



Business Model Transformation Towards Digital Ecosystem



MEGAMOBILE



BUSINESS MODEL TRANSFORMATION TOWARDS DIGITAL ECOSYSTEM



"Business Model Transformation Towards Digital Ecosystem" is our commitment to continue to grow and to always support our customers. Thus, we carry out Business Model enhancements in a sustainable manner, specifically to catch up with digital disruptions that affect the banking industry. We prepare Business Model to complement the existing services and deliver them to customers through digital applications in order to position Bank Mega as one stop solution banking. Under the auspices

of PT CT Corpora ("CT Corp"), Bank Mega synergizes with CT Corp group in delivering banking services and creating new business opportunities in the form of Lifestyle Banking Ecosystem, Digital Payment Ecosystem and Digital Commerce Ecosystem. Such endeavors will energize our steps towards becoming a solid digital ecosystem that provides the best banking experience for all customers and community, as well as invigorate our efforts to realize the vision as "Pride of the Nation".

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PERFORMANCE HIGHLIGHTS

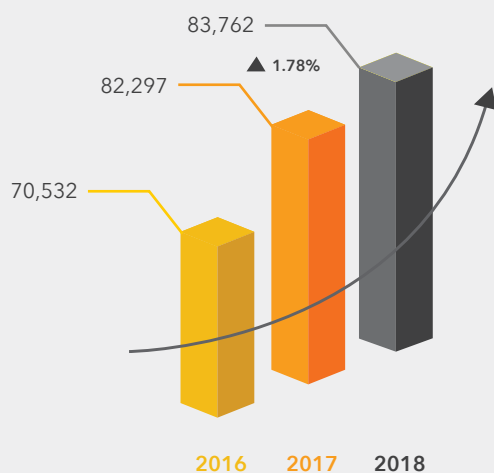
**“THROUGH VARIOUS
INITIATIVES AND
STRATEGIES ESTABLISHED
BY MANAGEMENT, BANK
MEGA MANAGED TO
OVERCOME VARIOUS
CHALLENGES THAT
OCCUR THROUGHOUT
2018 AND SUCCESSFULLY
CONCLUDED 2018 VERY
WELL”**



PERFORMANCE HIGHLIGHT 2018

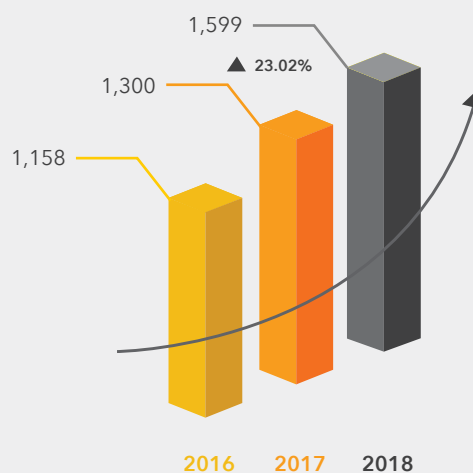
TOTAL ASSETS

In billion Rupiah



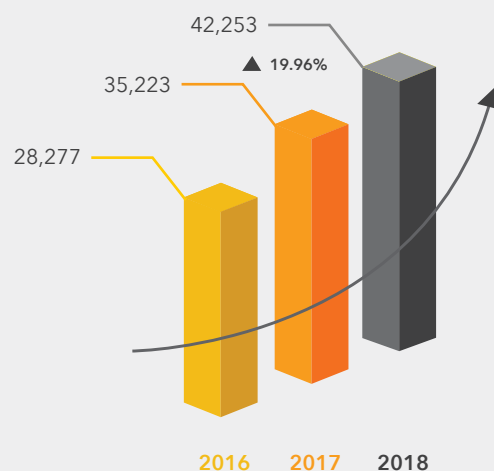
NET INCOME

In billion Rupiah



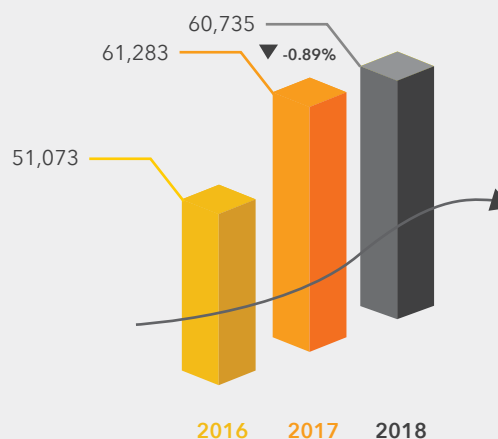
CREDIT DISTRIBUTION

In billion Rupiah



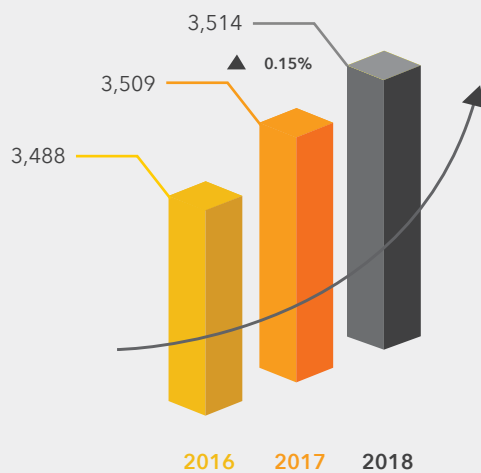
DEPOSITS FROM THIRD PARTIES

In billion Rupiah



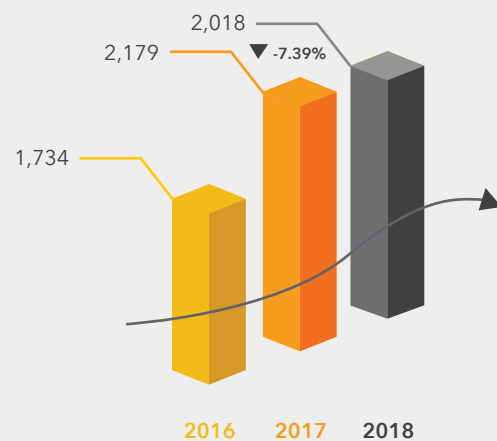
NET INTEREST INCOME

In billion Rupiah



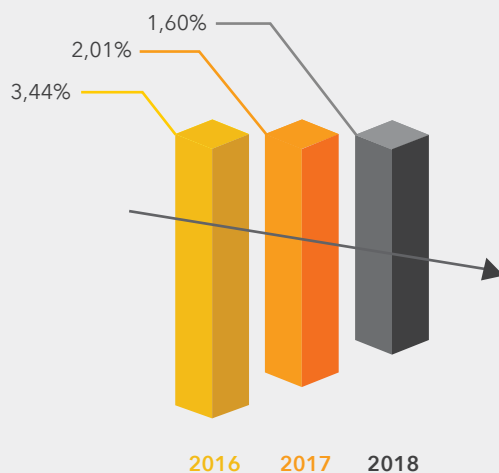
NON-INTEREST INCOME

In billion Rupiah



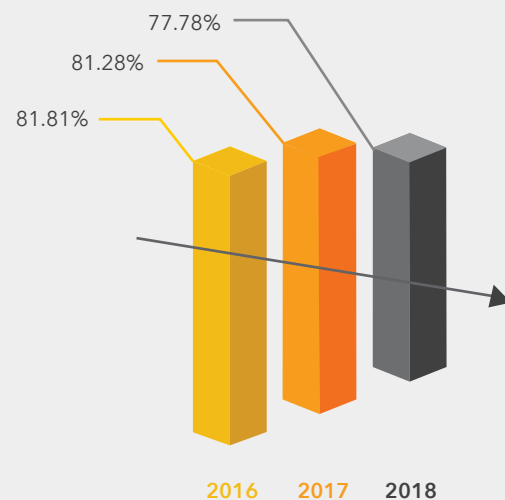
NON-PERFORMING LOAN (NPL) GROSS

In billion Rupiah



OPERATIONAL EXPENSE ON OPERATIONAL INCOME

In billion Rupiah



FINANCIAL HIGHLIGHTS

In billion Rupiah

Statement of Financial Position	Growth	2018	2017	2016	2015	2014
Total Assets	1.78%	83,762	82,297	70,532	68,225	66,582
Placements with Bank Indonesia and other banks	-59.69%	2,890	7,170	5,983	8,673	9,094
Securities and other bills	-4.06%	25,618	26,702	23,741	14,858	14,782
Loans	19.96%	42,253	35,223	28,277	32,398	33,614
Deposits from third parties	-0.89%	60,735	61,283	51,073	49,740	51,022
Total liabilities	1.08%	69,979	69,232	58,266	56,708	59,613
Equity	5.50%	13,783	13,065	12,266	11,517	6,970
Net income	23.02%	1,599	1,300	1,158	1,053	568

In billion Rupiah

Statement of Financial Position	Growth	2018	2017	2016	2015	2014
Net interest income	0.15%	3,514	3,509	3,488	3,303	2,745
Non-interest	-7.39%	2,018	2,179	1,734	1,935	1,396
Income before tax & minority interest	21.41%	2,002	1,649	1,545	1,239	659
Net income	23.02%	1,599	1,300	1,158	1,053	568
Total comprehensive profit (loss)	-0.73%	1,368	1,378	1,275	4,648	787

Financial Ratio	2018	2017	2016	2015	2014
Return on Assets (ROA)	2.47%	2.24%	2.36%	1.97%	1.16%
Return on Equity (ROE)	13.76%	11.66%	10.91%	15.30%	10.05%
Loan to Deposit Ratio (LDR)	67.23%	56.47%	55.35%	65.05%	65.85%
Non-Performing Loan (NPL) gross	1.60%	2.01%	3.44%	2.81%	2.09%
Capital Adequacy Ratio (CAR)	22.79%	24.11%	26.21%	22.85%	15.23%
Liabilities on Equity	507.72%	529.90%	475.02%	492.39%	855.28%
Liabilities on Total Assets	83.55%	84.12%	82.61%	83.12%	89.53%
Operational expense on operational income	77.78%	81.28%	81.81%	85.72%	91.25%
Net Interest Margin (NIM)	5.19%	5.80%	7.01%	6.04%	5.27%

Shares	Growth	2018	2017	2016	2015	2014
Outstanding shares (in million)	0.00%	6,964	6,964	6,964	6,964	6,964
Basic earnings per share (full amount)	22.99%	230	187	166	151	82

Employees & Branch Offices	Growth	2018	2017	2016	2015	2014
Total branch offices	1.37%	369	364	349	345	344
Total permanent employees	-3.15%	5,962	6,156	6,466	6,850	8,077

SHARE HIGHLIGHTS

Bank Mega's Share Performance in 2017-2018

2018	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Highest	3,620	4,250	5,100	5,000
Lowest	2,600	3,400	3,900	4,250
Closing	3,600	3,980	4,300	4,900
Volume (thousand shares)	557	63	50	11
Market capitalization (Rp million)	24,819,000	27,439,000	29,645,000	33,781,000

2017	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Highest	Rp3,200	Rp3,100	Rp3,100	Rp3,340
Lowest	Rp2,000	Rp2,800	Rp2,800	Rp2,610
Closing	Rp3,000	Rp3,000	Rp3,000	Rp3,340
Volume (thousand shares)	4,232	116	78	59
Market capitalization (Rp million)	20,682,000	20,682,000	20,682,000	20,682,000

Bonds Highlights

Year	Description	Rating	Amount	Listing
2008	Bank Mega Subordinate Bond 2007 *)	A (idn) from Fitch ratings Indonesia	Rp1,000,000,000,000	Indonesia Stock Exchange

Bank Mega Dividend Policy Until 2018

Fiscal Year	Dividend per Share	Type of Dividend	Amount of Payment (Rp)	% of Dividend against Net Profit
2017	93.34	Cash	650,000,000,000	50.00%
2016	83.14	Cash	578,950,000.000	50.00%
2015	75.58	Cash	526,350,000,000	49.99%
2014	14.36	Cash	100,000,000,000	16.69%
2013	-	-	-	0.00%

Corporate Action

During 2018, Bank Mega did not exercise any corporate action.

Temporary Termination of Stock Trading/Shares Delisting

During 2018, there was no temporary suspension of the trading of Bank Mega shares.

SIGNIFICANT EVENTS IN 2018



JANUARY 18-20
Annual Business Meeting



FEBRUARY 28
Annual General Meeting of Shareholders, Public Expose



MARCH 02
Mega Berbagi Program SMK PGRI Lembang



FEBRUARY 07
Mega Berbagi Renovation Inauguration MA Arif High School in Ketapang



FEBRUARY 28
Draw Trip to Camp Nou Phase 3



MARCH 08
Mega Travel Fair (March - April) in collaboration with Antavaya Tours & Travel



FEBRUARY 08
Inauguration of Pontianak Transmart Cash Office



MARCH 01
Inauguration of Kupang Transmart Cash Office



MARCH 21
Inaugurates the Relocation of the Samarinda Branch Office

**MARCH 27**

2 Lucky Customers Awarded
Half a Kilogram Gold from Mega
Supervaganza Gemilang Emas Period 1

**APRIL 20**

Corporate Culture socialization in
Bandung and continued in seven
other Regional Offices during 2018

**APRIL 27**

Reading Education around
Rusunawa Area Pulo Gebang, East
Jakarta - use Smart Cars which
belong to the CT Arsa Foundation

**APRIL 07**

Mega Berbagi Program
Mts and Ma Al Mu'aawanah Ogan
Ilir - Palembang

**APRIL 21**

Main Event of Bank Mega's 49th
Anniversary Commemoration, by
"Jalan Santai" in Bandung Regional
Office.

**MAY 03**

Initiated Cooperation in Mutual
Fund Sales with PT Ashmore Asset
Management Indonesia

**APRIL 17**

Celebrating Bank Mega's 49-year
Corporate Culture Re-enhancement

**APRIL 27**

Free dental health check uses CT
Arsa Foundation Health Car for
Rusunawa Pulo Gebang

**MAY 06**

Lucky Bank Mega Customers
attended FC Barcelona Vs FC
Villareal Match in Camp Nou



MAY 18

Achieved 9 Awards at the Event
2018 Satisfaction Loyalty Engagement
Award from Infobank and MRI



JULY 02

Inauguration of Cash Office JKT
Sovereign Plaza Relocation to Cash
Office Jkt TB Simatupang



AUGUST 14

Awarded predicate "Very Good"
from Infobank



MAY 24

Inauguration of Bogor Transmart
Yasmin Cash Office



JULY 06

Inauguration of Batam Branch
Office Relocation



AUGUST 31

Obtained 2018 "Prima Awards
"from Infobank



JUNE 07

Bank Mega through Mega Peduli
program distributes around 16,000
basic food package consisting of rice,
fried oil, sugar and instant noodles



JULY 27

Achieved Best Wealth Creator - SWA
100 from SWA Magazine



SEPTEMBER 04

Conducted Service Day to celebrate
national customer days

**SEPTEMBER 06**

Visited MTs Tarbiyatul Athfal
Grobogan, Central Java,
Mega Berbagi Donation Recipient

**SEPTEMBER 21**

Visited Putra Pangkalan Bun
Vocational School, Central
Kalimantan, Mega Berbagi
Donation Recipient

**OCTOBER 05**

Visited Sindang Jawa Cirebon, West
Java
Mega Berbagi Donation Recipient

**SEPTEMBER 17**

Banking Education for BKP PAUD
Flamboyan Cipinang Melayu
East Jakarta

**SEPTEMBER 21**

Banking Education for Putra
Pangkalan Bun Vocational School

**OCTOBER 09**

Visited Puri Wisata Pancasari
vocational school, Bali
Mega Berbagi Donation Recipient

**SEPTEMBER 19**

Best New Product 2017 from Visa:
Mega Travel Visa Card

**SEPTEMBER 27**

Awarded 2018 Social Business
Innovation Award from Warta
Ekonomi

**OCTOBER 12**

Supporting the Construction of
Trans Sumatera Toll Roads, Pekan
Baru Section - Dumai - Bank Mega &
Hutama Karya Credit Agreement



OCTOBER 18

Inaugurated Surabaya
Transmart Ngagel Cash Office



OCTOBER 26

Awarded Corporate Secretary
Award as the Top 10 GCG issues in
Banking Sector from Warta Economics
and ICSEA



NOVEMBER 21

Indonesian Banking Award:
The Best Private Bank in Book III
category from Economic Review



OCTOBER 19

Visited GKPS 1 Middle School
Mega Berbagi Donation Recipient
Pematang Raya - North Sumatra



NOVEMBER 11

A visit to SMPN 20 Serang,
Banten
Mega Berbagi Donation Recipient



NOVEMBER 22

Inauguration of Jember
Transmart Cash Office



OCTOBER 23

Draw the Mega Grand Prize
Super Vaganza Gemilang Emas
Period II



NOVEMBER 15

A visit to MAs DDI Baru Baru Tanga
Pangkep, South Sulawesi
Mega Berbagi Donation Recipient



NOVEMBER 28

Agreement on Syndicated
Investment Credit Development 6
Inner City Toll Road



NOVEMBER 29

Received the 2018 Top 20 award
Financial Institutions from The
Finance Commercial Bank Category



DECEMBER 10

MegaFirst Customer Gathering -
Mega Berbagi Region
Jakarta II



DECEMBER 14

MegaFirst Customer Gathering -
Mega Berbagi Medan Region



DECEMBER 06

MegaFirst Customer Gathering -
Mega Berbagi Surabaya Region



DECEMBER 10

MegaFirst Customer Gathering -
Mega Berbagi Semarang Region



DECEMBER 21

Syndicated Loan Agreement of PT
Jasamarga Balikpapan Samarinda for
Balikpapan Samarinda Toll Road
Section



DECEMBER 09

CT Corp and CT Arsa Foundation
groundbreaking for 9
earthquake victim schools in Palu



DECEMBER 10

MegaFirst Customer Gathering -
Mega Berbagi Jakarta I Region



MANAGEMENT REPORT

**“BANK MEGA ALWAYS
PAYS ATTENTION ON THE
ECONOMIC CONDITION
AND DEVELOPMENT OF
THE BANKING SECTOR TO
ANTICIPATE THE CHALLENGES
AND REACH THE BUSINESS
OPPORTUNITIES”**





“THE BOARD OF COMMISSIONERS OPINE THAT THE BOARD OF DIRECTORS HAS BEEN PERFORMING WELL IN MANAGING BANK MEGA THROUGHOUT 2018 BECAUSE THE BANK WAS ABLE TO INCREASE ITS GROWTH IN THE MIDST OF THE DYNAMIC GLOBAL AND DOMESTIC UNCERTAINTY.”

Chairul Tanjung
The President Commissioner

REPORT OF THE BOARD OF COMMISSIONERS



Dear Shareholders and Stakeholders,

All praise be to God the Almighty, for His Blessings and Grace, which is always bestowed upon us all.

The Board of Commissioners are grateful that Bank Mega has successfully passed 2018 very well in the midst of global and national economic conditions that are experiencing conditions of uncertainty.

The Board of Commissioners reports on the Board of Directors performance and our supervision regarding the implementation of the Bank's strategic policies, business prospects, and the implementation of corporate governance within the Bank.

Representing the Board of Commissioners of Bank Mega, I submit the 2018 Annual Report

Development of Global and Indonesian Economics

The global economic conditions in 2018 are full of challenges and uncertainties caused by the increase in the US central bank's interest rate, which will be followed by monetary policy in Europe and a number of other developed countries. The Federal Reserve raised interest rates four times during 2018. Then, the United States trade war with China, and high uncertainty in global financial markets were also driven by a number of geopolitical risks, such as the continuation of Brexit negotiations between Britain and the European Union, economy problems in Italy and a number of other political developments, which we need to continue to look forward to. This condition caused global economic growth to only grow 3.7% (World Bank version).

This also indirectly affects the economic conditions in the country, as seen from the continued weakening of the Rupiah exchange rate against the US Dollar, ever-increasing

interest rates, fairly tight liquidity. Despite heavy external pressure, in 2018 Bank Indonesia estimated that Indonesia's economic growth would be maintained at 5.17%, supported by strong domestic demand, which grew by around 5.5%. This achievement was also supported by the inflation assumption that was in line with the target because it was successfully controlled at the level of 3.13% from the target of 3.5 ± 1 . Overall economic growth in 2018 reaches 5.15% of the 2018 State Budget target of 5.4%. The difficulty of achieving these macro assumptions is due to the influence of global economic uncertainty.

From this background, we view that Bank Mega's performance is very satisfying. Especially from the Bank ability to continue to grow despite global conditions that tend to weaken and the Indonesian economy which tends to stagnate.

Assessment of Directors' Performance

Evaluation on Directors performance made by the Board of Commissioners based on the annual business plan submitted by the Directors and has been approved by The Board of Commissioners. The evaluation cover operational aspect, financial and other aspect which is closely related to the Bank business sustainability.

Considering the supervision result, in the opinion of the Board of Commissioner, the Directors has performed well in managing Bank Mega throughout 2018 due to their ability in increasing the business growth in the midst of the global and domestic dynamic and uncertainty. Our assessment based on some financial indicators achievement especially on Profit Before Tax which was successfully reached Rp2,002 trillion or a growth of 21.40% compare to the previous year at Rp1,649 trillion. The year of 2018 became the year of satisfaction as the bank was able to achieve the profit above the target that has been decided on the Bank Business plan at Rp1,366 trillion or an increase of 17.27%.

Furthermore, Bank Mega total loan also continuously increased significantly. In 2018 total loan reached Rp42,25 trillion or an increase of 19,96% compare to the previous year at Rp35,22 trillion. In implementing the loan growth strategy, the Directors continuously placed prudential banking as the main principle. The result was reflected on the improvement of credit quality (NPL) which became 1.6% in 2018 from 2.01% in 2017. Third Party Fund relatively stable at Rp60,73 trillion, or a slight decrease of 0.89% compare to the previous year at Rp61,28 trillion. Meanwhile, Total Asset growth 1.78% from the previous year and became Rp83.76%.

The significant loan growth also increased the Loan to Deposit Ratio (LDR) to 67.23% in 2018 from 56.47%. Meanwhile, CAR slightly decreased became 22.79% in 2018 from 24.11% on the previous year. However, the level of CAR ratio still reflected a strong capital structure. On efficiency aspect, the Directors had carried out a precise efficiency strategy as reflected on the ratio of Operating Expense to Operating Revenue (BOPO) at 77.78% compare to the previous year at 81.28%.

On the non-financial side, Board of Commissioners appreciated the digital transformation that has been launched since the early 2018 to anticipate the future digital challenges. Some projects have been initiated and also implemented through some trials to ensure that the new features can be launched on 2019.

In the opinion of the Board of Commissioners, the Directors has carried out their duties properly in accordance with their own task and therefore has enable the Bank reached the target accordingly. The implemented strategy in anticipating the economic development has been executed precisely. Despite the occurrence of other challenges throughout the year, the Directors was able to overcome the situation by formulating and making a precise breakthrough implementation.

Supervision of the Directors Strategy Implementation

The Board of Commissioners always pays attention to overseeing the strategies implementation prepared by the Directors. This is in line with Board of Commissioners role to ensure that the implementation of the Bank's strategy is on the right track without overriding compliance toward applicable regulations. The authority of the Board of Commissioners in supervising the Bank's operational activities is based on the Law, Articles of Association, GCG Code of Conduct, and the Bank's work guidelines. On this basis, during 2018 the Board of Commissioners has made every effort to ensure that the oversight of the strategy runs well.

Periodically, the Board of Commissioners attends the Joint Meetings of the Board of Commissioners and Directors with an agenda to convey the Bank's performance. In addition, the Board of Commissioners on the initiative of the Board of Directors also conducts meetings in the event of important and emergency discussions or matters that require the approval of the Board of Commissioners. In particular, the supervisory function of the Board of Commissioners is always significantly improved, among others by maintaining formal and informal communication with the Board of Directors so that supervision of operational aspects can run better and in accordance with the plan.

In carrying out these supervisory duties, the Board of Commissioners provides support, advice, and recommendations needed by the Board of Directors. Throughout 2018, the Board of Commissioners recommended that the loan process be carried out in accordance with prudential banking principles, improved corporate governance implementation, improved integrity behavior in order to minimize fraud by the employees, and be flexible in facing digital challenges, as well as other suggestions. In the efforts of Bank Mega's Digital Transformation to run well, the Board of Commissioners also continues to provide support for the intensification of information technology in business processes and the improvement of digital banking service features. The Board of Commissioners also provides recommendations in order to improve efficiency and cost discipline in order to continuously reduce the Bank's cost to income ratio.

The Board of Commissioners supports the Directors initiative to continuously enhance the synergy with companies within PT CT Corpora ("CT Corp") through an ecosystem mechanism in the CT Corp community because the benefits provided to customers and credit card holders are a competitive advantage for Bank Mega in the future.

Recommendations/Suggestions Given to the Directors

The role of the Board of Commissioners is to supervise, advise and suggest the Directors regarding the implementation of the business and the Bank's strategy. The mechanism for providing normative advice is held through the periodic joint meetings of the Board of Commissioners and Directors. While functionally, the Board of Commissioners through the Audit Committee holds regular meetings every month to discuss findings and reach conclusions in the form of suggestions which are then submitted to the Directors. In addition, the Board of Commissioners also conducts informal discussions with the

Directors where the Board of Commissioners asks the Directors to provide explanations regarding all issues that require special attention. The Board of Commissioners then provides direct advice to the Directors on the issue and follows up on the response and implementation of the suggestions.

The Board of Commissioners' direction has been well implemented by the Directors, and had enabled the Bank to achieve good performance in 2018.

Opinion on GCG Implementation

Bank Mega has consistently applied the principles of Good Corporate Governance (GCG) in order to maintain harmony and balance between the interests of the Bank and all stakeholders in order to achieve optimal and sustainable performance. The implementation of good governance is the duty and responsibility of the Board of Commissioners together with the Directors. With the support of the Risk Monitoring Committee, the Board of Commissioners continues to monitor the implementation of risk management initiatives carried out by the Directors in its efforts to mitigate the Bank's main risk factors and prevent the occurrence of risks and ensure the long-term sustainability of the Bank's business.

To ensure the implementation of good corporate governance in accordance with applicable principles, Bank Mega periodically conducts self-assessments on the GCG implementation both individually and in an integrated manner. Furthermore, the self assessment conducted by Bank Mega for the first semester of 2018 has been assessed by the OJK, with a score of 2 (two) which shows that in general the Corporate Governance implementation is in the good category. While the final 2018 assessment, it is currently in the submission process to OJK.

Based on the above matters, the Board of Commissioners believes that throughout 2018 GCG implementation has been carried out properly by the Directors.

Opinion on Whistleblowing System Implementation

Board of Commissioners viewed that Whistleblowing System (WBS) hold an important role in enhancing the good governance implementation. Board of Commissioners provided direction on its formulation and supervision towards the system implementation in the Bank. Whistleblowing system became part of cultural maintenance and awareness on anti-fraud within all level of the Bank organization.

The Bank reporting system on any violation of Whistleblowing system has been well implemented, and the system is part of the Bank commitment to establish a sound internal control covering all aspect of the business activities. Management

provided access to all employee as a whistleblower to convey their information through Banking Fraud Division which is under the supervision of the President Director, and therefore, fraud can be eliminated and the risks might be avoided at the earliest possible. Board of Commissioners and Audit Committee regularly evaluate the policies as well as the findings of the Internal Audit and provided advisories on further action taken related to the reports.

Assessment of Committee Performance Under the Board of Commissioners

In carrying out its duties and responsibilities, the Board of Commissioners assisted by three committees, namely the Audit Committee, the Risk Monitoring Committee, and the Remuneration & Nomination Committee. During 2018, the three committees have performed well. Precise implementation of the business plan, the roles of each committee was also improved significantly in order to be able to support the Board of Commissioners duties and obligation.

During 2018, the Audit Committee functioned is to ensure the process of internal controls and assisted the Board of Commissioners in overseeing the implementation of internal and external audits as well as the implementation of good GCG. The Audit Committee also conducts discussions and submits suggestions that cover various important activities carried out by the Bank. In providing input to the Board of Commissioners, the Audit Committee has reviewed the Bank's published financial statements, whereas review on the business activities focused on the prevailing regulations, internal control effectiveness and level of the Bank's compliance on the other regulations which is related to the Bank business. The Audit Committee also constantly encourages the role of internal audit in the Bank to be strengthened, so that every audit finding can be followed up properly and adhered to by all elements in the Bank.

The Risk Monitoring Committee tasked is to ensure that the Bank has implemented a risk management function properly, and is able to protect Bank Mega from any potential risks that will occur. For this reason, the Risk Monitoring Committee periodically reviews the adequacy of the Risk Management Policy, monitors the implementation of the risk management function and the quality of the Risk Profile Report submitted to the Financial Services Authority and identifies other matters that require the attention of the Board of Commissioners regarding the implementation of risk management.

The Remuneration and Nomination Committee functions to propose nominations and remuneration for members of the Board of Commissioners and Directors. The Committee has conducted discussions and submitted proposals and

recommendations related to various important activities carried out by the Bank including providing recommendations to the Board of Commissioners regarding prospective members of the Board of Commissioners and / or Directors as well as remuneration policies for the Board of Commissioners and Directors to be submitted to the General Meeting of Shareholders. The role of the committees mentioned above has always been improved from year to year so that it can support the Board of Commissioners to better monitor Bank Operations and Directors.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a commitment of Bank Mega's concern for society and the environment. The Board of Commissioners supports the CSR Program which is implemented through Mega Peduli (Mega Cares) and Mega Berbagi (Mega Sharing) activities. Mega Peduli's activities are held regularly to help communities around Bank Mega's offices throughout Indonesia, especially in facing the month of Ramadhan. In addition, other activities that can improve the quality of the community by providing free dental and general health check up as well as introducing reading habit by building synergy with CT Arsa Foundation who mobilized its "Mobil Sehat" (Health Car used for dental check ups) , "Mobil Pintar" ("Smart Car") used for building reading habit and Iqro Cars. While the Mega Berbagi activity is a social activity that collaborates with customers through the Mega Berbagi Savings product, where donation funds are obtained from customers who set aside 1% of interest received and an additional 1% from Bank Mega to improve the quality of education. The Board of Commissioners also highly appreciates the initiative of the Board of Directors to carry out the theme of education in Mega Berbagi activities, because the quality of good education will break the chain of poverty of a nation.

Changes in Board of Commissioners Composition

On this occasion, we would like to convey that in 2018 there was a change in the composition of the Board of Commissioners in connection with the appointment of Ms. Aviliani as Independent Commissioner based on the decision of the Extraordinary General Meeting of Shareholders (RUPSLB) dated February 28, 2018. We would like to welcome the new members of the Board of Commissioners and hope with this new composition the Board of Commissioners, we can provide better direction to grow the Bank.

Meanwhile, the Bank has accepted the request for the resignation of Mr. Darmadi Sutanto as Commissioner of Bank Mega on December 1, 2018, and his resignation approval will be requested at the Annual General Meeting of Shareholders held at the end of February 2019.

Business Prospects

The rate of global economic growth is projected to weaken slightly. The IMF revised its global economic growth in 2019 to 3.5% from 3.7% in 2018. Various matters that were considered by the IMF related to the slowdown in economic growth were weakening global trade and manufacturing activities, continued high trade tensions, and several large developing countries must face financial market pressures. Meanwhile, Indonesia's economic outlook is predicted to be stable in 2019, although it still has the potential to face several challenges as a result of global economic conditions. Bank Indonesia predicts that Indonesia's economic growth will range from 5.0-5.4% with inflation of around 2.5-4.5%. The Current Account Deficit (CAD) is expected to decrease by 2.5% of economic growth. Banking credit growth is also expected to grow between 12-14% and third party fund collection (DPK) grows at the level of 8-10% with maintained liquidity.

To respond the developments in global and Indonesian economic conditions next year, the Board of Commissioners considers that the business prospects prepared by the Board of Directors as stated in the Bank Business Plan (RBB) have carefully considered various assumptions of global and domestic growth risks. The strategies include steps in facing challenges in the era of technological disruption by completing digital transformation at Bank Mega through an ecosystem mechanism in the CT Corp. community. In an ecosystem, a digital platform allows the Bank to conduct customer retention while deepening relationships through cross-selling. If the Bank succeeds in running an ecosystem strategy, it will be able to increase ROE.

The Bank's Business Plan has received approval from all members of the Board of Commissioners and is considered able to anticipate all challenges in the next year and can deliver Bank Mega to continue to grow.

Our Appreciation

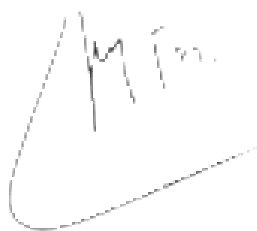
We would like to express our appreciation to the Directors and all employees of Bank Mega, for through their dedications and hard working, Bank Mega can grow well in 2018. In particular, we extend our gratitude to our shareholder and stakeholder, includes regulatory and our partners for their endless support and trust. More over, we appreciated our loyal customers for their strong support throughout the years, that had enabled Bank Mega to book a sound performance on 2018.

On this occasion, the Board of Commissioners also welcome Mr. C. Guntur Triyudianto, who was appointed as Director in accordance with the results of the Extraordinary General Meeting of Shareholders on February 28, 2018 ago. We are

sure, with his experience in banking, Mr. C. Guntur Triyudianto will make a valuable contribution to Bank Mega and look forward to work together in the coming years.

This conclude the Board of Commissioners supervision report on the performance and implementation of the Bank business activities in 2018. The Board of Commissioners will always strive to be professional and independent in carrying out the oversight and advisory functions so that the performance of Bank Mega can always increase in the future and reach its vision to be the Pride of the Nation.

On behalf of the Board of Commissioners-
Jakarta, February 2019



Chairul Tanjung
The President Commissioner



ACHJADI RANUWISASTRA
Independent Commissioner

AVILIANI
Independent Commissioner

YUNGKY SETIAWAN
Vice President Commissioner



CHAIRUL TANJUNG
President Commissioner

LAMBOCK V. NAHATTANDS
Independent Commissioner



**“2018 BECOMES A SIGNIFICANT
YEAR FOR BANK MEGA ALONG
WITH OUR ACHIEVEMENT TO
BOOK A NET PROFIT OF
RP1.60 TRILLION”**

Kostaman Thayib
President Director

REPORT OF THE BOARD OF DIRECTORS



Dear Shareholders and Stakeholders,

We are pleased to announce that in 2018 Bank Mega succeeded to book a sound performance. Fundamentally, Bank Mega continued to show positive performance in both the financial and non-financial aspects amid conditions of global economic growth that were quite challenging and moderate economic growth in Indonesia.

Review of Indonesian Economy and Banking in 2018

Indonesia's economic development cannot be separated from the influence of the global economy which is quite challenging and results in the recovery process not as fast as previously estimated. The global economy is growing uneven and full of uncertainty. At the beginning of 2018 global economic growth accelerated rapidly, but began to lose speed over time, and the journey will be more turbulent the next year. The World Bank estimates that global economic growth will increase by 3.7% in 2018. Throughout 2018 the Fed's interest rate rises 4 times. The direction of rising interest rates in developed countries presents a challenge for Emerging Markets central banks, including Indonesia, in formulating their monetary policy responses to strengthen their external economic resilience in mitigating the impact of global financial propagation. In addition, in 2018 there were also trade tensions launched by the US Government against a number of countries including China. In fact, negotiations between the US and China are still ongoing. These conditions have an impact on the strength of the US dollar and the reversal of foreign capital from emerging markets, including Indonesia. In the midst of a non-conducive global economic development, the performance of the Indonesian economy in 2018 was still quite good with growth figures for 2018 of 5.17%, this was supported by fairly good consumption and investment growth. Meanwhile, the pressure of Rupiah depreciation

was inseparable from the US Dollar strength and the reversal of foreign capital flows along with the high uncertainty of the global economy. However, the monetary policy response and stabilization measures by Bank Indonesia could ease the pressure of the Rupiah depreciation. On the other hand, throughout 2018 inflation remained low and therefore supported an increase in people's purchasing power. According to the Central Statistics Agency (BPS), the inflation rate for 2018 was 3.13%, still below the inflation target of 3.5 + 1%.

Throughout 2018, the banking industry in Indonesia showed a positive trend reflected in several financial indicators. Financial system stability is maintained supported by strong banking capital, controlled credit risk, increased lending, and adequate liquidity. The banking Capital Adequacy Ratio (CAR) was relatively high at 23.22%, while the ratio of Non Performing Loans (NPL) remained low at 2.37% (gross) or 1.14% (net). From the intermediation function, bank credit growth in 2018 reached 11.75% year on year (yoy), indicating a positive financial intermediation. While banking third party funds throughout 2018 grew more than 8.0% year on year (yoy).

2018 Bank Mega Strategic Policy

Bank Mega always looks at economic conditions and the development of the banking sector to anticipate challenges and grab opportunities. Bank Mega's strategic policy for 2018, namely digital transformation to support the development of retail and digital banking business, operational risk mitigation and operational cost efficiency through the automation of operational processes. In line with the ongoing digital transformation, the Bank also takes strategic steps for sustainable business growth.

Business Growth Strategy

The growth of credit volume in 2018 was directed to the Corporate Banking and Joint Financing segments and focuses on the industrial sector which has positive trends, such as facilities / infrastructure, construction, real estate and others, both through new customers and existing customers who have good performance and reputation. Bank Mega is also more active in participating in syndicated deals and goes into financing to SOEs with ratings and solid financial conditions, especially in the construction and infrastructure sectors. In Commercial and Retail Credit, Bank Mega changed its sales distribution model from previously using the branches (network) as its channel become to centralized business center in the regional offices. By having this business center, the marketing team is expected can wider their sales coverage whereas previously they only cover a certain branches and now they will have broader sales coverage and entitle to process credit referral from all branches within the region. Bank Mega also distributes supply chain loans through the ecosystem in both groups and non-groups

Loan disbursement is based on prudential banking principles to ensure the loan quality is properly managed. Preventive action were carried out among others through early warning signal by conducting regular on the spot checking activities in accordance to the applied regulation. Therefore, the Bank can assess the debtors' business performance and the discipline in loan covenant fulfilment. Particularly on Joint Financing and Retail segment, Bank continuously strengthen its monitoring and collection system in anticipating the credit quality deterioration. Bank also pays special attention on problematic account by prepayment settlement through increasing the intensity of collateral execution and conducted the auction process and or foreclosed assets. The settlement of non-performed loan not merely focus on debtors with high NPL's but also on debtors starting with collectability of 2 but the business has been considered as no longer sustain.

For Credit Card, throughout 2018 consistently provide benefit, features and the best promotion program in meeting the needs of the cardholders. In 2018, Bank Mega also continue Mega Travel Fair program in partnership with Antavaya Tours to increase the credit card usage and new acquisition. In addition, Mega Barca co-branding program also continued the raffles program to Camp Nou, Barcelona. Through this efforts, the usage of Bank Mega credit card will increase continuously in line with the customers' loyalty who feels satisfied and comfort by all offers and service provided by Bank Mega. In the acquisition side, Bank also continuously conduct acquisition activities within the CT Corp Group and optimized acquisition program through Staff & Family Get Member and Member Get Member. The acquisition process is carried out in line with the monitoring process made at every stage of credit card sales process and therefore the credit card quality will be well managed.

During 2018, these has become the competitive advantage which other banks do not have. Bank Mega provides all time benefit, whereas the benefits not only will be enjoyed by Bank Mega credit card holders but also the individual saving customers. Bank Mega offer various discounted prices to card holders and individual

saving customers when using Bank Mega credit card or debit card at numbers of retail units under CT Corp such as Transmart Carrefour, Metro Department Store, Trans Fashion (Furla, BOSS, Geox etc), Baskin Robbins, Wendys, Coffee Bean and Tea Leaf, Anta Vaya Tours, Trans Studio Makassar and Bandung, Trans Luxury Hotel, Ibis Bandung and Transvision.

The growth strategy of third party funds is carried out by the Bank by adjusting the growth of third party funds with the growth of loans provided, while paying attention to the Bank's liquidity so that the LDR is maintained at around 70%. The bank also focuses on products that can provide fee base income in selling products related to third party funds. In 2018 Bank Mega began introducing the Wealth Management concept to Mega First customers such as Government Bond products in the Secondary Market and added 7 new Mutual Fund products produced in collaboration with Ashmore Asset Management Indonesia and Schroder Investment Management Indonesia. In addition to enriching the product, this step will also increase fee base income by optimizing the sale of bancassurance fee base products including the addition of new bancassurance products and product investment sales. In 2018, Bank Mega launched Mega Super Vaganza Gemilang Gift, a lottery and loyalty program for Mega Dana and Mega Maxi savings products with cash prizes, cars and motorbikes. Besides that, Customers can enjoy for CT Corp shopping vouchers directly whereas, the program aims to further increase the acquisition of new customers (NTB) and increase the funds from existing customers. This program is a continuation of the previous program namely Mega Super Vaganza Gemilang Emas which has ended.

