur menunjukkan laba yang tinggi atau stabil, modal dan likuiditas yang m emadai, secara umum dibuktikan dengan pembayaran komitmen terhadap Bank dan kreditur lainnya secara tepat waktu. Sumber pembayaran dapat diidentifikasikan secara jelas dan B ank 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.

- *Neither past-due nor impaired: exposures exhibit high or stable earnings, adequate capital and l iquidity, as generally evidenced by prompt repayment of its commitment with the Bank and ot her creditors. Source of payments can be clearly identifiable and B ank 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.*

- 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.

- *Past due b ut 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 i n accordance with classification per OJK regulation. This definition does not include restructured loan with credit quality grading 2.*

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b.Risiko Kredit (lanjutan)

v. Evaluasi penurunan nilai (lanjutan)

- 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 di alami oleh debitur/pihak lawan, penurunan peringkat kredit, atau pelanggaran atas persyaratan perjanjian kredit.

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 t imbul 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 per gerakan asimetris di kurva imbal hasil dan pos isi laporan posisi keuangan yang tetap, adalah sebagai berikut:

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4. FINANCIAL RISK MANAGEMENT (continued)

b. Credit Risk (continued)

v. Impairment Assessment (continued)

- *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.

c. Market Risk

Market risk is the risk that changes in market prices, such as interest rates and f oreign 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 l iabilities of the Bank to various interest rate scenarios. Scenarios, among others, include a 10 0 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:

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Pasar (lanjutan)

i. Risiko suku bunga (lanjutan)

4. FINANCIAL RISK MANAGEMENT (continued)

c. Market Risk (continued)

i. Interest rate risk (lanjutan)

	31 Desember/*December* 2018		31 Desember/*December* 2017		
	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	(120.952)	120.952	(86.717)	86.717	*Increase (decrease) of net Interestincome*

Dari perspektif pendapatan bunga, Bank memiliki sensitivitas yang lebih tinggi dalam portofolio liabilitas karena aset berbunga memiliki durasi yang l ebih 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 l ebih 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.

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:

The table below summarizes the Bank's interest-earning assets and i nterest-bearing liabilities (not for trading purpose) at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates:

	31 Desember/*December* 2018							
		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*	Hingga 3 bulan/ *Up to 3 months*	3-12 bulan/ *months*	> 1- 2 tahun/ *years*	> 2 tahun/ *years*	
Giro pada bank-bank lain	3.456.397	-	-	3.456.397	-	-	-	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	5.410.777	458.483	-	3.579.146	1.373.148	-	-	*Placements with Bank Indonesia and other banks*
Kredit yang diberikan*	37.213.831	11.158.828	20.181.956	51.893	991.423	4.429.117	400.614	*Loans receivable**
Efek-efek untuk tujuan investasi	3.791.167	-	-	1.356.388	881.925	177.502	1.375.352	*Investmentsecurities*
	49.872.172	11.617.311	20.181.956	8.443.824	3.246.496	4.606.619	1.775.966	
Simpanan nasabah	(30.418.315)	(8.521.981)	(115)	(16.711.471)	(5.172.705)	(5.235)	(6.808)	*Deposits from customers*
Simpanan dari bank-bank lain	(2.227.491)	(1.551)	-	(1.495.414)	(730.526)	-	-	*Deposits from other banks*
Pinjaman yang diterima	(13.780.073)	(12.561.105)	-	-	(1.218.968)	-	-	*Borrowings*
Pinjaman subordinasi	(1.222.300)	(1.222.300)	-	-	-	-	-	*Subordinated loan*
	(47.648.179)	(22.306.937)	(115)	(18.206.885)	(7.122.199)	(5.235)	(6.808)	
Jumlah	2.223.993	(10.689.626)	20.181.841	(9.763.061)	(3.875.703)	4.601.384	1.769.158	*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)

4. FINANCIAL RISK MANAGEMENT (continued)

c. Market Risk (continued)

i. Interest rate risk (lanjutan)

	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*	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	1.300.526	*Investmentsecurities*
	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)	-	(18.758.286)	(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)	(16.045.827)	(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*

* 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 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. 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 2018 dan 2017 adalah sebagai berikut:

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 2018 and 2017 was as follows:

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Pasar (lanjutan)

ii. Risiko nilai tukar

4. FINANCIAL RISK MANAGEMENT (continued)

c. Market Risk (continued)

ii. Foreign exchange risk

	2018			
Mata uang	**Aset/ *Assets***	**Liabilitas/ *Liabilities***	**Posisi Devisa Neto (nilai absolut)/*Net Open Position (absoluteamount)***	***Currency***
KESELURUHAN (LAPORAN POSISI KEUANGAN DAN REKENING ADMINISTRATIF)				***AGGREGATE (STATEMENT OF FINANCIAL POSITION AND OFF-BALANCE SHEET ACCOUNTS)***
Dolar Amerika Serikat	34.120.530	34.144.988	24.458	*United States Dollar*
Yuan China	1.426.797	1.383.693	43.104	*Chinese Yuan*
Euro Eropa	2.285	2.702	417	*European Euro*
Dolar Singapura	24.433	24.792	359	*Singapore Dollar*
Dolar Australia	6.805	7.010	205	*Australian Dollar*
Dolar Hong Kong	4.015	1.117	2.898	*Hong Kong Dollar*
Poundsterling Inggris	4.436	4.773	337	*British Poundsterling*
Yen Jepang	693	797	104	*Japanese Yen*
Dolar Selandia Baru	407	249	158	*New Zealand Dollar*
			72.040	
Jumlah Modal (Catatan 4f)			**6.349.385**	*Total Capital (Note 4f)*
Rasio PDN (Keseluruhan)			**1,13%**	*NOP Ratio (Aggregate)*

	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	33.666.415	33.696.501	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	1.026	1.258	*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)*

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 2018 dan 2017, 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 2018 and 2017, after decuting foreign currency placements in term deposit with Bank Indonesia, the Bank's NOP ratio was 0.00%.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

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 2018 dan 2017, nilai nominal bruto arus kas masuk (keluar) berdasarkan sisa jatuh tempo kontraktual liabilitas keuangan adalah sebagai berikut:

4. FINANCIAL RISK MANAGEMENT (continued)

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 2018 and 2017, the gross nominal cash inflow (outflow) based on contractual remaining maturity of the financial liabilities were as follows:

2018

	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	2.355	(2.355)	(2.355)	-	-	-	*Liabilities immediately payable*
Simpanan nasabah	30.588.043	(30.813.257)	(25.423.713)	(5.367.513)	(22.031)	-	*Deposits from customers*
Simpanan dari bank-bank lain	2.227.491	(2.241.452)	(1.502.008)	(739.444)	-	-	*Deposits from other banks*
Liabilitas akseptasi	595.160	(595.160)	(369.471)	(225.689)	-	-	*Acceptance payables*
Pinjaman yang diterima	13.780.073	(15.282.897)	(153.470)	(4.752.751)	(10.376.676)	-	*Borrowings*
Liabilitas lain-lain dan beban yang masih harus dibayar	270.166	(270.166)	(270.166)	-	-	-	*Other liabilities and accrued expenses*
Pinjaman subordinasi	1.222.300	(1.358.465)	(9.212)	(385.071)	(964.182)	-	*Subordinated loan*
	48.685.588	(50.563.752)	(27.730.395)	(11.470.468)	(11.362.889)	-	
Liabilitas derivatif							***Derivative liabilities***
Diperdagangkan:	538						*Trading:*
Arus kas keluar		(101.607)	(101.607)	-	-	-	*Cash outflow*
Arus kas masuk		101.042	101.042	-	-	-	*Cash inflow*
	538	(565)	(565)	-	-	-	
	48.686.126	(50.564.317)	(27.730.960)	(11.470.468)	(11.362.889)	-	

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)	(24.896.182)	(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	2.858.866	(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)	
Liabilitas derivatif							***Derivative liabilities***
Diperdagangkan:	2.865						*Trading:*
Arus kas keluar		(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)	

Pada tanggal 31 Desember 2018, Bank telah memenuhi ketentuan OJK mengenai rasio kecukupan likuiditas. Rata-rata rasio kecukupan likuiditas pada tanggal 31 Desember 2018yaitu sebesar 140,54%.

As of 31 December 2018, the Bank complied with OJK regulation on Liquidity Coverage Ratio (LCR). Bank's average LCR as of 31 December 2018 was 140.54%.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

d. Risiko Likuiditas (lanjutan)

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 30.

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.

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4. FINANCIAL RISK MANAGEMENT (continued)

d. Liquidity Risk (continued)

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 30.

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.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

e. Risiko Operasional (lanjutan)

Pelaksanaan penilaian terhadap risiko operasional dilakukan Bank pada semua aktivitas fungsional secara komprehensif dengan memberi fokus pada ak tivitas fungsional dalam tingkat risiko yang dinilai perlu ditingkatkan. Penilaian terhadap risiko operasional dilakukan atas penilaian terhadap risiko inheren dan k ualitas penerapan manajemen risiko. Parameter yang digunakan sebagai dasar penilaian risiko inheren mencakup karakteristik dan k ompleksitas 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 di kelola 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.

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 pot ensi kegagalan sistem yang m enyebabkan 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.

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4. FINANCIAL RISK MANAGEMENT (continued)

e. Operational Risk (continued)

Operational risk assessment is conducted by the Bank to all functional activities comprehensively by focusing on f unctional activities which need improvement on risk level. Operational risk assessment is conducted by assessing inherent risk and qual ity 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 r isk 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 c ollect 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.

The implementation of operational risk management is performed by formulating and determining policies and pr ocedures 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.

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

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).

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 ber laku 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 t anggal 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.

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4. FINANCIAL RISK MANAGEMENT (continued)

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 o btain 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).

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 ef fective 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.*

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4. MANAJEMEN RISIKO KEUANGAN (lanjutan)

f. Pengelolaan permodalan (lanjutan)

Bank telah mematuhi semua persyaratan modal yang ditetapkan pada tanggal 31 December 2018 dan 2017.

Kewajiban Penyediaan Modal Minimum (KPMM) Bank dengan memperhitungkan r isiko kredit, risiko operasional, dan r isiko pas ar adalah sebagai berikut:

4. FINANCIAL RISK MANAGEMENT (continued)

f. Capital management (continued)

The Bank has complied with all externally imposed capital requirements as of 31 December 2018 and 2017.