Digital Transformation

In line with the development of digital technology, Bank Mega has seen changes in customer preferences in transactions for the past few years. This trend indicates that the frequency of banking transactions through digital services will continue to increase, while the frequency of transactions through branch offices will be decreased. Digital disruption has also affected the banking industry, prompting Bank Mega to review the current business model to meet the digital era. The company's journey in making strategic changes in business, operational, risk, compliance, and human resources aspects in order to adopt information system-based technology to improve company performance, which is then referred to as Digital Transformation.

The strategy of Bank Mega business development and service will focus in enhancing the existing services whereas later customers may enjoy the service through digital application and therefore Bank Mega would become a one stop solution banking its customers. In addition, Bank Mega as one of the companies under the CT Corp, has a unique competitive advantage compared to other companies in the banking industry so that Bank Mega can synergize with the CT Corp group both in delivering banking services and creating new business opportunities in the form of Lifestyle Banking Ecosystem, Digital Payment Ecosystem and Digital Commerce Ecosystem. Throughout 2018, Bank Mega has prepared various digital services which are planned to be launched in 2019.

Sharpening the Main Core Value of Corporate Culture

The designed transformation must be followed with a deep understanding of core values that will become the foundation to achieve the transformation goals. Understanding the importance of Corporate Culture and Values in achieving the corporate vision and mission, Bank Mega therefore will sharpen and enhance the Corporate Values which was launched during the Bank 49th years anniversary.

The new Bank Mega Corporate Values took the acronym DETECS which stands for company values, namely Dynamic, Entrepreneurship, Trust, Ethic, Commitment and Synergy. These Corporate Values will become the behavior guidelines for all Bank Mega employee and the values will then turn to be the Corporate Culture. A consistent Corporate Culture will drive all employee of Bank Mega in building a sound performance and by the end will realize the bank vision, "To be the Pride of the Nation".

Bank Mega Performance in 2018

By implementing numbers of management initiatives and strategies, Bank Mega managed to overcome various challenges that could have a negative impact on bank performance. Closing 2018, Bank Mega managed to record encouraging performance as reflected in the achievement of Profit Before Tax (PBT) of Rp2,002 trillion or grew by 21.40% from 2017 which amounted to Rp1,649 trillion and net profit of Rp1.6 trillion or grew 23.02% from the previous year. The increase in net profit was obtained from an increase in interest income due to credit growth and a decrease in the cost of Allowance for Impairment Losses (CKPN) of Rp 481 billion or down 57% compared to 2017, which was resulted from the improving productive asset.

In line with the increased profit, the Return on Equity (ROE) ratio increased from 11.66% in 2017 to 13.76% in 2018. Minimum capital adequacy ratio or CAR after calculating credit, market and operational risks amounted to 22.79 %, whereas this level is still far above the applicable regulation. Management's steps to control costs have also paid off with the improvement of the BOPO ratio to 77.78% in 2018 compared to 2017 at 81.28%.

In the financial position, the Bank recorded excellent credit growth of 19.96% to Rp42.25 trillion in 2018 from Rp35.22 trillion in the previous year and this growth was above the growth of the banking industry which was 11.75%. Corporate loans occupy the largest portion of Bank Mega's total loans, which are 36.11%, followed by joint-financing of 31.67% and credit cards at 18.25%. This growth was followed with the improvement in the gross non-performing loan (NPL) ratio to 1.6% or down if compared to 2017 at 2.01% and since 2017 Bank Mega's NPL ratio is below the banking industry's NPL. Going forward, the Bank will continue to maintain the level of the NPL ratio by applying the prudential principle in lending, exploring the recovery of credit that can be carried out and always considering asset quality as a priority. We are optimistic that the implementation of these policies and strategies can maintain the growth and credit quality of Bank Mega in good condition.

Meanwhile in 2018 the Bank's third party funds tended to be stable, which amounted to Rp60.73 trillion or a slight decrease

of 0.89% compared to the previous year at Rp61.28 trillion. This is due to the Bank's strategy which always align the growth of third party funds with the growth of loans provided, while paying attention to the Bank's liquidity. In addition, the Bank also seeks to maintain the cost of funds of third party funds by increasing low-cost funds and trying to maintain deposit rates. The promotion program held throughout 2018 managed to increase Savings to Rp. 11.8 trillion or grow 7.98% compared to the previous year of Rp. 10.93 trillion. For the position of credit and third party funds, the LDR ratio increased to 67.23% from 2017 position of 56.47%. Total assets in 2018 were recorded at Rp83.76 trillion, growing 1.78% compared to the previous year amounting to Rp82.30 trillion.

Throughout 2018, Bank Mega added 5 branch office networks in synergy with Transmart. This is part of Bank Mega's strategy in adding branch offices, so that the number of Bank Mega branch offices at the end of 2018 is 369 branch offices. In addition, Bank Mega has 2 Functional Offices located in Medan and Surabaya. As a result, the total office network of Bank Mega amount to 371 throughout Indonesia.

The achievement of Bank Mega throughout 2018 is the result of the hard work of all employees and our commitment to become the pride of the nation.

Comparison of Targets and Achievements

Throughout 2018, Bank Mega recorded a good performance improvement. We managed to record the achievement of net profit exceeding the target set, or 17.27% above the targeted amount of Rp1.37 trillion. Loans grew above the target set at the beginning of 2018 of Rp. 41.05 trillion or 2.93% above the target. Credit growth was also accompanied by a decline in the ratio of non-performing loans (NPL-gross) to 1.6% and this position was better than the target set at the beginning of 2018 of 1.9%. This achievement will motivate us to further improve its performance in 2019.

Challenges

In carrying out its business activities, Bank Mega cannot be avoided from various challenges throughout 2018, including the relatively stable growth of third party funds. This was due to the strategy of Bank Mega to align the growth of third party funds with the growth of loans provided, and reduce the cost of funds. However, external factors have also become a challenge for the growth of third party funds. The increase in guarantee interest and the BI rate in the second semester led to competition in third party funds rates on the market. This condition caused the Bank to maintain the cost of funds of third party funds by accepting very selective high interest deposits, and adjusted to the Bank's liquidity needs.

In anticipating these obstacles, one of the strategies established was to improve service quality and customer loyalty by continuing the lottery program namely Mega Supervaganza Gemilang Prize program as an appreciation to existing customers and new customers. In addition, the synergy with the CT Corp retail business unit that provides benefits in the form of life time benefit also helps increase customer loyalty. Financial technology innovation in Indonesia becomes a challenge as well

as an opportunity to the Bank. Bank Mega continues to develop various existing business opportunities related to digital banking, especially in the CT Corp ecosystem to strengthen the position of Bank Mega.

Business Prospects 2019

The rate of global economic growth is projected to weaken. According to the IMF this projection of global economic growth in 2019 will weaken to 3.5% from 3.7% last year. Various considerations related to the slowdown in economic growth are weakening trade and manufacturing activities in the world, still high trade tensions, and some large developing countries must face financial market pressures.

Amid the sloping global economic forecast, the outlook for the Indonesian economy will improve with higher growth and maintained stability. Bank Indonesia estimates that Indonesia's economic growth in 2019 will continue to increase to reach the range of 5.0-5.4%. Improved economic growth was supported by continued strong domestic demand for consumption and investment, while net export performance improved with continued increase in exports and declining import growth. The banking intermediation function and economic financing from the capital market will continue to increase. Credit growth in 2019 is predicted to reach 12-14%, while third party fund will reach 8-10% with adequate liquidity maintained. However, the presidential election in 2019 will bring challenges and opportunities for growth.

To meet those opportunities and challenges, Bank Mega has sets out the business development strategy to be carried out in 2019 and to be implemented based on a reliable human resources development to support the digital banking growth, business process improvement as well as bound a strong synergy within PT CT Corpora ecosystem in developing the retail business.

Growth Loan in 2019 will focus on Corporate and Joint Finance segments, focusing on syndicated financing and SOEs, and the business sector projected to experience growth, both through new customers and existing customers who have good performance. As for the Credit Card business, synergy with PT CT Corpora will be continuously extended in order to be able to provide benefit that only Bank Mega credit card holder may enjoy. In 2019, numbers of credit card holders will be continuously increased not neglecting its quality as well as numbers of customers' transaction. While the Bank strategy in growing the third party fund is to rebalance it's grow with loan growth, and focus on low cost fund through the acquisition of Mega First and Upper Mass segment. Being part of PT CT Corpora, Bank Mega will continue to synergize with several well-known retail companies under PT CT Corpora ecosystem to provide additional benefits for Mega First and Upper Mass customers, which become the competitive advantage that other banks do not have.

Digital Banking Services

In the coming years with the current technological developments, the banking industry will be faced with heavy challenges, including digitalization of banking transactions and fast-growing fintech companies and that will also become challenges and opportunities for banks. We always develop information technology systems in order to support the development of business activities. Bank Mega applied the strategic action by looking at the prospect of economic growth within the banking industry which rely on digital technology services. The Digital Transformation Task Force formed by Bank Mega is the Bank's initiative to refine the information technology sector which focuses on expanding digital banking services with an emphasis on branchless banking, customer experience enhancements and digital sales skills, as well as improving the mobile banking system. Various project initiatives carried out in 2018 are ready to be launched in 2019 to provide better services for our customers.

Human Resource Development

Human Resources (HR) are the most important elements and the greatest assets and strategic partners in achieving the Company's Vision. Therefore, management of human resources is a major concern for the Bank towards sustainable positive performance. The number of employees at the end of 2018 is 8,229 employees and throughout 2018 Bank Mega has carried out various types of development and training programs on an ongoing basis so that Bank Mega's human resources are able to respond to challenges and adapt quickly to market changes, especially in the banking industry.

Bank Mega has consistently conduct the Mega Management Development Program (MMDP) program and up to 2018 has reached 10 batches. This program aims to build talent to become future leaders with quality leadership and entrepreneurship that are reliable and able to adapt as well as contribute optimally in various fields and are designed to face the challenges of more competitive business competition in the future. We continue to be determined to build professional, resilient, high integrity human resources who are able to realize the Bank's vision and mission.

Risk Management

In order to increase added value in the eyes of stakeholders, Bank Mega consistently manages the risk management system based on applicable regulations and laws in Indonesia. In its implementation, Bank Mega always prioritizes the principle of prudence in managing all types of risks as a form of commitment in carrying out good corporate governance practices. Bank Mega has established 4 (four) pillars of the application of risk management that have become a reference in the implementation of risk management in all Bank work units, namely active supervision of the Board of Commissioners and Directors, Adequacy of Policies and Limit Determination, Adequacy of Identification, Measurement, Monitoring and Control Risk and Risk Management Information System.

In order to improve the implementation of Risk Management, Bank Mega has always developed tools that are used, evaluated, and corrected any weaknesses in the process and the development of human resources as the key to the implementation. This is important because the risk factors that have a dynamic nature follow the development of banking business practices themselves. Within the group-wide scope, PT Bank Mega, Tbk is the Main Entity in the Implementation of Integrated Risk Management in the Mega Corpora Financial Conglomerate and Market, Liquidity & Integrated Risk Management work units as Integrated Risk Management Work Units (SKMRT).

Implementation of Good Corporate Governance

Bank Mega places good implementation of Good Corporate Governance (GCG) not only to comply with laws and regulations, but is a fundamental element that refers to best practices for sound business and long-term sustainability. We believe that good performance achievement can be maintained in the long term and the targets set in the Bank Business Plan (RBB) can be achieved through the implementation of consistent Good Corporate Governance (GCG) practices. Bank Mega has implemented GCG principles in order to maintain harmony and balancing the interests of the Bank and all stakeholders.

Improving GCG practices in Bank Mega is closely link to Board of Commissioners and Directors also the employee commitment to conduct the GCG principles as the foundations in conducting the bank business activities which include transparency, accountability, responsibility, independence and fairness. The effectiveness of the implementation of GCG can be seen from having a strong GCG structure. The structure of GCG consists of the main organs, namely the General Meeting of Shareholders (GMS), the Board of Commissioners and the Board of Directors has been running well in accordance with their respective roles and responsibilities. The GMS has been held in accordance with the laws and regulations in order to fulfill the interests of all shareholders. In 2018, Bank Mega held an Annual GMS on February 28, 2018 and do not pass the due date.

To ensure the implementation of GCG practices, the Bank has consistently implemented self-assessment by referring to the Financial Services Authority Regulation (POJK) concerning the implementation of Governance for Commercial Banks. The implementation results of self-assessment in the first semester of 2018 show a composite value of 2 which reflects that the Bank's Management has implemented GCG generally well. While the results of our self-assessment for semester II are 2 and are currently awaiting confirmation from the OJK. During 2018, Bank Mega continued to improve the quality of GCG implementation by following up on several recommendations according to the assessment results and input from all stakeholders.

Anti-Fraud Strategy Implementation

Bank Mega has implemented the Anti Fraud Strategy Policy as stipulated in Bank Indonesia Circular no. 13/28 / DPNP concerning the Implementation of Anti-Fraud Strategies for Commercial Banks on 9 December 2011, where the application of the Anti-Fraud Strategy is part of the application of Risk Management. To ensure that business activities are carried out legally, prudently, and in accordance with the principles of good governance, Bank Mega provides the widest possible access to all employees as a whistleblower to convey information to the Fraud Banking Division, which is responsible to the President Director. Thus the handling of fraud cases can be prevented and dealt with quickly and risks can be avoided as early as possible. Bank Mega routinely reports to OJK every semester and incidental reports on cases that can disrupt the Bank's operational activities in accordance with applicable regulations.

Performance Review of Committee Under Directors

In carrying out its management duties, the Directors was also assisted by 7 (seven) Committees namely the Risk Management Committee, Asset and Liabilities Committee (ALCO), Credit Policy Committee, Information Technology Committee, Human Resources Committee, Product Committee and Goods Procurement Committee. Throughout 2018, the Committees under the Directors have effectively carried out their functions and supported the activities of the Bank and carried out their duties and responsibilities properly. The discussion of the task and evaluation of the committee will be discussed in more detail in the GCG section.

Company Relations with Shareholders in Guaranteeing Shareholders' Rights

Bank Mega is committed to guaranteeing equal treatment for all shareholders to both majority and minority shareholders. The rights of shareholders in the GMS implementation have been regulated in the Company's Articles of Association. The implementation of the Bank Mega GMS has referred to POJK number 32 / POJK.04 / 2014 concerning the Plan and Implementation of the Public Company GMS. Bank Mega has also made a Summary of the Minutes of GMS in Indonesian and English, which have been published 2 (two) working days after the GMS, one of which is through the Bank's website. In terms of communication policy with shareholders or investors, Bank Mega has a Public Expose agenda that is held once a year to convey information to the public and investors such as periodic reports, information disclosure, business conditions or prospects and performance, and Public Company Governance Implementation. In addition, every quarter Bank Mega also publishes performance in print media in accordance with regulations set by the regulator as a form of information disclosure.

Corporate Social Responsibility Program

The success of Bank Mega in carrying out business activities is not only determined by operational and financial performance but also by non-financial performance, as seen in the harmonious relationship between the Bank and the community through the implementation of Corporate Social Responsibility (CSR) programs. In 2018, Bank Mega continued its CSR programs and activities through two main activities, namely Mega Care and Mega Berbagi.

Mega Peduli is an activity that has a direct impact on people's welfare both in economic and health aspects. This activity fosters the care and commitment of all Bank Mega management and employees towards social responsibility. Mega Peduli has 2 permanent agendas each year, namely when entering the Eid al-Fitr celebration and the anniversary of Bank Mega. Towards Eid al-Fitr, the prices of basic necessities are very high. Therefore, Bank Mega always provides gifts in kind, such as rice, instant noodles, soy sauce, and cooking oil. As the opening act for the implementation of Mega Cares 2018, a basic food package was symbolically delivered to the poor by the Managing Director of Bank Mega around Bank Mega's head office in Jakarta. This activity was carried out by all Mega Bank Offices throughout Indonesia by involving local employees. Nationally, Bank Mega prepared 16,000 basic food packages with a value reaching Rp1.6 billion. In addition, on the anniversary event, Bank Mega routinely conducts free dental health checks for disadvantaged communities around the designated branch office. This activity is in synergy with the CT ARSA Foundation which has a Healthy Car and Smart Car facility which was also revealed to increase interest in reading on the health checks agenda in 2018. Activities centered around Rusunawa - Pulo Gebang, East Jakarta.

Changes in the Composition of the Directors and Board of Commissioners

The Extraordinary General Meeting of Shareholders (EGMS) held on February 28, 2018 decided to make changes to the composition of the Directors which approved the appointment of Mr. Guntur Triyudianto as Director of Bank Mega and became effective on September 10, 2018. We welcome Mr. C. Guntur Triyudianto and believes that through this appointment, Bank Mega can achieve better growth and performance. Therefore, since the closing of the AGMS on February 28, 2018, the composition of the Bank Mega Directors is as follows:

President Director:	Kostaman Thayib
Compliance / Independent Director:	Yuni Lastianto
Director:	Madi Darmadi Lazuardi
Director:	Indivara Erni
Director:	YB Hariantono
Director:	Martin Mulwanto
Director:	Lay Diza Larentie
Director:	C. Guntur Triyudianto

The Extraordinary General Meeting of Shareholders also approved the appointment of Ms. Aviliani as an Independent Commissioner of Bank Mega. We also welcome Ms. Aviliani in the composition of Bank Mega's Board of Commissioners.

Appreciation and Closing Word

The Board of Directors would like to thank all stakeholders for the given support and cooperation, especially to the shareholders, customers and business partners of the Bank. The Directors also gives the highest appreciation to the Board of Commissioners for the supervision and advice given to the Directors in order to carry out the management of Bank Mega. Appreciation is also given to all employees who have demonstrated their dedication and hard work amidst the challenges faced, so that Bank Mega managed to improve its performance in 2018, according to the Directors' report on Bank management activities during 2018.

On behalf of the Board of Directors.
Jakarta, February 2019



Kostaman Thayib
President Director

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MARTIN MULWANTO
Treasury &
International Banking Director

YUNI LASTIANTO
Compliance & Human
Capital Director

C.GUNTUR TRIYUDIANTO
Operational Director

LAY DIZA LARENTIE
Funding & Sales Distribution
Director



KOSTAMAN THAYIB
President Director

MADI DARMADI LAZUARDI
Credit Director

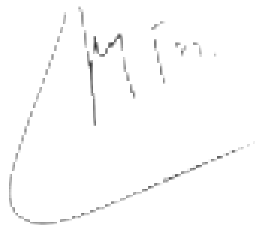
INDIVARA ERNI
Risk Director

Y.B. HARIANTONO
IT Director

STATEMENT OF ANNUAL REPORT LIABILITY 2018

We, the undersigned, declare that all information in the annual report of PT Bank Mega Tbk in 2018 has been published in full and are fully responsible for the accuracy of the contents of the company's annual report. This statement was made correctly.

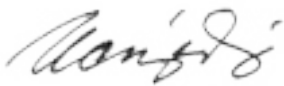
Board of Commissioners



CHAIRUL TANJUNG
President Commissioner



YUNGKY SETIAWAN
Vice President Commissioner



ACHJADI RANUWISASTRA
Independent Commissioner



AVILIANI
Independent Commissioner



LAMBOCK V. NAHATTANDS
Independent Commissioner

*Mr. Darmadi Susanto has submitted his resignation letter on December 1, 2018

Board of Director



KOSTAMAN THAYIB
President Director



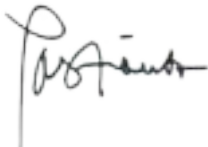
MADI DARMADI LAZUARDI
Credit Director



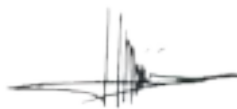
LAY DIZA LARENTIE
Funding & Sales Distribution Director



MARTIN MULWANTO
Treasury &
International Banking Director



YUNI LASTIANTO
Compliance & Human
Capital Director



Y.B. HARIANTONO
IT Director



INDIVARA ERNI
Risk Director



C.GUNTUR TRIYUDIANTO
Operational Director



COMPANY PROFILE

**“BANK MEGA IS PROUD TO
BE PART OF INDONESIA’S
BANKING INDUSTRY AND
SERVES OUR CUSTOMERS
FOR NEARLY 50 YEARS AND
WE WILL ALWAYS STRIVE
TO ACHIEVE BANK MEGA’S
VISION OF BECOMING THE
PRIDE OF THE NATION.”**



CORPORATE IDENTITY

Company's Name	PT Bank Mega Tbk
Previous Company's Name	PT Bank Karman (1969)
Business Lines	Banking
Bussiness Legal Basis	Act of Establishment No. 47 dated November 26, 1969
Establishment	April 15, 1969
Share Listing	Indonesia Stock Exchange
Ticker Code	MEGA
Share ISIN Code	ID1000052400
SWIFT Code	MEGAIDJA
Contact Center	1500010, HP: 60010
Total Employees	8.229
Total Representative Offices	371
Head Office's Address	Menara Bank Mega, Jl. Kapten Tendean Kav. 12-14A, Jakarta 12790 Tel. (+6221) 7917 5000, Fax. (+6221) 7918 7100, Mega Call: (+6221) 500 010/60 010 (selular) www.bankmega.com corsec@bankmega.com



COMPANY AT A GLANCE



Starting as a family owned business called PT Bank Karman, and according to the establishment deed, the Company was formed on April 15, 1969, domiciled in Surabaya. The Company further changed its name in 1992 to PT Bank Mega and relocated its Head Office to Jakarta.

In conformity with its development, in 1996 PT Bank Mega was taken over by the PARA GROUP (PT Para Global Investindo and PT Para Rekan Investama), a holding company owned by Chairul Tanjung, an Indonesian entrepreneur. Afterwards, the PARA GROUP changed its name to CT Corpora.

To further enhance its image, in June 1997 PT Bank Mega, as a trusted financial institution, changed its logo into the Letter M in blue and yellow with the objective that the public would be more easily recognize the new company logo.

In order to strengthen its capital structure, in 2000 PT Bank Mega implemented an Initial Public Offering and listed on the JSX and SSX. Thus, some PT Bank Mega shares are owned by the public and the company changed its name to PT Bank Mega Tbk. In order to strengthen the capital structure, in 2000 PT Bank Mega held the Initial Public Offering and listed its shares on the Jakarta Stock Exchange (JSE) and Surabaya Stock Exchange (BES) with a ticker code MEGA. Thus, a portion of PT Bank Mega's shares is owned by the public and changed its name to PT Bank Mega Tbk. Currently, the majority shareholder of Bank Mega is PT Mega Corpora which is part of the PT CT Corpora business group.

Guided by the motto "Mega Tujuan Anda", Bank Mega is growing rapidly and has become a leading financial institution equal with other prominent banks in the Asia-Pacific. It has received numerous awards and achievements on national, regional and international levels. In an effort to realize its performance

matches its name, PT Bank Mega Tbk adheres to the principles of professionalism, transparency and prudence with a strong capital structure and the latest products and banking facilities.

Bank Mega is sometimes challenged in business, but armed with confidence and enthusiasm to continue to be the best, so as to provide the best for the nation, all elements of the Bank agree to further reinforce these ambitions. Bank Mega's new logo is a reflection of the spirit of all elements of Bank Mega for realizing the future goals of Indonesia.

The transformation of Bank Mega's logo in 2013 is a profound reflection on the expectations of Bank Mega to start building Indonesia into an unyielding nation with excellence, always able to realize prosperity and a better life.

The affirmation of the "M" symbol, which is widely known, has become the representation of the aspirations, optimism, opportunities and ideals of the Indonesian people, as well as of the desire to build a better and more prosperous future for families and the nation.

The series of warm colours symbolize the energy and spirit of Bank Mega and the new thinking and comprehensive financial solutions for customers and employees of Bank Mega. To make further emphasis, we embed the yellow as a symbol of intelligence and hope, combined with gray that symbolizes sophisticated processes and systems. The orange colour illustrates optimism and energy, indicating that Bank Mega always looks and does something positive, always strives to get a positive result.

BUSINESS LINES



Objectives and Scope of the Bank is to engage in Commerce Pursuant to Article 3 of the Articles of Association Year 2015, in order to achieve the abovementioned purpose and objective, the Bank can perform the following main business activities:

1. Collecting funds from the public in the form of deposits, namely in current accounts, time deposits, certificates of deposits, savings and/or other equivalent forms.
2. Giving credit.
3. Issuing debt instruments.
4. Buying, selling and ensuring at its own risk and for the benefit of and at the order of its customers.
 - a. Bill receivables including billing receivables that are accepted by the Bank with a validity period no longer than the trade practices for such letters.
 - b. Debenture and other trading papers with validity periods no longer than the trade practices for such letters.
 - c. Treasury Bills and Government Warranty Letters.
 - d. Bank Indonesia Certificates.
 - e. Bonds.
 - f. Trading Letters of up to a one-year period.
 - g. Marketable securities instruments with up to a one-year period.
5. Transferring money for self-interest or for customer interest.
6. Placing funds, lent from, or lend funds to other banks, either by mail, telecommunications facilities and sight drafts, cheques, or other means.
7. Accept the payment of marketable securities and perform calculations with or among third parties.
8. Provide a place to store goods and marketable securities.
9. Conduct a care centre for the interests of other parties pursuant to a contract.
10. Place funds from customers to other customers in the form of marketable securities that are not listed on a stock exchange.
11. Perform factoring, credit card business and trustee activities.
12. Provide financing funds or perform other activities based on Islamic principles in accordance with the provisions stipulated by Bank Indonesia.
13. Carry out foreign exchange activities in accordance with provisions as set by Bank Indonesia.
14. Conduct equity participation activities in banks or other companies in the areas of finance, such as leasing, venture capital, securities companies, insurance and clearing institutions, settlement and storage by fulfilling provisions as set by Bank Indonesia.
15. Conduct a temporary equity participation to tackle credit default or failure of financing, with the terms to withdraw its investment in line with conditions set by Bank Indonesia.
16. Act as a founder of a pension fund in accordance with the provisions of prevailing regulations related with pension funds.
17. Perform other banking activities as allowed by prevailing regulations.

OUR PRODUCTS



Bank Mega's products are segmented into the categories below:

Savings

- Mega Dana
- Mega Maxi
- Mega Rencana
- Mega Berbagi
- Mega Ultima
- Mega Perdana
- Mega Absolut
- Mega Pro
- Mega Bisnis
- Mega Giro Valas
- Mega Depo
- Mega Depo Valas
- Mega Depo On Call
- Tabunganku

Loans

- Mega Guna
- Mega OTO
- Mega Griya
- Mega Reno
- Mega Medika
- Mega Refund
- Mega Modal Kerja

- Mega Investasi
- Mega Sindikasi
- Mega PRK (Pinjaman Rekening Koran)
- Mega Oto Joint Financing
- Mega Inventory Financing
- Mega Supplier Financing
- Working Capital Loan
- Permanent Working Capital Loan
- Micro and Small Enterprise Loan
- Primary Corporate and Cooperation Loan
- Export Import Facility Financing
- Mega Implant
- Bank Warranty and Guarantee

Trade Finance

- Mega SKBDN
- Mega Stanby LC
- Mega Letter of Credit
- Mega Bank Garansi



Services

- Mega ATM
- Mega Pass
- Mega Call
- Mega Mobile Banking
- Mega Auto Pay
- Mega Internet Banking
- Mega Tax
- Mega SDB (Safe Deposit Box)
- Mega Wali Amanat
- Mega Concentration Account
- Mega PC Banking
- Mega Automatic PIB
- Mega Custody Service
- Mega Security Agent
- Mega Transfer
- Mega Kliring
- Mega Inkaso
- Mega Intercity Clearing
- Mega E-Billing
- Settlement Bank
- Mega Payroll
- Mega First Priority Banking
- MoneyGram
- Gallery Foreign Exchange

Cards Payment

- Credit Card Mega Visa
- Credit Card Mega Master Card
- Debit dan ATM Card Mega Pass
- Corporate Card
- Carrefour Mega Card
- Metro Mega Card
- MegaFirst Infinite Card
- TSM Ultima
- Mega Cash
- Mega Barca
- Mega Travell

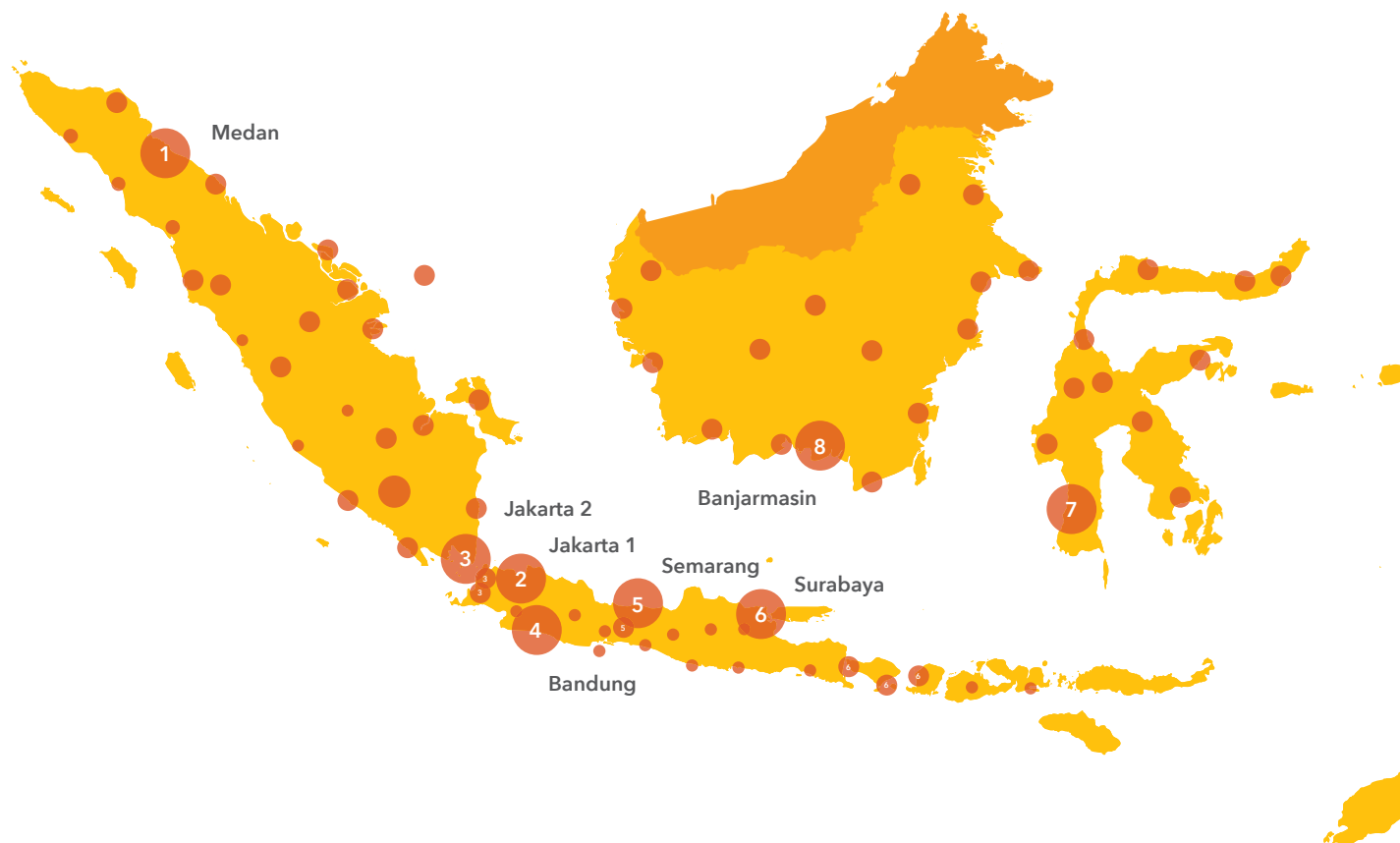
International Transactions

- Remittance
- Collection

Treasury

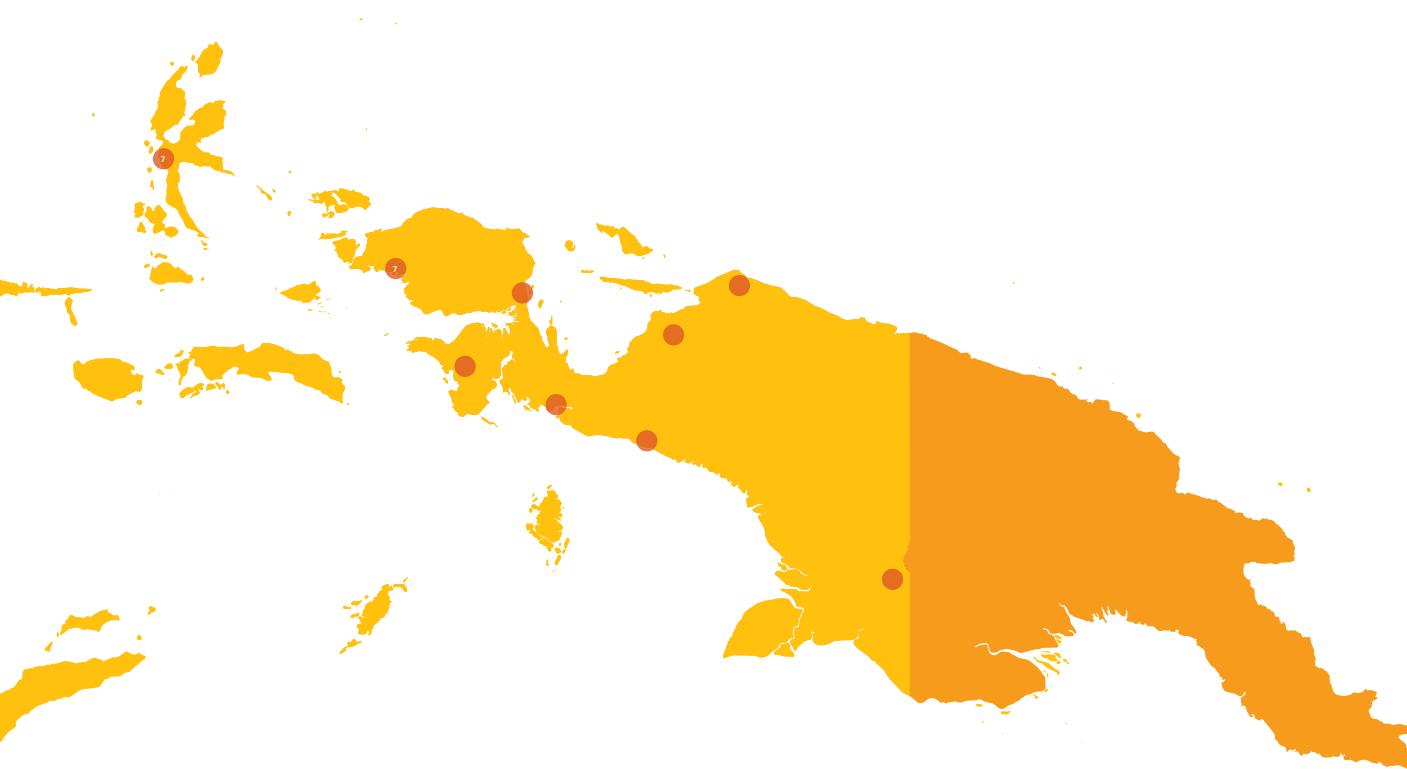
- Foreign Exchange Transactions (Spot, Forward & Swap)
- Money Market
- Marketable Securities/Bonds
- Bank Indonesia Certificates

OPERATIONAL AREA



As of 2018, Bank Mega has 8 Regional Offices throughout Indonesia that are overseeing 369 Branch Offices and 2 Functional Offices:

No	Regional Office	Area
1	Medan	Sumatera
2	Jakarta 1	DKI Jakarta
3	Jakarta 2	Lampung, Bogor, Depok, Tangerang, Bekasi, Banten
4	Bandung	West Java (excluding Bogor, Depok, Bekasi and Karawang)
5	Semarang	Central Java, DI Yogyakarta
6	Surabaya	East Java, NTT, NTB, Bali
7	Makassar	Sulawesi, Maluku, Papua
8	Banjarmasin	Kalimantan



371 OFFICE
NETWORK*

* 369 Branch Offices
2 Functional Offices

MILESTONES



1969

Established under the name of PT Bank Karman with headquarter in Surabaya.

1969 - 1992



1992

PT Bank Karman was rebranded into PT Mega Bank and relocated its headquarter to Jakarta.

1996

PARA Group (PT Para Global Investindo dan PT Para Rekan Investama) acquired PT Mega Bank.

1997

PT Mega Bank changed its corporate logo.

1996 - 2000



2000

PT Mega Bank changed its name to PT Bank Mega and conducted an initial public offering in the same year. In line with this strategic initiative, PT Bank Mega changed its name again to PT Bank Mega Tbk.

2007

Bank Mega issued Subordination Bonds



2013

Bank Mega launched new logo.

2017

- Launching "Mega Travel Card", a credit card with the best exchange rate guarantee, get more mileage, more flexibility to redeem mileage points and profits over time.
- Launching Mega Credit Card Mobile.

2007 - 2016

2017 - 2018

2014

Bank Mega participated in the launching of the National Non-Cash/GNNT Movement to support the Less Cash Society program.

2016

- Launching of MEGA BARCA credit card.
- The appointment of Bank Mega as one of the Gateway Banks by the government to receive and manage repatriation of funds for taxpayers in the Tax Amnesty program.

2018

Launching Mega Cash Line

VISION, MISSION, AND CORPORATE VALUES



VISION

The Pride of the Nation



MISSION

To deliver sustainable customer relationships by means of superior financial service offering and excellent organization capabilities to increase of stakeholders values.