The Bank's Capital Adequacy Ratio (CAR) with consideration for credit, operational, and market risks was as follows:

	31 Desember/*December*		
	2018	**2017**	
Modal *Tier* 1	5.095.370	5.339.836	*Tier 1 capital*
Modal *Tier* 2	1.254.015	1.364.828	*Tier 2 capital*
Jumlah modal	6.349.385	6.704.664	*Total Capital*
ATMR untuk risiko kredit setelah memperhitungkan risiko spesifik	36.186.382	35.400.416	*RWA for credit risks after considering specific risks*
ATMR untuk risiko operasional	2.902.493	2.409.396	*RWA for operational risks*
ATMR untuk risiko pasar	72.040	37.957	*RWA for market risks*
Jumlah ATMR untuk risiko kredit, pasar, dan operasional	39.160.915	37.847.769	*Total RWA for credit, market, and operational risks*
Rasio *CET* 1	13,01%	14,11%	*CET 1 ratio*
Rasio *Tier 1*	13,01%	14,11%	*Tier 1 ratio*
Rasio *Tier* 2	3,20%	3,61%	*Tier 2 ratio*
Rasio total	16,21%	17,72%	*Total ratio*
Rasio KPMM yang diwajibkan sebelum modal penyangga	9% - 10%	9% - 10%	*Required CAR before buffer*
Capital conservation buffer	1,875%	1,25%	*Capital conservation buffer*
Countercyclical buffer	0%	0%	*Countercyclical buffer*
Capital surcharge	-	-	*Capital surcharge*

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5. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN

Pengungkapan ini merupakan tambahan atas pembahasan tentang manajemen risiko keuangan (Catatan 4).

a. Sumber utama atas ketidakpastian estimasi

a.1. Cadangan kerugian penurunan nilai aset keuangan

Evaluasi atas kerugian penurunan nilai aset keuangan yang dicatat pada biaya perolehan diamortisasi dijelaskan pada Catatan 3j.

Bank menentukan penyisihan kerugian penurunan nilai secara individual untuk setiap kredit yang s ignifikan secara individual dan memiliki bukti obyektif penurunan nilai kredit. Faktor-faktor 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 pembayaran yang diharapkan saat terjadi kepailitan, ketersediaan dukungan keuangan lainnya, nilai agunan yang dapat direalisasikan, dan ek spektasi waktu penerimaan arus kas. Penyisihan kerugian penurunan nilai dievaluasi setiap tanggal pelaporan, kecuali terdapat beberapa kondisi yang mengharuskan adanya perhatian lebih.

Evaluasi cadangan kerugian penurunan nilai secara kolektif meliputi kerugian kredit yang melekat pada portofolio tagihan dengan karakteristik ekonomi yang serupa ketika terdapat bukti obyektif bahwa telah terjadi penurunan nilai tagihan dalam portofolio tersebut, namun penurunan nilai secara individu belum dapat diidentifikasi. Dalam menentukan perlunya membentuk cadangan kerugian penurunan nilai secara kolektif, manajemen mempertimbangkan faktor-faktor seperti kualitas kredit, besarnya portofolio, konsentrasi kredit dan faktor-faktor ekonomi. Dalam mengestimasi cadangan yang dibutuhkan, asumsi-asumsi dibuat untuk menentukan model kerugian bawaan dan untuk menentukan parameter input yang dibutuhkan, berdasarkan pengalaman historis dan kondisi ekonomi saat ini. Ketepatan dari cadangan ini tergantung pada seberapa tepat estimasi arus kas masa depan untuk menentukan cadangan individual serta asumsi model dan parameter yang digunakan dalam menentukan cadangan kolektif.

5. USE OF ESTIMATES AND JUDGMENTS

These disclosures supplement the commentary on financial risk management (Note 4).

a. Key sources of estimation uncertainty

a.1. Allowances for impairment losses of financial assets

Financial assets accounted for at amortized cost are evaluated for impairment on a b asis as described in Note 3j.

The Bank determines the allowances for impairment losses on i ndividual basis for each individually significant loan and has any objective evidence of impairment. Factors 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 t he 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.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of receivables with similar economic characteristics when there is objective evidence to suggest that they contain impaired receivables, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, credit concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modeled and to determine the required input parameters, based on hi storical experiences and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows are determined for specific counterparty allowances and t he model's assumptions and par ameters used in determining collective allowances.

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5. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN (Lanjutan)

a. Sumber utama atas ketidakpastian estimasi (Lanjutan)

a.2. Penentuan nilai wajar

Dalam menentukan nilai wajar atas aset keuangan dan liabilitas keuangan dimana tidak terdapat harga pasar yang dapat diobservasi, Bank harus menggunakan teknik penilaian seperti dijelaskan pada Catatan 3b.5. Untuk instrumen keuangan yang jarang diperdagangkan dan tidak memiliki harga yang transparan, nilai wajarnya menjadi kurang obyektif dan karenanya, membutuhkan tingkat pertimbangan yang beragam, tergantung pada likuiditas, konsentrasi, ketidakpastian faktor pasar, asumsi penentuan harga, dan risiko lainnya yang mempengaruhi instrumen tertentu.

b. Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank

Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank meliputi:

b.1. Penilaian instrumen keuangan

Kebijakan akuntansi Bank untuk pengukuran nilai wajar dibahas di Catatan 3b.5. Informasi mengenai nilai wajar dari instrumen keuangan diungkapkan pada Catatan 31.

b.2. Klasifikasi aset dan liabilitas keuangan

Kebijakan akuntansi Bank memberikan keleluasaan untuk menetapkan aset keuangan dan liabilitas keuangan ke dalam berbagai kategori pada saat pengakuan awal sesuai dengan standar akuntansi yang berlaku berdasarkan kondisi tertentu.

5. USE OF ESTIMATES AND JUDGMENTS (Continued)

a. Key sources of estimation uncertainty (Continued)

a.2. Determining fair value

In determining the fair value of financial assets and financial liabilities for which there is no obs ervable market price, the Bank uses the valuation techniques as described in Note 3b.5. For financial instruments that trade infrequently and with less price transparency, fair value becomes less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

b. Critical accounting judgments in applying the Bank's accounting policies

Critical accounting judgments made in applying the Bank's accounting policies include:

b.1. Valuation of financial instruments

The Bank's accounting policy on fair value measurements is discussed in Note 3b.5. Information about fair value of financial instruments is disclosed in Note 31.

b.2. Financial asset and liability classification

The Bank's accounting policies provide scope for financial assets and liabilities to be designated on inception into different accounting categories in certain circumstances.

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6. GIRO PADA BANK INDONESIA

6. CURRENT ACCOUNTS WITH BANK INDONESIA

	31 Desember/*December*		
	2018	**2017**	
Rupiah	1.433.369	1.415.022	*Rupiah*
Dolar Amerika Serikat	2.414.914	2.473.016	*United States Dollar*
	3.848.283	**3.888.038**	

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 2018 dan 2017 adalah sebagai berikut:

As of 31 December 2018 and 2017, the GWM ratios of the Bank were as follows:

	2018	**2017**	
Rupiah			*Rupiah*
GWM Primer	6,68%	6,85%	*Primary GWM*
GWM Sekunder	7,64%	17,01%	*Secondary GWM*
Mata uang asing	8,90%	8,69%	*Foreign currencies*

Pada tanggal 31 Desember 2018 dan 2017, Bank tidak memiliki kewajiban GWM LFR (*Loan Funding Ratio*).

As of 31 December 2018 and 2017, the Bank was not required to maintain LFR (Loan Funding Ratio) GWM.

Pada tanggal 31 Desember 2018 dan 2017, Bank telah memenuhi ketentuan Bank Indonesia mengenai Giro Wajib Minimum.

As of 31 December 2018 and 2017, the Bank complied with Bank Indonesia Regulation on the GWM.

7. GIRO PADA BANK-BANK LAIN

7. CURRENT ACCOUNTS WITH OTHER BANKS

a. Berdasarkan mata uang

a. By currency

	31 Desember/*December*		
	2018	**2017**	
Dolar Amerika Serikat	2.662.385	3.045.591	*United States Dollar*
Yuan China	705.004	197.098	*Chinese Yuan*
Rupiah	61.225	22.001	*Rupiah*
Dolar Singapura	9.142	16.722	*Singapore Dollar*
Dolar Australia	6.805	11.460	*Australian Dollar*
Poundsterling Inggris	4.436	4.252	*British Poundsterling*
Dolar Hong Kong	4.015	2.285	*Hong Kong Dollar*
Euro Eropa	2.285	12.584	*European Euro*
Yen Jepang	693	1.004	*Japanese Yen*
Dolar Selandia Baru	407	1.449	*New Zealand Dollar*
	3.456.397	**3.314.446**	

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7. GIRO PADA BANK-BANK LAIN (lanjutan)

7. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b. Transaksi dengan pihak berelasi

b. Related party transactions

	31 Desember/*December* 2018	2017	
Industrial and Commercial Bank of China Ltd., cabang Singapura	571.306	61.057	*Industrial and Commercial Bank of China Ltd., Singapore branch*
Industrial and Commercial Bank of China Ltd., cabang New York	86.751	22.365	*Industrial and Commercial Bank of China Ltd., New York branch*
Industrial and Commercial Bank of China Ltd., China	83.507	110.909	*Industrial and Commercial Bank of China Ltd., China*
Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong	18.778	10.067	*Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong*
Industrial and Commercial Bank of China Ltd., cabang Sydney	6.805	11.460	*Industrial and Commercial Bank of China Ltd., Sydney branch*
Bank of Communication Co. Ltd., China	6.089	6.036	*Bank of Communication Co. Ltd., China*
Industrial and Commercial Bank of China Ltd., cabang Frankfurt	1.851	12.523	*Industrial and Commercial Bank of China Ltd., Frankfurt branch*
Industrial and Commercial Bank of China Ltd., cabang Tokyo	693	1.004	*Industrial and Commercial Bank of China Ltd., Tokyo branch*
	775.780	**235.421**	

c. Berdasarkan kolektibilitas

Pada tanggal 31 Desember 2018 dan 2017, seluruh giro pada bank-bank lain digolongkan lancar menurut kolektibilitas OJK.

c. By collectability

As of 31 December 2018 and 2017, 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 2018 dan 2017 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 2018 and 2017, there were no allowances for impairment losses required.