CORPORATE VALUES



DYNAMIC



ENTREPRENEURSHIP



TRUST



ETHICS

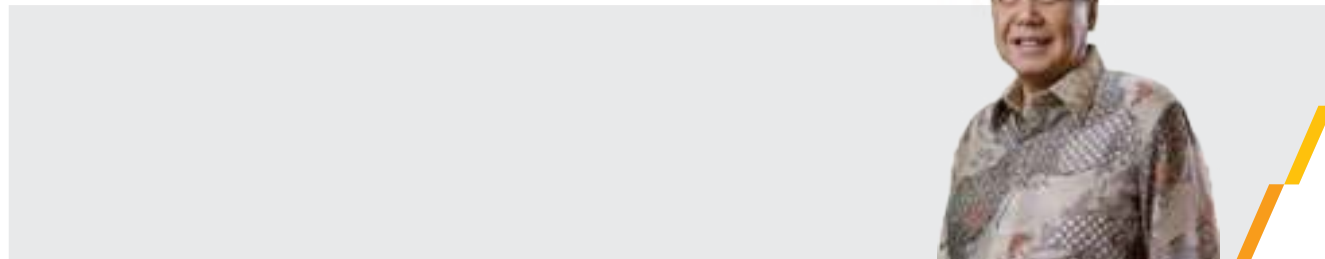


COMMITMENT



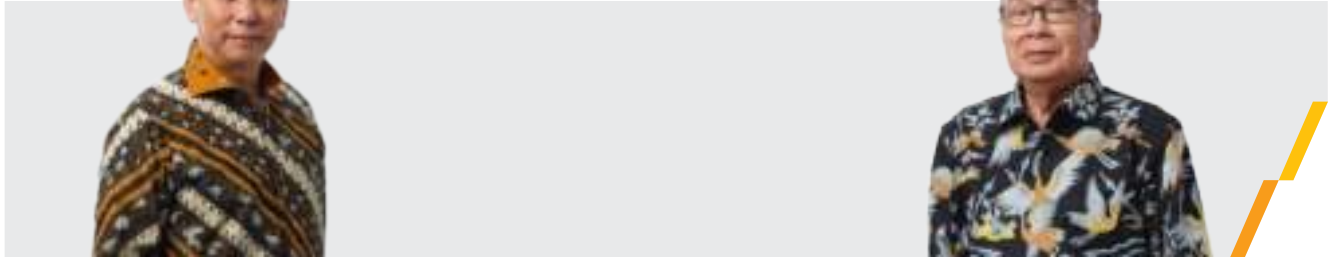
SYNERGY

BOARD OF COMMISSIONERS PROFILE



Chairul Tanjung
President Commissioner

Citizen	Indonesia
Domicile	Jakarta
Place and Year of Birth	Born in Jakarta, 1962
Education Background	<ul style="list-style-type: none"> Dentistry from Universitas Indonesia in 1987 Executive MBA Program at the Educational & Management Development Institute (1991-1993) Doctorate Honoris Causa from Airlangga University, Surabaya (August 2013) Doctorate Honoris Causa from MARA Technology University, Malaysia (July 2014) Doctorate Honoris Causa, Universitas Padjadjaran, Bandung (Desember 2013);
Position History	
Appointment Legal Basis	President Commissioner PT Bank Mega Tbk - Extraordinary GMS dated November 15, 2017, effective since June 4, 2018.
Work Experience	<ul style="list-style-type: none"> President Commissioner of Bank Mega (1992-2014) Chairman of the National Economic Committee from 2010 to 2014. This Committee launched the Masterplan of the Acceleration and Expansion of Indonesia's Economic Development (MP3EI) 2011-2025. Coordinating Minister of Economic Affairs, Republic of Indonesia at the Cabinet of United Indonesia II, from May to October 2014.
Specific Experience	<ul style="list-style-type: none"> Began his professional career while at the first year in Dentistry Faculty, Universitas Indonesia. Founder and Chairman of CT Corp, a prominent group focusing on consumer business, engaging in financial services, media, retail, property, lifestyle and entertainment. In addition to Bank Mega, other CT Corp main business are Carrefour and TRANSmart; Trans TV and Trans 7; Transvision; and Detik.com-portal and holds the largest stake in Garuda Indonesia, the Indonesia national airline. Member of Consideration Board of Majelis Ulama Indonesia, Chairman of National Kidney Foundation, Member of Consideration Board of Indonesian Dental Association, Honorary Advisor of the Asian Financial Forum, and Honorary Advisor of the Belt and Road Summit. Professor of Entrepreneurship at Airlangga University, Surabaya Visiting Professor of Entrepreneurship at the Universiti Teknologi MARA, Malaysia.
Awards	<ul style="list-style-type: none"> "Bintang Mahaputra Adipradana" from the Government of Republic of Indonesia (2014), "Man of The Year" from Globe Asia (2011), "Indonesia's Rising Star" from Forbes (2010), "Entrepreneur of the year" from Enterprise Asia (2009), "Banker of The Year" from Globe Asia (2008), "Marketer of the year" from Indonesian Marketing Association and Markplus (2007)
Concurrent Position	<ul style="list-style-type: none"> President Commissioner, PT CT Corpora, President Commissioner, PT Para Rekan Investama, President Commissioner PT Mega Corpora, President Commissioner PT Trans Corpora dan President Commissioner PT Trans Airways.
Affiliation	<ul style="list-style-type: none"> Ultimate Shareholder PT Bank Mega Tbk

**Yungky Setiawan**

Vice President Commissioner

Achjadi Ranuwisastra

Independent Commissioner

Indonesia	Citizen	Indonesia
Jakarta	Domicile	Jakarta
Born in Jakarta, 1962	Place and Year of Birth	Born in Kebumen, 1944
<ul style="list-style-type: none"> Bachelor of Science Business Administration from City University Canada Harvard Executive Program from Harvard Business School, Massachusetts - USA. 	Education Background	<ul style="list-style-type: none"> Undergraduate degree in economics from Padjadjaran University, Bandung in 1968
Position History		
<ul style="list-style-type: none"> Appointed as Vice President Commissioner of Bank Mega, based on Extraordinary General Meeting of Shareholders dated February 28, 2018 Appointed as Commissioner of Bank Mega pursuant to the Extraordinary GMS resolution on November 15, 2017. Appointed as Commissioner of Bank Mega pursuant to the Extraordinary GMS resolution on May 7, 2016. 	Appointment Legal Basis	<ul style="list-style-type: none"> Appointed as Independent Commissioner of Bank Mega based on resolution of Annual General Meeting of Shareholders dated March 31, 2017 until present Joined Bank Mega as Commissioner since 2004 based on resolution of Annual General Meeting of Shareholders dated February 27, 2004
<ul style="list-style-type: none"> Manager Card Marketing, Card Center Division PT Bank Danamon Indonesia Tbk, 1989 Vice President Product and Service Development PT Bank Darnamon Indonesia, Tbk, 1997 President Director PT Danamon Kreasi Pariwara, Desember 1997 Concurrent as Marketing Director PT Danamon Asuransi, September - Desember 1997 Retail Banking Director PT Bank Mega Tbk, 1998 - 2004 President Director PT Bank Mega Tbk, 2004 - 2010 Vice President Commissioner PT Bank Mega Tbk 2010 - 2011 Concurrent as Chief Executive Officer (CEO) PT Mega Corpora, 2010 - 2011 	Work Experience	<p>Began his career by joining Bank Ekspor Impor Indonesia/Bank Exim in 1969. He also serves several Branch Office head positions accross Indonesia, and serves as Head of Bureau in several units of Bank Ekspor Impor Indonesia/ Bank Exim.</p> <ul style="list-style-type: none"> Director of Bank Ekspor Impor Indonesia/Bank Exim, 1992 - 1997 Vice President Commissioner PT Bank Danamon Indonesia Tbk, 1997 - 1998 Commissioner of PT Bank Mega, Tbk, 1997 - 1998 President Director PT Bank Mega, Tbk, 1998 - 2004
<ul style="list-style-type: none"> Bank Risk Management (Level 5) April 27, 2018 in Jakarta Your One Degree (YOD) Workshop - February 10, 2018 in Jakarta 	Education/Training in 2018	<ul style="list-style-type: none"> Workshop "Key Role of Director, Commissioner, Committee on FINTECH" Digital Banking Roadmap and Scenario of Fintech Adoption Transformation (Including Payment, Predictive Analysis, Optimizing Database), Jakarta, August 9, 2018 Socialization of Achievement and Direction of Integrated Arrangement & Monitoring in Financial Conglomeration, Jakarta, November 15, 2018
<ul style="list-style-type: none"> Member of Remuneration and Nomination Committee of PT Bank Mega, Tbk. President Commissioner of PT Trans Retail Indonesia President Commissioner of PT Metropolitan Retailmart President Commissioner of PT Trans Fashion Indonesia President Commissioner of PT Trans Food Oriental President Commissioner of PT Trans Retail President Commissioner of PT Trans Rasa Nippon President Commissioner of PT Alfa Retailindo President Commissioner of PT Trans Rasa Bali President Commissioner of PT Trans Pizza Resto 	Concurrent Position	<ul style="list-style-type: none"> Chairman of Audit Committee, Effective on July 3, 2017 Member of Risk Monitoring Committee of PT Bank Mega Tbk effective on July 3, 2017 ended on June 8, 2018
He is not affiliated to the other member of the Board of Commissioners and the Board of Directors	Affiliation	He is not affiliated to the other member of the Board of Commissioners and the Board of Directors

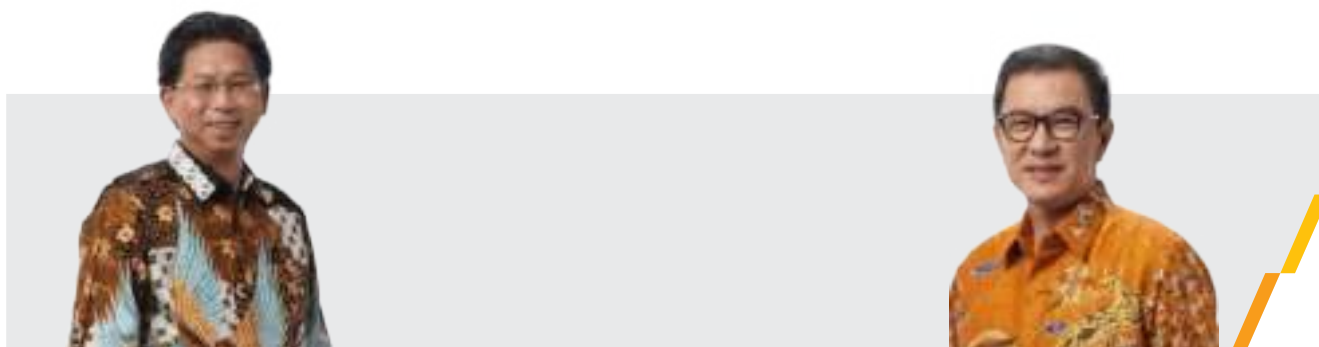


Lambock V. Nahattands
Independent Commissioner

Aviliani
Independent Commissioner

Indonesia	Citizen	Indonesia
Jakarta	Domicile	Jakarta
Born in Tarutung, 1952	Place and Year of Birth	Born in Malang, 1961
<ul style="list-style-type: none"> Bachelor of Law from the University of Indonesia, 1978 Master of Law from the University of Tarumanegara, 2004 	Education Background	<ul style="list-style-type: none"> Bachelor of Economics, Faculty of Economics of Atma Jaya University, Jakarta in 1985 Master of Science, Social and Politics Science Faculty (FISIP) University of Indonesia in 1995 Doctor, Business Management Doctorate (DMB) Bogor Agricultural Institute in 2012
Position History		
<ul style="list-style-type: none"> Appointed as Independent Commissioner of Bank Mega pursuant to the Annual GMS resolution dated May 7, 2015-present, and effective since Desember 18, 2015. 	Appointment Legal Basis	<ul style="list-style-type: none"> Appointed as Independent Commissioner of Bank Mega since June 4, 2018-present pursuant to the Annual GMS resolution dated Februari 28, 2018
<ul style="list-style-type: none"> Cabinet Secretariat of the Republic of Indonesia started as Acting Head of legal and legislation Bureau of invitation I, and served several positions namely Head of legal and legislation Bureau of invitation I, Plt. Deputy Secretariat of Legal and Legislation Cabinet, Deputy Secretariat of Legal and Legislation Cabinet, Deputy Secretary and awarded Satyalancana Wira Karya Award and Bintang Jasa Utama (1994 -2011) Secretary of the Ministry at the Ministry of State Secretariat from 2011 to 2014 and received the award of Bintang Mahaputera nararya President Commissioner of PT (Persero) Danareksa since 2012-present Independent Commissioner of PT Bank Mega Tbk (2015-present) 	Work Experience	<ul style="list-style-type: none"> Deputy Director of INDEF Business Development (1997-1999) Deputy Director of Research and Service of STIE Perbanas (1997-1999) Assistant Chair (PUREK II) at STIE Perbanas (1998-2002) Chair of the Department of Paramadina University (2002-2005) Deputy Secretary of the KP3EI (2012-2014) Secretary at the National Economic Committee (2010-2014) Teaching Staff at STIE Perbanas (2010-present) Independent Commissioner PT Bank BRI, Tbk 2005-2014 Independent Commissioner PT. Dyandra, 2012-2018 Independent Commissioner Bank Mandiri Tbk 2014-2017. Independent Commissioner PT Lintas Artha, 2017- Now.
<ul style="list-style-type: none"> N/a 	Education/Training in 2018	<ul style="list-style-type: none"> Refreshment Risk Management Certification Level 2 Commissioner
<ul style="list-style-type: none"> Concurrent position at one non-Financial Agency 	Concurrent Position	<ul style="list-style-type: none"> Independent Commissioner of PT Lintas Artha, 2017-present
He is not affiliated to the other member of the Board of Commissioners and the Board of Directors	Affiliation	She is not affiliated to the other member of the Board of Commissioners and the Board of Directors

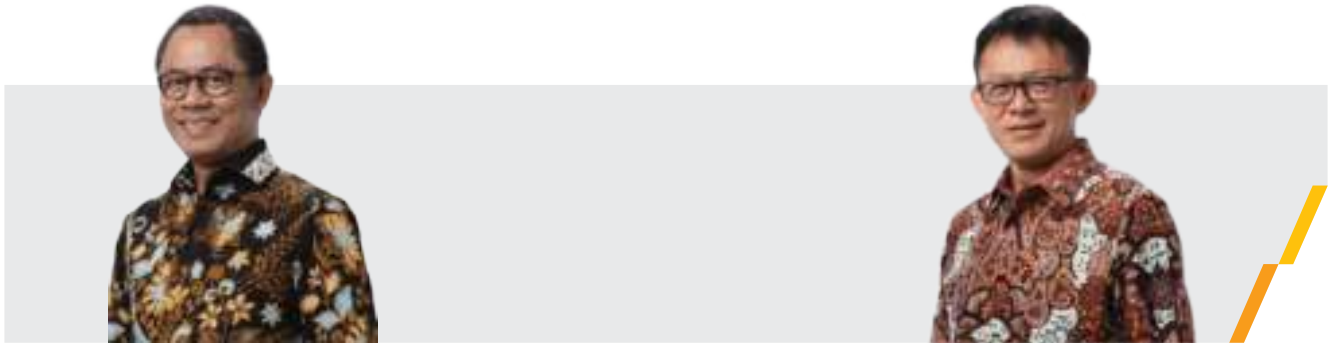
DIRECTORS PROFILE



Kostaman Thayib
President Director

Madi Darmadi Lazuardi
Credit Director

Indonesia	Citizen	Indonesia
Jakarta	Domicile	Jakarta
Born in Palembang, 1962	Place and Year of Birth	Born in Jakarta, 1966
<ul style="list-style-type: none"> Bachelor degree in Electrical Engineering from Trisakti University in 1987 Master of Business Administration (MBA) in Finance & Marketing and Master of Science (MS) in Technology Management from Portland State University, Oregon USA, with Summa Cum laude in 1991 	Education Background	<ul style="list-style-type: none"> Bachelor Degree in Business Administration from the Katolik Atmajaya University, Jakarta, 1989 Master of Management, majoring in International Finance from the University of Gadjah Mada, 1998.
Position History		
<ul style="list-style-type: none"> Appointed President Director of Bank Mega since 2013 pursuant to the Annual GMS resolution dated April 17, 2013, effective July 16, 2013. Joined Bank Mega as Director in 2004 pursuant to the Annual GMS resolution on February 27, 2004, and served as: <ol style="list-style-type: none"> Retail Banking Director (2004 - 2012) Business Development Director (2012- 2013) 	Appointment Legal Basis	Appointed Director of Bank Mega pursuant to the Annual GMS dated April 17, 2013, and currently serves as Credit Director.
<ul style="list-style-type: none"> Operation Manager in PT Program Pendidikan Teknologi Komputer and further worked as engineer in several software companies in Indonesia until 1989 (1987- 1989). Deputy Head of Consumer Banking Division BCA (1992 - 2002). SVP dan Group Head Consumer Liabilities and Electronic Banking - Bank Mandiri (2002 - 2004). President Commissioner of PT AXA Mandiri Financial Services (2003) 	Work Experience	<ul style="list-style-type: none"> Began his career in banking with Bank Danamon since 1989, then served as Senior vice President in 2007, and served several positions in Bank Danamon such as Corporate Banking, Commercial Banking, Corporate Affair, Special Asset Management & Human Resource. (1989 - 2007) Country Head of Business Banking ABN Amro Bank NV (2007). Managing Director Bank UOB Indonesia (Bank UOB Buana) (2007- 2011) President Director/CEO Bank QNB Indonesia (d/h Bank QNB Kesawan) (2011-2012)
<ul style="list-style-type: none"> VISA Asia Pacific Senior Client Council Meeting, Seoul, South Korea (Februari 2018). Annual Meeting IMF & World Bank Group, Bali, (October 2018). 	Education/Training in 2018	<ul style="list-style-type: none"> Annual Meetings International Monetary Found, World Bank Group, Bali, October 9-10, 2018 Refreshment BSMR "Bank Health Level Assessment based on Risk", Jakarta, November 8, 2018
He is not serving any concurrent position	Concurrent Position	He is not serving any concurrent position
He is not affiliated to the other member of the Board of Commissioners and the Board of Directors	Affiliation	He is not affiliated to the other member of the Board of Commissioners and the Board of Directors



Yuni Lastianto
Compliance & Human Capital Director

Y.B. Hariantono
IT Director

Indonesia	Citizen	Indonesia
Jakarta	Domicile	Jakarta
Born in Jember, 1959	Place and Year of Birth	Born in Malang, 1966
Bachelor Degree in Economics from the University of Gadjah Mada Yogyakarta in 1983.	Education Background	Bachelor Degree in Engineering from the Institute of Technology Sepuluh November, Surabaya in 1990.
Position History		
Serves as Director of Bank Mega since 2012 pursuant to the Annual GMS resolution dated March 29, 2012 and effective as August 29, 2012 serves positions as follows: <ul style="list-style-type: none"> Compliance & Human Capital Director (2012 - 2013). Compliance & Human Capital Director (2013 - 2016). Compliance & Human Capital Director (2016 - present). 	Appointment Legal Basis	Appointed Director of Bank Mega pursuant to the Annual GMS resolution dated March 27, 2014 effective October 20, 2014, and serves as: <ul style="list-style-type: none"> Operations & IT Director (2014 - February 2018). IT Director (February 2018 - present).
<ul style="list-style-type: none"> Auditor Bank-Officer, Bank Indonesia (1983 -1989). Head of Credit Audit at Bank Universal (1990-1998). Head of Internal Audit Unit of Bank Mega, and Corporate Governance; Compliance Division Head, and Credit Administration Division Head (1999 - 2012). 	Work Experience	<ul style="list-style-type: none"> Began career in banking with Bank Bali, started as Junior System Manager, then served as GM of System & networking, GM of IT Operation & Support, GM of Application Development Head, and last position as Group Head IT (1991 - 2002). IT Integrated Coordinator of Merger Integration Team of 5 banks in Bank Permata, then served as IT Head, Consumer Credit Underwriting, and last post as Network Head (2002 - 2010) IT Head of Bank BII Maybank (2010 - 2014).

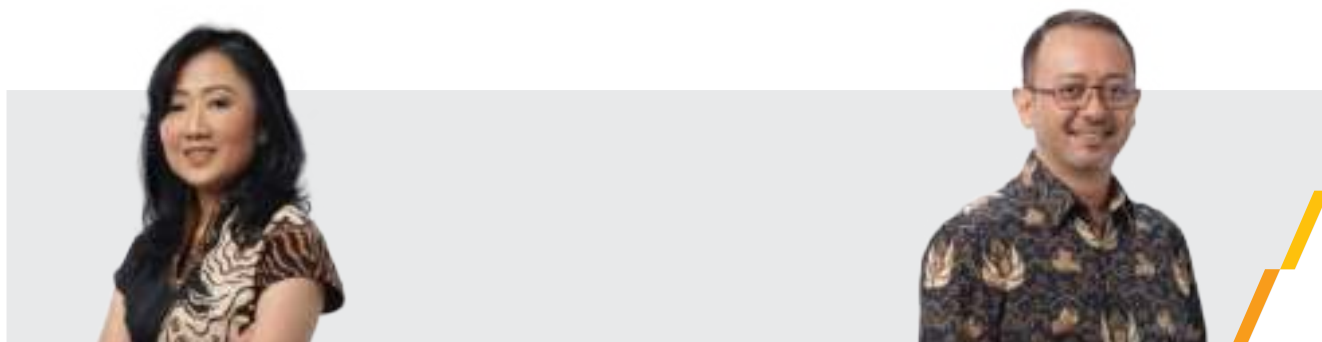
Yuni Lastianto

Compliance & Human Capital Director

Y.B. Hariantono

IT Director

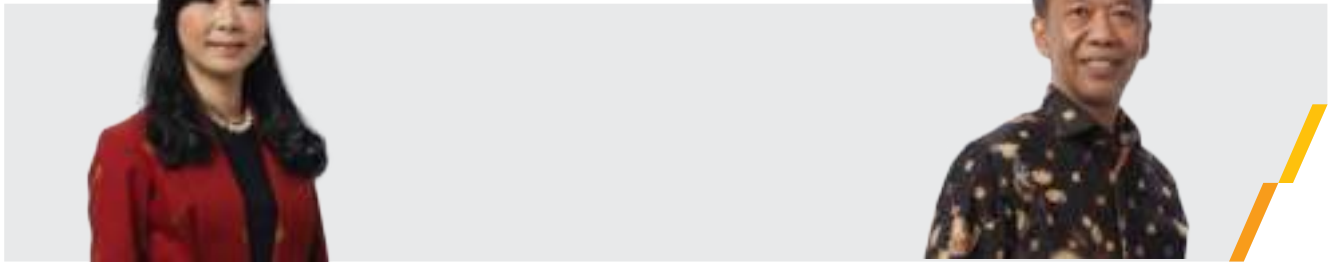
<ul style="list-style-type: none"> Business Transformation in Digital Era: "Challenge & Gift in the Era of Internet of Things" Jakarta. (January 24-25, 2018) Public Lecture by Agus D.W Martowardojo Governor of Bank Indonesia "The Prospects of the Banking Financial Industry and the Challenges of Human Resource Readiness in Facing the Digital Economy", Perbanas Institute, Jakarta (February 21, 2018) Dissemination of Provisions on Monetary Operations and Participation in Monetary Operations. Bank Indonesia Jakarta (May 2, 2018) Seminar and Annual General Meeting of FKDKP in Jakarta "Active Role of Banking Compliance in Maintaining Stability through Terrorism Funding Prevention", Jakarta. (June 26, 2018) "International GRC & Financial Crimes Conference", Bali (Organizer of Asia Anti Fraud), (June 27-28, 2018) Dissemination of Bank Indonesia Regulation on LTV/FTV and Down Payment KKB/PKB to all Conventional Bank-, Jakarta (July 20, 2018) Simposium "Strategic Platform for National Social Security Policy Towards 2029", Jakarta (August 8, 2018) Dissemination of Achievements and Direction of Implementation of Integrated Regulatory and Oversight Functions of the Financial Conglomerate, Jakarta (November 15, 2018) "Prudential Banking Implementation Facing the challenges of the Global Economy" and "Focus Group Discussion (FGD): OJK supervision in banking sector" - Jakarta (November 29, 2018) "THE 13 TH INDONESIA EXPO Conference & Exhibition" (Theme: Accelerating Strategis to Increase HR Skills in facing the industrial Revolution 4.0), Jakarta - (December 12-13, 2018) 	Education/Training in 2018	<ul style="list-style-type: none"> Trimegah Investor's Forum 2019, Jakarta, November 27, 2018. RMB Global Network Seminar, Jakarta, September 26, 2018. IMF Annual Meeting, Bali, Oktober 12-14, 2018. Refresher of Risk Management Certification, Jakarta April 4, 2018.
He is not serving any concurrent position	Concurrent Position	He is not serving any concurrent position
He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.	Affiliation	He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.



Indivara Erni
Risk Director

Martin Mulwanto
Treasury & International Banking Director

Indonesia	Citizen	Indonesia
Jakarta	Domicile	Jakarta
Born in Bekasi, 1967	Place and Year of Birth	Born in Manila, 1968
Bachelor Degree in Economics with Cum Laude from the University of Padjajaran in 1991	Education Background	Bachelor of Science di De La Salle University, 1991
Position History		
Appointed Risk Director of Bank Mega since March 27, 2014, pursuant to the Annual GMS Resolution dated March 27, 2014, effective September 22, 2014.	Appointment Legal Basis	Appointed Director of Bank Mega pursuant to the Annual GMS resolution dated March 27, 2014, effective September 22, 2014.
<ul style="list-style-type: none"> Began her career with Bank Universal in 1991 and as the Best Graduates in the Management Development Program of the same bank. Since then, she served several positions until 2000. Following the merger of Bank Universal to become Bank Permata, she served last position as Head of Product Management Division until 2003. Joined Bank Mega in 2003, and served several posts, namely: <ol style="list-style-type: none"> 1. Head of Supply Chain Banking Division (2003-2006) 2. Head of Indirect Retail Financing Division (2006-2012) 3. Regional Manager Jakarta (2012- 2013) 4. Head of Retail & Commercial Business Group (2013-2014) 	Work Experience	<ul style="list-style-type: none"> Began his banking career with Deutsche Bank in 1992 as Management Trainee. Served as Treasury Dealer (1992 - 1996). Director Head of Corporate Sales and Structuring FICC, Citibank Jakarta (1996 - 2007). Director Foreign Exchange Distribution- APAC Investment Bank di UBS AG Singapore (2007 - 2008). Executive Director, Fixed Income Currency and Commodity Asia, Morgan Stanley Singapore (2008 - 2009). Executive Board Director, Head of Global Markets, PT Bank ANZ Indonesia (2009-2014).
<ul style="list-style-type: none"> Early Warning (EWS) Konglomerasi Keuangan, Jakarta, July 27, 2018. BARA Risk Forum, Jakarta, August 1, 2018. Indonesia Banking Expo 2018, Jakarta, November 15, 2018. 	Education/Training in 2018	<ul style="list-style-type: none"> Trimegah Investor's Forum 2019, Jakarta, November 27, 2018. RMB Global Network Seminar, Jakarta, September 26, 2018. IMF Annual Meeting, Bali, October 12-14, 2018. Refresher Sertifikasi Management Risiko, Jakarta April 4, 2018.
She is not serving any concurrent position	Concurrent Position	He is not serving any concurrent position
She is not affiliated to the other member of the Board of Commissioners and the Board of Directors.	Affiliation	He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.

**Lay Diza Larentie**

Funding & Sales Distribution Director

C. Guntur Triyudianto

Operational Director

Indonesia	Citizen	Indonesia
Jakarta	Domicile	Jakarta
Born in Jakarta, 1967	Place and Year of Birth	Born in Solo, 1966
Bachelor of Business Law from the University of Indonesiam, 1990.	Education Background	Bachelor of Geology Technic from Gadjah Mada University, 1992.
Position History		
Appointed Director of Bank Mega pursuant to the Annual GMS resolution dated May 7, 2015, effective on December 30, 2015, and serves as: <ul style="list-style-type: none"> Funding Director (2015-2016). Funding & Network Director (2016 -2017). Funding & Sales Distribution Director (2017-2018). 	Appointment Legal Basis	Appointed as Director of Operations based on the decision of the Annual General Meeting of Shareholders dated February 28, 2018, and effective September 10, 2018.
<ul style="list-style-type: none"> Began her career in banking since 1990 as Management Development Program in PT Bank lippo Tbk since 1990. Until 2010 served several posts in PT Bank Lippo Tbk, Citibank, HSBC dan Barclays Bank General Manager Distribution and Personal Banking, Standard Chartered Bank (2010 -2011). SVP Head of Network HSBC Ltd (2011 - 2014). Acting Head of Retail Banking and Wealth Management HSBC Ltd, (2014 -2015). 	Work Experience	<ul style="list-style-type: none"> Started his career in banking as Officer Development Program of Bank Bali, and served several positions started as Card Production Unit Head Card Center, Authorization Unit Head, Card Business Manager, Portfolio Dept. Head Credit Card, AVP Electronic Channel Department Head, VP Business Development Electronic Banking (1993 - 2002) Head of Account Service, Bank Permata (2005 -2010). Retail Technology and Operation Head, Bank UOB Indonesia (2010 - 2011). Operation Director, WOM Finance (2011 - 2015) IT Application Development Group Head, Bank Mandiri (2016- September 2017). Digital Banking and Financial Inclusion Group Head, Bank Mandiri (September 2017 - April 2018).
Transformation Workshop, April 24-25, 2018, Jakarta.	Education/Training in 2018	Risk Management Certification Level 5, LSPP, Jakarta, August 2018.
She is not serving any concurrent position	Concurrent Position	He is not serving any concurrent position
She is not affiliated to the other member of the Board of Commissioners and the Board of Directors.	Affiliation	He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.

PROFILE OF COMMITTEE MEMBERS



Jusuf Sukiman
Chairman of Internal Audit Unit



Iramady Irdja
Member of Audit Committee

Indonesia	Citizen	Indonesia
Jakarta	Domicile	Jakarta
Born in Jakarta, 1962	Place and Year of Birth	Born in Payakumbuh, 1955
<ul style="list-style-type: none"> Bachelor degree in Accounting from Trisakti University in 1986 Graduate Program of Master of Information Systems Management (MMSI) Gunadarma University in 1998. 	Education Background	<ul style="list-style-type: none"> Completed his education at ITT Bandung and studied economics at Universitas Terbuka Completed Magister Sains in 2018. Currently studying Political Science Doctorate Program (Concentrated on Political Economy), UNAS.
Position History		
	Appointment Legal Basis	Reappointed as a member of Bank Mega's Audit Committee with Directors Decision effective on July 3, 2017.
<ul style="list-style-type: none"> Started his banking career in 1988 at Bank Danamon until 2005 with various assignments, and last position as Head of Regional Audit Division throughout Indonesia. He previously served as auditor in Para Group Leading the Internal Audit Unit of PT Bank Mega Tbk since 2006. 	Work Experience	<ul style="list-style-type: none"> He is active as a speaker and attended various seminars within or outside of country. He started his career at Central Bank of Indonesia in 1981 with his last position as Deputy Director. Head of Bank Supervision in North Sumatera and Nangroe Aceh Darussalam (NAD).
He has passed the Risk Management Certification (BSMR) level 4.	Education/Training in 2018	<ul style="list-style-type: none"> Bank Business Plan and Risk Based Strategic Planning as a means of the Bank in Controlling Strategic Risk - by Risk Management Certification Body (BSMR) - 28 November 2018 Expertise: Finance and Accounting
He is not serving any concurrent position	Concurrent Position	He is not serving any concurrent position
He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.	Affiliation	He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.

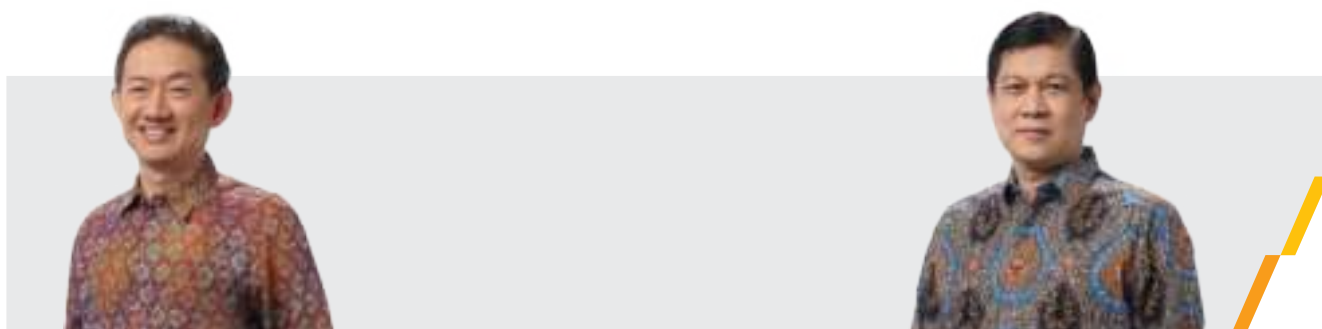
**Adrial Salam**

Member of Audit Committee

**Purwo Junianto**

Member of Risk Oversight Committee

Indonesia	Citizen	Indonesia
Jakarta	Domicile	Jakarta
Born in Padang, 1959	Place and Year of Birth	Born in Jakarta, 1955
Completed Master of Management in 2001	Education Background	Obtained MBA degree from University of Illinois, Urbana Champaign USA, in 1993.
Position History		
Joined with Bank Mega, and appointed as a member of the Audit Committee by Directors Decision, effective on July 3, 2017.	Appointment Legal Basis	Reappointed as a member of the Risk Oversight Committee by Directors Decision, effective on June 8, 2018.
<ul style="list-style-type: none"> • He was worked at Bank Mandiri from 1999 to 2015, with various key positions: • Investor Special Audit, 2006 • Regional Internal Control Bank Mandiri in Jakarta and West Java region, 2008-2011 • Head of Internal Audit Bank Mandiri, Sumatera, 2011-2014 • Head of Internal Audit Bank Mandiri, Jakarta and Kalimantan, Head off Transformation Audit Team, 2015 • Lecturer with Banking Operational Module (2005-2016) 	Work Experience	<ul style="list-style-type: none"> • Began his banking career in 1979 as a Management Trainee at Import Export Bank/Bank Exim. His last position at Bank Exim was the Head of the Credit Bureau in 1999-2000. • Joined Bank Mandiri for 2 years before resigning in 2001. • Finance Director of PT Tirta Bumi Prakarsatama. • He also taught at MM UGM - Jakarta, from 2002-2006.
-	Education/Training in 2018	<ul style="list-style-type: none"> • Building a healthy risk culture and strategic trends in Indonesian banking - by the Risk Management Certification Body (BSMR) - December 6, 2018.
He is not serving any concurrent position	Concurrent Position	He is not serving any concurrent position
He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.	Affiliation	He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.

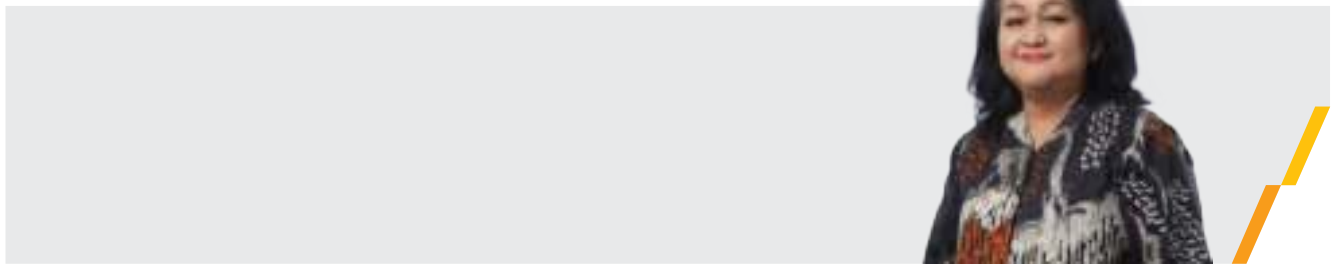


Ivan Purnama Sanoesi
Member of Risk Oversight Committee

Anwar V. Purba
Member of Nomination
& Remuneration Committee

Indonesia	Citizen	Indonesia
Jakarta	Domicile	Jakarta
Born in Jakarta, 1961	Place and Year of Birth	Born in Pematang Siantar, 1964
<ul style="list-style-type: none"> Faculty of Economics of Accounting, Tarumanegara University in 1988, Master Program of Financial Management at PPM High School in 2004. 	Education Background	Obtained Bachelor degree from the Faculty of Psychology, University of Indonesia and has completed the Executive Master's Program in Business Administration at Asian Institute of Management, Manila, Philippines.
Position History		
From March 2017 to present as Member of Risk Monitoring Committee of PT Bank Mega pursuant to Director's Decision Letter effective June 8, 2018	Appointment Legal Basis	Appointed as member of Bank Mega Nomination and Remuneration Committee by Directors Decision, effective on July 8, 2018.
<ul style="list-style-type: none"> From 1986 to May 2016, he held various positions at PT Bank Central Asia; began as Audit Staff, Head of Audit Section/Affairs, Head of Audit Bureau, and Deputy Head of Audit Division. Expertise: Financial Management 	Work Experience	Rejoined Bank Mega in 2008 and held the position of Human Capital Management Head.
<ul style="list-style-type: none"> Building a healthy risk culture and strategic trends in Indonesian banking - by the Risk Management Certification Body (BSMR) - December 6, 2018 Risk based internal audit journey - by the Indonesian Institute of Internal Audit December 19, 2018 	Education/Training in 2018	<ul style="list-style-type: none"> Workshop Transformasi, April 2018, Jakarta AML Forum, September 2018, Jakarta TTT Internalisasi Mega Corporate Culture, July 2018, Jakarta
He is not serving any concurrent position	Concurrent Position	He is not serving any concurrent position
He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.	Affiliation	He is not affiliated to the other member of the Board of Commissioners and the Board of Directors.

PROFILE OF CORPORATE SECRETARY



Christiana Maria Damanik
Corporate Secretary

Citizen	Indonesia
Domicile	Bogor
Place and Year of Birth	Born in Conakry, Guinea, 1962
Education Background	Bachelor of Arts in Political Science, University of the Philippines, Quezon City, Metro Manila 1987
Position History	
Appointment Legal Basis	She serves as Corporate Secretary of PT Bank Mega Tbk since November 2, 2015 based on report to PT Bursa Efek Indonesia and Financial Service Authority Letter No: 262/DIRBM-COAF/15 dated November 02, 2015 and also acts as Corporate Affairs Head.
Work Experience	<ul style="list-style-type: none"> Conference Supervisor, PT Astrindo Satrya Kharisma (1988 - 1990) Corporate Secretary, PT Benua Birunusa is a holding company in the real estate industry. (1990 - 1996). Her career in the banking industry began in PT Bank Danamon Indonesia, Tbk from 1996 to 2004, with the last position of AVP, Corporate Communication Head (1996 - 2004) VP, Corporate Communication Head, PT Bank Mandiri Tbk (2004 - 2007) Advisory Services on Corporate Communication for various sectors, especially banking (2007 - 2010). Corporate Secretary PT Bank Pundi Indonesia, Tbk (2010 - 2015) Corporate Secretary & Corporate Affairs Bank Mega since 2015
Education/Training in 2018	<ul style="list-style-type: none"> Focus Group Discussion "Synergy of Functions of Public Relations of OJK and IJK" by OJK, Bandung October 26-28, 2018. Seminar "Towards Modern Capital Markets in the Digital Economy Era", by the OJK and the Indonesia Stock Exchange, Jakarta September 18, 2018 Dissemination of Preparation and Submission of Sustainable Financial Statements by the International Finance Corporation (IFC) and Trisakti Sustainability Center (TSC), Jakarta May 31, 2018
Concurrent Position	She is not serving any concurrent position
Affiliation	She is not affiliated to the other member of the Board of Commissioners and the Board of Directors.

EXECUTIVE OFFICERS

No	NAME	POSITION
1	FX SURJOBROTO	Regional Head Jakarta 1
2	SANDRA RUSTANDI	Regional Head Jakarta 2
3	TAN GWAT ING	Regional Head Surabaya
4	ANDREW WONGJAYA	Regional Head Makassar
5	HUSNI SIM	Regional Head Medan
6	LIVIANA DEWI	Regional Head Semarang
7	RIKA RAHAYU BEGAWAN	Regional Head Bandung
8	THERESIA SANDHORA A.	Regional Head Banjarmasin
9	EDWINA TASHIA TANUBRATA	Bandung Supermall Branch Manager
10	ARIE STEVANUS	Cirebon Branch Manager
11	ETI RUSMIATI	Tasikmalaya Branch Manager
12	CACAM SAMSI AH IMRON	Cimahi Branch Manager
13	HERMAWATI	Tangerang Gading Serpong Branch Manager
14	ABDUL AZIZ HADI	Bogor Branch Manager
15	ANGGA MAHENDRA	Jakarta Sudirman Branch Manager
16	ANGGA MAHENDRA	Jakarta Tendean Branch Manager
17	MARIA ULFA	Lampung Malahayati Branch Manager
18	ACHMAD ANDRE GOSAL	Jakarta Pondok Indah Branch Manager
19	NATASSA ASTRI WIDHIARTHE	Jakarta Hasanudin Branch Manager
20	RUDY	Jakarta Sunter Justus Branch Manager
21	LIDIA HAMBALI	Jakarta Mangga Dua Branch Manager
22	TEGUH UTAMA WIDODO	Jakarta Roxy Branch Manager
23	ROSIANTI DARMAWAN	Jakarta Pluit Branch Manager
24	R.R. DWI MARDHIANA PURWANINGRUM	Bekasi Ahmad Yani Branch Manager
25	MEITIARA SANDRINA RAHENDRIANTI	Jakarta Cempaka Mas Branch Manager
26	THERESIA SANDHORA A.	Balikpapan Branch Manager
27	MARIA ROESLIE	Banjarmasin Branch Manager
28	DERIKEN	Palangkaraya Branch Manager
29	LEO CHRISTIO	Pontianak Branch Manager
30	VERA THEWANTO	Samarinda Branch Manager
31	LINTJE THIE	Ambon Branch Manager
32	LILYA SUSANTI	Jayapura Branch Manager
33	SIYENE CHANDRA	Kendari Branch Manager
34	RONNY STEFAN SANGADI	Makassar Branch Manager

No	NAME	POSITION
35	RONNY TANSIL HAMDANI	Manado Branch Manager
36	RINI ROSALINDA	Palu Branch Manager
37	ABUBAKAR ADAM	Ternate Branch Manager
38	FILBERT ALPHA JUNIUS	Batam Branch Manager
39	BENNY	Jambi Branch Manager
40	LIUSNAWATY	Medan Maulana Lubis Branch Manager
41	MAYA GUNAWAN	Padang Branch Manager
42	MARULI TUA TAMBUNAN	Pekanbaru Branch Manager
43	LIANAWATY	Pematang Siantar Branch Manager
44	BETTY MAGDALENA	Sibolga Branch Manager
45	SURYATI	Palembang Branch Manager
46	BAYU KURNIAWAN	Purwokerto Branch Manager
47	ROSALIA LIDWINA HOWIWATI	Semarang Branch Manager
48	YENI SUGIHARTO	Tegal Branch Manager
49	V. JOKO KUNCOROJATI	Yogyakarta Branch Manager
50	ARDHANA FEBRIANAJI	Denpasar Branch Manager
51	SITI ROHANI WITOMO	Jember Branch Manager
52	SRI ENDAH WAHYUNI	Kediri Branch Manager
53	ARDHANA FEBRIANAJI	Kupang Branch Manager
54	SITI ROHANI WITOMO	Malang Branch Manager
55	SUGIARTHA	Mataram Branch Manager
56	DJOKO TJANDRA AGUNG	Surabaya Darmo Branch Manager
57	UNTUNG PUJADI	Surabaya Yos Sudarso Branch Manager
58	RATNADI AGUS LAKSONO	Jombang Branch Manager
59	LIZA CHUNADY	Surabaya Sungkono Branch Manager
60	FX. SURJOBROTO	Branch Channel Sales Head
61	ABRAHAM ARA	- Investment & Insurance Sales Head
62	DONNY INDRA LUKITO	- Treasury Sales Head
63	DESY MIRANDA	Corporate Funding Head
64	ADITYA WAHYU WINDARWO	Retail Product Management & Digital Banking Head
65	LENYLIA HAQ	Priority Banking Head
66	FX SURJOBROTO	Regional Head Jakarta 1
67	SANDRA RUSTANDI	Regional Head Jakarta 2
68	TAN GWAT ING	Regional Head Surabaya
69	ANDREW WONGJAYA	Regional Head Makassar
70	HUSNI SIM	Regional Head Medan
71	LIVIANA DEWI	Regional Head Semarang

No	NAME	POSITION
72	RIKA RAHAYU BEGAWAN	Regional Head Bandung
73	THERESIA SANDHORA A.	Regional Head Banjarmasin
74	RINALDI USMAN	CCPL & Alternate Channel Sales Head
75	HERSEN	Transmart Branch Sales Head
76	JULIE WIDYASTUTI FAUZIE	Business Strategic & Sales Governance Head
77	JACKY GOSUMOLO	Business Finance & Performance Management Head
78	RICKO RAHMADI	Sales Culture Development & Resourcing Head
79	MIDIANI DIAH CASITRIATI	Sales Process & Governance Head
80	THERESIA LIRANI SETYOWATI	Marketing Communication Head
81	WIDJAJA HENDRA	Credit Business Head
82	BATHARA ADIDARMA	Corporate Sales Head
83	LEONARD PANJAITAN	Indirect Channel Head
84	GURITNO	Commercial Business Head
85	DITTO HARNANDO PURWADI	Strategic & Business Development Head
86	BUDI SETIO WIBOWO	Crime & Fraud Investigation Head
87	SISWANDI PUJO SASONGKO	Banking Fraud Head
88	ADANG ISNANDAR	Corporate Legal Head
89	CHRISTIANA MARIA DAMANIK	Corporate Affairs Head
90	JUSUF SUKIMAN	Internal Audit Head
91	ADISTIA SUKYANTHO	Financial Control Head
92	CAESAR C. RASYAD	Corporate Culture & Change Management Head
93	HANUSA PRAHARA	General Management Office
94	FARMAWATY TAN	General Management Office
95	ARIEF TENDEAS	Digital Business Head
96	ERIN YOUNG	CCPL Marketing & Business Support Head
97	GUNAWAN	CCPL Credit Initiation & Maintenance Head
98	VERONICA HENNY SISILIA	CCPL Indirect Acquisition Channel & Telemarketing Head
99	NOORDWANTO CHANDRA KRESNA	CCPL Collection Head
100	BOBBY HERMAN JOENAN	CCPL Recovery Head
101	ANWAR V PURBA	Human Capital Management Head
102	ABDUL CHALID WIRAPATI	Human Capital Reward, Operations & Services Head
103	OMAR SOEHARTO	Compliance & GCG Head
104	ISMANTARI SOERJADI	Anti Money Laundering Head
105	MARIANA HARYANI	Procurement Services Head

No	NAMET	POSITION
106	DIMAS PRASETYO	Property & Facility Services Head
107	MUTESA HOLDIN	Centralized Credit Operations Head
108	TRIARSO ANGGORO	Network Operations Head
109	EMMYLIA SOESANTI	Centralized Transactional Operations Head
110	DIDIK SUPRIYANTO	Treasury Operations Head
111	DIDIK SUPRIYANTO	Operations Control Head
112	TRI GANGGA WIRATMA	Corporate Policy & Procedure Development Head
113	ARIEF TENDEAS	CCPL Operations Head
114	DENNY TAKARADA HERLABANG	Customer Experience & Customer Care Head
115	JUNID BAHARUDDIN	Core Banking System Head
116	YOYO JUHARTOYO	IT Electronic Channel Head
117	DEDY CURYANI	IT Infrastructure Service & Operations Head
118	SANTOSO WIBOWO	IT Project Management Head
119	UTOMO BUDI RAHARDJO	Process & System Development Head
120	ARI YANUANTO ASAH	Transformation Project Head
121	RANGGA BAYU PAMUNGKAS	Market, Liquidity & Integrated Risk Management Head
122	RAJA PARDEDE	National Credit Review, Restructure & Control Head
123	DWI INDAH KARMIANTI	National Credit Appraisal Head
124	YEREMIA ARIYANTO IMANUEL (PINDIV)	Credit Asset Recovery Head
125	ALOYSIUS ARY SATRIO	Operational Risk Management Head
126	DICKY PRAMAYUDHA	Credit Risk Management Head
127	USDEK SIMANJUNTAK	Credit Collection & Remedial Head
128	MARTONO	Treasury & Financial Institution Head
129	RALPH BIRGER POETIRAY	Global Markets Head
130	RALPH BIRGER POETIRAY	Treasury Head
131	MARTONO	International Banking & Financial Institution Head
132	SARMIATI	Capital Market Services Head
133	CYNTHIA RIKASARI	Treasury International Banking Business Support Head

SHAREHOLDERS COMPOSITION

20 Largest Shareholders & Ownership Percentage As of 31 December 2018

No	Name	Share	Percentage
1	MEGA CORPORA, PT	4,040,079,822	58.0156553
2	CITIBANK SINGAPORE A/C CBSG-BJB S/A IDEA	325,191,247	4.6697551
3	BANK JULIUS BAER AND CO LTD S/A SUCCESSL	304,610,691	4.3742177
4	PT. INDOFOOD SUKSES MAKMUR TBK	298,715,775	4.2895666
5	PT ASURANSI CENTRAL ASIA	274,974,022	3.9486344
6	CHEMINVEST LIMITED	263,045,153	3.7773355
7	BANK JULIUS BAER S/A WINDSOR INVESTMENT	228,572,458	3.2823067
8	PT. INDOFOOD CBP SUKSES MAKMUR TBK	210,912,796	3.0287134
9	UBS AG SG S/A CRIS DEVELOPMENTS LIMITED	182,657,057	2.6229603
10	BANK JULIUS BAER S/A CAPITAL SPRING INVE	175,171,152	2.5154625
11	BANK JULIUS BAER AND CO LTD, SINGAPORE S	167,085,090	2.3993464
12	BANK JULIUS BAER S/A NEOYEN HOLDING PTE	116,959,563	1.6795425
13	PT SALIM CHEMICALS CORPORA	99,046,942	1.4223168
14	CAPITAL SPRING INVESTMENTS LIMITED	85,270,000	1.2244795
15	PT AJ CENTRAL ASIA RAYA	50,335,884	0.7228247
16	CAPITAL CASTLE DEVELOPMENTS LIMITED	25,858,010	0.3713217
17	IDEAL MODERN LIMITED	15,619,012	0.2242894
18	PT MEGAH ERARAHARJA	14,275,000	0.2049894
19	PT INDOLIFE PENSIONTAMA	11,224,000	0.1611769
20	PT INSAN ASIA NUSANTARA	10,938,700	0.1570800

Shareholders and Ownership

No.	Shareholders	Total Shares	Ownership Percentage
1.	PT. Mega Corpora	4,040,079,822	58.016
2.	Public	2,923,695,384	41.984
3.	Total	6,963,775,206	100.000

Share Listing Chronology

Year	Description	Total Issued Shares	Total Shares	Listing
2000	Initial Public Offering	562,500,000	562,500,000	
2001	Share Dividend and Bonus Share	189,750,000	752,250,000	
2002	Limited Public Offering I	187,980,000	940,230,000	Indonesia Stock Exchange
2005	Share Dividend and Bonus Share	485,158,642	1,425,388,642	
2006	Limited Public Offering II	200,054,546	1,625,443,188	
2009	Bonus Share	1,555,781,000	3,181,224,188	
2011	Bonus Share	464,731,862	3,645,956,050	
2013	Share Dividend and Bonus Share	3,317,819,156	6,963,775,206	

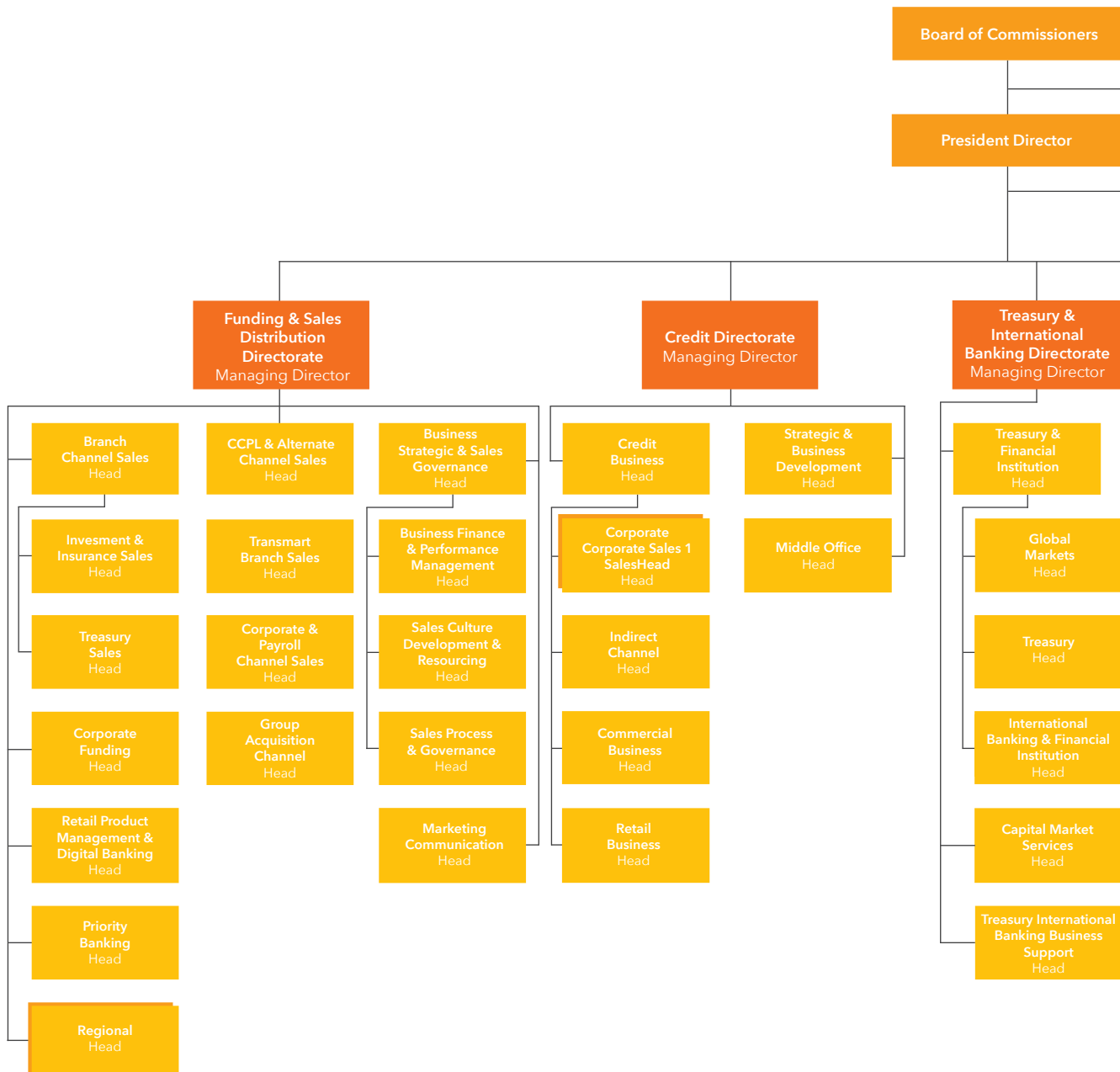
Other Stocks Chronology

Year	Description	Rating	Nominal	Listing
2008	Subordinate Bond of Bank Mega Year 2007*	A (idn) from Fitch Ratings Indonesia	Rp1,000,000,000,000	Indonesia Stock Exchange

Name and Address of Supporting Institutions and/or Professions

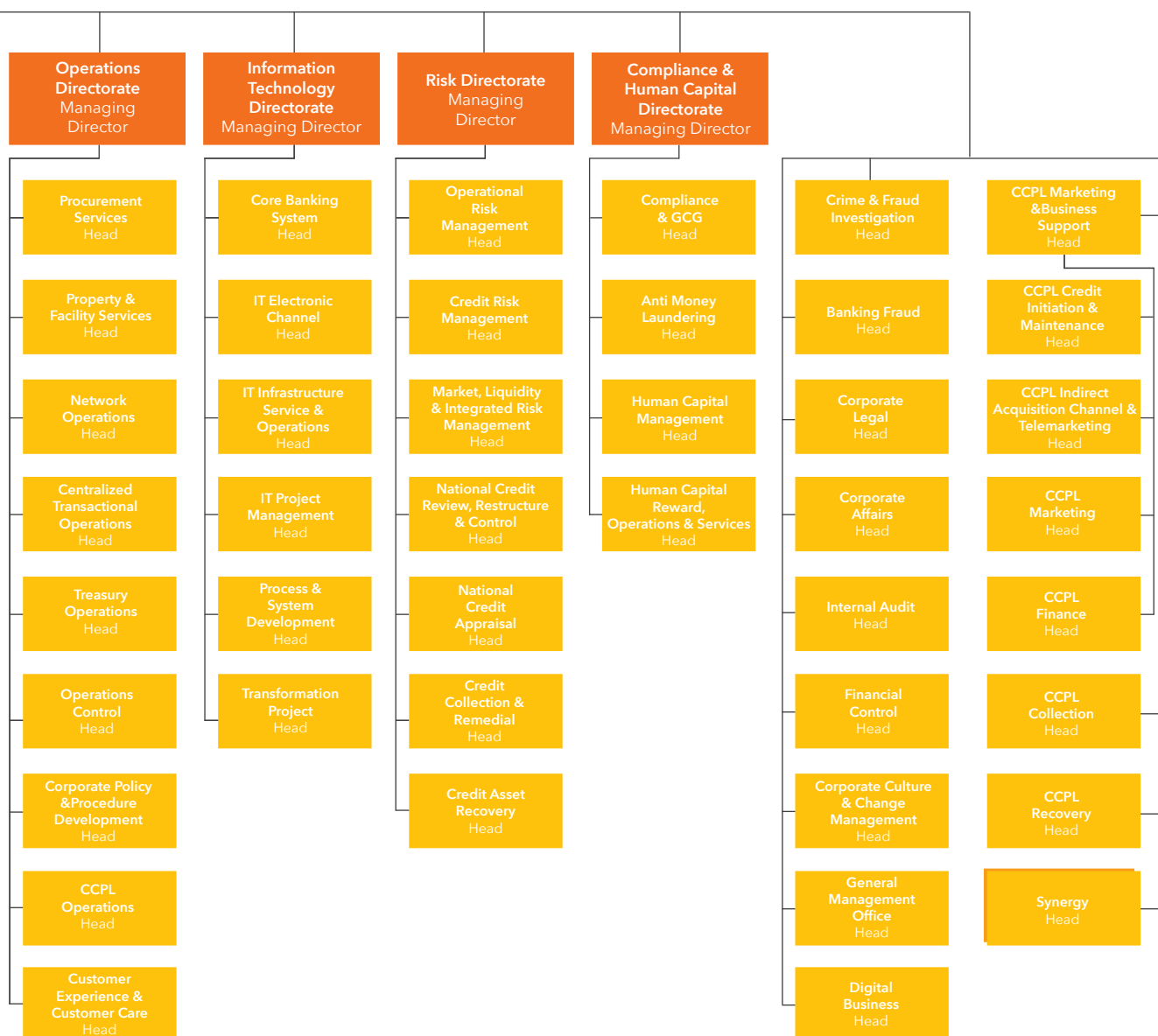
Name & Address	Services
Bursa Efek Indonesia Bursa Efek Indonesia Building Tower Jl.Jend Sudirman Kav.52-53 Jakarta 12190 Indonesia TEL. 021. 5150 515	Shares Listing
Purwanto, Sungkoro & Surja Gedung BEI, Tower II, Lt. 7 Jl. Jend. Sudirman Kav, 52-53 Jakarta TEL. 021. 5289 5000 FAX. 021. 289 4100	Public Accountant Firm for External Audit (financial report audit)
PT Datindo Entrycom Jl. Hayam Wuruk No.28 Jakarta 10120 TEL. 021. 570 9009 FAX. 021. 570 9026	Share Registrar

ORGANIZATIONAL STRUCTURE



Risk Monitoring Committee, Audit Committee,
Remuneration & Nomination Committee,
Governance Integration Committee

Steering Committees : Credit, ALCO, Human
Capital, Risk Management, IT, Product,
Credit Policy

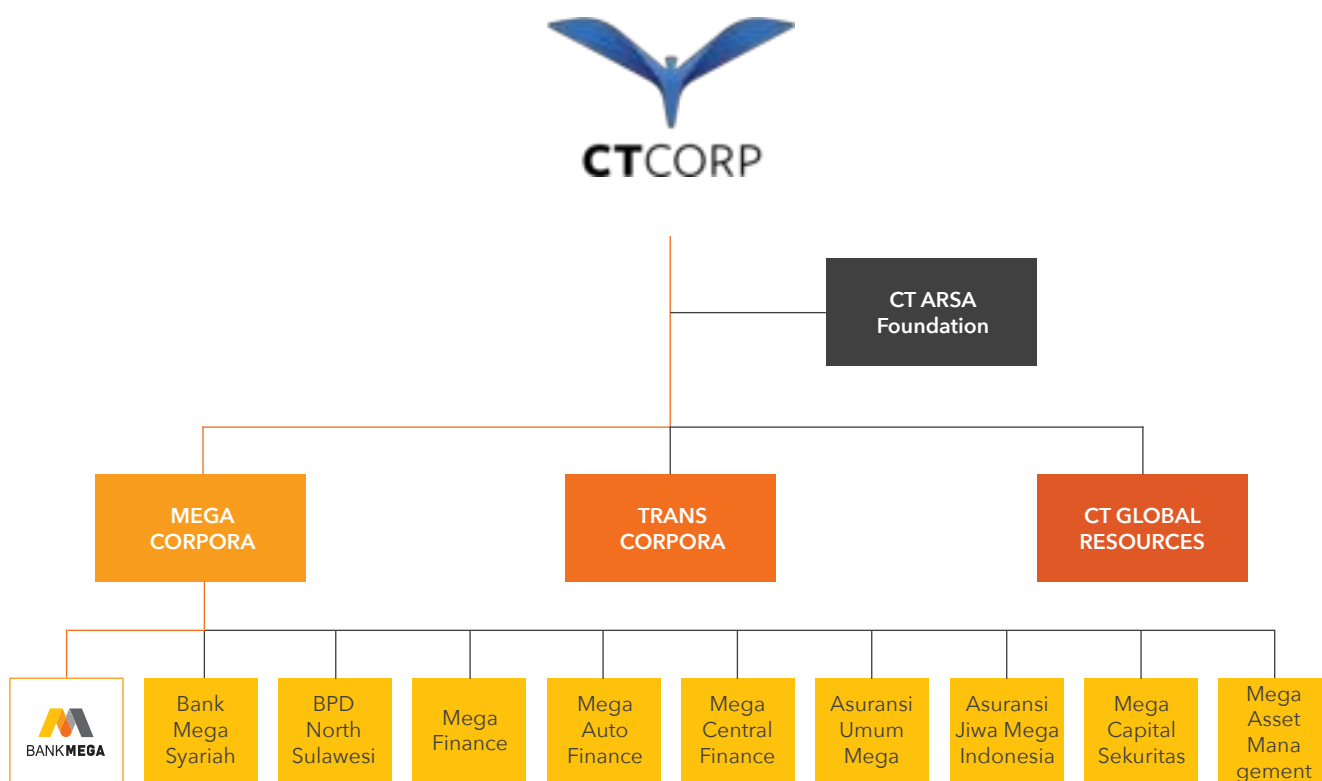




the approval of the Deed of Amendment of the Bank's Articles of Association; the name of PT PARA Global Investindo has been changed, as the shareholder of PT Bank Mega Tbk, to PT Mega Corpora. The following are composition of shareholders of PT Mega Corpora:

- PT CT Corpora 99.99%
- PT PARA Rekan Investama 00.01%

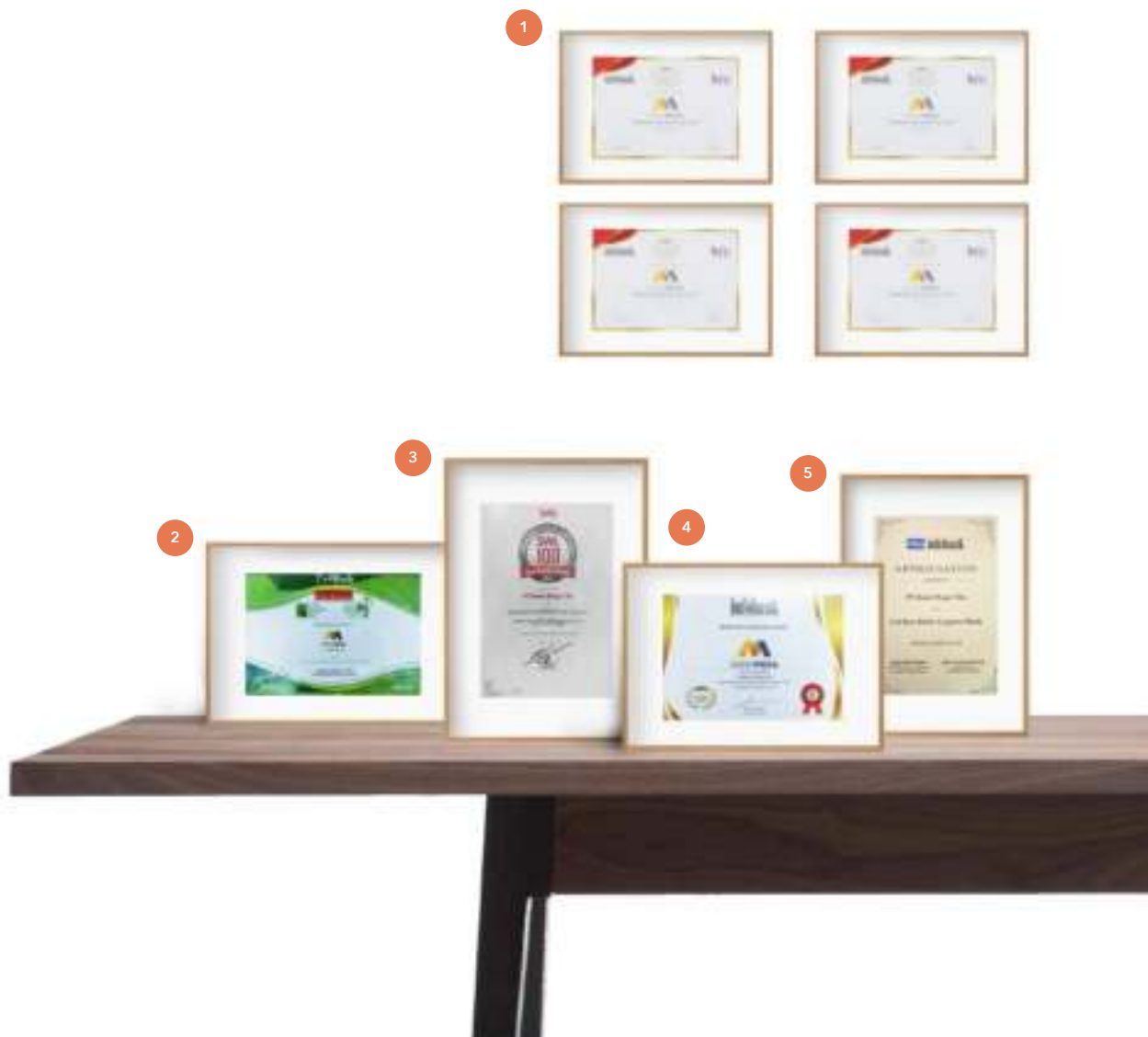
GROUP BUSINESS STRUCTURE



Referring to the business structure of CT Corporation, the entire operational process of Bank Mega as a financial institution is under the supervision of PT Mega Corpora. The position of Mega Corpora is parallel to the two other groups of companies, PT Trans Corpora which is engaged in media, lifestyle and entertainment. The other company, PT CT Global Resources is engaged in the development of Natural Resources. The three groups of companies manage a synergistic business activity under the auspices of CT Corpora.

PT CT Corpora ("CT Corp") is a leading consumer-oriented business group engaged in the financial, media, retail, property, lifestyle and entertainment services industries. Some of CT Corp's main businesses besides Bank Mega, namely Carrefour and TRANSmart - the largest Hypermarket network in Indonesia; Trans TV and Trans 7 - two leading television channels in Indonesia; Transvision- the second largest Direct to Home paid television service provider in Indonesia; and Detik.com - the number one news portal in Indonesia. CT Corp is also the largest private shareholder in Garuda Indonesia, Indonesia's national airline.

AWARDS & CERTIFICATIONS



Awards

- 1 Satisfaction Loyalty Engagement Award 2018 from Infobank and MRI for 9 categories
- 2 Top 5 Social Business Innovation Company 2018 from Warta Ekonomi
- 3 Indonesia the Best Public Companies Domicile on WAI 2018 from SWA Magazine
- 4 Bank with predicate "Very Good" from Infobank
- 5 "Prima Awards 2018" for the 3rd Best Debit Acquirer Bank from Infobank and Prima



- 6 Corporate Secretary Award "Top 10 GCG Issues in Banking Sector" from Warta Ekonomi
- 7 Mega Travel Visa Card - Best New Product 2017 from Visa
- 8 Top 20 Financial Institution 2018 from The Finance
- 9 1st Winner of The Best Public Private Bank in Indonesia 2018 from Anugerah Perbankan Indonesia VII 2018
- 10 The 1st Best Bank in Report Submission on BI SILK Application, Central Bank of Indonesia

OFFICE ADDRESS

OFFICE NETWORKS

No.	Office Name	Address	Phone	Fax	Province
1	KC JKT SUDIRMAN	Sudirman Plaza Lt.Dsr Jl.Jend Sudirman Kav. 76-78	02157935988	02157935959	DKI JAKARTA
2	KCP JKT HASYIM ASHARI	Jl. KH. Hasyim Ashari No 9 E	0216329327	0216326585	DKI JAKARTA
3	KCP JKT BENHIL	Jl. Bendungan Hilir Raya No. 88	02157951661	02157951662	DKI JAKARTA
4	KCP SBY KERTAJAYA	Jl. Kertajaya No. 65	0315014655	0315014653	EAST JAVA
5	KC DENPASAR	Jl. Teuku Umar No. 263	0361237137	0361237136	BALI
6	KCP JKT KOTA	Jl. Pintu Besar Utara No. 31-33	0216902667	0216913083	DKI JAKARTA
7	KCP SBY KEMBANG JEPUN	Jl. Kembang Jepun No. 180-184	0313525343	0313552206	EAST JAVA
8	KC SBY YOS SUDARSO	Jl. Yos Sudarso no. 17	0315310241	0315457193	EAST JAVA
9	KC SBY SUNGKONO	Kompleks Wonokitri Indah Kav. S 3- 5 Jl. May. Jend Sungkono	0315619731	0315661183	EAST JAVA
10	KC MALANG	Jl. Jaksa Agung Suprpto No. 27	0341361653	0341361658	EAST JAVA
11	KC JOMBANG	Jl. K.H. Wachid Hasyim No. 181	0321861473	0321861282	EAST JAVA
12	KCP JKT PLAZA BUMI DAYA	Plaza Bumi Daya Jl. Imam Bonjol No.61	0212302155	0212302156	DKI JAKARTA
13	KCP JKT SENEN	Kompl. Pertokoan Segitiga Senen Blok C 8 Jl. Senen Raya No. 135	0213855124	0213852324	DKI JAKARTA
14	KCP DENPASAR SEMINYAK	Jl Raya Basangkasa No. 10	0361737727	0361737728	BALI
15	KCP JKT BEJ	BEJ Tower II Mezzanine Floor Jl.Jend Sudirman Kav 52-53	0215152008	0215152603	DKI JAKARTA
16	KCP JKT FATMAWATI	Jl. RS. Fatmawati No. 80 E - F	02175915141	02175914868	DKI JAKARTA

No	Office Name	Address	Phone	Fax	Province
17	KCP CIMAHI TRANSMART	Gedung Transmart Cimahi Unit G-4 Jl. Raya Cimahi	02286001144	02286001145	WEST JAVA
18	KCP JKT KEBON JERUK	Komplek Graha Kencana Jl. Perjuangan No 88C & 88D	02153673982	02153673979	DKI JAKARTA
19	KC BANDUNG	Menara Bank Mega Bandung Jl.Gatot Subroto No.283 lt. 1 & 2	02287341000	02287340910	WEST JAVA
20	KCP JKT RASUNA SAID	"Menara Mega Syariah, Lt.1 Jl. HR. Rasuna Said, Kav.No.19A"	02129852020	02129852021	DKI JAKARTA
21	KC JKT PLUIT	Jl. Pluit Kencana Raya No.98-100	0216628873	0216628874	DKI JAKARTA
22	KCP JKT SUNTER	Komplek Rukan Puri Mutiara Blok A No.83 Jl. Griya Utama Sunter Agung	02165306423	02165306426	DKI JAKARTA
23	KC JKT HASANUDIN	Gedung Dani Prisma Jl. Sultan Hasanudin 47 - 48	0212702772	0212702773	DKI JAKARTA
24	KCP JKT BINTARO	Bintaro Sektor I Blok E - 20	0217351008	0217351012	DKI JAKARTA
25	KCP SBY GRESIK	Kompleks Pertokoan Multi Sarana Plaza Blok A No 8 Jl. Gubernur Suryo	0313979936	0313982015	EAST JAVA
26	KC JKT ROXY	Niaga Roxy Mas B II No.1 Jl.KH. Hasyim Ashari	0216334956	0216334957	DKI JAKARTA
27	KCP BKS KALIMALANG	Komp. Ruko XML (Kalimalang) No.43 Jl.KH.Noer Ali	0218640525	0218640779	WEST JAVA
28	KCP JKT SAHARJO	Jl. Prof.Dr.Soepomo No.32	02183702359	0218295198	DKI JAKARTA
29	KCP JKT GATOT SUBROTO	Gedung Patra Jasa Ground Floor Jl. Gatot Subroto Kav 32 - 34	02152900222	02152900225	DKI JAKARTA
30	KCP JKT TANJUNG DUREN	Jl. Tanjung Duren Raya No. 139	0215645966	0215645967	DKI JAKARTA
31	KCP JKT RAWAMANGUN	Jl. Paus 89 B	0214753070	0214756277	DKI JAKARTA
32	KC KEDIRI	Jl. Erlangga No 19	0354694009	0354694010	EAST JAVA

No	Office Name	Address	Phone	Fax	Province
33	KC SEMARANG	Menara Bank Mega Semarang Lt. GF Jl. Pandanaran No.82	02486460900	0243549371	CENTRAL JAVA
34	KC YOGYAKARTA	Jl. Jendral Sudirman No. 44	0274548622	0274548623	YOGYAKARTA
35	KCP JKT CIKINI	Jl. Cikini Raya No.28A	0213157671	0213157617	DKI JAKARTA
36	KCP BDG PASIR KALIKI	Jl. Pasirkaliki No. 167	0226002708	0226002707	WEST JAVA
37	KC BKS A. YANI	ruko Bekasi Mas Jl. A. Yani Kav A 3-5	02188960133	02188960134	WEST JAVA
38	KCP SBY KEDUNG DORO	Jl. Kedungdoro 105	0315354494	0315354530	EAST JAVA
39	KCP JKT PASAR BARU	Jl. Sukarjo Wiryopranoto No. 7 A	0216011888	0216011883	DKI JAKARTA
40	KCP JKT TANAH ABANG	Jl. Fachrudin Tanah Abang Bukit Blok C No. 49	0213926751	02131924088	DKI JAKARTA
41	KCP JKT JEMBATAN LIMA	Komplek Ruko Jembatan Lima Indah No. 15 E , Jl. K.H. Mas Mansyur	0216331341	0216330785	DKI JAKARTA
42	KCP JKT GLODOK	Komplek Ruko Glodok Plaza Blok G No. 5	0216598088	0216000113	DKI JAKARTA
43	KCP JKT JATINEGARA	Jl. Jatinegara Timur Raya No. 101, Komp. Bona Gabe	0218515408	0218515438	DKI JAKARTA
44	KCP SBY KAPAS KRAM- PUNG	Jl. Kapas Krampung No. 186	0315026033	0315025977	EAST JAVA
45	KC MEDAN	Jl. Kapt. Maulana Lubis No. 11	0614511618	0614565449	NORTH SUMATERA
46	KCP BSD	Komplek BSD Sektor VII Blok RL No. 27	0215388208	0215388211	BANTEN
47	KCP BDG KOPO	Komplek Ruko Kopo Plaza Jl. Lingkar Selatan Blok B No. 8	0226002955	0226002957	WEST JAVA
48	KCP JKT GEDUNG JAYA	Jl. MH. Thamrin No. 12	02131927937	02131928036	DKI JAKARTA

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49	KCP JKT TANJUNG KARANG	Jl. Tanjung Karang No. 3-4A	0212305364	0212305362	DKI JAKARTA
50	KCP JKT KEMANG	Wisma Bakrie CSU Lt. 1, Jl. Kemang Raya No. 4	0217180771	0217180773	DKI JAKARTA
51	KC SOLO	Jl. Slamet Riyadi No. 323	0271733660	0271733662	CENTRAL JAVA
52	KC LAMPUNG	Jl. Laksamana Malahayati 8	0721474668	0721474670	LAMPUNG
53	KC PADANG	Jl.Jend Sudirman no.42 B-C	075120999	075123099	WEST SUMATERA
54	KC PEKANBARU	Jl. Jend. Sudirman No. 351	0761885888	0761854030	RIAU
55	KC JAMBI	Jl. Hayam Wuruk No. 102	07417550805	074124008	JAMBI
56	KC BATAM	Jl. Sultan Abdul Rahman Komplek Lumbung Rejeki Blok D No. 5-6, RT 001 RW 002, Kel. Lubuk Baja KOTA, Kec. Lubuk Baja, Nagoya	07784884100	07784884101	KEPULAUAN RIAU
57	KCP MDN HARYONO	Jl. MT. Haryono No. 144 - 146	0614157165	0614157056	NORTH SUMATERA
58	KC SAMARINDA	Jl. Jenderal Sudirman No.33B	0541748899	0541736919	EAST KALIMANTAN
59	KCP JKT PASAR MINGGU	Gedung ILP Jl. Raya Pasar Minggu No.39A	0217974337	02179195646	DKI JAKARTA
60	KC BALIKPAPAN	Jl. Ahmad Yani No. 33 - 34	0542441516	0542441586	EAST KALIMANTAN
61	KC BANJARMASIN	Jl. S. Parman No. 37	05116739000	05116710022	SOUTH KALIMANTAN

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62	KC MAKASSAR	Jl. A. Yani No. 7	04113623232	04113618107	SOUTH SULAWESI
63	KCP SBY JEMUR AN-DAYANI	Jl. Jemur Andayani No. 11C	0318434951	0318434957	EAST JAVA
64	KCP MALANG KYAI TAMIN	Jl. Kyai Tamin No.35 – 41	0341343877	0341343873	EAST JAVA
65	KC CIREBON	Jl. Yos Sudarso No. 2B RT.04/ RW.02	0231211110	0231238800	WEST JAVA
66	KCP UBUD	Jl. Raya Ubud, Ds. Kutur No. 115	0361977635	0361977636	BALI
67	KCP JKT JAYAKARTA	Jl. Pangeran Jayakarta No. 109A	0216266687	0216266683	DKI JAKARTA
68	KC PALEMBANG	Jl. Kapt. A. Rivai No. 31 F	0711373160	0711354140	SOUTH SUMATERA
69	KCP JKT DUTA MAS	Komp. Pertokoan Duta Mas Fatmawati Blok B1 No. 6, Jl. RS. Fatmawati No. 39	0217233830	0217233782	DKI JAKARTA
70	KC JKT CEMPAKA MAS	Rusun Hunian Graha Cempaka Mas Blok B, Jl. Letjen Suprpto No. 1	0214222929	0214222980	DKI JAKARTA
71	KC JKT MANGGA DUA	Ruko Harco Mangga Dua Blok E 32, Jl. Mangga Dua Raya	0216000188	0216123162	DKI JAKARTA
72	KCP BDG BUAH BATU	Jl. Buah Batu No 141	0227322855	0227322856	WEST JAVA
73	KCP BDG SETRASARI	Jl. Prof.Dr.Soeria Soemantri kav.7	0222009860	0222009858	WEST JAVA
74	KC JKT TENDEAN	Menara Bank Mega Lantai Dasar, Jl.Kapt.Tendean Kav.12-14A	02179175888	0217990868	DKI JAKARTA
75	KC MANADO	Kawasan Mega Mas Blok IB No.1 Jl.PiereTendean (Boulevard)	0431879555	0431879561	NORTH SUMATERA
76	KCP TANGERANG	Jl. Daan Mogot No.27 B	02155772060	02155772063	BANTEN
77	KCP JKT KELAPA GADING	Jl. Boulevard Barat Blok LA 1 No.5-6	02145854822	02145854819	DKI JAKARTA

No	Office Name	Address	Phone	Fax	Province
78	KCP MDN CIREBON	Jl. Cirebon No. 45	0614555525	0614555508	NORTH SUMATERA
79	KCP MAKASAR A.YANI	Jl. A. Yani No. 43	04113618356	04113617447	SOUTH SUMATERA
80	KC JKT SUNTER JUSTUS	Wisma Justus Lt. Dasar Jl. Danau Sunter Utara No.27-28 Blok 03	02165830032	02165830783	DKI JAKARTA
81	KCP LAMPUNG - KARTINI	Jl. Kartini Blok B1 No. 25	0721242468	0721242471	LAMPUNG
82	KCP PALEMBANG SAYAN- GAN	Jl. Sayangan No. 72	0711375838	0711375607	SOUTH SUMATERA
83	KCP SOLO URIP SUMO- HARJO	Jl. Urip Sumiharjo No. 47	0271662668	0271662601	CENTRAL JAVA
84	KCP YOGYAKARTA SRI- WEDANI	Jl. Sriwedani No. 6	0274554949	0274557420	YOGYAKARTA
85	KCP MAKASAR PANAKU- KANG	Jl. Raya Boulevard Jasper II No. 45 C	0411425036	0411425037	SOUTH SUMATERA
86	KCP JKT WARUNG BUNCIT	Wisma Perkasa Jl. Warung Buncit Raya 21 B	0217902530	0217902532	DKI JAKARTA
87	KCP JKT MUARA KARANG	Jl. Muara Karang Raya No. 50 E	0216621018	0216621135	DKI JAKARTA
88	KCP TGR CIPUTAT	Kompl. Pertokoan Megamal Blok A/3, Ciputat Jl. Ciputat Raya	0217444221	0217443661	BANTEN
89	KCP JKT LOKASARI	Komplek Pertokoan THR Lokasari Blok B 25 - 27 Jl. Mangga Besar	0216259886	0216591325	DKI JAKARTA
90	KC PONTIANAK	Jl. H. Agus Salim No. 10 - 12	0561739822	0561749078	WEST KALIMANTAN
91	KC BOGOR	Jl. Ir. Juanda No. 38 - 40	02518356545	02518356546	WEST JAVA
92	KCP BKS CIKARANG	Ruko Menteng, Blok A/6, Jl.MH. Thamrin Lippo Cikarang	02189907877	02189907879	WEST JAVA