8. PENEMPATAN PADA BANK INDONESIA DAN BANK-BANK LAIN

8. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

a. Berdasarkan jenis dan mata uang

a. By type and currency

	31 Desember/*December* 2018	2017	
Rupiah			***Rupiah***
Deposito berjangka pada bank lain	1.831.631	-	*Time deposit with other banks*
Penempatan pada Bank Indonesia	1.479.783	519.949	*Placements with Bank Indonesia*
Interbank call money	-	100.000	*Interbank call money*
	3.311.414	619.949	
Mata uang asing			***Foreign currencies***
Deposito berjangka pada Bank Indonesia	1.869.400	678.375	*Time deposits with Bank Indonesia*
Interbank call money	229.963	3.836.725	*Interbank call money*
	2.099.363	4.515.100	
Jumlah penempatan pada Bank Indonesia dan bank-bank lain	**5.410.777**	**5.135.049**	*Total placements with Bank Indonesia and other banks*

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8. PENEMPATAN PADA BANK INDONESIA DAN BANK-BANK LAIN (lanjutan)

a. Berdasarkan jenis dan mata uang (lanjutan)

Deposito berjangka pada bank lain yang dijadikan sebagai jaminan pada tanggal 31 Desember 2018 adalah sebesar Rp 1.831.631.

8. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By type and currency (continued)

Time deposit with other banks which were pledged as collaterals as of 31 December 2018 amounted to Rp 1,831,631.

b. Transaksi dengan pihak berelasi

b. Related party transactions

	31 Desember/*December* 2018	2017	
Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong	-	2.184.368	*Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong*
Industrial and Commercial Bank of China Ltd., cabang Singapura	229.963	416.728	*Industrial and Commercial Bank of China Ltd., Singapore branch*
	229.963	**2.601.096**	

c. Berdasarkan kolektibilitas

Seluruh penempatan pada Bank Indonesia dan bank-bank lain pada tanggal 31 Desember 2018 dan 2017 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 2018 dan 2017.

c. By collectability

All placements with Bank Indonesia and other banks as of 31 December 2018 and 2017 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 2018 and 2017.

d. Tingkat suku bunga kontraktual rata-rata setahun

d. Average annual contractual interest rates

	2018	2017	
Rupiah	4,30%	4,16%	*Rupiah*
Mata uang asing	1,85%	1,74%	*Foreign currencies*

e. Berdasarkan jangka waktu

Rincian penempatan pada Bank Indonesia dan bank-bank lain berdasarkan jangka waktu adalah sebagai berikut:

e. By contract period

Details of placements with Bank Indonesia and other banks based on contract periods are as follows:

	31 Desember/*December* 2018	2017	
1 - 3 bulan	3.579.146	2.950.682	*1 - 3 months*
> 3 -12 bulan	1.831.631	2.184.367	*> 3 - 12 months*
	5.410.777	**5.135.049**	

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9. TAGIHAN DAN LIABILITAS AKSEPTASI / *9. ACCEPTANCE RECEIVABLES AND PAYABLES*

a. Berdasarkan mata uang / *a. By currency*

	31 Desember/*December*				
	2018		2017		
	Tagihan akseptasi/ *Acceptance receivables*	Liabilitas akseptasi/ *Acceptance payables*	Tagihan akseptasi/ *Acceptance receivables*	Liabilitas akseptasi/ *Acceptance payables*	
Rupiah	303.762	(303.762)	228.218	(228.218)	*Rupiah*
Mata uang asing	291.398	(291.398)	1.291.660	(1.291.660)	*Foreign currencies*
	595.160	**(595.160)**	**1.519.878**	**(1.519.878)**	

b. Transaksi dengan pihak berelasi / *b. Transactions with related parties*

	31 Desember/*December*		
	2018	2017	
Liabilitas akseptasi:			*Acceptance payables:*
China Everbright Bank Co., Ltd., China	2.010	-	*China Everbright Bank Co., Ltd., China*
Bank of China, China	1.058	42.653	*Bank of China, China*
Industrial and Commercial Bank of China (Europe) SA, cabang Amsterdam	-	171.571	*Industrial and Commercial Bank of China (Europe) SA, Amsterdam branch*
Industrial and Commercial Bank of China Ltd., China	-	110.815	*Industrial and Commercial Bank of China Ltd., 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*
	3.068	383.250	

c. Berdasarkan kolektibilitas / *c. By collectibility*

	31 Desember/*December*		
	2018	2017	
Lancar	595.160	1.519.078	*Current*
Dalam perhatian khusus	-	800	*Special mention*
	595.160	1.519.878	

Manajemen berpendapat bahwa Bank tidak perlu membentuk penyisihan kerugian penurunan nilai atas tagihan akseptasi pada tanggal 31 Desember 2018 dan 2017.

Management believes that the Bank did not need to provide allowance for impairment losses on acc eptance receivables as of 31 December 2018 and 2017.

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10. EFEK-EFEK UNTUK TUJUAN INVESTASI / *10. INVESTMENT SECURITIES*

a. Berdasarkan jenis dan mata uang / *a. By type and currency*

	31 Desember/*December* 2018	2017	
Tersedia untuk dijual			***Available-for-sale***
Rupiah:			*Rupiah:*
Sertifikat Deposito Bank Indonesia	-	1.334.201	*Deposit Certificates of Bank Indonesia*
Sertifikat Bank Indonesia	684.236	-	*Certificates of Bank Indonesia*
Obligasi Pemerintah	955.675	2.096.884	*Government Bonds*
	1.639.911	3.431.085	
Mata uang asing:			*Foreign currencies:*
Obigasi Pemerintah	1.240.743	1.049.879	*Government Bonds*
Obligasi Perusahaan	-	257.811	*Corporate Bonds*
	1.240.743	1.307.690	
Jumlah tersedia untuk dijual	2.880.654	4.738.775	*Total available-for-sale*
Pinjaman yang diberikan dan piutang			***Loans and receivables***
Rupiah:			*Rupiah:*
Wesel ekspor	8.984	3.375	*Export bills*
	8.984	3.375	
Mata uang asing:			*Foreign currency:*
Wesel ekspor	681	168.854	*Export bills*
	681	168.854	
Jumlah pinjaman yang diberikan dan piutang	9.665	172.229	*Total loans and receivables*
Dimiliki hingga jatuh tempo			***Held-to-maturity***
Rupiah:			*Rupiah:*
Wesel Bayar Jangka Menengah	-	400.000	*Medium-Term Notes*
Obligasi Pemerintah	-	82.057	*Government Bonds*
	-	482.057	
Mata uang asing:			*Foreign currencies:*
Obligasi Pemerintah	900.848	855.816	*Government Bonds*
	900.848	855.816	
Jumlah dimiliki hingga jatuh tempo	900.848	1.337.873	*Total held-to-maturity*
Jumlah efek-efek untuk tujuan investasi	**3.791.167**	**6.248.877**	***Total investment securities***

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10. EFEK-EFEK UNTUK TUJUAN INVESTASI (lanjutan)

a. Berdasarkan jenis dan mata uang (lanjutan)

Pada tanggal 31 Desember 2018, efek-efek sebesar Rp nil (2017: Rp 773.348) digunakan sebagai jaminan atas pinjaman yang diterima (Catatan 17).

b. Transaksi dengan pihak berelasi

Pada tanggal 31 D esember 2018 dan 2 017, tidak ada transaksi efek-efek untuk tujuan investasi kepada pihak berelasi.

c. Berdasarkan kolektibilitas

Seluruh efek-efek pada tanggal 31 Desember 2018 dan 2017 digolongkan lancar menurut kolektibilitas OJK.

Manajemen berpendapat bahwa Bank tidak perlu membentuk penyisihan kerugian penurunan nilai atas efek-efek untuk tujuan investasi pada t anggal 31 Desember 2018 dan 2017.

d. Tingkat suku bunga kontraktual rata-rata setahun

	2018	2017	
Rupiah:			*Rupiah:*
Wesel Bayar Jangka Menengah	- %	9,00 %	*Medium Term Notes*
Wesel Ekspor	8,57 %	8,74 %	*Export Bills*
Obligasi Pemerintah	6,80 %	6,09 %	*Government Bonds*
Sertifikat Bank Indonesia	6,38 %	6,08 %	*Certificates of Bank Indonesia*
Sertifikat Deposito Bank Indonesia	5,28 %	5,72 %	*Certificates Deposit of Bank Indonesia*
Mata uang asing:			*Foreign currencies:*
Obligasi Pemerintah	6,15 %	5,96 %	*Government Bonds*
Obligasi Perusahaan	2,95 %	3,38 %	*Corporate Bonds*
Wesel Ekspor	3,45 %	3,11 %	*Export Bills*
Surat Berharga Bank Indonesia	2,43 %	1,52 %	*Bank Indonesia's Securities*

e. Perubahan keuntungan (kerugian) yang belum direalisasi

Perubahan keuntungan (kerugian) yang belum direalisasi dari perubahan nilai wajar efek-efek yang tersedia untuk dijual adalah sebagai berikut:

10. INVESTMENT SECURITIES (continued)

a. By type and currency (continued)

As of 31 December 2018, securities amounted to Rp nil (2017: Rp 773.348) were pledged as collaterals for borrowings (Note 17).

b. Transaction with related parties

As of 31 December 2018 and 2017, there were no investment securities transactions to related parties.

c. By collectibility

All marketable securities as of 31 December 2018 and 2017 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 2018 and 2017.

d. Average annual contractual interest rate

e. Movement of unrealized gain (loss)

The movement of unrealized gain (loss) from the change in fair value of available-for-sale securities was as follows:

	Tahun yang berakhir 31 Desember/ *Year ended 31 December*		
	2018	2017	
Saldo, 1 Januari - sebelum pajak penghasilan tangguhan	2.658	(24.631)	*Balance,1 January - before deferred income tax*
Penambahan (kerugian) keuntungan yang belum direalisasi selama tahun berjalan, bersih	(19.464)	53.333	*Addition of unrealized (loss) gain during the year, net*
Reklasifikasi ke keuntungan yang direalisasi atas penjualan efek-efek yang tersedia untuk dijual selama tahun berjalan, bersih	(4.688)	(26.044)	*Reclassification to realized gain from sale of available-for-sale securities during the year, net*
Jumlah - sebelum pajak penghasilan tangguhan	(21.494)	2.658	*Total - before deferred income tax*
Pajak penghasilan tangguhan (Catatan 16)	5.373	(665)	*Deferred income tax (Note 16)*
Saldo, 31 Desember - bersih	**(16.121)**	**1.993**	*Balance, 31 December - net*