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93	KK CIPADUNG TRANSMART	Transmart Cipadung Unit GF 006 Jl. A.H. Nasution No.73	022-87836456	022-87836446	WEST JAVA
94	KCP JKT PERMATA HIJAU	Grand ITC Permata Hijau, Ruko Emerald No. 9 Jl. Arteri Permata Hijau	02153663522	02153663516	DKI JAKARTA
95	KCP BDG JUANDA	Jl. Ir. H. Juanda No. 126B	0222532129	0222532017	WEST JAVA
96	KCP BDG SUDIRMAN	Komplek Ruko Sudirman Plaza Blok 91F, Jl. Jend. Sudirman No. 66-68	0224260117	0224260116	WEST JAVA
97	KCP JKT ITC MANGGA DUA	ITC Mangga Dua Lt.4 Blk AB no.39-42 Jl.Mangga Dua Raya	02162300855	02162300880	DKI JAKARTA
98	KCP BALIKPAPAN SUDIRMAN	Komp. Balikpapan Permai No. 9, Jl. Jend.Sudirman	0542443448	0542443449	EAST KALIMANTAN
99	KCP SAMARINDA S. PARMAN	Kom Ruko Simpang Dr. Sutomo Petak 1 Jl.S Parman No.1	0541201222	0541202048	EAST KALIMANTAN
100	KCP MADIUN	Jl. Jend. Sudirman No. 23	0351483678	0351483676	EAST JAVA
101	KCP SBY NGAGEL	Komp. RMI Jl. Ngagel Jaya Selatan Blok D - 12	0315017115	0315052956	EAST JAVA
102	KC MATARAM	Jl. Pejanggik 129	0370648988	0370648090	WEST NUSA TENGGARA
103	KC PURWOKERTO	Komplek Ruko Kranji Megah Jl. Jend. Sudirman No. 393	0281642758	0281642741	CENTRAL JAVA
104	KCP MALANG KAWI	Jl. Terusan Kawi No. 2 Kav. 7	0341576234	0341576232	EAST JAVA
105	KCP PALEMBANG PTC	PTC Blok 18, Jl. R. Sukanto No. 8A	0711382382	0711382234	SOUTH SUMATERA
106	KC JKT PONDOK INDAH	Pondok Indah Plaza I, Jl. Taman Duta I Blok UA 14	02175911608	02175911607	DKI JAKARTA
107	KCP KUDUS	Komp. Pertokoan Ahmad Yani No.15, Jl. Ahmad Yani	0291446458	0291446369	CENTRAL JAVA
108	KCP BANJARMASIN BAN- JARBARU	JL. Jend.A. Yani KM 36,5	05114787575	05114787585	SOUTH KALIMANTAN

No	Office Name	Address	Phone	Fax	Province
109	KCP JKT KRAMAT RAYA	JL. KRAMAT RAYA NO.178 B	0213144377	0213144585	DKI JAKARTA
110	KCP JKT CINERE	Jl. Cinere Raya Blok A No.1 B	0217535438	0217536148	WEST JAVA
111	KCP SEMARANG PET- ERONGAN	Ruko Peterongan Plaza Blok A-12 Jl. MT. Haryono No. 719	0248413255	0248413236	CENTRAL JAVA
112	KCP CIBUBUR CITRA GRAND	Komp. Ruko Citra Grand Blok R1 No.16 Jl. Raya Alternatif Cibubur	02184592345	0218452345	WEST JAVA
113	KC JEMBER	Jl. A. Yani No. 19	0331481010	0331481616	EAST JAVA
114	KCP JKT GREEN GARDEN	Komplek Ruko Green Garden Blok I-9 No. 12A Jl. Panjang	0215800123	0215811506	DKI JAKARTA
115	KC KENDARI	Jl. A. Yani No. 30 AB Blok A3 dan A4	04013133232	04013128733	SULAWESI TENGGERA
116	KCP DEPOK ITC	Jl. Margonda Raya No.56	02177214436	02177214435	WEST JAVA
117	KCP SBY SIDOARJO	Jl. A. Yani No.41-43 Blok C	0318959787	0318959786	EAST JAVA
118	KCP BLITAR	Jl. Cepaka No.5	0342816398	0342816397	EAST JAVA
119	KCP JKT MAYESTIK	Jl. Kyai Maja No.53 C Jakarta 12130	02172798545	02172798556	DKI JAKARTA
120	KCP PALU MANONDA	"Komplek Ruko Patra Moderen Blok J1 no.7-8 Jl. Labu "	0451460600	0451460601	CENTRAL SULAWESI
121	KCP JKT TUBAGUS ANGKE	Jl. Tubagus Angke Komp. Duta Mas Blok D9/A kav.7	02156944575	02156944576	DKI JAKARTA
122	KCP CILEGON	Jl. Raya SA Tirtayasa No.17 G	0254388882	0254388622	BANTEN
123	KCP BEKASI JUANDA	Jl. Ir. H. Juanda 137 Blok A No. 5	0218806229	0218807215	WEST JAVA

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124	KC TEGAL	Jl. Gajah Mada No. 103	0283324545	0283324600	CENTRAL JAVA
125	KCP TANJUNG PINANG	Jl Merdeka No. 1	0771313911	0771314419	KEPULAUAN RIAU
126	KCP JKT CEMPAKA PUTIH	Gedung Tindra unit J Jl.Letjend Suprpto No.60 Cempaka Putih	0214225877	0214225887	DKI JAKARTA
127	KCP JKT KEBON JERUK INTERCON	Komplek Ruko Intercon Plaza Blok F no.9 Jl.Taman Kebon Jeruk Jakarta	02158903686	02158933789	DKI JAKARTA
128	KCP TULUNGAGUNG	Jl.Diponegoro No.130 Tamanan	0355337069	0355337066	EAST JAVA
129	KCP SBY MULYOSARI	Jl.Mulyosari No.360 E	0315910343	0315912894	EAST JAVA
130	KCP BANJARMASIN A.YANI	Jl. A.Yani KM 3,5 No.66 A Karang mekar	05113263399	05113266681	SOUTH KALIMANTAN
131	KC PALU	Jl. Jend Sudirman No.15	0451456401	0451456407	CENTRAL KALIMANTAN
132	KCP MANADO SAM RAT-ULANGI	Perkantoran Wanea Plaza Blk A1/1,Jl.Sam Ratulangi	0431854842	0431854809	NORTH KALIMANTAN
133	KCP JKT MT.HARYONO	Wisma Indomobil I Jl.MT.Haryono Kav 8	0218520778	0218520180	DKI JAKARTA
134	KCP SEMARANG SUARI	Ruko Suari blok D Jl.Suari No.7	0243522992	0243522991	CENTRAL JAVA
135	KCP PEKALONGAN	Jl.KH.Mansyur No.30 Blok 5 & 6	0285431238	0285431239	CENTRAL JAVA
136	KCP PEKANBARU RIAU	Jl.Riau No.56 B	076133299	076138600	RIAU
137	KCP JAMBI WILTOP	Komp. Pertokoan wiltop Jl.Sultan Thaha No.29-30	07417837169	07417837168	JAMBI
138	KC TASIKMALAYA	Jl.Gunung Sabeulah No.2 D	0265338509	0265337735	WEST JAVA
139	KCP SBY HR.MUHAMMAD	Kom. Ruko HR.Muhammad Square kav.A1 Jl.HR.Muhammad 140B-1	0317382861	0317382859	EAST JAVA

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140	KCP JKT PURI INDAH	Rukan Sentra Niaga Puri Indah Blok T-6 No.22	02158356388	02158356387	DKI JAKARTA
141	KC SBY DARMO	Jl.Raya Darmo No.95 A	0315688566	0315688575	EAST JAVA
142	KCP DENPASAR GATOT SUBROTO	Jl Gatot Subroto Tengah 296 C	0361424600	0361430588	BALI
143	KCP BOGOR PADJAJARAN	Ruko Sentra V Point Jl.Padjaran No.1 Blok ZC	02518387030	02518364018	WEST JAVA
144	KCP CILACAP	Jl. A Yani Square No.2-3	0282520366	0282520122	CENTRAL JAVA
145	KCP JKT CITRA GARDEN	Komplek ruko Citraniaga no.A2 Jl.Kebahagiaan	02154370788	02154370790	DKI JAKARTA
146	KCP MAKASSAR METRO SQUARE	Jl.Veteran Utara Komp. Ruko Makkasar Sq Blok B/7	04113626565	0411'3625212	SOUTH SULAWESI
147	KCP JKT KELAPA GADING BOULEVARD RAYA	Jl Boulevard Raya Blok CN 3 No.3 Kelapa Gading	02145840533	02145854819	DKI JAKARTA
148	KCP JKT MEGA PLAZA	Jl.H.R Rasuna Said Kav C-3	0215212929	0215212959	DKI JAKARTA
149	KCP CIPUTAT CARREFOUR	Carrefour Ciputat Unit GF 05 Jl. RE Martadinata	0217430649	0217430634	BANTEN
150	KCP BEKASI JABABEKA	Ruko Jababeka 1 Shop House Blok B 14-15	0218934646	0218934346	WEST JAVA
151	KCP JKT UNTAR	Universitas Tarumanagara Jl. Letnan Jendral S Parman No. 1 Gd Blok I Grogol	02156963004	02156962415	DKI JAKARTA
152	KCP PATI	Jl. Panglima Sudirman No. 87	0295385663	0295386223	CENTRAL JAVA
153	KCP PURWAKARTA	Jl. RE Martadinata No. 12	0264200018	0264200019	WEST JAVA
154	KCP GARUT	Jl. Ciledug No. 146	0262242191	0262242190	WEST JAVA
155	KCP BOJONEGORO	Jl. Untung Surapati No. 18	0353893500	0353893505	EAST JAVA

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156	KCP TANGERANG CENTER	Komplek Mahkota Mas Ged. Transmart Tangerang Center Lt. GF Jl. MH. Thamrin	02129155100	02129155102	BANTEN
157	KCP JKT PANTAI INDAH KAPUK	Rukan Cordoba Blok G No. 17 Bukit Golf Mediterania Pantai Indah Kapuk J	02155966039	02155966040	DKI JAKARTA
158	KCP MDN PULO BRAYAN	Jl. Yos Sudarso Komodor Laut No. 16/EF	0616636110	0616636106	NORTH SUMATERA
159	KCP PALOPO	Jl Kelapa No. 60	047124800	047121002	SOUTH SULAWESI
160	KCP MAMUJU	Jl. Andi Pangerang Pettarani No. 45	042622433	042622290	WEST SULAWESI
161	KCP TIMIKA	Jl. Cendrawasih No. 99 Distrik Mimika Baru	0901323918	0901323939	PAPUA
162	KCP GORONTALO	Jl Ahmad Yani No. 139	0435824999	0435829977	GORONTALO
163	KCP MERAUKE	Jl. Raya Mandala No. 330	0971324500	0971324700	PAPUA
164	KCP SORONG	Jl. Sudirman No. 60	0951331731	0951331922	WEST PAPUA
165	KCP KLATEN	Jl. Pemuda Selatan No. 119	0272329242	0272329241	CENTRAL JAVA
166	KCP PROBOLINGGO	Jl. Soekarno Hatta No. 35	0335437929	0335437922	EAST JAVA
167	KC BENGKULU	Jl. Jend Sudirman No. 237	0736347088	073625543	BENGKULU
168	KCP SERANG	Jl. A Yani No. 15	0254216070	0254216027	BANTEN
169	KCP SUMBAWA	Jl. Diponegoro No. 55	0371626669	0371626660	WEST NUSA TENGGARA
170	KCP BANYUWANGI	Jl. Ahmad Yani No. 46	0333419288	0333419282	EAST JAVA
171	KCP SUKABUMI	Jl. Sudirman No. 49	0266215500	0266217600	WEST JAVA

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172	KCP SAMPIT	Jl. Ahmad Yani No. 51	053130902	053132051	CENTRAL KALIMANTAN
173	KCP MAGELANG	Jl. Jend Sudirman No. 139	0293313226	0293313125	CENTRAL JAVA
174	KCP TARAKAN	Jl.Sudirman No. 2	055121108	055122558	NORTH KALIMANTAN
175	KC TERNATE	Jl. Babula No. 2	09213128550	09213128577	NORTH MALUKU
176	KCP KETAPANG	Jl. Let Jend R Suprpto No. 159	05343037099	05343037098	WEST KALIMANTAN
177	KCP MDN ISKANDAR MUDA	Jl. Sultan Iskandar Muda No. 137	0614564676	0614564611	NORTH SUMATERA
178	KCP SINTANG	Jl MT Haryono No. 15	056522255	056522252	WEST KALIMANTAN
179	KC PARE- PARE	Jl. Bau Maseppe No.451	042124588	042124800	SOUTH SULAWESI
180	KC PALANGKARAYA	Jl. A Yani No. 66	05363241444	05363241441	CENTRAL KALIMANTAN
181	KCP BITUNG	Jl. Yos Sudarso No.01, Lingku- ngan V	043834454	043834820	NORTH SULAWESI
182	KCP JKT GADING OR- CHARD	Komp. Orchard Sq Jl.Raya Klp Hybrida Blk GOS No.B19	02129077300	02129077340	DKI JAKARTA
183	KK JKT TB SIMATUPANG	Ged. AJMI, Jl.TB Simatupang Kav.88	02150812101	02150812102	DKI JAKARTA
184	KCP BKS PONDOK GEDE	Pondok Gede Plaza Jl.Raya Pondok Gede BlokC/21-22	02184938487	02184938488	WEST JAVA
185	KCP JKT TAMAN PALEM	Komp.Perumahan Taman palem Blok B17 No.65-66	02155951983	02155951986	DKI JAKARTA
186	KCP SUMEDANG	Jl. Prabu Geusan Ulun No. 53	0261201799	0261201649	WEST JAVA
187	KCP MAJALAYA	Blok Pasar Tengah, Jl. Pasar Ten- gah No. 28	02285963789	02285963790	WEST JAVA
188	KCP JEPARA	Jl. Pemuda No. 3A	0291597825	0291597832	CENTRAL JAVA
189	KCP SITUBONDO	Jl. Argopuro No.102	0338672800	0338674300	EAST JAVA
190	KCP LEMBANG	Jl. Raya Lembang No. 360	0222787002	0222784755	WEST JAVA
191	KCP SBY WIYUNG	Jl. Raya Menganti Wiyung No. 18	0317524378	0317524726	EAST JAVA
192	KCP CIANJUR	Jl. Dr. Muwardi No. 110	0263262856	0263262866	WEST JAVA

No	Office Name	Address	Phone	Fax	Province
193	KCP KEDIRI PARE	Jl. Pahlawan Kusuma Bangsa No. 39	0354392900	0354395700	EAST JAVA
194	KCP JATIBARANG	Jl. Mayor Dasuki No. 176	02345357268	02345357262	WEST JAVA
195	KCP NGANJUK	Jl. Ahmad Yani No.77	0358331777	0358331771	EAST JAVA
196	KCP BDG SOEKARNO HATTA	Jl. Bypass Soekarno Hatta No. 592	0227508956	0227508987	WEST JAVA
197	KC KUPANG	Jl. Moh. Hatta No. 30A	0380820500	0380820013	EAST NUSA TENGGARA
198	KC CIMAHI	Jl. Raya Cimahi No. 517	0226635006	0226635007	WEST JAVA
199	KCP BATURAJA	Jl. Ahmad Yani No. 55	0735327201	0735327202	SOUTH SUMATERA
200	KCP SINGKAWANG	Jl. Yos Sudarso No. 88	0562633828	0562634020	WEST KALIMANTAN
201	KCP BONTANG	Jl. Jend. Ahmad Yani No.33	054822525	054825077	EAST KALIMANTAN
202	KCP SANGATTA	Jl. Yos Sudarso II No.29 RT29	05492027966	054921531	EAST KALIMANTAN
203	KCP JKT TANJUNG PRIOK	Jl. Enggano No. 68	02143800746	02143800745	DKI JAKARTA
204	KCP KARAWANG	Jl. Ahmad Yani No.87	02678453029	02678453024	WEST JAVA
205	KCP BOYOLALI	Jl. Raya Pandanaran No. 51	0276325100	0276325355	CENTRAL JAVA
206	KCP BENGKALIS	Jl. Ahmad Yani	076622286	076622287	RIAU
207	KCP PELAIHARI	Jl. Ahmad Yani	051223234	051223100	KALIMANTAN
208	KCP SUKOHARJO	Jl. Jend. Sudirman No. 119	0271592551	0271592046	CENTRAL JAVA
209	KCP SAMBAS	Jl. Gusti Hamzah	0562393231	0562393227	WEST KALIMANTAN
210	KCP SANGGAU	Jl. Ahmad Yani No.14	056422313	056421912	WEST KALIMANTAN
211	KCP LUWUK BANGGAI	Jl. Ahmad Yani No. 153	046123901	046123903	CENTRAL SULAWESI
212	KCP CIBINONG	Jl. Mayor Oking	02187914557	02187914569	WEST JAVA
213	KCP BONE	Jl. Jend. A Yani No.2	048123001	048126232	SOUTH SULAWESI
214	KCP DEWI SARTIKA	Jl. Dewi Sartika Raya No.71	02180877927	02180877317	DKI JAKARTA

No	Office Name	Address	Phone	Fax	Province
215	KCP SUNGAI LIAT	Jl. Jend. Sudirman No. 106	071795927	071792862	BANGKA BELITUNG
216	KCP PEKANBARU NANG- KA	Jl. Tuanku Tambusai No.199	076139541	076139549	RIAU
217	KCP PANGKALAN KERINCI	Jl. Maharaja Indra, Kel. & Kec. Pangkalan Kerinci	0761494478	0761494447	RIAU
218	KCP TANA PASER	Jl. R. Suprpto RT 08/04 No.9	054321090	054321022	EAST KALIMANTAN
219	KCP NABIRE	Jl. Yos Sudarso	098424220	098424244	PAPUA
220	KCP PEKANBARU HARA- PAN JAYA	Jl. H Imam Munandar	076144133	076144122	RIAU
221	KCP JKT PASAR KRAMAT JATI	Ruko Pasar Induk Kramat Jati Blok D2 No.11,12,&12A	02187788275	02187788285	DKI JAKARTA
222	KK SBY TRANSMART RUNGKUT	Transmart Rungkut, Jl.Raya Kali Rungkut No.25	03187855261	03187855323	EAST JAVA
223	KCP BDG KOPO INDAH	Taman Kopo Indah II Blok IV A7	0225405399	0225405099	WEST JAVA
224	KCP BARABAI	Jl. Garuda / Pangeran Moh Noor	051742399	051742167	SOUTH KALIMANTAN
225	KCP BANJAR	Jl. Letjend. Suwanto No. 10	0265745535	0265745560	WEST JAVA
226	KCP RANTAU PRAPAT	Jl Jend. A Yani No. 128	0624351129	0624351123	NORTH SUMATERA
227	KCP TENGGARONG	Jl. KH Achmad Muksin No. 56	05416666405	05417244724	EAST KALIMANTAN
228	KCP TNG KARAWACI	Ruko Perkantoran Pinangsia Blok H No.062 & 063	0215519699	0215519747	BANTEN
229	KCP BATULICIN	Jl. Raya Batulicin	051874345	051874346	SOUTH KALIMANTAN
230	KCP TEBING TINGGI	Jl. Jendral Ahmad Yani	062122666	062124666	NORTH SUMATERA
231	KCP SRAGEN	Jl. Sukowati No. 135	02718823171	0271232234	CENTRAL JAVA
232	KCP JKT DUTA HARAPAN INDAH	Jl.Komp. Duta Harapan Indah Blok L-11 & L-12	02166602545	02166602414	DKI JAKARTA
233	KCP JKT BANDENGAN	Jl. Bandengan Utara No. 87	02166605145	02166605323	DKI JAKARTA
234	KCP TANJUNG TABALO- NG	Jl. Pangeran Antasari	05262022202	05262022780	SOUTH KALIMANTAN
235	KCP TROPODO	Komp. Tropodo Indah, Jl. Raya Tropodo B1 & B5	0318662228	0318668524	EAST JAVA
236	KCP MUARA TEWEH	Jl. Yetro Sinseng	051924858	051924859	CENTRAL KALIMANTAN

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237	KCP KUALA KAPUAS	Jl. Jend. A Yani No. 104	051323551	051323580	CENTRAL KALIMANTAN
238	KCP KISARAN	Jl. Cokroaminoto	062342399	062342326	NORTH SUMATERA
239	KCP PANGKAL PINANG	Jl. Jend. Sudirman	0717424709	0717424539	BANGKA BELITUNG
240	KCP TOMOHON	Jl. Babe Palar Matani III	04313157891	04313157791	NORTH SULAWESI
241	KCP DUMAI	Jl. Jend. Sudirman No. 75	0765438222	0765438221	RIAU
242	KCP TEMBILAHAN	Jl. M. Boya No.18	076821601	076821602	RIAU
243	KCP TUBAN	Jl. Panglima Sudirman No. 185	0356327678	0356326997	EAST JAVA
244	KCP PARIGI	Jl. Trans Sulawesi No. 163	045021555	045021035	CENTRAL SULAWESI
245	KCP DURI	Jl. Jend. Sudirman	0765594633	0765594631	RIAU
246	KCP UJUNG BATU	Jl. Jend. Sudirman	07627363303	07627363302	RIAU
247	KCP PRABUMULIH	Jl. Jend. Sudirman	0713323600	0713322115	SOUTH SUMATERA
248	KCP SBY KLAMPIS	Jl. Klampis Jaya No. 88-90	0315963175	0315963194	EAST JAVA
249	KC PEMATANG SIANTAR	Jl.Sutomo, Siantar Business Center Blok E3 & E4	062222123	062243111	NORTH SUMATERA
250	KCP MEDAN KATAMSO	Komp. Grand Katamso. Jl. Brigjen Katamso	0617853666	0617876601	NORTH SUMATERA
251	KCP KOTABARU	Jl. H. Agus Salim No.11	051823633	051823662	SOUTH KALIMANTAN
252	KC TANGERANG GADING SERPONG	Jl. Bulevar Raya Gading, Serpong Kav Blok M5/15	02129000809	02129000769	BANTEN
253	KCP TANJUNG BALAI	Jl. HOS Cokroaminoto (d/h Sisingamangaraja)	0623595655	0623595889	NORTH SUMATERA
254	KCP MANADO CALACA	Ruko Pasar Calaca Unit 3	0431843320	0431843512	NORTH SUMATERA
255	KCP MAKASAR DAYA	Komp. Bukit Khatulistiwa Blok A No. 15-16	04114772158	04114772244	SOUTH SUMATERA
256	KCP TANJUNG REDEB	Jl. SM Aminuddin	055423077	055423079	EAST KALIMANTAN
257	KCP BELOPA	Jl. Topoka No.89 (Poros Palopo)	04713316111	04713316090	SOUTH SUMATERA
258	KCP TANJUNG PERAK	Jl. Perak Timur No. 196	0313283051	0313284896	EAST JAVA

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259	KCP BDG RAJAWALI	Jl. Rajawali Barat No. 63	0226012858	0226012771	WEST JAVA
260	KCP CIKAMPEK	Jl. Jend. A Yani No. 9	02648387344	02648387171	WEST JAVA
261	KCP PINRANG	Jl. Jend. Sudirman	0421922266	0421923778	SOUTH SULAWESI
262	KC SIBOLGA	Jl. Brigjend Katamso No.01	063126601	063126606	NORTH SUMATERA
263	KCP FAK-FAK	Jl. DR Salasa Namudat	095624430	095624515	WEST PAPUA
264	KCP MAKASSAR TANJUNG BUNGA	Menara Bank Mega Makassar Lt.G & 1,Jl.Metro Tanjung Bunga	04118118900	04118118522	SOUTH SULAWESI
265	KCP PANGKALAN BUN	Jl. Sukma Aria Ningrat	053225103	053225105	CENTRAL KALIMANTAN
266	KCP AMUNTAI	Jl. Norman Umar	052763522	052761969	SOUTH KALIMANTAN
267	KCP MAKASSAR TRANS STUDIO	Trans Studio Mall GF Unit No.G-61 Jl.Metro Tj. Bunga	04118117049	04118117044	SOUTH SULAWESI
268	KCP JKT WISMA GKBI	Wisma GKBI Suite G05 Jl.Jend. Sudirman No.28	02157905899	02157901118	DKI JAKARTA
269	KCP BANDAR JAYA LAMPUNG	Jl. Proklamator	0725528288	0725528252	LAMPUNG
270	KCP JKT SEASONS CITY	Jl. Latumenten No33 Kom. Ruko Seasons City Blok E28 & E29	02129071491	02129071492	DKI JAKARTA
271	KK SBY PASAR ATUM MALL	Pasar Atum Mall Lt.3 No.BB-27 & BB-28 Jl. Stasiun Kota No.22	0313552187	0313552195	EAST JAVA
272	KCP SENGKANG	Jl. Jend Sudirman	048521700	048522031	SOUTH SULAWESI
273	KCP JKT MENARA KADIN	Menara Kadin, Ground Floor A1 Jl. HR. Rasuna Said Blok X-5, kav. 02 & 03	02157903637	02157903638	DKI JAKARTA
274	KCP MALANG DINOYO	Jl.MT.Haryono No.140	0341553845	0341553841	EAST JAVA

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275	KCP BREBES	Jl. Raya A.Yani No.71	02386177500	02386177600	CENTRAL JAVA
276	KCP MDN THAMRIN	Jl. MH Thamrin	0617334130	0617320430	NORTH SUMATERA
277	KCP SBY PASAR TURI	Ruko Pasar Turi, Jl. Semarang 94 - 124 /B8	0315354817	0315354807	EAST JAVA
278	KCP MOJOKERTO	Jl. Mojopahit No.380	0321383428	0321383440	EAST JAVA
279	KCP DENPASAR TRANSMART SUNSET ROAD	Carrefour Denpasar Sunset Road Unit GF 06 & 07 Jl. Gelogor Carik No.134X, Br. Gelogor Carik	03614727122	03614727132	BALI
280	KCP CIREBON SURYA NEGARA	Jl. Surya Negara Blok D10-11	0231226949	0231223567	WEST JAVA
281	KCP TANGERANG CITRA RAYA	Jl. Citra Raya Boulevard Blok H1 No.15	02159401141	02159400516	BANTEN
282	KCP HAYAM WURUK	Jl.Hayam Wuruk No.97A	0216284610	0216284609	DKI JAKARTA
283	KCP BALIKPAPAN SOEPRAPTO	Jl. Lj.Soeprapto Komp. Pertokoan Plaza Kebun Sayur Blok T20	0542747266	0542747286	EAST KALIMANTAN
284	KCP BUKITTINGGI	Jl. Ahmad Yani No.113	075231200	075235317	WEST SUMATERA
285	KCP SBY DHARMAHUSA- DA	Jl. Dharma Husada No. 113-113A	0315990114	0315990220	EAST JAVA
286	KCP TOBELO	Jl.Kemakmuran	09242621222	09242622218	NORTH MALUKU
287	KCP SALATIGA	Jl. Pemuda No.1	0298329333	0298329415	CENTRAL JAVA
288	KCP MDN KRAKATAU	Jl. Gunung Krakatau	0616615935	0616615934	NORTH SUMATERA
289	KCP MAKASSAR PETTARANI	Jl. A.P.Pettarani	0411435552	0411435590	SOUTH SUMATERA
290	KCP PONOROGO	Jl. Jend.Sudirman	0352485881	0352488185	EAST JAVA

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291	KCP PEMALANG	Jl. Jend. Sudirman	0284323737	0284323322	CENTRAL JAVA
292	KCP TANGERANG ALAM SUTERA	Jl. SN-I No.57	02153122880	02153122879	BANTEN
293	KCP JKT RADIO DALAM	Jl. Raya Radio Dalam No.99 Kav F RT/RW 003/01	0217261868	0217260820	DKI JAKARTA
294	KCP MAROS	Jl.Jend. Sudirman (Poros Makas- sar Maros) Buttatua Utara	0411374610	0411374618	SOUTH SULAWESI
295	KCP BDG AHMAD YANI	Jl. Jend A.Yani No.650	0227106630	0227106651	WEST JAVA
296	KCP MALANG BORO- BUDUR	Jl. Borobudur No.11	0341487661	0341487669	EAST JAVA
297	KCP JKT PASAR KOJA	Pasar Koja Jl.Kramat Raya No.22 Blok B Kav 1&2	02143920018	02143920034	DKI JAKARTA
298	KC AMBON	Jl. Sultan Hairun	0911349038	0911349064	MALUKU
299	KCP MAKASSAR VETERAN SELATAN	Jl. Veteran Selatan	0411871886	0411871893	SOUTH SULAWESI
300	KCP MDN SETIABUDI	Jl. Setiabudi	0618214202	0618214203	NORTH SULAWESI
301	KCP JKT RAWASARI	Jl. Rawasari Selatan No 1C & ID	0214241934	0214241966	DKI JAKARTA
302	KCP JKT PALMERAH	Jl. Palmerah Barat No.32D & 32E	02153673340	02153673339	DKI JAKARTA
303	KCP BOGOR PASAR ANYAR	Jl.Dewi Sartika Blok B1-B2 Pabaton Bogor	02518328880	02518328870	WEST JAVA
304	KCP BKS TAMAN HARA- PAN INDAH	Sentra Niaga Boulevard Hijau Blok SNI No.27	02188866044	02188866045	WEST JAVA
305	KCP JKT TELUK GONG	Jl. Kampung Gusti Blok N Kav.54-55	0216602498	0216602494	DKI JAKARTA
306	KCP BKS GRAND MALL	Grand Mall Bekasi Ruko B/68 Jl.Jend Sudirman	02188964406	02188964408	WEST JAVA
307	KCP BOGOR WARUNG JAMBU	Jl. Pajajaran Ruko No.10 & 11	02518390020	02518390520	WEST JAVA
308	KCP PURBALINGGA	Jl. Jend.Sudirman No.88	0281894488	0281894899	CENTRAL JAVA
309	KCP MANOKWARI	Jl.Yos Sudarso	0986214250	0986214248	WEST PAPUA
310	KCP SEMARANG GANG TENGAH	Jl. gang Tengah No.102	0243568866	0243568867	CENTRAL JAVA
311	KCP PONTIANAK SIANTAN	Jl. Khatulistiwa No.168 E-F	0561887155	0561886321	WEST KALIMANTAN

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312	KCP LUBUK LINGGAU	Jl. Yos Sudarso	0733320656	0733320478	SOUTH SUMATERA
313	KCP BANGKALAN	Jl.KH.Lemah Duwur 53 Kel. Pejagan Kec. Bangkalan	0313090558	0313061588	EAST JAVA
314	KCP JAKARTA PURI KENCANA	Jl. Puri Kencana Blok K-7/2 M	02158302669	02158302695	DKI JAKARTA
315	KCP JAKARTA KELAPA GADING BUKIT INDAH	Jl. Bukit Gading Raya Blok A Kav. No.25	02145876711	02145876712	DKI JAKARTA
316	KCP JAKARTA SUNTER GARDEN	Komp. Perum. Sunter Garden Blok B-VII kav.No.11A	02129385070	02129385071	DKI JAKARTA
317	KCP YOGYAKARTA GEJAYAN	Jl. Gejayan CT.X/22	0274581919	0274561967	YOGYAKARTA
318	KCP LAMPUNG PRINGSEWU	Jl. Jend A.Yani No.99	072924185	072924186	LAMPUNG
319	KCP TANGERANG MERDEKA	Jl. Merdeka No.8	02155734999	02155734949	BANTEN
320	KCP TANGERANG CITY	Jl. Jend. Sudirman Ruko Tangcity Business Park Blok F Kav25	02129239230	02129239229	BANTEN
321	KCP JAKARTA RUKAN TOP KALIMALANG	Jl. Kalimalang E-6/1-2	02129361841	02129361833	DKI JAKARTA
322	KCP JAKARTA CIPULIR	Jl. Ciledug Raya No.123 D	0217226221	0217226231	DKI JAKARTA
323	KCP SURABAYA KENJERAN	Jl. Kenjeran 83i	0313719665	0313719658	EAST JAVA
324	KCP BALIKPAPAN MT. HARYONO	Jl. MT. Haryono Komp. Balikpapan Baru Blok B1 No.1	0542877735	0542876150	EAST KALIMANTAN
325	KCP JAKARTA BUNGUR	Jl. Bungur Besar No.32C	02142878750	02142878760	DKI JAKARTA
326	KCP TANGERANG MUTIARA KARAWACI	Ruko Mutiara Karawaci Blok C No.21	02155653342	02155653343	BANTEN
327	KCP SAMARINDA AHMAD YANI	Jl. Ahmad Yani No.23	05417776000	05417776001	EAST KALIMANTAN
328	KCP SOLO PALUR	Jl. Raya Palur No.329	0271821544	0271821543	CENTRAL JAVA
329	KCP GOWA	Jl. Usman Salengke No. 3	04118220388	04118220387	SOUTH SULAWESI
330	KCP PAMANUKAN	Jl. Ion Martasasmita No.14B	0260553900	0260553922	WEST JAVA
331	KCP SUKABUMI TIPAR GEDE	Jl. Tipar Gede No.19	02666252400	02666252449	WEST JAVA
332	KCP DENPASAR THAMRIN	Jl. Thamrin No.45	0361426325	0361423025	BALI
333	KCP METRO LAMPUNG	Jl. Jend. Sudirman No.88	072544202	072543154	LAMPUNG

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334	KCP PASURUAN	Jl. Soekarno Hatta No.123	0343415559	0343417449	EAST JAVA
335	KCP BANDUNG CIHAM- PELAS	Jl. Cihampelas No.119B	0222060999	0222060998	WEST JAVA
336	KCP BANDUNG CARINGIN	Pasar Caringin Kav.All No.12 Jl. Soekarno Hatta	0225413644	0225413775	WEST JAVA
337	KCP JAKARTA KUNINGAN CARD CENTER	Jl. Kompleks Rumah Sakit Mata Aini Kav.No.5 & 6	02129410724	02129410722	DKI JAKARTA
338	KCP BANDUNG UJUNG BERUNG	Jl. AH. Nasution No.202	02288884212	02288884211	WEST JAVA
339	KCP JAKARTA PANGLIMA POLIM	Ruko Grand Panglima Polim Kav.36 Jl. Panglima Polim Raya	02129501062	02129501051	DKI JAKARTA
340	KCP SUBANG	Jl. Oto Iskandardinata No.42	0260417557	0260471507	WEST JAVA
341	KCP JAKARTA ASEMKA	Jl. Pintu Kecil No.58A & 58B	0216900922	0216900923	DKI JAKARTA
342	KCP KUTA KALIANGET	Jl. Kalianget No.7	03614727403	03614727409	BALI
343	KC JAYAPURA	Jl. Ruko Pasifik Permai Blok B No.10 Dok II Bawah	0967522000	0967522004	PAPUA
344	KCP BANJARMASIN LAMBUNG MANGKURAT	Jl. Lambung Mangkurat No.45, 46 & 48	05113366460	05113366462	SOUTH KALIMANTAN
345	KK JAKARTA TRANSMART CEMPAKA PUTIH	Transmart Cempaka Putih Unit GF 13A-B Jl. Jend. Ahmad Yani No.83	02142871426	02142871430	DKI JAKARTA
346	KK JAKARTA TRANSMART CILANDAK	Transmart Cilandak, Unit G-06 Jl. Raya Cilandak KKO	02178840116	02178836452	DKI JAKARTA
347	KK BALIKPAPAN TRANSMART DAUN VILLAGE	Transmart Daun Village Unit GF-05 Komplek Daun Village Jl. MT. Haryono	05428513177	05428512509	EAST KALIMANTAN
348	KK BANDUNG TRANS STUDIO MALL	Bandung Trans Studio Mall Lt. Dasar Jl. Gatot Subroto No.289	02273511718	02273511719	WEST JAVA
349	KK JAKARTA CARREFOUR LEBAK BULUS	"Carrefour Lebak Bulus Lantai 1 Unit 05-07 Jl. Lebak Bulus Raya No.8 "	02129026011	02129026012	DKI JAKARTA
350	KK YOGYAKARTA TRANSMART MAGUWO	Transmart Maguwo Yogyakarta Jl. Raya Solo KM 8 No. 234	02742800006	02742800986	YOGYAKARTA
351	KK TEGAL TRANSMART	Transmart Tegal Jl. Kolonel Soe- giono	0283 - 4533707	0283 - 4533708	CENTRAL JAVA
352	KK BANDUNG TRANSMART BUAH BATU	Transmart Buah Batu Bandung Jl. Bojongsoang No.321	02286012942	02286012943	WEST JAVA
353	KK PEKANBARU TRANSMART SOEKARNO HATTA	"Transmart Pekanbaru Jl. Soekar- no Hatta "	07618522789	07618406330	RIAU

No	Office Name	Address	Phone	Fax	Province
354	KK PADANG TRANSMART	"Transmart Padang Jl. Khatib Sulaiman No.72 "	07518971152	07518971162	WEST SUMATERA
355	KK SEMARANG TRANSMART SETIABUDI	Transmart Setiabudi Semarang Jl. Setiabudi No.117	02476404011	02476404012	CENTRAL JAVA
356	KK DEPOK TRANSMART DEWI SARTIKA	Transmart Dewi Sartika Depok Jl. Dewi Sartika	021 75231958	021 75231957	WEST JAVA
357	KK MATARAM TRANSMART	Transmart Mataram Jl. Selaparang Lingkungan Sweta Timur	03707561888	03707561616	WEST NUSA TENGGARA
358	KK PALEMBANG TRANSMART	Transmart Palembang Jl. Radial	07115734599	07115734590	SOUTH SUMATERA
359	KK MANADO TRANSMART KAWANUA	Transmart Manado Kawanua Jl. AA. Maramis	0431 7286566	0431 7286366	NORTH SUMATERA
360	KK SOLO TRANSMART PABELAN	Transmart Solo Pabelan Jl. A. Yani No.234 Dukuh Banaran	0271 7464101	0271 7464060	CENTRAL JAVA
361	KK CIREBON TRANSMART	Transmart Cirebon Jl. Cipto Mangun Kusumo No.234	0231 8805005	0231 8806090	WEST JAVA
362	KK GRAHA BINTARO TRANSMART	Transmart Bintaro Graha Raya Jl. Perumahan Graha Raya Bintaro Blok CP 03A	02122927801	02122929405	BANTEN
363	KK LAMPUNG TRANSMART	Transmart Lampung Jl. Sultan Agung	07215612500	07215611333	LAMPUNG
364	KK SIDOARJO TRANSMART	Transmart Sidoarjo Jl. Mayjen Sungkono	03199709988	03199709989	EAST JAVA
365	KK PONTIANAK TRANSMART	Transmart Pontianak Jl. Ahmad Yani	05616712800	05616712399	WEST KALIMANTAN
366	KK KUPANG TRANSMART	Transmart Kupang Jl. W.J. Lalamentik	03808443800	03808443801	EAST NUSA TENGGARA
367	KF COLLECTION & RECOVERY MEDAN	Jl. Komodor Laut Yos Sudarso No.111 B dan No.111 C	08119635078		NORTH SUMATERA
368	KF COLLECTION & RECOVERY SURABAYA	Komplek pertokoan Semut Mega Plasa Jalan Stasiun Kota 24-C / 8-9	0315688566		EAST JAVA
369	KK BOGOR TRANSMART YASMIN	Transmart Bogor Yasmin Jl. KH. Abdullah bin Nuh Tanah Sareal	02517595125	02517595105	WEST JAVA
370	KK SURABAYA TRANSMART NGAGEL	Transmart Ngegel, Jl. Ngagel 137 - 141, Ngagel, Wonokromo	0315040898	0315041942	EAST JAVA
371	KK JEMBER TRANSMART	Transmart Jember, Jl. Hayam Wuruk No. 71, Kel. Sempusari, Kec. Kaliwates, Kab. Jember, Propinsi Jawa Timur	0331 - 5105066	0331 - 5105070	EAST JAVA



**MEGA
SUPER VAGANZA
GEMILANG HADIAH**

1 **UANG TUNAI
MILYAR**
1 ORANG PEMENANG

HADIAH LANGSUNG
VOUCHER BELANJA CT CORP
SETIAP BULAN

50 **HONDA
BEAT POP CW**

5 **MITSUBISHI
XPANDER**

Berikut Program Mega Super Vaganza Gemilang Hadiah.
Segera Buka Tabungan **MEGA DANA** dan **MEGA MAXI**.
Tingkatkan saldo dan transaksi bulanan Anda, semakin besar kesempatan menang
dan semakin banyak hadiah langsungnya.
Menabung di Bank Mega, Keuntungan Sepanjang Masa.

Periode Program : 5 November 2018 - 3 April 2019

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BANKMEGA



MANAGEMENT DISCUSSION AND ANALYSIS



**“IN 2018, BANK MEGA RECORDED
LOAN SIGNIFICANT GROWTH
OF 19.96% TO RP42.25 TRILLION
FOLLOWED BY IMPROVED LOAN
QUALITY REFLECTED IN THE NPL-
GROSS RATE WHICH IMPROVED TO
1.6%”**



MACRO REVIEW



The global economic conditions in 2018 are full of challenges and uncertainties caused by several things such as the Federal Reserve which raised interest rates four times during 2018, the US-China trade war, the Turkish crisis, and the political crisis and financial turmoil in Italy. In Europe, economic growth tends to slow down, although the direction of normalization of the European Central Bank's (ECB) monetary policy in 2019 remains a concern. In developing countries, China's economic growth continued to slow due to weaker consumption and net exports, among others, due to the influence of tensions between trade relations with the US, and the continued deleveraging process in the financial system. The sloping world economic growth and the high risk of trade relations between countries and geo-politics have had an impact on the continued low volume of world trade. In conformity, global commodity prices declined, including world oil prices due to increased supply from the US, OPEC and Russia.

Indonesian Economy

Global conditions also influence the economic conditions in the country, as seen from the exchange rate of the Rupiah against the US Dollar which continues to weaken. Despite the heavy external pressure, Indonesia's economic growth remains well maintained. With growth figures for 2018 of 5.17%, this is supported by a fairly good growth in consumption and investment.

This achievement is a very positive thing which proves Indonesia's economic growth resilience notwithstanding the global pressure. Economic indicators in the fourth quarter of 2018 showed that private consumption remained strong, supported by maintained consumer purchasing power and confidence and the positive impact of election preparation. The quarterly quarter in the last

three years shows that household consumption is still relatively well maintained, growing above 5% during 2018. This figure is far better than 2017 and 2016, which a few quarters decreased below 5%. This achievement was also supported by the inflation assumption that was in line with the target because it was successfully controlled at the level of 3.13% from the target of 3.5%. Throughout 2018, the banking industry in Indonesia showed a positive trend reflected in several financial indicators. Financial system stability is maintained supported by strong banking capital, controlled credit risk, increased lending, and adequate liquidity (Capital Adequacy Ratio/ CAR) of banks is high, reaching 23.22%, while the credit ratio is 2.37% (gross) or 1.14% (net). From the intermediation function, bank credit growth in 2018 reached 11.75% year on year (yoy), indicating a positive financial intermediation. While banking third party funds throughout 2018 grew more than 8.0% year on year (yoy).

Indonesia's trade balance in November 2018 recorded a deficit influenced by unfavorable global conditions. The trade balance deficit was recorded at US\$2.05 billion, influenced by a decline in export performance due to the weakening world economic growth and declining prices of Indonesian export commodities. Meanwhile, imports began to decline in line with the adopted control policies, although still growing high to meet the needs of productive activities, namely for investment. At the same time, total capital inflows to the domestic financial market in November 2018 totaled around 7.9 billion US Dollars, which occurred in all types of assets, including the stock market and corporate global bond issuance. The position of foreign exchange reserves at the end of November 2018 was quite high at 117.2 billion US Dollars, or equivalent to 6.5 months of import financing or 6.3 months of imports and government foreign debt payments, and is above the international adequacy standard of around 3 months of imports.

The Rupiah exchange rate moves in accordance with the market mechanism and consistently supports the adjustment of the external sector. The Rupiah in November 2018 rose by 6.29% point-to-point compared to the previous month's level, influenced by considerable foreign capital inflows due to the positive impact of the conducive domestic economy and escalating tensions between US-China trade relations which had eased. As of December 2018, the Rupiah has been under pressure due to increasing global uncertainty and increasing demand for seasonal foreign exchange for year-end needs. Inflation remained low and stable in the 2018 inflation target of $3.5 \pm 1\%$. CPI inflation in November 2018 was recorded at 0.27% (mtm) or 3.23% (yoy). Controlled inflation was influenced by core inflation of 3.03% (yoy), relatively stable compared to the previous month's inflation, supported by the consistency of Bank Indonesia's policies in directing inflation expectations, including in maintaining exchange rate movements in accordance with its fundamentals. Volatile food inflation was also lower than the historical pattern supported by adequate supply and declining world food prices.

Banking Performance

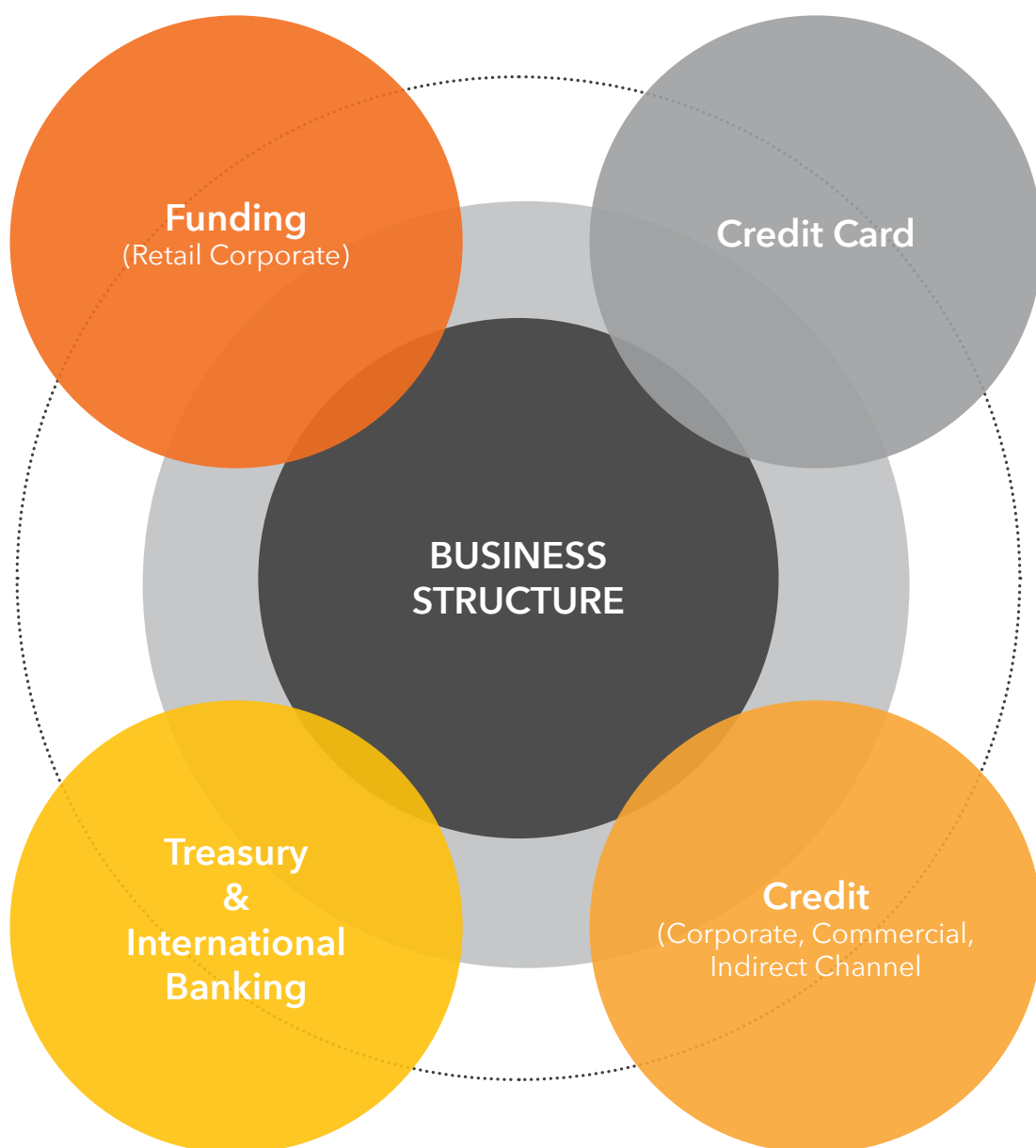
The national economic conditions that showed resistance had a fairly positive impact on banking performance. Financial system stability was maintained with increasing banking intermediation and well managed credit risk. Throughout 2018, the banking industry in Indonesia showed a positive trend reflected in several financial indicators. Financial system stability is maintained supported by strong banking capital, controlled credit risk, increased lending, and adequate liquidity. The banking capital adequacy ratio (CAR) was relatively high at 23.22%, while the ratio of Non-Performing Loans (NPL) remained low at 2.37% (gross) or 1.14% (net). From the intermediation function, bank credit growth in 2018 reached 11.75% positive financial intermediation. While banking third party funds throughout 2018 grew more than 8.0% year on year (yoy).

Meanwhile, economic financing through the capital market, share issuance (IPO and rights issue), corporate bonds, Medium Term Notes (MTN), and Negotiable Certificates of Deposit (NCD) during January to October 2018 was recorded at Rp178.9 trillion (gross), down compared to the achievement of the same period in 2017 of Rp231.6 trillion (gross). The payment system is maintained, both in terms of cash and non-cash, thus contributing to the performance of the domestic economy. In terms of cash payments (Rupiah Currency Management), the position of money circulated (UYD) increased 7.3% (yoy) in November 2018 along with seasonal increases in money requirements ahead of the Christmas and New Year holidays. On the side of large-scale non-cash payments, the transaction value completed through the BI Real Time Gross Settlement (BIRTGS) transaction in November 2018 decreased slightly by 1.7% (yoy). While in the retail payment system, the nominal daily clearing rate through the Bank Indonesia National Clearing System (SKNBI) grew by 9.7% (yoy) in November 2018, up from 6.7% (yoy) in the previous month.

The public transactions using ATM-Debit, Credit and Electronic Money Cards grew by 13.2% (yoy) in October 2018. Bank Indonesia will continue to ensure the continuity and availability of the national payment system, both for systems operated by Bank Indonesia and those held by industry, including guaranteeing the security and smoothness of the payment system towards the end of the year.

Banking deposits in October 2018 grew by 7.6% (yoy), higher than the previous month's growth of 6.6% (yoy). The transmission of an increase in the BI-7DRR policy rate towards the increase in deposit rates has gone well, encouraging deposits in banks to become increasingly attractive. All types of deposits show increased growth.

BUSINESS STRUCTURE





FUNDING

In 2018, Bank Mega focused on increasing low-cost funds in its funding strategy. To support this measure, Bank Mega launched new programs, called the Mega Super Vaganza Gemilang Emas lucky draw program, which was intended for Mega Maxi and Mega Dana Savings Account customers.

Until the end of 2018, the acquisition of Bank Mega's third party funds reached Rp60.73 trillion. The position of deposits is relatively stable when compared to the position in the same period of 2017 which amounted to Rp61.28 trillion (down 0.89%). This is in line with the Bank's strategy to maintain the cost of funds of third-party funds by increasing low-cost funds and reducing deposits with high interest rates. The result is that deposits decrease by 0.48% and Savings managed to grow by 7.98%. Bank deposits are still dominated by deposits.

In conformity with Bank Mega's strategy to strengthen its retail business, Bank Mega continuously launched savings programs with attractive prizes, thus the biggest growth occurred mainly in Mega Dana/Mega Maxi savings products.

One of the strategies to improve the third-party funds is to continuously improve synergies with all retail business units under the CT Corpora business group. Through this synergy Bank Mega has its own competitiveness as it can provide benefits to its customers in the form of discounts with unlimited validity. The following are performances of each Funding subsegment

Retail Funding

The banking industry funding performance remains limited. Aligned with this trend, Bank Mega continues to implement various strategies to improve its thirdparty fund with the focus on retail segment. By the end of 2018, Retail Funding posted Rp1.42 trillion of fund acquisition. As of the end of 2018, Retail Funding was recorded at Rp42.43 trillion.

Retail Funding portfolio is divided into two types of segmentation i.e. Mass Market and Mega First. Mass Market customers are Individual and Non-Individual types with balance below Rp500 million. While Mega First customers are Individual or individual types with balance more than Rp500 million and has to apply to get Mega First facility.

Bank Mega provides a variety of savings that are chosen by customers, namely Mega Dana, Mega Maxi, Mega Valas, Mega Rencana, Mega Berbagi, Mega Ultima and Mega Perdana. The customers can choose Savings products that suit their needs.

Mega Berbagi Savings product is an initiative of Bank Mega to synergize with customers in conducting social activities, in education. By setting aside 1% of the received interest, and additional 1% from Bank Mega, the customers and Bank Mega are jointly contribute to educate the children of the nation through the assistance in school facilities and improving the competence of teachers and learners.

Meanwhile, Mega First customers will get First Class financial services to meet their personal needs with unlimited benefits.

In 2018, Bank Mega introduced Mega Super Vaganza Gemilang Gift, which is a lottery and loyalty program for Mega Dana and Mega Maxi savings products with cash prizes, cars and motorbikes. Besides that, Customers can also get direct prizes for CT Corpora shopping vouchers, the program aims to further increase the acquisition of new customers (NTB) and increase the deposition of funds from existing customers. In order to increase shopping transactions using ATM/Debit cards, Bank Mega began working with digital merchants/Marketplace such as Lazada, Shopee, Tokopedia and many more. Bank Mega also actively participates in the lively National Online Shopping Day (HARBOLNAS).

Some activities carried out throughout 2018 in order to encourage Retail Funding performance include:

1. Bank Mega actively calls on Customers to make card replacement (re-carding) from magnetic stripe cards to chip-based cards. This is done to improve the security and convenience of conducting customer transactions. In 2018 it was recorded that 40% of customers had done the re-registration.
2. In 2018, Bank Mega has conducted the Proof of Concept (POC) process on the National Payment Gateway (NPG) program from Bank Indonesia with good results to support the Non-Cash Movement. Bank Mega also co-branded LSPR (London School Public Relations) by issuing LSPR alumni cards and LSPR student cards.
3. Mega Travel Fair held 2 times in 2018, namely in March and October in 12 major cities in Indonesia. This Mega Travel Fair is one of the suggestions in providing benefits for Mega Bank customers, especially Mega First customers, especially those who want to plan tourism trips and holidays both domestically and internationally. Bank Mega cooperates with strategic airlines partners and travel bureaus.
4. At the beginning of 2018, Bank Mega began to focus on introducing the Wealth Management concept to Mega First customer service, early in the year Bank Mega actively introduced Government Bond products in the Secondary Market. In 2018, Bank Mega also collaborated with 2 (two) Investment Manager Associates, namely: Ashmore Asset Management Indonesia in April 2018 and Schroder Investment Management Indonesia in October 2018, of which from the cooperation, Bank Mega added 7 new Mutual Fund products.

Work Plans And Strategies In 2018

During 2018 Retail Funding has undertaken various strategies in accordance with the 2018 work plans. Several activities were carried out in accordance with the work plan and implementation of business strategy of developing third party funds in the Mass Market segment and Mega First, among others:

- a. Mega First Customer Development with the basis of Membership Benefit & Lifestyle. Bank Mega emphasized the concept of "Membership Benefit" where customers will always obtain privileges on their lifestyle. With the banking experience with Bank Mega, the customers are expected to have better appreciation and other banking privilege.
- b. Mass Market customers development through a competitive program to enhance new customer acquisitions. Mass market customers are the largest numbers of Bank Mega total customers, subsequently making this segment as the concentration of Bank Mega to maintain cost of funds. To maintain the low Cost of Fund, in addition to cashback, Bank Mega provides other incentives in the form of prizes to be more attractive and to increase the ticket size of the retail customers in 2018.

- c. Process and quality of service improvements. Processes and procedures enhancement as well as service standards will be intensified. Bank Mega realizes that this factor will determine in retaining existing customers and in acquiring new customers in the long term.
- d. Network, features and banking services development. As an effort to maintaining and enhancing Bank Mega's competitiveness in the retail segment, Bank Mega will aggressively continue expanding its network and services, such as ATM, Mobile Banking and internet banking.
- e. Wealth Management
In 2018, Bank Mega introduced the concept of customer portfolio recommendations based on the owned risk profile, in which the customers can choose products according to their needs, timeframe and investment risk profile. Bank Mega introduced 4 types of customer risk profiles: Conservative, Moderate, Growth and Aggressive.

Development Strategy 2018

The programs implemented during 2018 are sufficiently effective in increasing funding performance for Retail Funding. As such, Bank Mega will continue the programs implemented throughout 2018. The programs and activities are as follows:

1. Broadening cooperation with retail merchants to procure attractive programs for debit card transactions.
2. Developing features and services for transaction electronic banking.
3. Increase customer acquisition through attractive programs.

In addition to continuing existing programs, Bank Mega plans to develop several new products and activities, including:

1. Implement marketing programs and activities to enhance brand image, brand awareness, customer loyalty and acquisition levels. Programs with prizes such as direct prizes and lucky draws for various products and activities, social marketing (marketing with social networking), as well as re-branding and re-launching of products and services. The following are main priority programs:
 - Savings Program program that offers various benefits including reward points for Millennials segment customers.
 - Development of tactical programs to increase brand awareness towards all Bank Mega's products.
 - Development of systems and features for foreign exchange products for the convenience of customers in conducting foreign exchange transactions at Bank Mega.
2. The addition of types and development of liabilities products (time deposits, savings and current accounts) both in terms of features, ease of transactions, packaging and types of currencies.
3. The addition of 2 Investment Manager Partners in marketing Mutual Fund products: Ashmore Asset Management Indonesia and Schroder Investment Management Indonesia.

4. The addition of Wealth Management products varieties such as Mutual Funds, Republic of Indonesia Government Bonds in the Secondary Market for IDR and USD retail segments, and Term Life Insurance products to meet customer protection needs.

Corporate Funding

In 2018, the Third Party Funds position of Corporate Funding Business was Rp17.7 trillion, Decreased by Rp1.7 trillion or 9% from the previous year. The Third Party Funds growth was driven by a significant increase of CASA at Rp247 billion and Time Deposits of Rp1.6 trillion. The focus of Third Party Funds is enhanced by the measures to approach large prospective corporate clients with holding groups, including collaboration with cash management services that provide customers' satisfaction and could accommodate the customers' energetic activities. Backed by tailor made internet banking and cash management support services that is enabled to be enhanced in accordance with customers' dynamic needs, Virtual Accounts, Cash Pick Up, Cash Pooling, Tax Payment, Employee Benefit, etc which could provide customers convenience in conducting financial activities. With the support of internet banking services and effective cash

management, Bank Mega aimed to raise significant low-cost funds while providing the best services for customers.

Strategy And Work Plans In 2019

All improvements carried out in 2018 will be continued in 2019. Corporate Funding is optimistic to significantly increase higher Third Party Funds from the previous year's achievements that supported by the following strategies and initiatives:

- Focus on approaching large corporate customers, especially holding companies, to collaborate with their sister companies.
- Integrating products and services within attractive programs that can fulfill the transaction needs of corporate customers and their subsidiaries.
- Focus on optimizing the existing HR performance to encourage the growth of Third Party Funds from the Corporate Funding segment.
- Improving cash management services.
- Improving corporate payroll services.
- Providing paradigms, volume based and profit based concepts by focusing on activities that can increase the acquisition of these two things more optimally.

ELECTRONIC CHANNEL (E-CHANNEL)

The banking digitalization development has become an important factor in banking competition. Currently, almost all aspects of products and services have been developed and equipped with technologies that facilitate services and provide the speed requires by the customers. To that end, the Bank continues to innovate and develop technology towards digital banking through the provision of new features and services for the customers convenience and speed, and potentially to increase feebased income.

Bank Mega currently has in place several electronic banking channels that support the customers convenience and speed in engaging financial transactions. These services include, ATM, Debit Card, internet banking, and mobile banking.

ATM

Until 2018, the number of transactions made through Bank Mega's ATM has reached 27.8 million transactions with value transactions reached Rp12.6 trillion. Income from ATM transactions has contributed fee based income amounted to Rp48.9billion. To date, all Bank Mega ATMs could process chip-based ATM card transactions. And in 2018, Bank Mega's ATMs have been complemented with features such as purchases of Indosat Data Package, XL Data Package, Top Up Gopay, Tokopedia payment, Car, Sriwijaya Air, BFI, BPJS and Prudential payment.

Mega Cash

One of the products that customers are interested in is Mega Cash. Throughout 2018, Mega Cash card sales has reached 159.770 thousand cards, hence the total outstanding of Mega Cash card reaches 4.10 million cards. Of the number of cards, the value of transactions made through Mega Cash in the period reached 2.3 million transactions, with a transaction value of Rp101.64 billion. In 2018, Bank Mega has conducted the Proof of Concept (POC) process on Bank Indonesia's National Payment Gateway (NPG) program and achieved a good result to support the Non-Cash Movement. Bank Mega also co-branded LSPR (London School Public Relations) by issuing LSPR alumni cards and LSPR student cards.

Debit Card

The use of debit cards is currently more attractive to customers. Bank Mega also released a debit card, called Bank Mega Debit Card. Aligned with the practical and fast needs of society, the use of Bank Mega Debit Card also continues to increase. In 2018, Bank Mega Debit Card has reached 1.27 million cards with transaction value reaching Rp431.15 billion. Following the provisions of Bank Indonesia regulation concerning the use of chipbased ATM/Debit cards, Bank Mega has initiated the gradual replacement of ATM/Debit cards by 40%. Bank Mega savings customer has its own advantages, because of the unlimited benefits by transacting in all retail outlets of CT Corpora when making a payment with Bank Mega Debit Card.

Mega Internet

Internet banking service is also one of the e-channel services widely used by Bank Mega customers. This is reflected in the increase of Mega Internet transactions. In 2018, the individual users increased by 8.4% from 34,921 users to 37,852 users. With transaction volume grew 20.5% from Rp813,181 million to Rp980,227 million, indicating an increase in the value of Mega channel transactions Internet. Meanwhile, the total transactions also increased from 766,943 transactions to 884,129 transactions (15.3%). To increase the total and volume of transactions, Mega Internet is planning to continue adding the payment feature by collaborating with new billers.

Mega Mobile

Bank Mega has other e-channel services called Mega Mobile, which offers various transaction convenience. Throughout 2018, the total Mega Mobile users has increased by 30.2% from 87,609 users in 2018. The transaction volume also increased by 53.6% from Rp1,320,608 million to Rp2,028,366 million. This achievement indicates an improvement in channel transaction value from Mega Mobile.

Total transactions grew 56.6%, from 1,589,764 transactions to 2,489,774 transactions. Going forward, Bank Mega will continue developing the transaction feature, particularly on new payment and purchase by collaborating with new billers.



CREDIT

In its lending activities, Bank Mega focuses on Corporate, Commercial, Retail (SME and Consumer) segments, as well as Indirect Channel and Credit Card. Throughout 2018, the total outstanding loan disbursed reached Rp34.54 trillion. The loan disbursement for each segment is described below.

Corporate Loans

Throughout 2018, the total outstanding loan disbursed to the Corporate Segment reached Rp15.26 trillion, grew by Rp2.94 trillion or 23.89% from the previous year. This makes the corporate segment as the largest contributor to lending, reached 36.11% from the Bank's total outstanding.

This year, the Corporate Segment recorded a profit of Rp500 billion, increased by 77.3% from 2017 and remains as the largest contributor to the Directorate of Credit. The total net interest income from the Corporate Segment in 2018 reached IDR356 billion. The largest profit increase was from fee income of Rp223 billion, increased by 254% compared to 2017.

In disbursing loans to this segment, Bank Mega focuses on financing the industry sector that has a positive growth trend. In 2019, the Bank aim to penetrate into the SOE and syndication sector.

Retail Credit (SME & Consumer) and Micro Banking (KUK)

Bank Mega recorded a total retail (SME & Consumer) and KUK loans of Rp2.2 trillion. Loans to the SME segment reached Rp 1,308 trillion, while the Consumer segment reached Rp625 billion and outstanding KUKs amounted to Rp 277 billion along with Bank's strategy to exit this segment. The total lending to SME & Consumer segment reached 1.93 trillion or reached 4.73% of the Bank's total outstanding credit. Although profit did not increase from 2017, the retail segment managed to record net interest income of Rp 96 billion or 12.4% of total interest income of the Directorate of Credit in 2018. In 2019 this segment will concentrate on working on capital financing and investment financing in the industrial sector with a positive trend

Commercial Loans

In 2018, Bank Mega's lending for commercial loans was Rp3.70 trillion. The Bank's focus for commercial loans was by providing working capital loans and actively explore the fee-based income potentials.

The total profits from the Commercial Segment reached IDR36 billion, increased by 100% from 2017, and contributed 4.7% of the total Directorate of Credit profit. The biggest increase in profits derived from fee income of Rp33 billion, increased by 120% compared to 2017. While net interest income collected reached Rp77 billion, increased by 4% compared to last year.

Indirect Channel

The Direct Channel segment successfully grew Rp4.6 trillion to became Rp13.38 trillion in 2018 or reached 109.8% of the total target set for Indirect Channel. This was a significant achievement compared to the previous year.

Profit achieved by the Indirect Channel segment was Rp250 billion or 14.7% compared to the previous year. Contributed 32.6% of the total credit directorate's profit as the second largest contributor to the Credit Directorate. The Indirect Channel segment posted net interest income of Rp243 billion, increased by 19% compared to the previous year.

In 2019, the Indirect Channel segment will focus on expanding cooperation with other partners, in particular with the partners of the Bank-owned financing companies, as part of loan development with mirroring schemes.

Strategy and Business Plan 2019

Credit strategies in general in 2019, including:

- Focus on fulfilling the needs of reliable marketers to explore credit potential according to the target market of each credit segment, developing reliable resources through a tiered and sustainable training program, and monitoring key performance indicators based on several parameters.
- Make the more effective business center to acquire credit and withhold accelerated repayments, and coordinating with branches to get credit referrals, so as to encourage the growth of Retail and Commercial loans in each region.
- Focus on increasing fee income through discipline costs and looking for potential extra fee income for certain credit structures.
- Improved debtor credit quality through several methods, namely: the selection process while acquiring new debtor candidates to obtain qualified ones; second: Account maintenance and early warning signals through periodic on the spot checking activities to see the progress of the debtor's business; third: accelerating the settlement by increasing the intensity of collateral execution through the auction process and or taking over the collateral of the debtor through the AYDA process.

To face the challenges in 2019, each segment has established plans and focus that will be developed in accordance with the strategy, namely:

- Corporate Loans
Corporate Banking will focus on syndicated loans and loan disbursements to SOEs with a solid financial ratings and conditions (construction sector), as well as focus on industry sectors that is projected to grow through new and existing customers. Loan disbursement will also focus on reputable corporations and groups with financing priorities on business development and/or new business establishment in order to diversify certain group businesses. Bank Mega will also participating into the corporate loan portfolio will focus on foreign currency loans, which generates a higher margin than Rupiah currency.

- Commercial Loans

The commercial loans target will focus on business-based cities with economic growth potential and supported by the adequacy and readiness of infrastructure, by establishing Business Center in each region. This segment will also focus on maintenance and top up existing debtors who have track records in loans performance, and to carry out cross selling in trade finance products to existing borrowers in order to increase fee income.

On products, the commercial segment will entrust on Financing Outlet marketing for entrepreneurs that aim to construct buildings or malls with longterm leases. In addition, the commercial segment will also tap into loans for suppliers within the group and other companies with assets and receivables collaterals.

- Retail Loans (SME & Consumer)

This segment will concentrate on retail working capital with revolving facilities scheme such as SME loan with business group or top player with positive trends. In its implementation, the loan disbursements will be conducted in big cities that are enjoying an increasing trend of growth and have the economic growth potentials, supported by the adequacy and readiness of infrastructure. This is supported by the existence of Business Center established in the cities.

The loan cooperation schemes to suppliers or suppliers within the group and several non-individual business enterprises or group will make up as one of the priorities to support the loan growth in Retail Business Segment (SME). In addition, the consumer retail segment plans to carry out cooperation with the companies for the apartment ownership loan (KPA) to end users.

- Indirect Channel Loans

For Indirect Channel segment, loan growth will continue to increase along with the expansion to new partners and deepening relationship to existing partners, aiming to increase monthly loan disbursement. To increase the financing volume, Bank Mega synergizes with companies within the group (MAF, MCF, and MF). The synergy includes to developing vehicles loans (new or used) as well as multipurpose loans beyond vehicles and electronic financing that currently exists. In addition, Bank Mega will expand with other partners especially with top Bank-owned financing companies.

To increase fee-based income, Bank Mega will optimize the Conventional Trade Finance services, namely the issuance of LC, prime lending rate, Bank Guarantee and Standby LC on a case by case basis. For selected customers, Bank Mega will provide Structured Trade Financing service, which include the provision of various financing facilities by utilizing sources of funds from correspondent banks at a lower cost. On a continuous basis, a trade finance & cash management product development strategy and marketing and cross selling synergies will be developed in order to increase fee based income from cross selling.

CREDIT CARD

Through the cooperation with selected merchants, Bank Mega continuously provides excellent benefits, features, facilities and promotional programs aimed at meeting the needs of its cardholders. These efforts are expected to continuously grow the use of Bank Mega cards in line with the customers loyalty that are satisfied and comfortable with Bank Mega offers and services.

Bank Mega always strives to initiate product innovation to acquire wider new market segments focusing on big cities across Indonesia. The innovation includes promotion programs or planning on new credit cards targeted to increase sales volume and revenue. The measures are expected to strengthen Bank Mega positioning amidst fierce credit card business competition in Indonesia.

Significant Value of Synergy with CT Corp and Bank Mega Credit Cards

Bank Mega innovations succeeded in delivering advantages in its credit cards that no other have the same offers. The advantages include convenient facilities through extensive benefits from CT Corp for its cardholders. The unparalleled synergy across the retail, lifestyle and entertainment products from companies incorporated in the CT Corp becomes an effective strategy and the right measure in realizing the Bank's business objectives. In its implementation, Bank Mega's synergies with companies under CT Corp Group continue to be optimized by providing year-round discounts that make Bank Mega to be increasingly taken into account and stronger in the credit card market in Indonesia.

Food & Dining

The feasting and dinning program offers various culinary programs with more than 500 restaurants and cafes across Indonesia that are exclusively offers to all cardholders with a culinary hobby. In partnership with Trans F & B, Bank Mega Credit Cards provide exclusive offer throughout the year of up to 50% discount on Coffee Bean and Tea Leaf, Baskin Robbins and Wendy's which are incorporated under Trans F&B.



FASHION & LIFESTYLE

Especially for fashion lovers and cardholders that enjoy to collect favorite brands from Trans Fashion. Bank Mega Credit Card offers special discounts of up to 20% installment. This program applies to MegaFirst Infinite Credit Card. As for other Mega Bank Credit Cardholders, Bank Mega offers 10% discount or in Aigner, Canali, Furla, Geox, Hugo Boss, Salvatore Ferragamo, and Tod's. Metro Department Store is one of the companies under CT Corp that presents lifestyle needs by offering quality clothing

and accessories. The philosophy underlying this company is providing a comfortable and enjoyable shopping environment and experience. Bank Mega and Metro Department Store have collaborated to create exclusive special programs for all Bank Mega credit card holders, namely 10% discount and to redeem rewards point that can be enjoyed throughout the year.



TRAVEL & LEISURE

For the credit card holders with a vacation hobby, Bank Mega specifically cooperates with AntaVaya Tour to facilitate the cardholders that plan to travel in both business and leisure. The cooperation with AntaVaya Tour includes tickets, accommodation, tour packages and various other privileges. Benefits of using Bank Mega credit card, among others, are not subject to additional fees (surcharge), competitive international ticket prices and interest installment facility. AntaVaya Tour and Bank Mega are regularly organizing a Mega Travel Fair twice a year by inviting many airlines and tourism boards that aim to be holiday recommendations. Mega Travel Fair provides many promo tickets and exciting tour packages for holidays for Bank Mega credit card holders.

Other interesting alternative holidays are to spend time with families in Trans Studio Makassar and Bandung that offers exciting and interesting rides. Take your budget holiday with 25% Trans Studio entrance ticket with Bank Mega credit card.

In addition to enjoying the rides, the Integrated Trans Studio Bandung also offers the opportunity to indulge in shopping at Trans Studio Mall or take a rest at the Trans Luxury Hotel Bandung, Trans Resort Bali, Love Fashion Legian and IBIS Hotel. Bank Mega Cardholders can enjoy special stay deals and 50% off for weekdays and 25% for the weekend.



DAILY NECESSITIES

Transmart Carrefour Indonesia, a hypermarket concept center under PT Trans Retail Indonesia that has a One-Stop Shopping Concept offer a variety of products with low prices and best services. Transmart Carrefour and Bank Mega cooperate to

provide excellent benefits for all cardholders by providing 10% discount or and to redeem rewards point that can be enjoyed throughout the year.



MEDIA & ENTERTAINMENT

TRANS TV, TRANS7, Transvision, CNN Indonesia and Detikcom are the companies under the umbrella of TRANSMEDIA. Bank Mega and TRANSMEDIA cooperate to increase brand awareness

and deliver promotional programs, especially to Bank Mega card holders and public in general. With TRANSMEDIA, Bank Mega has the convenient media in promoting its innovations.



FINANCIAL INSTITUTION

The business synergy under CT Corp's umbrella is effectively managed. Bank Mega Credit Card business synergy is carried out with several financial institutions under the CT Corp., namely Asuransi Umum Mega engaged in General Insurance Services,

and Asuransi Jiwa Mega Indonesia which engaged in Life Insurance Services. Bank Mega and both companies have the purpose to assist in financial planning and self-protection as well as ownership of the cardholder's assets.



STRATEGY IN 2019

In 2019, Bank Mega plans to continue expanding its Credit Card and Personal Loan business by focusing on providing excellent service to cardholders through the Mega Credit Card Mobile digital application by launching several new features in the form of credit card and financial transactions, including: Installment Requests, Credit Card Limit Requests, Monthly Bill Payment Registration

(Mega Bill) and Insurance, as well as other features that are expected to sustain business growth and deliver more complete product services for card holders. In addition, Bank Mega Credit Card will continue to provide benefits in the fields of food & dining, travel, and online transactions to fulfill the cardholder's lifestyle.

AntarVaya Pergi

Paket Tour

Diskon **20% + 10%** atau **Cicilan 0%**

Cruise

Diskon **50% + 10% + 10%**

13 - 16 September SEMARANG - Transmart Seriabudi	3 - 14 Oktober SURABAYA - Galaxy Mall
20 - 23 September JAKARTA - Emporium Pluit	11 - 14 Oktober JAKARTA - Mall Kelapa Gading
27 - 30 September JAKARTA - Serayan City	18 - 21 Oktober TANGERANG - Summarecon Mall Serpong
27 - 30 September BANDUNG - Trans Studio Mall	18 - 21 Oktober MAKASSAR - Trans Studio Mall

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Bank Mega Tbk (Tbk) is a public company listed on the Indonesia Stock Exchange (IDX) with ticker symbol BMG.

Bank Mega Indonesia
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BANK MEGA

TREASURY & INTERNATIONAL BANKING

The global trade war between the United States (US) and China as well as the increase in the Fed Rate (FFR) drawn different impacts for the countries around the world. Peso was the most affected currency, weakened to 50.75%. While Lira, the Europe currency also experienced a very sharp decline of 29.05% despite the Turkish government's efforts to raise interest rates by 24% to maintain the stability of the country. In Asia, the most affected currency was Rupees, India with a decrease of 11.11%. Indonesia, which is a developing country, also experienced a deep decline in its currency, amounting to 7.07%.

The weakening of the Composite Stock Price Index (CSPI), the increase in yield of Government Securities (SBN), and the decline in the Rupiah were the domino effects that occurred in Indonesia. Net flow of Foreign investor funds and SBN in the stock market pushed the Stock Market Price Index correction and triggered an increase in Government Bonds yield. The foreign investors respond by investing their fund in a safe haven rate, resulting in the Rupiah weakening.

In an effort to maintain the stability and attractiveness of financial market, also to control the current account deficit, Bank Indonesia raised the BI-7DRR by six times. The adjustment in policy interest rates pushed the interest rates to increase the Rupiah Interbank Money Market and the Repo Market.

In conformity with the increase in the Fed Fund Rate (FFR), foreign exchange interbank rates and volatility have increased. In addition to increasing the BI-7DRR, Bank Indonesia also made improvements in the macropudential sector by issuing two new macropudential policy instruments, namely the Macropudential Intermediation Ratio (RIM) and the Macropudential Liquidity Buffer (PLM). RIM is the GWM Loan to Funding Ratio (LFR) policy and PLM is a Secondary RR policy.

At the same time, Bank Indonesia made a policy for concessions to foreign exchange reserves, namely with the presence of averaging in foreign exchange at 2.0%. At the end of the year, to further safeguard Rupiah liquidity, BI re-issued additional Rupiah GWM Averaging from 2.0% to 3.0%.

Amidst the uncertain economic and market conditions, Bank Mega's treasury business takes prudent measures, by taking a highly selective effort when choosing assets qualities both in investment or trading, in order to maintain liquidity and profitability. The following are concrete steps taken by the treasury:

1. Risk diversification by regulating the composition of securities in terms of issuers (government and corporations) and in terms of tenor maximizing Bank Mega's revenues without significantly increasing the risk exposures.
2. Taking prudent measure in selecting and buying corporate bonds with a minimum rating of idA- (Pefindo) to avoid any future non-payment.
3. Governing the sustainable Trading and Available for Sales (AFS) and Hold to Maturity (HTM) portfolio to offset loan and third party funds growth while maintaining and controlling risk exposures.

4. Ensuring bank liquidity stability by reviewing the level of High Quality Liquid Assets & Liquidity Coverage Ratio.
5. Always ensure the stability of bank liquidity by looking at the number of High Quality Liquid Assets (HQLA), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR).

As a result, this strategy is able to maintain Bank Mega's income in 2018 while maintaining liquidity. Income is obtained from Net Interest Income and capital gains from the sale of securities.

Strategy 2019

Going forward, the Indonesian financial system is projected to face numerous challenges which would affect financial system stability. From the external side, the US interest rates policy, trading issues, and unstable oil prices are potential to affect the domestic financial system. While from within the country, the political pressure is predicted to arise, along with the 2019 Presidential Election. Due to such challenges, Bank Mega will continue to aggressively carry out revenue growth in 2019. The Bank has determined the targets, considering that the economic growth is expected to grow around 5.1%-5.5% with maintained low inflation rates at the level of 3.5% +/-1%, and foreign investors enthusiasm to invest in Indonesia which is expected to recover the bond and stock market prices.

Global Markets

Bank Indonesia's has decided to increase BI's interest rate (7-Day reverse Repo) by six times from May to the end of November, from 4.25% to 6.00% in 2018. This is in conformity with the efforts to reduce the current account deficit to a safe limit and to maintain the domestic financial market attractiveness and further strengthens Indonesia's external resilience amid the remaining high global uncertainty.

On the other hand, the IDR currency has weakened against the USD. At the beginning of 2018, IDR was opened at around 13,450 against the USD and weakens to its peak at 15,280 in October. This weakening was largely triggered by the policy to raise interest rates set by the United States central bank, giving pressure on almost all other currencies against the USD. International geopolitical factors are also a driving factor for the domestic market. The fears arising from trade war between China and the US will still be a concern for the local and international markets.

Year 2019 is predicted to remain a challenge for the financial market. The domestic market will be affected by political factors in which the elections will simultaneously take part in the Indonesian democracy event. The international factors will also be the concern of market players in 2019, this is mainly due to a potential increase in interest rates in the US that many analysts estimate will occur in 2019, including the unresolved geopolitical factor in 2018.

Bank Mega focuses to remain active in the financial market activities, hence contributing to the Bank's overall significant performance while maintaining consistent attention to compliance and risk corridors.

1. **Global Markets Sales**
Global Markets Sales always innovating and increasing competitive global market expertise along with comprehensive understanding of the local market. Thus, Global Market Sales is capable to provide a competitive price and commitment to provide the best services. With the increasing level of banking competition in the effort to enhance customers market share, the Global Markets Sales increases synergies with internal parties on its product marketing. The training, socialization and communication to sales officers in branches and head office was intensified, hence the product information including internal and external rules related to compliance factors can be informed to the marketing officers. This will enable the marketing of Global Markets product, character, risk and transparency to meet the prevailing rules. The Global Markets Sales also more creatives in its innovation. Bank Mega strives to understand the customers' needs on the Global Markets products, such as bonds, forex, and derivative financial products.
2. **Global Markets Trading**
Indonesia will face years of challenges and political events in 2019 along with the celebration of Presidential and Legislative election. On the other side, global market will face increased interest rate, thereby expanding the opportunity for Global Markets Trading team to carry out daily activities, such as generating fee based income. Synergy with the Global Markets Sales team will be sustained by providing competitive pricing to achieve market share targets while adhering to the principles of compliance, both internally and externally.

Strategy in 2019

In 2019, Global Markets remains focused on a business model that is oriented to customer needs. This will be achieved by implementing a strategy that offers financial market services with a complete solution that covers the entire market segment (currency, interest rates and derivatives).