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11. KREDIT YANG DIBERIKAN / *11. LOANS RECEIVABLE*

a. Berdasarkan jenis kredit dan mata uang / *a. By type and currency*

	31 Desember/*December* 2018	2017	
Rupiah			***Rupiah***
Investasi	6.737.097	7.213.000	*Investment*
Modal kerja	5.173.501	6.736.999	*Working capital*
Konsumsi	484.782	589.867	*Consumer*
	12.395.380	14.539.866	
Dolar Amerika Serikat			***United States Dollar***
Modal kerja	13.254.974	11.778.886	*Working capital*
Investasi	11.443.734	9.203.562	*Investment*
	24.698.708	20.982.448	
Yuan China			***Chinese Yuan***
Investasi	103.481	119.852	*Investment*
	103.481	119.852	
Dolar Singapura			***Singapore Dollar***
Investasi	16.262	22.166	*Investment*
	16.262	22.166	
Jumlah kredit yang diberikan sebelum penyisihan kerugian penurunan nilai	37.213.831	35.664.332	*Total loans receivable before allowance for impairment losses*
Penyisihan kerugian penurunan nilai	(671.551)	(595.724)	*Allowance for impairment losses*
Jumlah kredit yang diberikan - bersih	**36.542.280**	**35.068.608**	***Total loans receivable - net***

b. Berdasarkan sektor usaha / *b. By economic sector*

	31 Desember/*December* 2018	2017	
Industri pengolahan	7.471.718	9.082.851	*Manufacturing*
Real estate, persewaan dan jasa dunia usaha	4.194.402	6.314.465	*Real estate, leasing and business services*
Perdagangan, hotel, dan restoran	4.108.616	4.163.175	*Trading, hotel, and restaurant*
Perantara keuangan	6.032.234	4.112.053	*Financial intermediaries*
Pertambangan	4.465.248	3.147.677	*Mining*
Listrik, gas, dan air	2.833.615	3.010.820	*Electricity, gas, and water*
Konstruksi	3.240.744	2.360.273	*Construction*
Pengangkutan, pergudangan, dan komunikasi	2.045.384	1.886.702	*Transportation, warehousing, and communication*
Pertanian, perkebunan, dan sarana pertanian	2.333.607	989.267	*Agriculture, farming, and agriculture facilities*
Jasa-jasa sosial/masyarakat	3.481	3.481	*Social/public services*
Lain-lain	484.782	593.568	*Others*
Jumlah kredit yang diberikan sebelum penyisihan kerugian penurunan nilai	37.213.831	35.664.332	*Total loans receivable before allowance for impairment losses*
Penyisihan kerugian penurunan nilai	(671.551)	(595.724)	*Allowance for impairment losses*
Jumlah kredit yang diberikan - bersih	**36.542.280**	**35.068.608**	*Total loans receivable - net*

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11. KREDIT YANG DIBERIKAN (lanjutan)

11. 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 l oan agreement were as follows:

	31 Desember/*December* 2018	2017	
< 1 tahun	1.704.614	1.878.570	*< 1 year*
1 - 2 tahun	6.600.450	5.342.207	*1 - 2 years*
> 2 - 5 tahun	11.114.429	12.011.860	*> 2 - 5 years*
> 5 tahun	17.794.338	16.431.695	*> 5 years*
Jumlah kredit yang diberikan sebelum penyisihan kerugian penurunan nilai	37.213.831	35.664.332	*Total loans receivable before allowance for impairment losses*
Penyisihan kerugian penurunan nilai	(671.551)	(595.724)	*Allowance for impairment losses*
Jumlah kredit yang diberikan - bersih	**36.542.280**	**35.068.608**	*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* 2018	2017	
Lancar	33.836.615	31.456.970	*Current*
Dalam perhatian khusus	2.073.920	3.193.296	*Special mention*
Kurang lancar	108.476	32.416	*Substandard*
Diragukan	117.597	168.315	*Doubtful*
Macet	1.077.223	813.335	*Loss*
Jumlah kredit yang diberikan sebelum penyisihan kerugian penurunan nilai	37.213.831	35.664.332	*Total loans receivable before allowance for impairment losses*
Penyisihan kerugian penurunan nilai	(671.551)	(595.724)	*Allowance for impairment losses*
Jumlah kredit yang diberikan - bersih	**36.542.280**	**35.068.608**	*Total loans receivable - net*

e. Tingkat suku bunga kontraktual rata-rata setahun

e. Average annual contractual interest rates

	2018	2017	
Rupiah	9,75%	11,03%	*Rupiah*
Dolar Amerika Serikat	5,31%	5,14%	*United States Dollar*
Yuan China	5,75%	6,97%	*Chinese Yuan*
Dolar Singapura	4,44%	4,42%	*Singapore Dollar*

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11. KREDIT YANG DIBERIKAN (lanjutan)

f. Perubahan penyisihan kerugian penurunan nilai

Perubahan penyisihan kerugian penurunan nilai untuk kredit yang diberikan adalah sebagai berikut :

11. 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 2018/ *Year ended 31 December* 2018			
	Penyisihan kerugian penurunan nilai kolektif/*Collective impairment losses*	Penyisihan kerugian penurunan nilai individual/ *Individual impairment losses*	Jumlah/ *Total*	
Saldo, awal tahun	20.082	575.642	595.724	*Balance, beginning of year*
Penambahan beban penyisihan kerugian penurunan nilai (Catatan 25)	34.483	807.509	841.992	*Addition of allowance for impairment losses (Note 25)*
Efek diskonto	-	(162)	(162)	*Effect of discounting*
Penghapusbukuan selama tahun berjalan	(27.807)	(767.138)	(794.945)	*Write-off during the year*
Selisih kurs karena penjabaran mata uang asing	(12)	28.954	28.942	*Foreign exchange translation*
Saldo, akhir tahun	**26.746**	**644.805**	**671.551**	*Balance, end of year*

	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 25)	19.674	763.743	783.417	*Addition of allowance for impairment losses (Note 25)*
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*

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 l oans receivable was adequate.

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11. KREDIT YANG DIBERIKAN (lanjutan)

g. Informasi signifikan lainnya sehubungan dengan kredit yang diberikan

- Kredit yang di berikan dijamin dengan simpanan nasabah, agunan berupa tanah, bangunan, kendaraan atau jaminan lain yang umumnya diterima oleh Bank (Lihat Catatan 4.b.iii tentang informasi agunan).
- Kredit yang di berikan 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 2018 adalah sebesar 5,14% per tahun (31 Desember 2017: 5,18%).
- Pada tanggal 31 Desember 2018 dan 2017, *loan to funding ratio* masing-masing adalah sebesar 119,33% dan 105,89%.
- Kredit yang di berikan kepada pihak-pihak berelasi pada t anggal 31 D esember 2018 dan 2017 masing-masing adalah sebesar Rp 7.286 dan Rp 9.845 (Catatan 28).
- Pada tanggal 31 Desember 2018 dan 2017, saldo kredit yang di restrukturisasi masing-masing adalah sebesar Rp 4.062.843 dan Rp 4.255.747.
- Rasio *non-performing loan* (NPL) pada tanggal 31 D esember 2018 dan 2017 masing-masing adalah sebagai berikut:

	2018	2017	
NPL bruto	3,50%	2,84%	*Gross NPL*
NPL neto	2,42%	1,95%	*Net NPL*

- Pada tanggal 31 Desember 2018 dan 2017, tidak terdapat pelampauan atau pelanggaran Batas Maksimum Pemberian Kredit ("BMPK") kepada pihak berelasi dan pi hak ketiga.

11. 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.iii 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 2018 was 5.14% per annum (31 December 2017: 5.18%).*
- *As of 31 December 2018 and 2017, loan to funding ratio was 119.33% and 105.89%, respectively.*
- *Loans granted to related parties as of 31 December 2018 and 2017 amounted to Rp 7,286 and Rp 9,845, respectively (Note 28).*
- *As of 31 December 2018 and 20 17, restructured loans amounted to Rp 4,062,843 and Rp 4,255,747, respectively.*
- *As of 31 December 2018 and 2017 the non-performing loan (NPL) ratios were as follows:*
- *As of 31 December 2018 and 2017, there was no ex cess over or violation of Legal Lending Limit ("LLL") to related parties and third parties.*

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12. ASET TETAP / *12. FIXED ASSETS*

Tahun yang berakhir 31 Desember 2018/ *Year ended 31 December 2018*

	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	168.248	1.241	-	-	169.489	*Office equipments*
Kendaraan	348	27	-	-	375	*Vehicles*
Prasarana	87.227	-	-	-	87.227	*Leasehold improvements*
Aset dalam penyelesaian	-	3.057	-	-	3.057	*Construction in Progress*
	548.056	4.325	-	-	552.381	
Akumulasi penyusutan						*Accumulated depreciation*
Bangunan	(95.485)	(18.393)	-	-	(113.878)	*Buildings*
Inventaris kantor	(116.913)	(11.273)	-	-	(128.186)	*Office equipments*
Kendaraan	(344)	(10)	-	-	(354)	*Vehicles*
Prasarana	(54.619)	(8.376)	-	-	(62.995)	*Leasehold improvements*
	(267.361)	(38.052)	-	-	(305.413)	
	280.695				246.968	

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	

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.

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13. ASET LAIN-LAIN / *13. OTHER ASSETS*

	31 Desember/*December* 2018	2017	
Bunga masih akan diterima	256.430	238.326	*Interest receivable*
Beban dibayar dimuka	23.584	28.979	*Prepaid expenses*
Aset takberwujud	15.041	19.133	*Intangible assets*
Setoran jaminan	5.150	4.974	*Security deposits*
Barang cetakan dan perlengkapan kantor	2.150	2.165	*Printed materials and office supplies*
Agunan yang diambil alih	1.206	1.206	*Foreclosed assets*
Lain-lain	3.024	2.548	*Others*
	306.585	**297.331**	

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 rent on building, apartment, car, 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.

14. SIMPANAN NASABAH / *14. DEPOSITS FROM CUSTOMERS*

a. Berdasarkan jenis dan mata uang / *a. By type and currency*

	31 Desember/*December* 2018	2017	
Rupiah			***Rupiah***
Giro	3.697.685	1.644.733	*Current accounts*
Tabungan	1.012.629	610.059	*Saving accounts*
Deposito berjangka	14.608.764	17.507.146	*Time deposits*
	19.319.078	19.761.938	

14. SIMPANAN NASABAH (lanjutan)

a. Berdasarkan jenis dan mata uang (lanjutan)

14. DEPOSITS FROM CUSTOMERS (continued)

a. By type and currency (continued)

	31 Desember/*December*		
	2018	**2017**	
Mata uang asing			***Foreign currency***
Giro	3.661.982	3.561.373	*Current accounts*
Tabungan	339.291	310.588	*Saving accounts*
Deposito berjangka	7.267.692	9.410.606	*Time deposits*
	11.268.965	13.282.567	
Jumlah	**30.588.043**	**33.044.505**	*Total*

Simpanan nasabah yang diblokir atau dijadikan sebagai jaminan pada tanggal 31 Desember 2018 adalah sebesar Rp 2.369.046 (2017: Rp 3.395.830).

Deposits from customers which were blocked or pledged as collaterals as of 31 December 2018 amounted to Rp 2,369,046 (2017: Rp 3,395,830).

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 28.741 dan Rp 58.021 pada tanggal 31 Desember 2018 dan 2017.

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 28,741 and Rp 58,021 as of 31 December 2018 and 2017.

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:

	2018	**2017**	
Rupiah			***Rupiah***
Giro	1,28%	1,40%	*Current accounts*
Tabungan	1,37%	1,36%	*Saving accounts*
Deposito berjangka	6,40%	6,66%	*Time deposits*
Mata uang asing			***Foreign currencies***
Giro	0,06%	0,06%	*Current accounts*
Tabungan	0,06%	0,07%	*Saving accounts*
Deposito berjangka	1,16%	1,05%	*Time deposits*

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14. SIMPANAN NASABAH (lanjutan)

d. Berdasarkan jangka waktu

Rincian deposito berjangka berdasarkan jangka waktu adalah sebagai berikut:

14. DEPOSITS FROM CUSTOMERS (continued)

d. By contract period

Details of time deposits based on contract periods are as follows:

	31 Desember/*December* 2018			
	Rupiah	**Mata uang asing/ *Foreign currencies***	**Jumlah/ *Total***	
1 bulan	6.907.059	1.239.873	8.146.932	*1 month*
3 bulan	6.164.432	1.023.610	7.188.042	*3 months*
6 bulan	1.070.719	3.574.816	4.645.535	*6 months*
12 bulan	466.554	1.429.393	1.895.947	*12 months*
	14.608.764	**7.267.692**	**21.876.456**	

	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**	

15. SIMPANAN DARI BANK-BANK LAIN

a. Berdasarkan jenis dan mata uang

15. DEPOSITS FROM OTHER BANKS

a. By type and currency

	31 Desember/*December*		
	2018	**2017**	
Rupiah			***Rupiah***
Giro	1.615	763	*Current accounts*
Tabungan	-	142	*Saving accounts*
Interbank call money	100.000	740.000	*Interbank call money*
Deposito berjangka	335.303	185.981	*Time deposits*
	436.918	926.886	
Mata uang asing			***Foreign currencies***
Giro	547.367	839.112	*Current accounts*
Interbank call money	1.243.206	2.414.777	*Interbank call money*
Deposito berjangka	-	54.270	*Time deposits*
	1.790.573	3.308.159	
	2.227.491	**4.235.045**	

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15. SIMPANAN DARI BANK-BANK LAIN (Lanjutan) / *15. DEPOSITS FROM OTHER BANKS (Continued)*

b. Transaksi dengan pihak berelasi / *b. Transaction with related parties*

	31 Desember/*December* 2018	2017	
Interbank call money			*Interbank call money*
Industrial and Commercial Bank of China Ltd., China	431.400	2.007.990	*Industrial and Commercial Bank of China Ltd., China*
Industrial and Commercial Bank of China Ltd., cabang Sydney	719.000	271.350	*Industrial and Commercial Bank of China Ltd., Sydney branch*
Industrial and Commercial Bank of China Ltd., cabang Singapore	71.900	-	*Industrial and Commercial Bank of China Ltd., Singapore branch*
Giro			*Current account*
PT Bank China Construction Bank Indonesia Tbk	364	509	*PT Bank China Construction Bank Indonesia Tbk*
Deposito berjangka			*Time deposits*
PT BPR Dampit	400	650	*PT BPR Dampit*
	1.223.064	**2.280.499**	

c. Tingkat suku bunga kontraktual rata-rata setahun / *c. Average annual contractual interest rate*

	31 Desember/*December* 2018	2017	
Rupiah			***Rupiah***
Tabungan	2,50%	2,50%	*Saving account*
Giro	2,14%	2,44%	*Current accounts*
Interbank call money	6,45%	5,21%	*Interbank call money*
Deposito berjangka	6,56%	6,67%	*Time deposits*
Mata uang asing			***Foreign currency***
Giro	0,54%	0,54%	*Current accounts*
Interbank call money	2,46%	1,59%	*Interbank call money*
Deposito berjangka	1,43%	1,14%	*Time deposits*

d. Berdasarkan jangka waktu / *d. By contract period*

	31 Desember/*December* 2018	2017	
≤ 1 bulan	923.965	1.920.580	*≤ 1 month*
> 1 - 3 bulan	582.000	2.311.940	*> 1 - 3 months*
> 3 - 12 bulan	721.526	2.525	*> 3 - 12 months*
	2.227.491	**4.235.045**	

16. PERPAJAKAN / *16. TAXATION*

a. Utang pajak penghasilan terdiri dari: / *a. Income tax payables consist of:*

	31 Desember/*December* 2018	2017	
Pajak penghasilan badan	3.972	151.888	*Corporate income tax*
Angsuran pajak penghasilan badan Pasal 25	-	22.180	*Installment for corporate income tax Article 25*
	3.972	**174.068**	

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16. PERPAJAKAN (Lanjutan) / ***16. TAXATION (Continued)***

b. Beban pajak terdiri dari : / ***b. Tax expense consists of:***

	Untuk tahun berakhir 31 Desember/ *For the year ended 31 December*		
	2018	**2017**	
Beban pajak kini	157.602	332.490	*Current tax expense*
Benefit pajak tangguhan - pembentukan dan pemulihan perbedaan temporer	(111.361)	(215.280)	*Deferred tax benefit - origination and reversal of temporary differences*
	46.241	**117.210**	

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*		
	2018	**2017**	
Laba sebelum pajak penghasilan	161.023	428.526	*Profit before income tax*
Tarif pajak	25%	25%	*Statutory tax rate*
	40.256	107.132	
Perbedaan permanen	5.985	10.078	*Non deductible expenses*
Beban pajak	**46.241**	**117.210**	*Income tax expense*

d. Aset (liabilitas) pajak tangguhan / ***d. Deferred tax assets (liabilities)***

	Tahun yang berakhir 31 Desember 2018/ *Year ended 31 December 2018*				
	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	(14.030)	1.741	-	(12.289)	*Fixed assets*
Penyisihan kerugian penurunan nilai atas aset keuangan	177.190	162.126	-	339.316	*Allowance for impairment losses on financial assets*
Bonus masih harus dibayar	16.271	12.462	-	28.733	*Accrued bonus*
Kewajiban imbalan pasca-kerja karyawan	13.914	974	(1.657)	13.231	*Post-employment benefits obligation*
Keuntungan yang belum direalisasi atas transaksi derivatif	(777)	(65.942)	-	(66.719)	*Unrealized gain on derivative transactions*
(Keuntungan) kerugian yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	(665)	-	6.038	5.373	*Unrealized (gain) losses on available- for-sale securities*
	191.903	**111.361**	**4.381**	**307.645**	

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16. PERPAJAKAN (lanjutan)

16. TAXATION (continued)

d. Aset (liabilitas) pajak tangguhan (lanjutan)

d. Deferred (liabilities) tax assets (continued)

	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 (keuntungan) yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	6.157	-	(6.822)	(665)	*Unrealized losses (gain) on available- for-sale securities*
	(17.237)	**215.280**	**(6.140)**	**191.903**	

Manajemen berpendapat bahwa aset pajak tangguhan yang timbul dari perbedaan temporer diperkirakan dapat direalisasikan pada per iode 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 t he basis of self-assessment. The tax authorities may assess or amend taxes within the statue of limitation, under prevailing regulations.*

17. PINJAMAN YANG DITERIMA

17. BORROWINGS

	31 Desember/*December*		
	2018	**2017**	
Rupiah			***Rupiah***
Pihak ketiga			*Third party*
PT Bank Mandiri (Persero) Tbk	499.968	-	*PT Bank Mandiri (Persero) Tbk*
Mata uang asing			***Foreign currencies***
Pihak ketiga			*Third party*
PT Bank Central Asia Tbk	2.207.505	1.502.116	*PT Bank Central Asia Tbk*
Citibank, N.A., cabang Indonesia	-	678.375	*Citibank N.A., Indonesia branch*
PT Bank UOB Indonesia	719.000	-	*PT Bank UOB Indonesia*
Standard Chartered Bank Indonesia	575.200	-	*Standard Chartered Bank Indonesia*
PT Bank ANZ Indonesia	431.400	-	*PT Bank ANZ Indonesia*
Pihak berelasi (Catatan 28)			*Related party (Note 28)*
Industrial and Commercial Bank of China Ltd., China	7.909.000	678.375	*Industrial and Commercial Bank of China Ltd., China*
Industrial and Commercial Bank of China Ltd., Cabang New York	1.438.000	-	*Industrial and Commercial Bank of China Ltd.,New York Branch*
	13.780.073	**2.858.866**	

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17. PINJAMAN YANG DITERIMA (lanjutan)

Pada tanggal 31 Desember 2018 dan 2017, jatuh tempo dan suku bunga d ari fasilitas pinjaman yang diterima adalah sebagai berikut:

17. BORROWINGS (continued)

As of 31 December 2018 and 2017, the maturity dates and i nterest rates of outstanding borrowing facilities were as follow:

	Tanggal jatuh tempo/*Maturity date*		Suku bunga/*Interest rates*	
	2018	2017	2018	2017
PT Bank Central Asia Tbk	11 Desember/ *December* – 20 Desember/ *December* 2019	26 Mei/*May* - 11 Desember/*December* 2018	3,77% - 3,79%	2,12% - 2,44%
PT Bank Mandiri (Persero) Tbk	24 Juli/ *July* 2019	-	7,39%	-
PT Bank ANZ Indonesia	29 Agustus/ *August* 2019	-	3,31%	-
Standard Chartered Bank Indonesia	11 Desember/ *December* 2019	-	2,90%	-
Citibank N.A., Cabang Indonesia	-	28 Desember/ *December* 2018	-	2,44%
Industrial and Commercial Bank of China Ltd., China	28 Desember/ *December* 2021 - 2 Februari/ *February* 2023	28 Desember/ *December* 2021	3,53% - 3,88%	2,84%
PT Bank UOB Indonesia	31 Juli/ *July* 2019	-	2,90%	-
Industrial and Commercial Bank of China Ltd., New York	19 April/ *April* 2021	-	3,35%	-

18. EFEK-EFEK YANG DITERBITKAN

18. SECURITIES ISSUED

	31 Desember/*December*		
	2018	2017	
Pihak berelasi (Catatan 28)			*Related parties (Notes 28)*
Obligasi yang diterbitkan:			***Bonds issued:***
Nilai nominal	-	6.783.750	*Nominal value*
Dikurangi: biaya penerbitan obligasi yang diterbitkan yang ditangguhkan	-	(109)	*Less: deferred bond issuance cost*
Total	**-**	**6.783.641**	***Total***

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 m engambang menggunakan LIBOR 3 bulan + 1,50% per triwulan dan akan jatuh tempo pada tanggal 28 J anuari 2018 da n telah dilunasi pada tanggal tersebut.