GMTS is committed to becoming the customer's first choice. Therefore, GMTS will strive to serve customers, while at the same time continuing to keep up on market developments in order to achieve a sustainable business model that benefits both customers and the Bank. In 2019, there will be challenges that are predicted to affect the Bank's performance, especially to the GMTS business segment. The projected interest rate increase by the Central Bank of the United States will have an impact on the Rupiah weakening. This is projected to affect the transfer of funds to the United States financial market and to increase the Rupiah interest rate. To anticipate this and other potential challenges, Bank Mega will strive to continue improving customer funding from both corporate and retail customers through continuous product innovation, strengthen and expand contributions from new sales distribution channels.

On the other hand, in order to achieve sustainable growth, the Bank has also set the top priority of the GMTS in 2019 including:

- Optimizing transactions with retail customers ranging from securities, foreign exchange and structured products.
- Encouraging cross sell with corporate customers.
- Foreign exchange, securities and derivative trading activities to support transactions with customers.
- Anticipate and provide input to regulators in the issuance of new financial market regulations.

INTERNATIONAL BANKING & FINANCIAL INSTITUTION

Bank Mega is a large local bank supported by more than 371 branches, which spread across 34 provinces in Indonesia ranging from Medan to Jayapura. We strive to build a long-term strategic relationship to serve bank and non-bank customers, therefore, International Banking & Financial Institution provides a variety of comprehensive products and solutions including credit, deposits, Trade Finance, Remittance, Investment, Derivatives & Hedging.

TRUSTEES ACTIVITIES

Trustee is a Capital Market Supporting Institution with the duty to represent the interest of the debt Securities Holders, which required by the debt Securities issuers. Bank Mega has obtained a Certificate of Registration (STTD) to conduct business activities as the Trustee of the Capital Market Supervisory Agency (BAPEPAM) based on the decree No. 20/STTD-WA/PM/2000 on August 2, 2000.

The Bank's duties and responsibilities as Trustees are as follows:

- a. Representing the interests of the bondholders both inside and outside the court in taking legal action related to the interest of the bondholders;
- b. Submitting transparent complete information regarding the qualifications as a Trustee in the prospectus;
- c. Providing reports to the Financial Services Authority, Stock Exchange and bondholders either directly or through the Stock Exchange in the event that Issuers are defaulted or in a circumstance which may endanger the bondholders' interests;
- d. Periodic oversight or monitoring on the development of issuers' business management based on financial statements or other reports;
- e. Providing advice to issuers in relation to the trustee agreement.

In the year ended December 31, 2018, Bank Mega serves as Trustees for 118 bonds and 159 emissions of Medium-Term Notes. The total value of bonds issued up to December 31, 2018 amounted to Rp127.97 trillion and US\$120 million.

CUSTODIAN SERVICE ACTIVITIES

Custodian Bank is a bank that provides securities depository services and other activities related to the said securities, among others, the securities transactions settlement, the management of rights on securities held, and to represent the Securities Holder's right as Proxy. Bank Mega serves as a Custodian Bank based on a license from the Capital Market Supervisory Agency (BAPEPAM) No. KEP-01/PM/KSTD/2001 dated January 18, 2001. Bank Mega provides the following custodian services:

- General Custodian, covering:
 - Safekeeping (securities custody and administration)
 - Settlement & transaction handling (handling and settlement of securities selling/buying transaction)
 - Corporate action (managing customers rights in relation with securities ownership)
 - Proxy (representing the customers in the General Meeting of Shareholder based on proxies)
 - Reporting
- Mutual Funds Custodian, including:
 - Unit Registry (listing and administrative of Mutual Funds Investment unit)
 - Fund Accounting (collective custodian, Mutual Funds portfolio administrative, and calculation of Net Assets Value)
 - Reporting
 - Other securities custodian in accordance with the prevailing laws

As of December 31, 2018, Bank Mega's custodian administration portfolio value reached Rp65.50 trillion.

MEGAVALAS & MEGAGIROVALAS

Tersedia dalam mata uang Chinese Yuan



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BANK MEGA

FINANCIAL PERFORMANCE REVIEW

The analysis was prepared based on the Financial Statements of PT Bank Mega Tbk, which have been audited by Purwantono, Sungkoro & Surja (PSS-EY) in accordance with the Independent Auditor's Report No.00050/2.1032/AU.1/07/0686-2/1/II/2019 dated February 11, 2019 with the opinion that the Financial Statements of PT Bank

Mega Tbk have been fairly presented in all financial position material in accordance with Indonesian Financial Accounting Standards and Accounting policy for banking industry in Indonesia. The consolidated financial statements of Bank Mega are also presented in the last chapter of this Annual Report.

Financial Statements Analysis

Assets

In Million Rupiah

Assets	2018	2017	Growth (%)
Cash	998,453	1,037,227	-3.74
Current Accounts with Bank Indonesia (BI)	3,857,831	4,797,271	-19.58
Current Accounts with Other Banks			
Related Parties	105	5,753	-98.17
Third Parties	285,032	218,984	30.16
Placements with Bank Indonesia and other banks			
Related Parties	200,000	67,000	198.51
Third Parties	2,689,675	7,102,691	-62.13
Securities			
Related Parties	-	303,963	-100.00
Third Parties	22,805,995	22,251,102	2.49
Securities purchased under agreement to resell	2,002,987	3,523,293	-43.15
Derivatives receivables			
Related Parties	-	9	-100.00
Third Parties	106,182	16,676	536.74
Loans			
Related Parties	320,897	367,357	-12.65
Third Parties	41,942,807	34,870,457	20.28
Unearned interest income	(11,002)	(15,237)	-27.79
Allowance for impairment losses	(347,043)	(474,071)	-26.80
Total Loans	41,905,659	34,748,506	20.60
Acceptances receivable			
Related Parties	720	2,378	-69.72
Third Parties	701,698	604,899	16.00

In Million Rupiah

Assets	2018	2017	Growth (%)
Deferred tax assets	111,284	6,101	1,724.03
Fixed assets - net	6,045,523	5,495,990	10.00
Other assets - net			
Related Parties	7,968	7,111	12.05
Third Parties	2,042,834	2,108,056	-3.09
Total Assets	83,761,946	82,297,010	1.78

Total Assets

In 2018, the Bank's assets increased by 1.78% to Rp83.8 trillion from Rp82.3 trillion in 2017. This increase was primarily due to increased loans and effects.

CURRENT ASSETS

Cash and cash equivalent

The Company's cash and cash equivalent position in 2018 was Rp5.1 trillion, decreased by 15.15% compared to Rp6.1 trillion 2017. This was primarily due to the decrease in current accounts with Bank Indonesia.

Effects

Throughout 2018, the Company's securities reached Rp22.8 trillion, increased by 1.11% compared to Rp22.6 trillion in 2017. These effects consist of Government Bonds, Republic of Indonesia Bonds, Corporate Bonds, Bank Indonesia Deposit Certificates, Treasury Bills, Indonesian Retail Bonds, Negotiable Certificates of Deposit and SKBDN Bills.

Loans

The loans provided by the Company (after deducted by CKPN) grew by 20.60% (yoy) from Rp34.7 trillion in 2017 to Rp41.9 trillion in 2018. Credit growth was supported by increased distribution of Investment Loans and Working Capital Loans.

Fixed assets

The Company's total net fixed assets as of December 2018 reached Rp6.0 trillion, increased by 10.00% yoy if compared to Rp5.5 trillion in 2017.

Other assets

Other net assets in 2018 were recorded at Rp2.05 trillion, a decrease of 3.04% compared to Rp2.12 trillion in 2017.

LIABILITIES

In Million Rupiah

Assets	2018	2017	Growth (%)
Obligation due immediately	458,216	666,973	31.30
Deposits from customers			
Current accounts			
Related Parties	2,258,451	1,928,351	17.12
Third Parties	4,459,753	6,004,534	-25.73
Saving deposits			
Related Parties	111,576	57,250	94.89
Third Parties	11,687,504	10,870,047	7.52

In Million Rupiah

Assets	2018	2017	Growth (%)
Time deposits			
Related Parties	860,213	638,808	34.66
Third Parties	41,357,301	41,783,881	-1.02
Deposits from other bank			
Related Parties	1,781	3,557	-49.93
Third Parties	2,799,996	1,999,336	40.05
Total Loans	41,905,659	34,748,506	20.60
Securities sold under repurchased agreements	4,589,369	4,025,569	14.01
Derivatives payable from third parties	85,530	8,397	918.58
Income tax payable	29,736	25,153	18.22
Acceptances payable	702,418	607,277	15.67
Fund borrowings	-	135,675	-100.00
Post-employment benefits liability	274,102	267,070	2.63
Accrued expenses and other liabilities			
Related Parties	3,043	3,968	-23.31
Third Parties	300,284	206,548	45.38
Total Liabilities	69,979,273	69,232,394	1.08

Total Liabilities

In 2018, total liabilities increased by 1.08% from Rp69.2 trillion in 2017 to Rp70.0 trillion. The increase was due to deposits from other banks and securities sold with securities sold under repurchased agreements.

Savings

The total deposits from customers in 2018 reached Rp60.7 trillion, decreased 0.89% (yoy) from 2017 which amounted to Rp61.3 trillion. Savings recorded a growth of 7.98% to Rp11.8 trillion, while Current Accounts and Deposits decreased by 15.31% and 0.48% respectively.

Deposits from other banks

As of 2018, deposits from other banks increased significantly by 39.89% yoy. Deposits from other banks increased from Rp2.0 trillion in 2017 to Rp2.8 trillion.

Accrued Expenses and other liabilities

Accrued expenses and other liabilities include interest payable, guarantee deposits, and other accrued expenses. As of December 2018, the total accrued expenses reached Rp303 billion, increased by 44.09% from Rp211 billion in 2017.

Derivative Liabilities

Derivative liabilities are liabilities that can be measured at fair value. In 2018, derivative liabilities reached Rp86 billion, a significant increase of 918.58% from Rp8 billion in 2017.

Securities Sold under Repurchased Agreements

Securities sold under repurchase agreements are classified as financial liabilities measured at amortized cost. These effects include Deposits Certificates of Bank Indonesia, and government bonds. Total securities sold under repurchased agreements in 2018 reached Rp4.6 trillion or increased by 14.01% on an annual basis.

Fund Borrowings

In 2018, the Company obtained loans in US Dollars from other banks. The loan is for financing letter of credit and trade finance facilities and amounted reached Rp136 billion.

Post-employment Benefits Liability

The Bank recorded a defined benefit obligation for post-employment benefits in 2018 reaching Rp274 billion, an increase of 2.63% from 2017 which amounted to Rp267 billion.

Tax payable

The tax payable in the Bank is recorded as income tax payable consisting of PPH 29. In 2018, the amount recorded reached Rp30 billion, an increase of 18.22% from 2017 which amounted to Rp25 billion.

LIABILITIES

In Million Rupiah

Assets	2018	2017	Growth (%)
Interest Income	6,772,448	6,393,586	5.93
Interest Expense	(3,258,611)	(2,884,980)	12.95
Net Interest Income	3,513,837	3,508,606	0.15
Other Operating Income			
Fees and Commissions	1,917,372	1,675,332	14.45
Gain on sale of securities	40,898	454,967	-91.01
Gain on foreign exchange transactions net	48,415	35,607	35.97
Others	11,216	13,240	-15.29
Total other operating income	2,017,901	2,179,146	-7.40
Other Operating Expenses			
Loss from the changes in fair value of financial instruments - net	(998)	(2,610)	-61.76
Fees and Commissions	(9,890)	(11,888)	-16.81
Provision for impairment losses on financial assets and non-financial assets - net	(370,289)	(851,106)	-56.49
General and administrative expenses	(1,942,515)	(2,021,551)	-3.91
Salary expenses and other allowances	(1,255,113)	(1,196,512)	4.90
Net operating income	1,952,933	1,604,085	21.75
Non-Operating Income - Net	49,088	45,074	8.91
Income before Tax Expense	2,002,021	1,649,159	21.40
Net Tax	(402,674)	(349,116)	15.34
Income for the Year	1,599,347	1,300,043	23.02
Comprehensive income for the year	1,368,057	1,377,885	-0.71
Basic earnings per share	230	187	22.87

Interest Income

In 2018, interest income increased by 6.0% to Rp6,772 billion compared to Rp6,394 billion in 2017. Increased interest income is mainly derived from loans and securities owned.

Interest Expense

In 2018, interest expenses increased by 12.95% compared to 2017 which amounted to Rp2,855 billion to Rp3,259 billion. This increase was mainly due to an increase in interest deposits and current account.

Net Interest Income

At the end of the financial year ended December 31, 2018, the Bank's net interest income was Rp3,514 billion, an increase of 0.15% compared to 2017 which amounted to Rp3,509 billion.

Profit Before Tax

The increased revenues contributed to increase profits. In 2018, the Company's profit before tax reached 21.40% from Rp1.6 trillion in 2017 to Rp2.0 trillion.

Profit after Tax

The Bank recorded profit after tax of Rp1.6 trillion in 2018, or grew by 23.02% from 2017 which amounted to Rp1.3 trillion.

Comprehensive Income

Total net comprehensive income in 2018 reached Rp1.37 trillion, decreased by 0.71% compared to 2017 which amounted to Rp1.38 trillion.

Earnings per Share

In 2018 the Company recorded basic earnings per share (in full value) of Rp230, increased by 22.87% compared to 2017.

Equity

In Million Rupiah

Assets	2018	2017	Growth (%)
Share capital	3,481,888	3,481,888	-
Additional paid-in capital	2,048,761	2,048,761	-
General reserve	1,497	1,453	3.03
Retained earnings	4,907,921	3,762,476	30.44
Other comprehensive income	3,342,606	3,770,038	-11.34
Total equity	13,782,673	13,064,616	5.50
Total Liabilities and equity	83,761,946	82,297,010	1.78

Equity

At the end of 2018, total equity increased by 5.50% to Rp13.8 trillion from Rp13.1 trillion at the end of 2017. This increase due to the increase in retained earnings and banks revalued assets on Land and Building assets to meet the provisions of Bapepam

and LK No. KEP-347/BL/2012 dated June 25, 2012 concerning Presentation and Disclosures of Financial Statements for Issuers or Public Companies point 27.e.

CONSOLIDATED STATEMENTS OF CASH FLOWS

In Million Rupiah

Consolidated Statement of Cash Flows	2018	2017	Growth (%)
Net Cash Flows from Operating Activities	(3,199,929)	5,356,123	-159.74
Net Cash Flows from Investing Activities	(5,496,493)	(1,700,054)	223.31
Net Cash Flows from Financing Activities	(793,800)	(982,175)	-19.18
Increase (decrease) in net cash and cash equivalents	(9,490,222)	2,673,894	-454.92
Cash and cash equivalents at the beginning of the year	17,332,034	14,658,140	18.24%
Cash and cash equivalents at the end of the year	7,841,812	17,332,034	-54.76

CONSOLIDATED STATEMENTS OF CASH FLOWS

At the end of 2018, the Bank's cash and cash equivalents amounted to Rp7,842 trillion. A decrease if compared with cash and cash equivalent at the end of 2017 of Rp17,332 billion.

Cash and cash equivalents of the Bank by the end of 2018 consisted of cash amounting to Rp998 billion, Current accounts with other bank of Rp285 billion, Placements with Bank Indonesia and other banks maturing within three months from the date of acquisition of Rp2,290 billion and Bank Indonesia Deposit Certificates maturing within three months from the date of acquisition of Rp411 billion.

The decrease in cash and cash equivalents in 2018 is mainly due to a decrease in Placements with Bank Indonesia and other banks that are maturing within 3 months from the acquisition date of 66.18% and Bank Indonesia deposit certificates that are maturing within 3 months from the acquisition date of 90.88%.

Cash Flows from and (used for) Operating Activities

Throughout 2018, the Bank used net cash from operating activities of Rp3,200 billion. This amount, among others, is predominantly used for interest payments and other financing of Rp3,224 billion, payment of other operating expenses amounted to Rp2,986 billion and for loans amounted to Rp.8,111 billion.

In 2017, the Bank obtained cash from operating activities of Rp5,356 billion. The cash was dominated by, among others, interest income of Rp6,424 billion, fees and commission revenues of Rp1,663 and time deposits of Rp7,606 billion.

Cash Flow used for Investment Activities

In terms of investment activities, throughout 2018 and 2017 the Bank used cash amounting to Rp5,496 billion and Rp1,700 billion. The use of cash for investment activities during 2018 and 2017, among others, was dominated by the acquisition of securities available for sale amounting to Rp11,331 billion and Rp12,884 billion respectively.

Cash Flows Used for Financing Activities

As of the end of 2018, the Bank used cash for financing activities amounting to Rp794 billion. The amount was decreased if compared to Rp982 billion 2017.

The decreasing used cash for financing activities in 2018 compared to 2017 was due to loan payments received in 2018 which amounting to Rp144 billion while in 2017 amounting to Rp539 billion.

Increase/Decrease of Cash Flow

As of 2018, the amount of cash and cash equivalents recorded a significant decrease of 454.92% with a decrease to Rp9,490 billion. This decrease was mainly due to net cash flow from operating activities which amounting to 159.74%.

SOLVABILITY AND COLLECTABILITY

The ability to pay obligations (debt) can be measured through several ratios, including liquidity ratios, solvency ratios and rentability ratios. These ratios will serve as benchmarks for the Bank in calculating the possible risks that arise in operational activities.

In 2018, the LDR level reflecting the Company's liquidity level reached 67.23%, the solvency ratio reflecting the capital strength is at the level of 22.79% while the profitability ratio in 2018 was shown by the ratio of ROA, ROE, NIM, and BOPO, which recorded at 2.47%, 13.76%, 5.19% and 77.78% respectively.

Capital Structure

In 2018, the Company managed to maintain the level of CAR ratio at 22.79% as required by the regulator. Most of the capital composition is liabilities which reached 83.55%. While the share equity reached 16.45%.

Capital Structure Policy

The Bank's capital management objective is to maintain a strong capital position to support business growth and retain

Loans Collectability

Throughout 2018, gross NPL was recorded at 1.60%, decreased from 2.01% in the same period of 2017. Net NPL also decreased from 1.41% to 1.27%.

investors, depositors, customers and market confidence. In capital management, the Bank considers factors such as optimal return on capital to shareholders, maintaining a balance between higher gearing and gearing ratios and the security afforded by a sound capital position.

MATERIAL COMMITMENTS FOR INVESTMENT OF CAPITAL GOODS

Throughout 2018, there were no material bonds for capital investment

2018 TARGET AND REALIZATION

In Million Rupiah

Indicator	2018 Target	2018 Realization	Description
Net Operating Income	1.65	1.95	Exceeded the Target
Profit/Loss for the year	1.37	1.60	Exceeded the Target
Equity	12.85	13.78	Exceeded the Target
Assets	90.10	83.76	Below target
Loan	41.05	42.25	Exceeded the Target
Third Party Fund	67.38	60.73	Below target

MATERIAL INFORMATION AND FACTS POST ACCOUNTANT REPORT

Throughout 2018, there were no material information and facts occurred past the date of the accountant's report.

BUSINESS PROSPECTS

The domestic economy in 2019 is expected to improve. Considering potential business prospects in the coming year, Bank Mega is determined to achieve the targets set by always adhering prudential banking principles.

For lending, the Bank focuses on industries that have a good track record so that credit growth in each sector can be achieved and prudent. The growth of third-party funds will be prioritized to increase funds. In addition, the Company is determined to increase the synergy with CT Corpora companies in order to increase business volume, to expand new business opportunities and, to expand office network.

MARKETING ASPECT

Bank Mega will focus on increasing low-cost funds such as savings and current accounts to reduce the cost of funds. The bank will also synergize with CT Corpora entities in order to increase business volume, to expand new business opportunities, and to expand office networks through measured strategy.

In order to increase competitiveness in retail segment competition map, Bank Mega consistently expanding network capacity and developing digital channel services such as ATM. To win the fierce business competition and respond the changing market demand, Bank Mega is required to continue innovating and improving services in line with target market. One of the main aspects is mapping the needs of customers, especially in facing the era of digital disruption.

Bank Mega has formed the Digital Transformation Task Force to sharpen the information technology sector which focuses on expanding digital banking services with an emphasis on branchless banking, improving customer experience and digital sales skills, and increasing mobile banking system.

To catch up with banking digitalization trend, Bank Mega will also improve product innovation and service features for customers, as well as strengthen and develop information technology to boost fee-based income and efficiency.

Through such strategy, the Bank will gain a better understanding about the latest business competition conditions, and the sensitivity of business organizations, particularly in facing the rapidly growing fintech companies. Therefore, the Bank will carry out all marketing strategies effectively and efficiently to develop its business.

The Bank remains consistent in implementing a predetermined mid-term strategy, among others, prioritizing the financing for infrastructure sector and joint financing, as well as focusing on businesses that have a good track record and adequate to meet the Bank's risk appetite. In addition, from the funding sector, the Bank will continue the focus on CASA particularly through EDC and mobile banking. While for the credit card business, the Company expanded several partnerships with CT Corp retail companies and other parties to provide the best offer for the public.

DIVIDENDS AND DIVIDEND POLICY

In the Bank's Annual General Meeting of Shareholders held on February 28, 2018 which was notarized by the Notary Deed of Dharma Akhyuzi, S.H., No. 13, the shareholders agreed to

settle cash dividends of Rp650,000,000,000 and also stipulates a general reserve fund of Rp43,285,785 to comply with the provisions of Article 70 of the Limited Liability Company Law.

ESOP/MSOP PROGRAM

Throughout 2018, the Company did not conduct ESOP or MESOP program.

THE USE OF IPO FUND

Throughout 2018, the Bank did not conduct an IPO and did not use any IPO fund for business development.

CONFLICTS OF INTEREST TRANSACTIONS

Throughout 2018, there were no transactions involving conflicts of interest.

AFFILIATED TRANSACTIONS

In conducting business activities, the Bank conducted transactions with related parties fairly and in accordance with the provisions of IFAS No. 7 on "Related Party Disclosures"

Affiliated Party - Same Ownership Relation	Affiliated Party - Same Ownership Relation (continued)	Affiliated Party - Same Ownership Relation (continued)	Affiliated Party - Family Relation with Controlling Party
PT Televisi Transformasi Indonesia	PT Arah Tumata	PT Trans Fashion	PT Para Duta Bangsa
PT Duta Visual Nusantara TV 7	PT Dian Abdi Nusa	PT Trans Properti Indonesia	
PT Para Bandung Propertindo	PT Wahana Kutai Kencana	PT Trans Studio BSD	
PT Mega Capital Sekuritas (previously PT Mega Capital Indonesia)	PT Trans Estate	PT CT CoRpInfrastruktur Indonesia	
PT Bank Mega Syariah	PT Trans Studio Balikpapan	PT Trans Cibubur Property	
PT Asuransi Umum Mega	PT Trans Studio Jakarta	PT Trans Realty Development	
PT Mega Corpora	PT Trans Studio Manado	PT Citra Bangun Sarana	
PT Trans Property	PT Mega Indah Realty Development	PT Karya Tumbuh Bersama Indo	
PT Trans Corpora	PT Rekreasindo Nusantara	PT Trans Food Oriental	
PT CT Corpora	PT Bank Pembangunan Daerah Sulawesi Tengah	PT Trans Media Sosial	
PT Batam Indah Investindo	PT Mitra Kalimantan Utama	PT Trans Berita Bisnis	
PT Trans Coffee	PT Sekata Prima Nusa	PT Trans Rasa Oriental	
PT Mega Central Finance	PT Trans Oto Internasional	PT Trans Rasa Nippon	
PT Anta Express Tour & Travel Service Tbk	PT Kaltim Hijau Makmur	PT Trans Rasa Bali	
PT Trans Airways	PT Lembah Sawit Subur	PT Trans Pizza Resto	
PT Trans Media Corpora	PT Mahakam Hijau Makmur	PT Manajemen Data Corpora	
PT Trans Rekan Media	PT Trans E Produksi		
PT Trans Entertainment	PT Indonusa Telemedia		
PT Trans Fashion Indonesia (previously PT Trans Mahagaya)	PT Trans News Corpora		
PT Trans Lifestyle	PT Detik Ini Juga		
PT Para Inti Energy	PT Tama Komunika Persada		
PT Para Energy Investindo	PT Detik TV Indonesia		
PT Trans Kalla Makassar	PT Trans Burger		
PT Trans Studio	PT Alfa Retailindo		
PT Trans Ice	PT Trans Rekreasindo		
PT Mega Auto Finance	PT Trans Ritel Properti		

PT Para Bali Propertindo	PT Trans Distributor		
PT Mega Indah Propertindo	PT Trans Importir		
PT CT Agro	PT Trans Indo Distributor		
PT Kaltim CT Agro	PT Trans Indo Treding		
PT Kalbar CT Agro	PT Trans Indo Importir		
PT Kalteng CT Agro	PT Trans Living Indonesia (previously PT Transindo Digital Distribusi)		
PT Metropolitan Retailmart	PT Transindo Digital Ritel		
PT Mega Finance	PT Trans Event		
PT Mega Asset Management	PT Kutai Agro Lestari		
PT PFI Mega Life Insurance (previously PT Asuransi Jiwa Mega Indonesia)	PT Trans Kalla Makassar		
PT Perkebunan Indonesia Lestari	PT Garuda Indonesia (Persero) Tbk		
PT Perkebunan Inti Indonesia	PT Katingan Agro Resources		
PT Vaya Tour	PT CT Agro Sukabumi		
PT Trans Digital Media (dahulu PT Agranet Multicitra Siberkom)	PT CT Global Resources		
PT Trans Mart	PT Lembah Sawit Subur 2		
PT Trans Grosir Indonesia	PT Lembah Sawit Subur 3		
PT Trans Retail Indonesia (previously PT Carrefour Indonesia)	PT Trans Visi Media		
PT Bank Pembangunan Daerah Sulawesi Utara	PT Mega Capital Investama		
	PT Metro Outlet Indonesia		
	PT Trans F&B		
	PT Trans Retail		
	PT Trans Studio Semarang		

INFORMATION ON INVESTMENT, EXPANSION, DIVESTATION WITH CONFLICTS OF INTEREST

Throughout 2018, the Bank did not make any investments, expansions, or divestitures involving conflicts of interest.

CHANGES IN LAWS AND REGULATIONS

There were no changes in laws and regulations that have a significant effect on the Company throughout 2018.

AMENDMENT OF ACCOUNTING POLICIES

The standards and interpretations that are issued by the Indonesian Financial Accounting Standards Board (DSAK), but not yet effective for current financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- PSAK 71: Financial Instruments, adopted from IFRS 9, effective January 1, 2020 with earlier application is permitted. This PSAK provides for classification and measurement of financial instruments based on the characteristics of contractual cash flows and business model of the entity; expected credit loss impairment model that resulting information more timely, relevant and understandable to users of financial statements; accounting for hedging that reflect the entity's risk management better by introduce a more general requirements based on management's judgment.
- PSAK 73: Leases, adopted from IFRS 16, effective January 1, 2020 with earlier application is permitted, but not before an entity applies PSAK 72: Revenue from Contracts with Customers. This PSAK establish the principles of recognition, measurement, presentation, and disclosure of the lease by introducing a single accounting model, with the requirement to recognize the right-of-use assets and liability of the lease; there are 2 optional exclusions in the recognition of the lease assets and liabilities: (i) short-term lease and (ii) lease with low-value underlying assets.
- Amendments to PSAK 71 - Financial Instruments: Prepayment Features with Negative Compensation, effective January 1, 2020 with earlier application is permitted. These amendments provide that a financial asset with prepayment features that may result in negative compensation qualifies as a contractual cash flow derived solely from the principal and interest of the principal amount owed.
- ISAK 33 - Foreign currency Transaction and Advance Consideration, effective January 1, 2019 with earlier application is permitted. These amendments clarify the use of the transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.
- ISAK 34 - Uncertainty over Income Tax Treatments, effective January 1, 2019 with earlier application is permitted. This Interpretation which is the interpretation of PSAK 46: Income Taxes, clarifies and provides guidance to reflex the uncertainty of income tax treatments in the financial statements.
- Amendments to PSAK 24 (2018) - Employee Benefits on the Plan Amendment, Curtailment or Settlement, effective January 1, 2019 with early application is permitted. These amendments provides clearer guidance for entities in recognizing past service costs, settlement gains and losses, current service costs and net interest after plan amendment, curtailment or settlement because they use the new actuarial assumptions (previously using actuary assumptions at the

beginning of the period of annual report). In addition, Amendment to PSAK 24 also clarifies how the accounting requirements for plan amendment, curtailment or settlement can affect the upper limit of asset requirements which can be seen from the reduction in surplus which causes the impact of the asset's upper limit to change.

- 2018 Improvement to PSAK 46 - Income Taxes, effective January 1, 2019 with early application is permitted. This improvement affirming the consequences of income tax on dividends (as defined in PSAK 71: Financial Instruments) arises when an entity recognizes liabilities to pay dividends. The consequences of the income tax are more directly related to past transactions or events that generate profits that can be distributed rather than distribution to the owner. Therefore, the entity recognizes the consequences of the income tax in profit or loss, other comprehensive income or equity in accordance with the entity's initial recognition of the past transaction or event.

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

INFORMATION ON BUSINESS CUNTINUITY

National economic conditions are projected to improve in 2019. Infrastructure development that has been carried out in the past few years is expected to have more impact in the next year, particularly to boost credit demand.

Year 2019 will also be the year of the Presidential and Legislative General Elections that is predicted to increase risks while also providing business opportunities. The higher growth potential is expected to boost credit and the Company's performance.

Up until present, the Company has not predicted any economic conditions which will have a significant impact on the Bank's business continuity in 2019. As of the end of 2018, the Bank also has not find any matter that will have significant influence to the business sustainability. National economic conditions are maintained in the midst of challenging global economic conditions. Infrastructure development that has been carried out in the past few years continues, and has become the Bank's opportunity to participate in financing infrastructure projects. Presidential election will be conducted in 2019 and is predicted to bring challenges and opportunities for growth. However, Bank Mega has not predicted any economic conditions which could have a significant impact on Bank Mega's business continuity in 2019.



HUMAN CAPITAL

“Bank Mega consider Human Resources (HR) as the most vital element, biggest asset, as well as strategic partner to achieve the Company’s Vision”

The digital era has driven various changes, including in the banking industry. Emergence of financial technology (fintech) companies has pushed banks to become more digital savvy. Digitization not only cuts down the process and simplifies administration, but also changes the Human Resources need in banking. A lot of old jobs were lost, and replaced with new jobs related to banking digitalization development.

The role of HR is very important in facing digitalization era. As one of the concrete manifestations in applying viewpoint that HR is the biggest asset and plays an important role in achieving the Company’s vision, in 2018 the company improved its integrated HR management system. In line with this view, the Company continues to refine HR programs implementation to

obtain quality employees. In addition, employee competency development is also carried out through the development and improvement of systems and work processes so that they can answer the Company’s needs in carrying out business and supporting functions. This is expected to strengthen engagement and improve employee performance (Employee Engagement) which in turn will encourage the growth of the Bank in the future.



Employees Demographic

In 2018, total number of Bank Mega's employees was 8,229 employees. Total employees in 2018 was reduced by 4.02% compared to the previous year. The reduced number of employees is in conformity with the increasingly comprehensive digital technology along with increasing employee competencies through training and development programs.

Total Employees based on Gender

No.	Gender	2018	2017
1	Male	4,178	4,311
2	Female	4,051	4,263
Total		8,229	8,574

Total male employees decreased by 133 people and female as many as 212 people. The ratio of male employee increased from 50.3% to 50.8% while female decreased from 49.7% to 49.2%. The increase in the ratio of male employees was due to the decrease in the total number of employees and a higher percentage of female employees.

Total Employees based on Age

No.	Age	2018	2017
1	20-24 years	458	1,024
2	25-29 years	2,230	2,227
3	30-34 years	2,017	2,260
4	35-39 years	1,711	1,481
5	40-44 years	839	749
6	45-49 years	597	557
7	50-54 years	297	242
8	55-59 years	71	25
9	> 60 years	9	9
Total		8,229	8,574

There is a change in the composition of employees based on age in 2017. It was dominated by employees aged 30-34 years while in 2018 it is dominated by employees aged 25-29 years. This shows that the millennial generation is increasingly occupying the composition and became a concern in HR programs.

Total Employees based on Education Level

No.	Education Level	2018	2017
1	SMU	409	459
2	D1-D2	40	41
3	D3	1,386	1,461
4	S1	6,180	6,400
5	S2	214	213
Total		8,229	8,574

Based on education level, total employees graduated from High School decreased from 5.35% to 4.97%, while total employees graduated with Bachelor Degree increased from 74.64% to 75.10%, and Master Degree increased from 2.48% to 2.60%.

Total Employees based on Position

No.	Position	2018	2017
1	Administration	3,733	3,990
2	Officer	3,143	3,299
3	Manager	1,078	1,026
4	Vice President	275	259
Total		8,229	8,574

Total employees in Administration and Officer decreased by 1.17% and 0.28% respectively, while Manager and Vice President increased by 1.13% and 0.32% respectively. Such increase indicate that the Bank has been starting to implement Talent Management and internal employees fulfillment.

Development Strategy

The role in supporting business is further applied, particularly through various platforms and digital solutions which are one of the main references of Human Capital development. In line with this, the emphasis on digital mindset and behavior is consistently a concern for getting integrated solutions and fast and accurate responses.

Employee Fulfillment

To conform with the efforts to achieve the business targets, it is necessary to ensure the fulfillment of the HR requirement effectively. This fulfillment is mainly to fill critical positions both at Headquarters, Regionals and Branches while still referring to the direction and paying attention to the functional composition of employees according to the needs of the organization.

Employee fulfillment in 2018 are fulfilled by selecting candidates from internal and external companies by referring to established competency standards in order to obtain qualified employees.

Candidate searches are conducted from external sources are carried out through various channel sourcing such as job fairs at strategic locations, campus hiring at prominent universities, walk in interviews, web-based sourcing and referrals from employees. Employee Referral Programs continues to enable employees participation to source candidates from their relations. Filling out the required positions is also carried out through specially designed development programs, both generalist and functional. Fulfillment of program participants is carried out through the stages of selection that are carried out systematically and through predetermined recruitment criteria.

In 2018, 2,643 employees were recruited with 77% (2,028 people) of the total recruitment to fulfill the position in the Region and Branch, which is in line with the needs and development of existing businesses.

Total employees based on location

No.	Location	2018		2017		2016	
		Total	%	Total	%	Total	%
1	Head Office	615	23%	473	15%	883	28%
2	Regional and Branches	2,028	77%	2,634	85%	2,260	72%
	Total	2,643	100%	3,107	100%	3,143	100%

Total recruitment for Development Program

No.	Development Program in 2018	Total			
		Batch	%	Participants	%
1	Teller Training Program (TTP)	3	3.03%	98	6%
2	Customer Service Training Program (CSTP)	4	4.04%	118	8%
3	Young Finance Academy Program (YFAP)	1	1.01%	11	1%
4	Card Loan Officer Training Program (CLOTP)	65	65.66%	952	63%
5	Retail Funding Acquisition Training Program (RFATP)	10	10.10%	71	5%
6	Retail Funding Officer Training (RFOT)	3	3.03%	44	3%
7	Retail Funding Training Program (RFOTP)	1	1.01%	9	1%
8	Funding & Credit Card Officer Training Program (FCOTP)	3	3.03%	13	1%
9	Enhancement Operation Manager Training Program (EOMTP)	2	2.02%	48	3%
10	Mega Management Development Program (MMDP)	1	1.01%	21	1%
11	Operation Supervisor Development Program (OSDP)	2	2.02%	51	3%
12	Operation Management Development Program (OMDP)	1	1.01%	20	1%
13	Relationship Manager Development Program (RMDP)	2	2.02%	48	3%
14	Capital Market Development Program (CMDP)	1	1.01%	15	1%
	Total	99	100%	1,519	100%

Career Development

Employee career development remains as the Bank's main focuses in fulfilling the needs for human resources, particularly for critical and managerial positions, which at the same time enhancing the company image and attracting existing employees to continue to grow. Employee career management continues to be refined in the career planning process and assessment carried out based on predetermined competencies. Future career management will be enhanced by the application of a more comprehensive system. Employee career management is an open program for qualified employees which will be covered in the following year through Internal Job Posts. The career path given can be vertical or horizontal in one function or the same job family, or cross function to add insight, competence and potential development.

Organization Development

In supporting business growth, organizational development is consistently reviewed to always be adaptive to the dynamics of external factors while also aligned with internal requirement. The analysis carried out covers all organizational instruments, work systems and related aspects of HR. Organizational improvement is also done by considering, improving the operating model (including business processes), centralization, automation, and merging support functions from several work units.

Education, Development And Training

The education, development and training program for Human Resources is carried out continuously to conform with the business needs and strategies of Human Capital. The design of training and development is aligned with the Human Capital strategy so that all programs or activities can be carried out effectively, efficiently and integrated to improve the quality of Human Resources which will ultimately support the Bank's performance.

Various types of development and training programs have been carried out continuously throughout 2018 in accordance with the plan. The program that has been implemented is divided into internal (in-house) and external (off-house) programs according to the needs of each work function. Overall, in 2018 the Bank has conducted 1,588 classes of development and training programs. 86.90% were carried out in-house and the rest were carried out off-house. The training and development program was attended by 39,028 employees. 98.95% of participants attended the in-house and off-house program. This amount does not include the implementation of e-learning methods with the number of participants of more than 24 thousand. The development and training programs that have been implemented are mostly carried out within the Bank which are supported by supporting infrastructure and competent facilitators.

Total Program In-House and Off-House

No	Program Type	Batch	%	Total Participants	%
1	In-House	1,380	86.90%	38,617	98.95%
2	Off-House	208	13.10%	411	1.05%
Total		1,588	100.0%	39,028	100.0%

Development and training programs aim to improve knowledge, skills and attitudes according to field specialization in each of their functions. The Bank has conducted the programs to produce a qualified Customer Relations Manager. Credit Card and Personal Loan (CCPL) The Sales Officer Training Program were also carried out to improve the performance and quality of the Sales Officer in the Credit Card area. Meanwhile, to meet the needs of a reliable Sales team, a Retail Funding Officer Training Program (RFOTP) and

Funding & Credit Card Officer Training Program (FCOTP) has been carried out. To support business performance and meet the needs of the Operations team in the Branches, the Bank carried out Operations Supervisor Development Program (OSDP), Operations Management Development Program (OMDP), Customer Service Training Program (CSTP), and Teller Training Program (TTP) which is a special training program for Frontliners.

Total Education, Development and Training Programs

Program Type		Batch	Participant
In House		1,380	38,617
Training	Reguler Training	297	7,190
	Risk Management Certification	34	580
	Bancassurance Waperd Certification	10	180
	Teller Training Program (TTP)	3	98
	Customer Service Training Program (CSTP)	4	118
	Young Finance Academy Program (YFAP)	1	11
	Card Loan Officer Training Program (CLOTP)	65	952
	Retail Funding Acquisition Training Program (RFATP)	10	71
	Retail Funding Officer Training (RFOT)	3	44
	Retail Funding Training Program (RFOTP)	1	9
	Funding & Credit Card Officer Training Program (FCOTP)	3	13
	Enhancement Operation Manager Training Program (EOMTP)	2	48
Development	Mega Management Development Program (MMDP)	1	21
	Operation Supervisor Development Program (OSDP)	2	51
	Operation Management Development Program (OMDP)	1	20
	Relationship Manager Development Program (RMDP)	2	48
	Capital Market Development Program (CMDP)	1	15
On The Job Training (OJT)		17	24
Workshop		31	1,158
Socialization		584	19,751
Corporate Outbond (COT)		308	8,215
Off House		208	411
Total		1,588	39,028

To enrich to the latest insights of various banking cases such as APU/PPT, Anti-Fraud, Customer Complaint Service and Settlement that are also mandatory programs from Regulators, the Bank conduct centralized and decentralized programs such as training, workshops and socialization. The training program also aim to obtain the required certification so that employees will receive certification and are competent according to their level and/or position. Programs such as Risk Management Certification, Compliance Certification, Treasury Certification, AAJI, Waperd, MAPPI are the programs that are systematically and periodically monitored. Such programs are carried out to complement employee competencies, to support their work performance, as well as to improve competencies in terms of risk & control.

In 2018, the Bank consistently carried out the Mega Management Development Program (MMDP) program. The program which aims to establish future leaders with quality leadership and entrepreneurship who are reliable and adaptable to contribute optimally in various fields and are designed to face the challenges of more competitive business competition in the future.

Training programs and leadership development especially at managerial level to executives are specifically designed to better prepare leaders in facing various internal and external challenges. With the increasing population of the millennial generation, leaders are provided with effective leadership development programs that are more adaptive to the characteristics of millennials. In addition, the leadership program is also packed with special concepts to equip leaders in entering the era of digitalization. Simultaneously, the millennial generation was also given a development program in order to have a more resilient character and various skills that are expected to accelerate their performance.