On 28 January 2015, the Bank issued bonds (floating rate notes) through private offering to Industrial and C ommercial 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 J anuary 2018 a nd has been fully repaid on that date.

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19. LIABILITAS LAIN-LAIN DAN BEBAN YANG MASIH HARUS DIBAYAR

19. OTHER LIABILITIES AND ACCRUED EXPENSES

	31 Desember/*December* 2018	2017	
Bunga masih harus dibayar	270.166	172.454	*Interest payable*
Bonus masih harus dibayar	115.816	65.602	*Accrued bonus*
Provisi dan komisi ditangguhkan	69.126	80.848	*Deferred fees and commissions*
Liabilitas imbalan kerja	52.922	55.656	*Obligation for employment benefits*
Pajak lainnya	29.788	23.519	*Other taxes*
Beban masih harus dibayar	19.274	16.499	*Accrued expenses*
Setoran jaminan	440	399	*Guarantee deposits*
Lain-lain	2.630	2.159	*Others*
	560.162	**417.136**	

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.

Deferred fees and commissions represent fees and commission from undrawn loan facilities, L/C, SKBDN, and bank guarantees which are amortized during the period.

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.

Interest payable represents interest expenses for deposits from customers, deposits from other banks, borrowings, medium-term notes payable and subordinated loan.

Setoran jaminan merupakan setoran jaminan nasabah terkait dengan penerbitan L/C dan Surat Kredit Berdokumentasi Dalam Negeri (SKBDN).

Guarantee deposits represent customers' guarantee deposits related to issuance of L/C and Domestic Letter of Credit (SKBDN).

Beban masih harus dibayar berkenaan dengan pengadaan aset tetap dan transaksi *Letter of Credit* (L/C) yang belum diselesaikan.

Accrued expenses related to acquisition of fixed assets and Letter of Credit (L/C) transactions which are not yet settled.

20. PINJAMAN SUBORDINASI

20. SUBORDINATED LOAN

	31 Desember/*December* 2018	2017	
Pinjaman subordinasi	1.222.300	1.153.238	*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.

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.

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*.

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.

Untuk keperluan perhitungan rasio Kewajiban Penyediaan Modal Minimum (KPMM), pinjaman subordinasi di atas diperhitungkan sebagai bagian dari modal *Tier 2*.

For the purpose of Capital Adequacy Ratio (CAR) calculation, the above subordinated loan is calculated as part of Tier 2 capital.

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21. MODAL SAHAM

Berdasarkan Keputusan Pemegang Saham sebagai pengganti Rapat Umum Pemegang Saham (akta No. 14 tanggal 4 Juli 2017 di hadapan 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).

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 2018. 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.

Jumlah modal ditempatkan dan disetor penuh pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

21. 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), 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 2018. 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 issued and fully paid up capital as of 31 December 2018 and 2017 were as follows:

	Jumlah saham/ *Number of shares*	**Jumlah modal ditempatkan dan disetor penuh/ *Number of issued and paid-up share capital***	**Persentase kepemilikan/ *Percentage of ownership (%)***	
Industrial and Commercial Bank of China Ltd.	73.091	3.654.550	98,61	*Industrial and Commercial Bank of China Ltd.*
PT Intidana Wijaya	1.032	51.600	1,39	*PT Intidana Wijaya*
	74.123	3.706.150	100,00	

Pada tahun 2018 dan 2017, berdasarkan resolusi pemegang saham, pengganti Rapat Umum Pemegang Saham tanggal 16 Oktober 2018 dan 25 Juli 2017 pemegang saham menyetujui untuk membukukan cadangan umum masing-masing sebesar Rp 31.132 dan Rp 54.691.

In 2018 and 2017, based on circular resolution of shareholders in lieu of the General Meeting of Shareholders dated 16 October 2018 and 25 July 2017 the shareholders agreed to book general reserve amounting to Rp 31,132 and Rp 54,691, respectively.

22. MODAL DIBAYAR DIMUKA

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.

22. ADVANCED CAPITAL

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.

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22. MODAL DIBAYAR DIMUKA (lanjutan)

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 21). Hal ini telah disetujui oleh Otoritas Jasa Keuangan melalui surat Otoritas Jasa Keuangan No. SR-142/PB.32/2018 tanggal 28 November 2018.

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.

22. ADVANCED CAPITAL (continued)

On 21 June 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 21). This has been approved by Otoritas Jasa Keuangan in the letter of Otoritas Jasa Keuangan No. SR-142/PB.32/2018 dated 28 November 2018.

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.

23. PENDAPATAN BUNGA / *23. INTEREST INCOME*

	Tahun berakhir 31 Desember/ *Year ended 31 December*		
	2018	**2017**	
Kredit yang diberikan	2.668.974	2.587.936	*Loans*
Efek-efek untuk tujuan investasi	219.295	316.071	*Investment securities*
Penempatan pada Bank Indonesia dan bank-bank lain	185.703	89.920	*Placements with Bank Indonesia and other banks*
Efek-efek yang dibeli dengan janji dijual kembali	81.288	14.248	*Securities purchased under agreements to resell*
Giro pada Bank Indonesia dan bank-bank lain	23.386	9.209	*Current accounts with Bank Indonesia and other banks*
	3.178.646	**3.017.384**	

24. BEBAN BUNGA / *24. INTEREST EXPENSE*

	Tahun berakhir 31 Desember/ *Year ended 31 December*		
	2018	**2017**	
Simpanan nasabah			*Deposits from customers*
Deposito berjangka	1.305.665	1.138.800	*Time deposits*
Giro	122.455	60.485	*Current accounts*
Tabungan	51.298	34.229	*Saving accounts*
Deposito *on call*	646	697	*Deposits on call*
Pinjaman subordinasi dan pinjaman yang diterima	433.020	110.656	*Subordinated loan and borrowings*
Simpanan dari bank-bank lain	70.477	106.607	*Deposit from other banks*
Premi penjaminan dana pihak ketiga	69.415	58.717	*Premium on third party funds guarantee*
Efek-efek yang diterbitkan	20.020	210.959	*Securities issued*
Efek-efek yang dijual dengan janji dibeli kembali	647	1.415	*Securities sold under agreement to repurchase*
	2.073.643	**1.722.565**	

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25. BEBAN KERUGIAN PENURUNAN NILAI ATAS ASET KEUANGAN - BERSIH

25. IMPAIRMENT LOSSES ON FINANCIAL ASSETS - NET

	Tahun berakhir 31 Desember/ *Year ended 31 December*		
	2018	**2017**	
Kredit yang diberikan (Catatan 11f)	841.992	783.417	*Loans (Note 11f)*
	841.992	**783.417**	

26. BEBAN UMUM DAN ADMINISTRASI

26. GENERAL AND ADMINISTRATIVE EXPENSES

	Tahun berakhir 31 Desember/ *Year ended 31 December*		
	2018	**2017**	
Penyusutan aset tetap (Catatan 12)	38.052	46.333	*Depreciation of fixed assets (Note 12)*
Sewa	34.418	35.601	*Rent*
Komunikasi	19.317	14.105	*Communication*
Pendidikan dan pelatihan	16.030	12.408	*Educational and training*
Perbaikan dan pemeliharaan	9.834	9.099	*Repair and maintenance*
Jasa profesional	8.197	11.024	*Professional fees*
Listrik dan air	5.336	5.394	*Electricity and water*
Amortisasi aset tak berwujud	4.097	4.477	*Amortization of intangible assets*
Perjalanan dinas	3.721	5.585	*Travel*
Iklan dan promosi	3.385	5.121	*Advertising and promotion*
Perlengkapan kantor	2.521	1.928	*Office supplies*
Representasi	1.651	2.237	*Representation*
Transportasi	1.495	1.512	*Transportation*
Pajak dan perizinan	1.077	1.250	*Licenses and dues*
Barang cetakan	778	1.310	*Printed materials*
Lain-lain	5.678	6.172	*Others*
	155.587	**163.556**	

27. BEBAN TENAGA KERJA

27. PERSONNEL EXPENSES

	2018	**2017**	
Gaji dan upah	203.319	211.062	*Salaries and wages*
Tunjangan hari raya dan bonus	78.939	61.047	*Festive allowances and bonus*
Imbalan kerja karyawan	4.570	7.256	*Employment benefits*
Iuran pensiun	5.849	6.077	*Pension contribution*
Tunjangan lain-lain	40.764	54.079	*Other allowances*
	333.441	**339.521**	

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*		
	2018	**2017**	
Dewan Komisaris	1.910	2.360	*Board of Commissioners*
Direksi	32.988	36.251	*Board of Directors*
Lain-lain *)	60.546	67.057	*Others *)*
	95.444	**105.668**	

*) Termasuk pejabat eksekutif, komite audit, dan lain-lain.

**) Including executive officers, audit committee, and others.*

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28. TRANSAKSI DAN SALDO DENGAN PIHAK-PIHAK BERELASI

Transaksi dan s aldo dengan pihak-pihak berelasi adalah sebagai berikut:

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Transactions and balances with related parties are as follows:

	31 Desember/*December*		
	2018	**2017**	
Aset			***Assets***
Giro pada bank-bank lain (Catatan 7)	775.780	235.421	*Current accounts with other banks (Note 7)*
Penempatan pada Bank Indonesia dan bank-bank lain (Catatan 8)	229.963	2.601.096	*Placements with Bank Indonesia and others bank (Note 8)*
Aset derivatif	1.044	-	*Derivative assets*
Kredit yang diberikan (Catatan 11)			*Loans receivable (Note 11)*
Direksi, Dewan Komisaris, dan Pejabat Eksekutif	7.286	9.845	*Directors, Board of Commissioners, and Executive Officers*
Jumlah aset dari pihak-pihak berelasi	1.014.073	2.846.362	*Total assets from related parties*
Persentase aset dari pihak-pihak berelasi terhadap jumlah aset	1,85%	5,08%	*Percentage of assets from related parties to total assets*
Liabilitas			***Liabilities***
Simpanan nasabah (Catatan 14)			*Deposits from customers (Note 14)*
Deposito berjangka	19.535	49.026	*Time deposits*
Tabungan	8.875	6.589	*Saving accounts*
Giro	331	2.406	*Current accounts*
	28.741	58.021	
Simpanan dari bank-bank lain (Catatan 15)			*Deposits from other banks (Note 15)*
Deposito berjangka	400	650	*Time deposits*
Interbank call money	1.222.300	2.279.340	*Interbank call money*
Giro	364	509	*Current accounts*
	1.223.064	2.280.499	
Liabilitas derivatif	27	-	*Derivative liabilities*
Liabilitas akseptasi (Catatan 9)	3.068	383.250	*Acceptance payables (Note 9)*
Pinjaman yang diterima (Catatan 17)	9.347.000	678.375	*Borrowings (Note 17)*
Efek-efek yang diterbitkan (Catatan 18)	-	6.783.641	*Securities issued (Note 18)*
Pinjaman subordinasi (Catatan 20)	1.222.300	1.153.238	*Subordinated loan (Note 20)*
Jumlah liabilitas kepada pihak-pihak berelasi	11.824.200	11.337.024	*Total liabilities to related parties*
Persentase liabilitas kepada pihak-pihak berelasi terhadap jumlah liabilitas	24,15%	22,54%	*Percentage of liabilities to related parties to total liabilities*

	Untuk tahun berakhir 31 Desember/ For the year ended 31 *December*		
	2018	**2017**	
Pendapatan dan beban operasional			***Incomes and expenses from operations***
Pendapatan bunga	67.686	20.401	*Interest income*
Persentase pendapatan bunga dari pihak-pihak berelasi terhadap jumlah pendapatan bunga	2,13%	0,68%	*Percentage of interest income from related parties to total interest income*
Beban bunga	362.565	326.834	*Interest expense*
Persentase beban bunga kepada pihak-pihak berelasi terhadap jumlah beban bunga	17,48%	18,97%	*Percentage of interest expense to related parties to total interest expense*
Keuntungan transaksi penjualan fasilitas kredit	-	7.499	*Gains on sale of loan facilities*
Persentase terhadap pendapatan operasional lainnya	0%	1,66%	*Percentage to other operating income*

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28. TRANSAKSI DAN SALDO DENGAN PIHAK-PIHAK BERELASI (lanjutan)

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

	31 Desember/*December* 2018	2017	
Komitmen dan kontinjensi (Catatan 29)			***Commitments and contingencies (Note 29)***
Fasilitas kredit yang diberikan yang belum digunakan	3.753	4.013	*Unused loan facilities*
Persentase liabilitas komitmen kepada pihak-pihak berelasi terhadap jumlah liabilitas komitmen	0,04%	0,04%	*Percentage of committed liabilities to related parties to total committed liabilities*
Garansi bank dan *Standby* L/C yang diterbitkan	1.438.000	-	*Bank guarantees and Standby L/C issued*
Persentase liabilitas kontinjensi kepada pihak-pihak berelasi terhadap jumlah liabilitas kontinjensi	19,63%	0%	*Percentage of contingent liability to related parties to total contingent liabilities*
Bank garansi yang diterima	8.907.587	7.075.505	*Bank guarantees received*
Persentase tagihan kontinjensi kepada pihak-pihak berelasi terhadap jumlah tagihan kontinjensi	93,75%	96,48%	*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 2018 dan 2017 sebagai berikut (Catatan 27):

The Bank provided compensation and other benefits for the Board of Commissioners, Board of Directors, and executive officers for the years ended 31 December 2018 and 2017 as follows (Note 27):

	2018	2017	
Kompensasi dan imbalan lainnya	95.444	105.668	*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, simpanan dari bank-bank lain, pinjaman yang diterima, surat berharga yang diterbitkan, pinjaman subordinasi, komitmen dan kontinjensi/*Current accounts with other banks, acceptance payables, deposits from other banks, borrowings, securities issued, subordinated loan, commitments and contingencies*
PT Intidana Wijaya	Pemegang saham/*Shareholder*	Simpanan nasabah/*Deposits from customers*
Industrial and Commercial Bank of China Ltd., cabang New York/ *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., cabang Frankfurt/ *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., cabang Singapore/ *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., cabang Seoul/ *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 kontinjensi/*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, komitmen dan kontinjensi/*Current accounts with other banks, acceptance payables, commitments and contingencies*

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28. TRANSAKSI DAN SALDO DENGAN PIHAK-PIHAK BERELASI (lanjutan)

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

Pihak berelasi/ *Related parties*	Sifat dari hubungan/ *Nature of relationship*	Sifat dari transaksi/ *Nature of transaction*
Bank of China, China	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Liabilitas akseptasi, komitmen dan kontinjensi/ *Acceptance payables, commitments and contingencies*
China Everbright Bank Co., Ltd., China	Mempunyai pemegang saham akhir yang sama/*Having the same ultimate shareholder*	Liabilitas akseptasi/ *Acceptance payables*
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 kontinjensi/*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, cabang Amsterdam/*Amsterdam branch*	Cabang luar negeri dari entitas induk/ *Overseas branch of parent entity*	Liabilitas akseptasi/*Acceptance payables*
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/ *Sydney branch*	Cabang luar negeri dan entitas induk/*Overseas branch of parent entity*	Giro pada bank lain, simpanan dari bank-bank lain/*Current accounts with other banks, deposits from other banks*
Industrial and Commercial Bank of China Ltd., cabang Tokyo/ *Tokyo branch*	Cabang luar negeri dari entitas induk/*Overseas branch of parent entity*	Giro pada bank lain/*Current accounts with other banks*

29. KOMITMEN DAN KONTINJENSI

29. COMMITMENTS AND CONTINGENCIES

	31 Desember/*December* 2018	2017	
Komitmen			***Commitments***
Pihak ketiga			*Third parties*
Liabilitas komitmen			*Committed liabilities*
L/C dan SKBDN yang masih berjalan dan tidak dapat dibatalkan	(265.968)	(726.454)	*Outstanding irrecoverable L/C and domestic L/C*
Fasilitas kredit yang diberikan yang belum digunakan - *committed*	(9.597.668)	(10.244.405)	*Unused loan facilities - committed*
Pihak berelasi (Catatan 28)			*Related parties (Note 28)*
Liabilitas komitmen			*Committed liabilities*
Fasilitas kredit yang diberikan yang belum digunakan - *committed*			*Unused loan facilities - committed*
Direksi, Dewan Komisaris, dan Pejabat Eksekutif	(3.753)	(4.013)	*Directors, Board of Commissioners, and Executive Officers*
Komitmen	(9.867.389)	(10.974.872)	*Commitments*

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29. KOMITMEN DAN KONTINJENSI (lanjutan)

29. COMMITMENTS AND CONTINGENCIES (continued)

	31 Desember/*December*		
	2018	**2017**	
Kontinjensi			***Contingencies***
Pihak ketiga			*Third parties*
Tagihan kontinjensi			*Contingent receivables*
Pendapatan bunga dalam penyelesaian	218.318	157.749	*Interest receivable on non-performing loans*
Garansi bank yang diterima	368.732	100.088	*Bank guarantees received*
Liabilitas kontinjensi			*Contingent liabilities*
Garansi bank dan *Standby* L/C yang diterbitkan	(5.888.525)	(4.486.597)	*Bank guarantees and Standby L/C issued*
	(5.301.475)	(4.228.760)	
Pihak berelasi (Catatan 28)			*Related parties (Note 28)*
Tagihan kontinjensi			*Contingent receivables*
Bank garansi yang diterima:			*Bank guarantees received:*
Industrial and Commercial Bank of China Ltd., China	7.411.286	5.413.007	*Industrial and Commercial Bank of China Ltd., China*
Export Import Bank of China	596.781	520.749	*Export Import Bank of China*
China Construction Bank, China	350.167	415.693	*China Construction Bank, China*
Bank of Communication Co. Ltd., China	83.088	368.576	*Bank of Communication Co. Ltd., China*
Bank of China, China	222.316	280.285	*Bank of China, China*
Industrial and Commercial Bank of China Ltd., cabang Seoul	-	36.900	*Industrial and Commercial Bank of China Ltd., Seoul branch*
China Citic Bank Corporation Ltd., China	-	40.295	*China Citic Bank Corporation Ltd., China*
Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong	243.949	-	*Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong*
Liabilitas kontinjensi			*Contingent liabilities*
Garansi bank dan *Standby* L/C yang diterbitkan			*Bank guarantees and Standby L/C issued*
Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong	(1.438.000)	-	*Industrial and Commercial Bank of China (Asia) Ltd., Hong Kong*
	7.469.587	7.075.505	
Kontinjensi - neto	2.168.112	2.846.745	*Contingencies - net*

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30. 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 t anggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

30. 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 2018 and 2017 was as follows:

	2018							
	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	63.490	63.490	-	-	-	-	-	*Cash*
Giro pada Bank Indonesia	3.848.283	-	3.848.283	-	-	-	-	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	3.456.397	-	3.456.397	-	-	-	-	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	5.410.777	-	3.579.146	-	-	1.831.631	-	*Placements with Bank Indonesia and other banks*
Tagihan akseptasi	595.160	-	208.499	160.972	225.689	-	-	*Acceptance receivables*
Efek-efek untuk tujuan investasi	3.791.167	-	4.341	1.354.028	879.944	-	1.552.854	*Investment securities*
Kredit yang diberikan*	37.213.831	-	1.532.134	797.677	1.892.215	4.308.800	28.683.005	*Loans receivable**
Aset lain-lain	261.580	-	261.580	-	-	-	-	*Other assets*
	54.640.685	63.490	12.890.380	2.312.677	2.997.848	6.140.431	30.235.859	
LIABILITAS								***LIABILITIES***
Liabilitas segera	(2.355)	(2.355)	-	-	-	-	-	*Liabilities immediately payable*
Simpanan nasabah	(30.588.043)	-	(18.015.931)	(7.387.250)	(3.750.894)	(1.421.926)	(12.042)	*Deposits from customers*
Simpanan dari bank-bank lain	(2.227.491)	-	(1.013.868)	(483.098)	(728.000)	(2.525)	-	*Deposits from other banks*
Liabilitas akseptasi	(595.160)	-	(208.499)	(160.972)	(225.689)	-	-	*Acceptance payables*
Pinjaman yang diterima	(13.780.073)	-	-	-	-	(4.433.073)	(9.347.000)	*Borrowings*
Liabilitas lain-lain dan beban yang masih harus dibayar	(270.166)	-	(270.166)	-	-	-	-	*Other liabilities and accrued expenses*
Pinjaman subordinasi	(1.222.300)	-	-	-	-	(359.500)	(862.800)	*Subordinated loan*
	(48.685.588)	(2.355)	(19.508.464)	(8.031.320)	(4.704.583)	(6.217.024)	(10.221.842)	
Perbedaan jatuh tempo	5.955.097	61.135	(6.618.084)	(5.718.643)	(1.706.735)	(76.593)	20.014.017	***Maturity gap***

	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	6.248.877	-	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	

* Sebelum dikurangi penyisihan kerugian penurunan nilai

*Before allowance for impairment losses**

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30. ASET DAN LIABILITAS BERDASARKAN SISA UMUR JATUH TEMPO (lanjutan)

30. FINANCIAL ASSETS AND LIABILITIES BASED ON REMAINING PERIOD TO MATURITY (continued)

	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*	
LIABILITAS								***LIABILITIES***
Liabilitas segera	(6.544)	(6.544)	-	-	-	-	-	*Liabilities immediately payable*
Simpanan nasabah	(33.044.505)	-	(17.260.288)	(7.605.613)	(6.052.509)	(1.337.573)	(788.522)	*Deposits from customers*
Simpanan dari bank-bank lain	(4.235.045)	-	(1.952.580)	(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)	(8.489.873)	(3.198.847)	(2.620.135)	
Perbedaan jatuh tempo	6.239.169	81.855	(14.400.750)	(6.672.425)	(3.820.744)	4.165.313	26.885.920	***Maturity gap***

31. INSTRUMEN KEUANGAN

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 2018 dan 2017 :

31. FINANCIAL INSTRUMENTS

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 2018 and 2017:

	2018						
	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	-	-	63.490	-	-	63.490	*Cash*
Giro pada Bank Indonesia	-	-	3.848.283	-	-	3.848.283	*Current accounts with Bank Indonesia*
Giro pada bank-bank lain	-	-	3.456.397	-	-	3.456.397	*Current accounts with other banks*
Penempatan pada Bank Indonesia dan bank-bank lain	-	-	5.410.777	-	-	5.410.777	*Placements with Bank Indonesia and other banks*
Aset derivatif	267.422	-	-	-	-	267.422	*Derivative assets*
Tagihan akseptasi	-	-	595.160	-	-	595.160	*Acceptance receivables*
Efek-efek untuk tujuan investasi	-	2.880.654	9.665	900.848	-	3.791.167	*Investment securities*
Kredit yang diberikan	-	-	36.542.280	-	-	36.542.280	*Loans receivable*
Aset lain-lain	-	-	261.580	-	-	261.580	*Other assets*
	267.422	2.880.654	50.187.632	900.848	-	54.236.556	

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31. INSTRUMEN KEUANGAN (lanjutan)

a. Klasifikasi instrumen keuangan (lanjutan)

31. FINANCIAL INSTRUMENTS (continued)

a. Classification of financial instruments (continued)

	2018						
	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	-	-	-	-	(2.355)	(2.355)	*Liabilities immediately payable*
Simpanan nasabah	-	-	-	-	(30.588.043)	(30.588.043)	*Deposits from Customers*
Simpanan dari bank-bank lain	-	-	-	-	(2.227.491)	(2.227.491)	*Deposits from other Banks*
Liabilitas derivatif	(538)	-	-	-	-	(538)	*Derivative liabilities*
Liabilitas akseptasi	-	-	-	-	(595.160)	(595.160)	*Acceptance payables*
Pinjaman yang diterima	-	-	-	-	(13.780.073)	(13.780.073)	*Borrowings*
Liabilitas lain-lain dan beban yang masih harus dibayar	-	-	-	-	(270.166)	(270.166)	*Other liabilities and accrued expenses*
Pinjaman subordinasi	-	-	-	-	(1.222.300)	(1.222.300)	*Subordinated loan*
	(538)	-	-	-	(48.685.588)	(48.686.126)	

	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	-	-	35.068.608	-	-	35.068.608	*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	
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)	

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31. 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 di antara instrumen tersebut.

31. 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 q uoted 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* 2018			
	Level/ *Level* 1	Level/ *Level* 2	Jumlah/ *Total*	
Aset keuangan				***Financial assets***
Efek-efek untuk tujuan investasi				*Investment securities*
Tersedia untuk dijual	1.265.732	1.614.922	2.880.654	*Available-for sale*
Aset derivatif				*Derivative assets*
Diukur pada nilai wajar melalui laba rugi	3.696	263.726	267.422	*Fair value through profit or loss*
Liabilitas keuangan				***Financial liabilities***
Liabilitas derivatif				*Derivative liabilities*
Diukur pada nilai wajar melalui laba rugi	(391)	(147)	(538)	*Fair value through profit or loss*

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31. INSTRUMEN KEUANGAN (lanjutan)

b. Nilai wajar instrumen keuangan (lanjutan)

31. FINANCIAL INSTRUMENTS (continued)

b. Fair values of financial instruments (continued)

	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	1.076.550	3.662.215	4.738.775	*Available-for sale*
Aset derivatif				*Derivative assets*
Diukur pada nilai wajar melalui laba rugi	26	5.954	5.980	*Fair value through profit or loss*
Liabilitas keuangan				***Financial liabilities***
Liabilitas derivatif				*Derivative liabilities*
Diukur pada nilai wajar melalui laba rugi	(120)	(2.745)	(2.865)	*Fair value through profit or loss*

Nilai wajar efek-efek untuk tujuan investasi (tersedia untuk dijual) pada tanggal 31 Desember 2018 dan 2017 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 2018 and 2017 used quoted market prices, except corporate bonds which were determined using valuation technique based on observable inputs.

Nilai wajar instrumen derivatif atas *spot* pada tanggal 31 Desember 2018 dan 2017 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 2018 and 2017 used quoted market prices, except for swap and forward which were 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 l iabilities not measured at fair value if the carrying amount is as reasonable approximation of fair value.

	31 Desember/*31 December* 2018					
		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	900.848	876.208	-	-	876.208	*Held-to-maturity*
Kredit yang diberikan	36.542.280	-	-	35.662.886	35.662.886	*Loans receivable*
	37.443.128	876.208	-	35.662.886	36.539.094	
Liabilitas keuangan:						***Financial liabilities:***
Simpanan nasabah-deposito berjangka	(21.876.456)	-	(21.876.456)	-	(21.876.456)	*Deposits from customers-time deposits*
Simpanan dari bank-bank lain-deposito berjangka dan *interbank call money*	(1.678.509)	-	(1.678.509)	-	(1.678.509)	*Deposits from other banks-time deposits and interbank call money*
Pinjaman yang diterima	(9.347.000)	-	-	(9.347.000)	(9.347.000)	*Borrowings*
	(32.901.965)	-	(23.554.965)	(9.347.000)	(32.901.965)	

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31. INSTRUMEN KEUANGAN (lanjutan)

31. FINANCIAL INSTRUMENTS (continued)

b. Nilai wajar instrumen keuangan (lanjutan)

b. Fair values of financial instruments (continued)

	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:						***Financial assets:***
Efek-efek untuk tujuan investasi						*Investment securities*
Dimiliki hingga jatuh tempo	1.337.873	890.774	462.864	-	1.353.638	*Held-to-maturity*
Kredit yang diberikan	35.068.608	-	-	34.525.049	34.525.049	*Loans receivable*
	36.406.481	890.774	462.864	34.525.049	35.878.687	
Liabilitas keuangan:						***Financial liabilities:***
Simpanan nasabah-deposito berjangka	(26.917.752)	-	(26.917.752)	-	(26.917.752)	*Deposits from customers-time deposits*
Simpanan dari bank-bank lain-deposito berjangka dan *interbank call money*	(3.395.027)	-	(3.395.027)	-	(3.395.027)	*Deposits from other banks-time deposits and interbank call money*
	(30.312.779)	-	(30.312.779)	-	(30.312.779)	

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 di tinjau 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
- 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 accounts with Bank Indonesia*
- *Current accounts with other banks*
- *Placements with Bank Indonesia and other banks*
- *Acceptance receivables*
- *Investment securities (export bills)*
- *Interest receivable 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*
- *Acceptance Payables*
- *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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31. 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. 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 judgment involved in calculating the fair values.

32. STANDAR AKUNTANSI BARU

Beberapa standar akuntansi baru dan interpretasi telah diterbitkan, yang belum berlaku efektif untuk tahun yang berakhir 31 Desember 2018, 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 saldo laba pada tanggal 1 Januari 2020.

32. NEW ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been issued, that are not yet effective for the year ended 31 December 2018, 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 retained earnings as of 1 January 2020.

PT BANK ICBC INDONESIA

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PT BANK ICBC INDONESIA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (Expressed in millions of Rupiah, unless otherwise stated)

32. 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.

32. 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.

PT BANK ICBC INDONESIA

CATATAN ATAS LAPORAN KEUANGAN TAHUN BERAKHIR 31 DESEMBER 2018 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK ICBC INDONESIA

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018 (Expressed in millions of Rupiah, unless otherwise stated)

32. 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.

32. 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.

33. REKONSILIASI AKTIVITAS PENDANAAN BERSIH

Rekonsiliasi pergerakan pinjaman yang diterima terhadap arus kas yang b erasal dari aktivitas pendanaan adalah sebagai berikut:

33. NET FINANCING ACTIVITIES RECONCILIATION

Reconciliation of movement of borrowing to cash flow arising from financing activities are as follows:

	Saldo awal/ *Beginning balance*	Arus kas masuk (keluar)-bersih/Cash inflows(outflows)-net	Pergerakan valuta asing/*Movement of foreign exchange*	Pergerakan biaya transaksi/ *Movement of transaction cost*	Saldo akhir/ *Ending balance*	
Pinjaman yang diterima	2.858.866	10.287.369	633.870	(32)	13.780.073	*Borrowings*
Efek-efek yang diterbitkan	6.783.641	(6.653.500)	(130.250)	109	-	*Securities issued*

KPMG

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Laporan Auditor Independen

No.: 00137/2.1005/AU.1/07/0848-1/1/III/2019

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 2018, 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.: 00137/2.1005/AU.1/07/0848-1/1/III/2019

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 2018, 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.

Siddharta Widjaja & Rekan - Registered Public Accountants, an Indonesian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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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 2018, 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 2018, 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

Kusumaningsih Angkawijaya, CPA
Izin Akuntan Publik/*Public Accountant License* No. AP. 0848

Jakarta, 29 Maret 2019.

Jakarta, 29 March 2019.

2018 LAPORAN TAHUNAN
ANNUAL REPORT

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