In line with the internal programs that rely on the capabilities of internal facilitators, the Bank also conduct trainings for facilitators, the Advanced Training for the Trainers. This is the effort to maintain the quality of internal facilitators both technically and non-technically. The internal facilitators are also equipped with various teaching techniques that are more updated in order to deliver more effective materials to all training participants.

As a form of appreciation for the loyal employees' who are about to retire, the Bank's program, Masa Purna Bhakti, is prepared as one of the Retirement Preparation Period process. The Bank provides a training program for all participants to be better prepared for retirement.

Programs to improve employee competence are also practiced in the form of On-the-Job Training (OJT) and Corporate Outbound programs to improve collaboration and employee cohesiveness. This is expected to support an organizational culture. In 2018, the Bank specifically conduct a corporate values socialization training (DETECS).

In addition to face-to-face programs, online learning programs in the form of e-Learning are intensively carried out and developed to be able to cover employees thoroughly and more effectively. Various e-Learning modules have been implemented during 2018 including knowledge and banking products as well as mandatory material from Regulators such as Anti-Fraud Strategy, Customer Complaint Handling and AML/PPT. Furthermore, the e-Learning module will continue to be developed and enriched according to the needs of the Bank. In addition to e-Learning, online tests are consistently implemented especially in frontliner and operations functions to evaluate the level of supporting technical knowledge in each area. The participation of e-Learning and online tests in 2018 reached more than 24 thousand participants.

To increase insight and knowledge, the Bank provides the employees with library facilities that continue to be developed from time to time. On a regular basis, the Bank also conducts a Book Review forum so that employees get debriefing and practical knowledge, both for hard skills and soft skills areas. Thus, learning culture within the Bank with various approaches and methods will always be growing.

Human Resources Development System

The Bank carries out the improvement of Human Resource Information System (HRIS) process in accordance with technological developments and the employees needs to improve service quality and employee satisfaction, and will be further refined through the use of mobile technology and analytics. Improvement of HRIS information, procedures and technology systems demands a mindset change that capable to accommodate digital technology developments towards digital-based HR. The technological development and dynamic needs of employees are the basis to develop the structure of the Bank's Human Resource Information System (HRIS).

Improvement of the HR process through automation and other mechanisms such as centralization were carried out, among others, on the Employee Database, Performance Management, Online Attendance, and others. The process of improving these systems will continue towards establishing an integrated HR system and the application of integrated and multiplatform-based digital technology to support all HR activities. Changes in the approach and implementation will be occurring along with the development of the organization. The improvements are intended to improve the experience of employees as customers (Customer Experience) and organizational progress. The Bank will also develop and refine the web based information and communication media between Human Capital and employees to provide comprehensive, interactive information for several functions, to increase employee involvement and retention, and to measurably increase the success of the organization through agile transformations.

Mega Club

Mega Club is an employee information organization of Bank Mega which is a forum for employee activities to meet the need for creative means. Innovations and achievements in activities are related to the internalization of corporate culture. Through Mega Club, employees could channel their hobbies and aspirations as well as creativity in the fields of sports, arts, social, and spirituality. All of these activities aim to create a balance between work and activities outside of work, so as to increase productivity and employee morale.

Mega Club has activities that range from family, religion, and art activities. Mega Club is coordinated by the head office and its management which are established in all regions, where the types of activities are adjusted to the needs in the local area.

Corporate Culture Internalization

Corporate Culture holds an important role in achieving organizational objectives, increasing opportunities for sustainable growth and creating high-performing organizations.

Corporate Culture is also the main prerequisite and foundation to succeed the organizational transformation in the digital era. The culture in the organization should be able to encourage and become the foundation for employees in thinking and behaving. Therefore, a program to internalize corporate values is needed, which is an elaboration of the ideal corporate culture as expected by all organizational stakeholders, applied consistently and with a strong commitment in all lines of the company.

The development of the program will involve management and related parties who play a direct and continuous role. The consistent implementation of corporate values that are consistently accompanied by strong management commitment will determine the success of the expected corporate culture.

Corporate Culture is a critical element that has an impact on morale, the level of employee engagement, and a positive work environment which in turn will boost productivity. The level of employee engagement in all business activities is one of the important strategies to ensure sustainable business performance improvement. The Corporate Culture will also ensure the work unit leaders to consistently build not only the competence and capacity of the team, but also implement reward and punishment in order to strengthen the realization of corporate values in all employees' behavior.

The existence of a strong Corporate Culture and accompanied by the implementation of training & development programs and effective compensation & benefits as reflected in the Bank's Employee Value Proposition are important variables to maintain employee turnover. In the future, Corporate Culture will also

be one of the determining factors for sustainable growth and guidelines for the main dynamic behavior, both at this time and later in the digital era.

To achieve the expected corporate culture, Bank Mega has conducted an analysis and survey which resulted in a Corporate Culture internalization Roadmap. The roadmap serve as the the goal and reference for how Bank Mega's Corporate Culture internalization program will be implemented.

The Internalization process began with the Kick Off Event, or the launch of the new Bank Mega Corporate Values which was conducted in conjunction with the celebration of the 49th Mega Bank Anniversary. The new Corporate Values are abbreviated into DETECS, which stands for Dynamic, Entrepreneurship, Trust, Ethic, Commitment and Synergy.

The Kick Off Event which was conducted on April 17, 2018 was then continued with training on Mega Corporate Valuation Socialization for all Division Managers and Section Managers, which were delivered directly by the CEO of Bank Mega.

The socialization continued with Training for Trainers (TTT) for the leaders of the work units so that they could socialize Corporate Values directly to their subordinates. In 2018, the focus of the internalization program was to complete the Mega Corporate Values Socialization training for all Bank Mega's staffs at both the Head Office and Regional Offices. As of January 2019, as many as 6,285 employees or 75.6% had completed the Mega Corporate Values socialization.

In the initial stage of building Awareness, Bank Mega conducted several programs and policies throughout 2018. For example, the establishment of the DETECS standing banner was distributed to Bank Mega regions. Then the Friday Smart Casual program requires all employees to wear Smart Casual themed clothes every Friday. Desktop PC Background that is being distributed to all PCs at Bank Mega. And then on social media, Bank Mega focused on Instagram Mega Club to spread awareness regarding Mega Corporate Values.

Several other Corporate Culture products that will be released in early 2019 to build employee awareness about corporate values include the use of lanyards with the DETECS logo which will be distributed to all Bank Mega employees, surveys on corporate values and KPI assessments or annual employee assessment standards.

It is expected that through the development and implementation of the Corporate Culture focuses will improve the performance of existing HR, and ultimately contribute to the achievement of the Company's goals and vision.

CORPORATE CULTURE INTERNALIZATION ROADMAP PROGRAM IN 2018



DIGITAL TRANSFORMATION

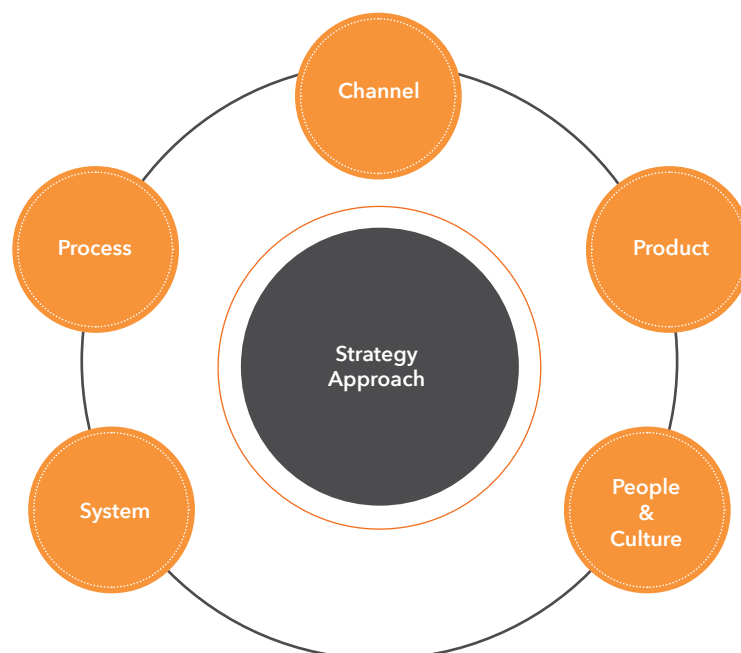
Technological developments continue to affect business models of various industrial sectors. Such digital disruption also affects the banking industry, thus prompting Bank Mega to review the current business model to meet the digital era. The Bank's journey to undertake strategic changes in business, operations,

risk, compliance, and human resources aspects in order to adopt information system-based technology to improve performance, which is then referred to as Digital Transformation. The journey of digital transformation to reach the vision is shown in the following figure.



In the transformation process, the first essential thing is to review and redefine the basis of the company, including vision, mission, and values. This is intended align the transformation process can remain in line with the Bank's strategic plan. The next thing to do is to determine the agreed upon target that will be achieved in five

years. The next step is to describe the plans in detail into a yearly roadmap. The implementation of such plans will be carried out in accordance with the plans based on priority scale. The Bank's digital transformation will focus on the following aspects.



The strategy of Bank Mega's business development and services in terms of digital transformation will focus on complementing the existing services to become a one stop solution banking for customers. In addition, Bank Mega as one of the companies under CT Corpora, has a unique competitive advantage compared to other companies in the banking industry so that Bank Mega can synergize with the CT Corpora group both in delivering banking services and creating new business opportunities in the form of Lifestyle Banking Ecosystem, Digital Payment Ecosystem and Digital Commerce Ecosystem.

Optimizing customer data usage, both for structured and unstructured data, will be an important focus to obtain information to achieve Bank Mega's competitive advantage. Given the market conditions and competitive advantages that will be achieved, Bank Mega plans to enter the retail business by increasing collaboration with the CT Corpora group, targeting the growing market segments, namely Gen Y and Gen Z which have middle to upper income while maintaining service to existing customers with various loyalty programs.

As of the end of 2018, the service development that has been prepared were the Bank's Chatbot service, Mega Digital Assistant, which is abbreviated as Milea.

Milea will be able to serve the interactions with customers to find out the information about the Bank's products and services. In addition, the services being prepared are customer access to payments with various funding sources using QR Code, cashless withdrawals, customer onboarding, and various funding and credit card product information in one mobile apps. In terms of operational side, there are processes that have been carried out more effectively and efficiently using the application of information system technology such as administration of documents, mobile based collection processes, and recovery management. The Bank also prepares the human resources through systematic dissemination and various programs for employees to shape the culture that supports the achievement of digital transformation.

Based on the plan that has been prepared, Bank Mega will prepare various initiatives to support business growth such as the development of a data optimization system to support the identification of customer profiles to offer products and services that suit customers' needs. The branch operational process is expected to be more effective and efficient with the implementation of a front-end system that supports the fast, precise and safe service delivery for the customers who visit the branch. Centralized data management development will support various activities related to operational processes, supervision, control, risk analysis and compliance.



INFORMATION TECHNOLOGY



Bank Mega's Information Technology System Development is carried out to establish a reliable Digital Banking services for the Bank's customers by providing various service facilities such as customer onboarding, internal bank and interbank funds transfers and also bill payments; customers can access all these facilities wherever they are through their electronic devices via ATM, Internet Banking, and Mobile Banking.

In improving the quality of services and a faster, practical, comfortable and safe customer transaction, we also introduce payment transaction features through the QR code (Quick Response), which are digitally connected with existing debit card and credit card services.

Along with our commitment to always provide security and comfort in every service feature, the aforementioned service features will certainly be supported by the development of Information Technology System in the area of system availability, system reliability and security systems (Cyber Security).

The following are several activities that have been and are being carried out in supporting the Digital Banking Transformation of Bank Mega:

1. Customer Onboarding

One of the objectives of Digital Banking Transformation is to provide Customers with the convenience in opening a Fund Account and Credit Card Account at Bank Mega (Customer Onboarding). Customers can directly open fund accounts and credit card accounts through digital services using Mobile Application which capable of speeding up the process of accounts opening at Bank Mega.

Process improvement is also carried out on the back-office support system by automating and re-engineering back office processing to increase SLA in customer account opening services.

2. **Customer Transaction Services**
The addition of service features in the electronic banking channel (Internet Banking, Mobile Banking, ATM) continues to be made to ease the Customers in conducting banking transactions and other transactions such as bill payments, shopping at online and offline merchants (stores, mall, etc.). QR-Pay (Quick Response) is one of the technologies that eases customers in shopping at the merchants. Customer does not need to use Credit Card or Debit Cartridges in shopping, but simply use the existing QR Application in Bank Mega's Mobile Application.
3. **Customer Services Improvement**
To improve and facilitate services for Customers, we have prepared ChatBot-based services that will be integrated with Bank Mega Portal, Internet Banking, Mobile Banking and some social media such as Facebook, WhatsApp, Instagram and Line. Special integration with social media will be carried out in several phases. For Credit Card Customers, there are currently Mobile Apps-based services, namely Mega Credit Card Mobile (MCCM) where customers can see status, usage, latest transactions, bills of the last 3 months and several online applications such as registering periodic bill payments (Mega Bill), changing transactions into installments (MegaPay), submitting insurance (Credit Shields), submitting limit increases (Credit Limit Increase) and others.
4. **Development of information technology infrastructure**
In order to improve system availability, reliability and cyber security, several infrastructure facilities have been carried out (IT infrastructure improvement) by conducting several activities such as:
 - **Improving System Availability and Reliability**
To improve system availability and reliability in providing services to customers, primary network links and backup links have been made more reliable for branches.
 - **Improving Cyber Security**
Bank Mega has used 3D Secure (3DS) on Card Not Present (CNP) transactions such as on e-commerce transactions using both credit cards and debit cards. Meanwhile, to improve customer security in conducting transactions through Bank Mega electronic channels such as Internet Banking, Mobile Banking and Contact Center, we have added One-Time-Password (OTP) in addition to the User-ID and Password. The application of tokenization in electronic banking transactions has been implemented on QR-Pay transactions to prevent account/card number stolen through transactions.

Bank Mega will continue the development of excellent banking services for customers in terms of information technology, infrastructure, security, as well as internal processes through re-engineering processes and process automation. Such efforts reflect our commitment to always provide services and maintain the trust of our customers.

OPERATIONS

As a strategic partner of business units, Operations Unit is also present in every best service of Bank Mega. Operations ensure business processes are running well through the role of a Compliance Agent, Operations Expert, Business Partner and Excellent Service. These four aspects have always been the main focus of Bank Mega's operations in improving banking services. The operations' Compliance Agent always maintains the operational process to comply with the prevailing regulations. Operations Expert is the competence possessed by each work

unit in Operations. In the role of Business Partners, Operations is a business partner that continues to grow the Bank's business. And through the role of Excellent Service, Operations always provide the best service to customers. In terms of banking services, operations unit contribute to accommodate 4,567,870 banking transactions through tellers; 31,069,067 transactions through electronic services; 77,390 clearing transactions; 1,728,180 transfers; and 2,199 disbursement of banking facilities.

No	Core Transaction per Month	Q1 2018	Q2 2018	Q1 2017	Q2 2017
1	AVG teller transaction	392,423	368,888	414,000	401,818
2	AVG e-Channel transaction	2,562,322	2,615,856	1,682,501	1,669,292
3	Clearing	7,263	5,635	35,776	29,655
4	Transfer (RTGS, LLG, over booking)	148,383	139,647	134,029	138,535
5	Setting Facilities & Disbursement	185	181	333	378
6	AVG teller transaction per branch/day	54	8	58.0	56.3

Furthermore, in 2018, the performance of Operations and IT units managed to achieve "green" status as the results of performance evaluations. Operations unit has also successfully completed the following activities throughout the same year:

1. Services Improvement
Operations focused on improving services for customers by providing convenient transaction process through streamlined work processes or creating a comfortable and conducive atmosphere in the branch.
2. Process Improvement
Perform various work process improvements to increase the productivity of each line in the Operations unit so as to create cost efficiency.
3. HR Management
Running a training program, conducting annual branch award, organizing e-learning for all operations staff and achieving a graduation rate of 98.95%, conducting regular coaching for all staff members, and applying standardization of support workers in branch offices.

In addition, operations unit also support the supervision and prevention of banking fraud. Through the implemented system, the Bank managed to minimize fraud in 2018. Cases of fraud and the resulting losses will continue to be minimized by implementing a detection system, intensifying the implementation of Know Your Customer policies, and providing training for all employees.

To provide the best service for internal business partners, the Operations Unit has also set a future work plan, including the formulation of service level standards, streamlining work processes, achieving better cost efficiency, and realizing staff competency improvement. Operations Unit will also continue to develop close operational coordination between the Head Office and Branch Offices, strengthen the internal control function as a first line of defense in the bank system, and renew policies. Considering the work area of Operations unit that is closely related to IT units, Operations will also continue to strengthen the synergy of the two units in the implementation of new applications and systems to encourage the Bank in providing the best services for customers.



CUSTOMER CARE

As a tangible manifestation of the Bank's high commitment to services and in line with the Bank's business development plan in order to maintain and improve consistent service quality, Bank Mega conducted several continuous improvement programs as follows:

A. Service Campaign

To increase awareness and good sense of service, CECC conducts a continuous service campaign for Bank Mega's internal and external customers. Service campaigns are conducted periodically through several methods, such as posters and e-mail blasts to all employees.

The service campaign theme is "service spirit". All employees are obliged to implement this spirit as a part of Bank Mega's service culture internalization.

B. Mega Service Training

Establish employee mindset, service skills, service supervisory, and leadership service to provide the best service for customers while also creating the total ultimate customer experience in every point of contact. Mega Service (MS) Training is divided into 4 stages, namely:

- MS 1: Service Mindset. Training participants are all levels of employees with the aim to equalize the service perception and to internalize service culture to all employees.
- MS 2: Service Skill. The training objective is to improve the quality of participants' skills to provide standardized services in each branch.
- MS 3: Service Supervisory. Participants of this training are employees at supervisor levels with the objective to provide reinforcement service in all branches.
- MS 4: Service Leadership. Training participants are managerial level employees with the objective to enable cascading service spirit for employees in all branches.

C. Clinique Service

One of the programs to improve the quality of branch frontliner services that perform below the service passing grade. The method is face-to-face between the frontliners and the CECC representative. The result describes the factors which affected the quality of service.

D. Service Day

To provide extraordinary experience and as a form of appreciation to customers, the CECC Division organizes a Service Day Program, which titled "A Service Day for Bank Mega Loyal Customers". This Service Day was conducted as a form of active participation to celebrate the National Customer Day every September 4th.

E. Service Grand Prix

A service competition and product knowledge program to embolden competence and character, as well as to generate a positive spirit of militancy to the Company. The program was conducted in the form of edutainment competitions, attended by participants from all branches.

F. CECC Web Site

CECC Web Site Maximization to be more informative and add content. The latest innovations in the SQ web are:

- Customer Feed Back Report Program
- Independent Branch Monitoring Report Program
- Service Dashboard

G. Selling Kit

In an effort to accelerate Bank Mega's service acceleration and to improve and maintain the quality of the Frontliners as the front guard of Bank Mega in serving customers, especially in explaining products to customers, we monitor and develop Selling Kit Tools that serve as tools to explain products and services to customers, with the addition of new features.

H. Customer Experience Survey

Conducted surveys relating to Customer Experience development to support service quality at each service point. This is a qualitative survey through typeform and the similar applications. This result was given to the relevant work unit as a reference to carry out work development.

I. Training Service

Training service is carried out continuously with the aim to equalize perceptions and form positive Attitude, which refers to the service culture of Bank Mega and professional service skills.

Training with the material of combining the internalization of service paradigm - understanding of Bank Mega's service strategies and special skills in serving customers by focusing on 2 (two) aspects:

- a. Intelligence (IQ), a person's potential to grow their knowledge and technical skills.
- b. Emotional Intelligence (EQ), is a positive attitude and high motivation in developing and achieving success.

The Special Education Program (Prodiksus) was carried out in the form of Customer Service Training Program (CSTP). The aim of this program is to create a Frontliner who are competent in providing services to customers in the branch.

J. Professional Look Training

Standardized appearance, makeup & hair style for the frontliners to look more professional. To maintain this, male and female frontliners must be equipped with the standard procedures knowledge which also complemented with professional look kit to support the interaction with customers. Professional Look Training activities are conducted nationally in all regions throughout Indonesia.

K. Frontliners Forum

This program was conducted as a forum between Frontliners and related Units as a place for sharing knowledge from the Unit/Regional to Frontliners so that they always be up to date on the Bank's recent developments. This program was also a refreshment of policies, systems, products, services and other materials that can support the frontliners' performance in serving customers.

L. Service Socialization

This program was conducted as a means to carry out socialization or refreshment related to service material and also the results of service quality measurement, which motivate the frontliners to always improve service quality and provide the ultimate customer experience.

M. Developing Service Level Agreement (SLA)

One way to improve service quality is by accelerating the transaction process, CECC has been implementing this method since 2017 to develop Service Level Agreement (SLA) for each service activity.

N. Measurement & Business Process Improvement

CECC conducts integrated and comprehensive measurements of the Frontliners' quality in the branch through routine tests, as well as improving the Bank's processes to be more competitive.

O. Benchmark

One of the parameters to improve the Bank's business process in order to create the total ultimate customer experience in every point of contact. Periodically, the CECC team benchmarked the companies engaged in services.

P. Service Dashboard

Service Dashboard is a comprehensive report on all service aspects of the Bank's points of contact that are reported regularly every month to management. The results of this service dashboard are utilized as CECC's policy making in formulating the CECC strategy in the future.

Q. Social Media Monitoring

The Bank monitors all social media channels, namely Instagram, Twitter, Facebook, and also customer feedback on the Play Store (android) and App Store (iPhone) for Mega Mobile application and Mega Credit Card Mobile. This is to ensure that all customer feedback has been responded well and in accordance with customer expectations.

R. Mega Intelligence Artificial (MILEA) Chatbot

The CECC Division is involved in the development of MILEA in terms of character, dialog scripts, and customers' chat interaction flow. In addition, the CECC Division also monitors MILEA periodically and provides feedback for further development.

SERVICE ACHIEVEMENT IN 2018

The Bank's service achievement in 2018 is a form of acknowledgment from all parties about the Bank's service quality. These achievements were awarded by MRI (Marketing Research Indonesia) & Infobank as the Best BOOK 3 Bank Category on the Satisfaction, Loyalty & Engagement Survey (SLE Survey 2018).

In the announcement published by Infobank magazine on April 2018 edition, Bank Mega achieved the following predicates:

- 2018 Experience Index, Rank 1
- 2018 Loyalty Index, Rank 1
- 2018 Satisfaction Index, Rank 2:
 - Satisfaction Index, Rank 1 - Customer Service
 - Satisfaction Index, Rank 1 - Teller
 - Satisfaction Index, Rank 1 - Security
 - Satisfaction Index, Rank 2 - ATM
 - Satisfaction Index, Rank 2 - Tangible

Service and Settlement of Customers' Complaint

No	Type of Products and Services	Total	Settlement Status					
			Settled		Unsettled		In Process	
			Total	Percentage	Total	Percentage	Total	Percentage
1	Current Account	3	3	100%	0	0%	0	0%
2	Deposits	5	4	80%	0	0%	1	20%
3	Savings	566	499	88%	0	0%	67	12%
4	Loan/Investment Funding	2	2	100%	0	0%	0	0%
5	Loan/Consumer Funding (exclude Credit Card)	180	179	99%	0	0%	1	1%
6	Loan/Working Loan Funding	36	31	86%	0	0%	5	14%
7	ATM/Debit Card/ ATM Machine	2,979	2,906	98%	0	0%	73	2%
8	Credit Card	5,691	5,404	95%	0	0%	287	5%
9	Prepaid Card	49	49	100%	0	0%	0	0%
10	Clearing	4	4	100%	0	0%	0	0%
11	Remittance	1	1	100%	0	0%	0	0%
12	RTGS	9	8	89%	0	0%	1	11%
13	Electronic Bank-ing	21	20	95%	0	0%	1	5%
14	Other Payment System (E-Commerce)	47	46	98%	0	0%	1	2%
15	Mutual Funds	1	1	100%	0	0%	0	0%
16	Safe Deposit	2	2	100%	0	0%	0	0%
17	SMS Banking/ Mobile Banking	14	14	100%	0	0%	0	0%
Total		9,610	9,173	95%	0	0%	437	5%



CORPORATE GOVERNANCE

**“BANK MEGA CONDUCT A
PROPER GCG IMPLEMENTATION,
NOT ONLY TO FULFILL
THE LEGAL REGULATIONS,
BUT IT IS A FUNDAMENTAL
ELEMENT THAT REFERS TO
BEST PRACTICE FOR A SOUND
AND SUSTAINABLE BUSINESS
SUSTAINABILITY.”**





CORPORATE GOVERNANCE

GCG Legal References

As a financial institution which is a public company, the implementation of GCG at Bank Mega refers to:

1. Law of the Republic of Indonesia No. 40 Year 2007 on Limited Liability Company;
2. Law of the Republic of Indonesia No.10 Year 1998 on amendment to Law No. 7 of 1992 on Banking;
3. Regulation of the Financial Services Authority No. 55/POJK.03 /2016 dated December 7, 2016 on the Implementation of Governance for Commercial Banks;
4. Circular Letter of the Financial Services Authority No. 13/ SEOJK.03/2017 dated March 17, 2017 on the Implementation of Governance for Commercial Banks;
5. Circular Letter of the Financial Services Authority No. 32/ SEOJK.04/2015 dated November 17, 2015 on the Governance Guideline of Public Companies;
6. Circular Letter of the Financial Services Authority No. 21/ SEOJK.04/2015 dated November 16, 2015 regarding the Implementation Governance Guidelines of Public Companies;
7. Regulation of the Financial Services Authority No. 17/ POJK.03/2014 dated November 18, 2014 on the Implementation of Integrated Risk Management for Financial Conglomeration;
8. Regulation of the Financial Services Authority No. 18/ POJK.03/2014 dated November 18, 2014 on the Implementation of Integrated Governance for Financial Conglomeration.

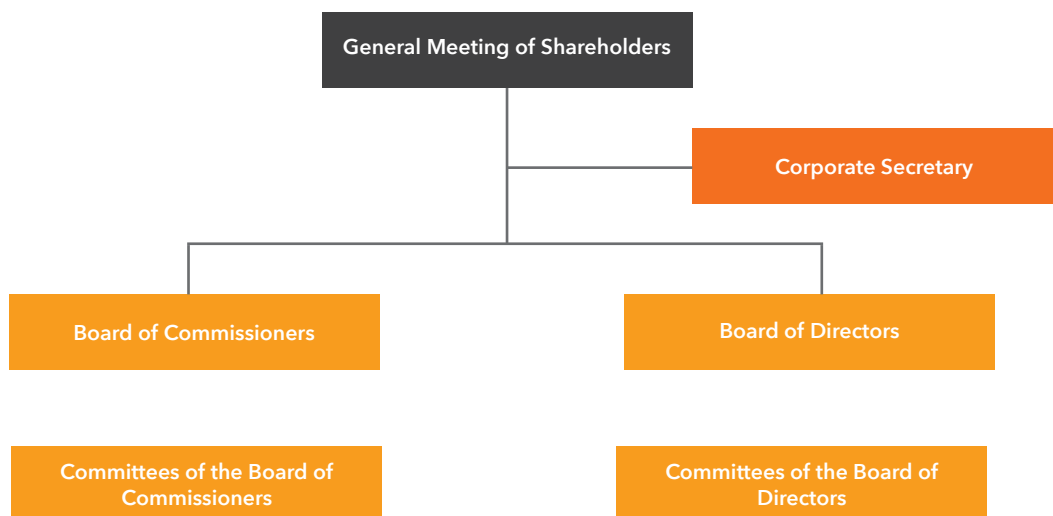
Bank Mega also refers to the GCG implementation guideline and internal policies as follows:

1. Articles of Association of the Company;
2. Principles of Corporate Governance as developed by the Organization for Economic Cooperation and Development (OECD);
3. GCG Guidelines for Indonesian Banking developed by the National Committee on Governance Policy (KNKG);
4. ASEAN Corporate Governance Scorecard;
5. Principles for Enhancing Corporate Governance issued by the Basel Committee on Banking Supervision.

GCG STRUCTURES

The GCG structures in Bank Mega is developed and has been aligned with the Company Law whereby the Company has the organs that consist of the General Meeting of Shareholders, the Board of Commissioners and the Board of Directors. Bank Mega also has functions and/or committees responsible to the Board of Commissioners or the Board of Directors. All functions and committees are tasked to assist the implementation of duties and responsibilities of each the Board of Commissioners and the Board of Directors.

The structure of GCG Bank Mega is illustrated below:



1. The Bank has adequate numbers and competencies of the Board of Commissioners and Board of Directors in accordance with the complexity of the Bank's business. The appointment of Commissioners and Directors is carried out by taking into consideration the recommendation of the Remuneration and Nomination Committee.
2. The composition of the Independent Commissioner has fulfilled the minimum requirement of 50% according to POJK No.55/POJK.03/2016 on the Implementation of Governance for Commercial Banks.
3. The Bank has established the Internal Audit Unit, Compliance Unit, Risk Management Unit, Anti Money Laundering Unit, Anti Fraud Strategy Unit, which are independent from the Operating Units and Business Units, which subsequently are able to implement its functions independently and supported by competent human resources with appropriate duties and responsibilities, job description and charter according to the Bank's organization structure.
4. The establishment of Committees under the Board of Commissioners, namely Audit Committee, Risk Oversight Committee, Remuneration and Nomination Committee, and other Committees to assist the duties and responsibilities of the Board of Directors.
5. Procurement and update of policies and procedures adjusted with the regulations of Financial Services Authority and Bank Indonesia as well as the prevailing laws and regulations. The policies and procedures are transparently implement to all employees both through direct socialization of media publication that are accessible by all employees.
6. Adequate management information system that facilitate the Bank in attaining accurate and timely data for decision making and/or reporting to any parties stipulated under regulatory.

GENERAL MEETING OF SHAREHOLDERS

Legal References

- Articles of Association
- Company Law
- Regulation of the Financial Services Authority No. 32/POJK.04/2014 on the Plan and Implementation of the General Meeting of Shareholders of Public Companies as amended by Financial Services Authority Regulation No. 10/POJK.04/2017 on the Amendment to the Regulation of the Financial Services Authority No. 32/POJK.04/2014 on the Plan and Implementation of General Meeting of Shareholders of Public Companies.

Shareholders

Information on Ultimate and Controlling Shareholder

A total of 58.02% shares of Bank Mega are owned by PT Mega Corpora, a company of which 99.99% shares are owned by PT CT Corpora (CT Corp). CT Corp is a diversified national parent company in various industries and is growing rapidly. CT Corp Group is divided into three main businesses concentrated on Financial Services, Media, Lifestyle & Entertainment, and Natural Resources.

The Group has established several companies that have formed strong positions in the consumer market, such as Bank Mega, Bank Mega Syariah, Mega Life, Trans TV, Trans 7 and Trans Fashion. CT Corp Group was established in 1987 by the leader and major shareholder of Chairul Tanjung under the name Para Group. The Group's business begins with shoe-making for export and tile for the domestic housing industry. Since 1995 Para Group has expanded its wings in the business sector such as financial, property and multimedia services.

Shareholders Rights

In accordance with the Articles of Association of Bank Mega, the Shareholders have the following rights:

1. Receive accurate, prompt and equal to all shareholders on material information related to Bank Mega.
2. Receive dividend or profit sharing in another form based on the GMS decision in accordance with the proportion of ownership.

Related to the implementation of GMS, the shareholders have the following rights:

1. Receive accurate, prompt and equal to all shareholders on material information related to Bank Mega.
2. Receive dividend or profit sharing in another form based on the GMS decision in accordance with the proportion of ownership.

Related to the implementation of GMS, the shareholders have the following rights:

1. Request for a GMS provided that such request meets the requirements as stipulated in the Articles of Association and the prevailing regulations.
2. Submit the proposed agenda of the GMS in accordance with the laws and regulations.
3. Attend the GMS either directly or through proxy.
4. Obtain all materials of the GMS including the GMS Procedures.
5. Convey opinions and/or participate in the decision-making.

2018 GMS Implementation

Pursuant to prevailing regulations and the Articles of Association of Bank Mega, there are 2 (two) types of GMS, namely the Annual GMS that shall be held no later than 6 (six) months after the end of the financial year and the Extraordinary GMS that can be held at any time as necessary and meet the regulations and requirements.

RUPS Code of Conduct

The GMS Procedures shall be submitted to the Shareholders present and read before the GMS is commencing. The GMS Procedures regulates matters related to the implementation of the GMS, among others:

1. During the Annual General Meeting of Shareholders (hereinafter referred to "Meeting"), attendance are expected to stay in the Meeting Room and do not converse with other attendance that may disrupt the Meeting.
2. In accordance with the Article 15 clause 1 Articles of Association of the Bank, the Meeting is chair by a member of the Board of Commissioners appointed by the Board of Commissioners.
3. The Meeting will be held in Indonesian Language.
4. Related to all AGMS agenda based on Article 16 clause 1 Articles of Association of the Bank, the Meeting can be convened if attended by shareholders or its proxies representing more than 1/2 (one per two) share of all total shares with legitimate voting issued by the Bank.
5. The Meeting Chairman or parties appointed by the Meeting Chairman will elaborate as per the agenda. Furthermore in the Q&A session, the Meeting Attendance are given the opportunities to raise questions related to the Meeting Agenda.
6. Request to ask questions is done by raising hands and the administrator will provide forms to the attendance for completion.
7. Following the completion of questionnaires, the Meeting attendance are invited to come forward by giving the names, total shares ownership or proxies and read the questions and further to give the questionnaires to the Meeting Administrators.
8. The Meeting Chairman or appointed parties by the Meeting Chairman will answer or responding the questions from the Meeting attendance.

9. After this session, or if no more questions asked, then the decision making on the the proposal discussed in the Meeting will be done. Every shareholders provide the voting rights in the Meeting. In the event that a Shareholder has more than one share, he/she is requested to provide one voting right only and his/ her votings represent all total shares ownership.
10. According to the Article 87 clause (1) Law No. 40 of 2007 on the Limited Liability Companies (Company Law) and Article 16 clause 9 Articles of Association of the Bank, all decision are taken based on deliberations and consensus.
11. In the event that the deliberations and consensus are not achieved in all AGMS agenda, based on the article 26 clause 9 Articles of Association of the Bank then the Meeting can take legitimate decision based on approved voting of more than 1/2 (one per two) of total legitimate voting in the meeting.
12. Unless otherwise specified in the Meeting, voting shall be conducted orally through:
 - a. First, for the attendance who are against to raise hands.
 - b. Second, for the attendance who are abstain to raise hands
 - c. The attendance that are not raising hands are considered approving the proposal
 - d. According to the Article 16 clause 8 Articles of Association of the Bank, shareholder with voting rights attending the Meeting but abstain are considered providing voting equal with the votings of the majority of shareholders.
13. According to the article 16 clause 6 Articles of Association of the Bank the voting on persons shall be conducted in writing but not signed and shall be closed, unless if the Meeting Chairman allows the voting with other manners and there are no objections from the attendance with the voting rights.
14. In the event that voting is done in private, the shareholders or its legitimate proxies are requested to complete the voting forms available in the meeting documents (or provided by the administrators) and will be collected by the administrators. The Meeting Chairman requests the Notary to calculate the votes.
15. The Meeting attendance are requested to follow all Meeting agenda discussion until the completion of the Meeting. In the event that shareholders left the Meeting room during voting, then the shareholders are deemed to approve the Meeting decision.

All information regarding the implementation of the GMS is available on the Bank Mega website and the Indonesia Stock Exchange website and in a newspaper that contains announcements and summons for GMS. The availability of such information is to invite shareholders to participate in the GMS. Shareholders could also contact Bank Mega regarding information on the GMS plan through the Corporate Secretary.

2018 Annual General Meeting of Shareholders

Bank Mega convened the Annual GMS on February 28, 2018 at Bank Mega Tower Jl. Kapten Tendean 12-14A, Jakarta 12790. The AGMS has fulfilled the provisions set forth in the Financial Services Authority regulations as follows:

Date	Activity
January 12, 2018	Notice to OJK on the AGMS plan
January 22, 2018	Announcement of AGMS in Indonesian Newspaper namely Investor Daily, website of Bank Mega and Indonesia Stock Exchange
February 6, 2018	AGMS Invitation in Indonesian Newspaper namely Investor Daily, website of Bank Mega and Indonesia Stock Exchange
February 28, 2018	AGMS
March 2, 2018	Announcement of AGMS Resolution Summary in Indonesian Newspaper namely Investor Daily, website of Bank Mega and Indonesia Stock Exchange
March 26, 2018	Submission of Minutes of AGMS to OJK

Shareholders Attendance of the Board of Commissioners and Board of Directors

Bank Mega held an Annual GMS on February 28, 2018 at Menara Bank Mega, Jl. Kapten Tendean 12-14A, Jakarta 12790. The implementation of the AGM has fulfilled the provisions stipulated in the Financial Services Authority regulations as follows:

Shareholders	Board of Commissioners	Board of Directors
The Meeting is attended by shareholders and/or their proxies representing 5,574,086,404 shares or equivalent to 80.04% of 6,963,775,206 shares with valid voting rights issued by the Bank.	Independent Commissioner: Achjadi Ranuwisastra Lambock V. Nahattands Commissioner: Yungky Setiawan Darmadi Sutanto	President Director: Kostaman Thayib Director: Madi Darmadi Lazuardi Indivara Erni Wiweko Probojakti Y.B. Hariantono Martin Mulwanto Lay Diza Larentie Independent Director: Yuni Lastianto

Opportunity to Convey Questions and/or Opinions

At the AGMS, the Shareholders are given the opportunity to convey questions and/or opinions related to each agenda of the Meeting. In the AGMS the total number of questions and/or opinions raised by the Shareholders are as follows:

Agenda	Total Questions/Opinions
First Agenda	Nil
Second Agenda	Nil
Third Agenda	Nil
Fourth Agenda	Nil
Fifth Agenda	Nil

AGMS Decision and Follow Up

First Agenda	
Approval and Ratification of the Bank's Annual Report for the Fiscal Year ended December 31 2017, which consist of the Bank's Management Report, Financial Statements and and the Board of Commissioner's Supervisory Report.	
Resolution	<ol style="list-style-type: none"> 1. Accepted and approved the Annual Report of the Board of Directors regarding the Management of the Company during the 2017 Fiscal Year, and the Board of Commissioner's Supervisory Report for the fiscal year ended on December 31, 2017. 2. Received and ratified the 2017 Financial Statements Fiscal Year which includes the Balance Sheet and Profit or Loss calculations that have been audited by the public accountant firm of Purwantono, Sungkoro & Surja as in the report No. RPC-5630/ PSS/2018 dated February 5, 2018. 3. Granted release and discharge of responsibility to members of the Board of Directors and the Board of Commissioners on the management and supervision that have been implemented during the fiscal year 2017 as long as such actions are reflected in its Financial Statements.
Voting Results	<ol style="list-style-type: none"> 1. Approved: 5,574,086,404 Shares (100%) 2. Against: Nil 3. Abstain: Nil
Status	Has been completed

Second Agenda

Stipulation of the Use of Net Income for the financial year ended on December 31, 2017

Resolution	<ol style="list-style-type: none"> 1. Stipulated the entire Company's net income for the year amounted to Rp1,300,043,285,785 (one trillion three hundred billion forty three million two hundred eighty five thousand seven hundred eighty five Rupiah) for: <ol style="list-style-type: none"> a. Amounted Rp43,285,785 (forty three million two hundred eighty five thousand seven hundred eighty five Rupiah) being set aside for reserve funds in order to comply with the provisions of Article 70 of the Company Law; b. Amounted Rp650,000,000,000 (six hundred fifty billion Rupiah) will be distributed to shareholders as cash dividends. c. The remaining amount of Rp650,000,000,000 (six hundred fifty billion Rupiah) will be recorded as retained earnings. 2. Approved the distribution of cash dividends with the following provisions: <ol style="list-style-type: none"> a. The procedure and schedule of the distribution of cash dividends will be determined later. b. The payment of cash dividends will be taxed in accordance with the applicable tax regulations. 3. Granted power and authority to the Board of Directors to regulate the procedures and schedule of dividends cash payment and announced in accordance with applicable laws and regulations.
Voting Results	<ol style="list-style-type: none"> 1. Approved: 5,574,086,404 Shares (100%) 2. Against: Nil 3. Abstain: Nil
Status	Has been completed. The terms for dividend payment has been announced on March 2, 2018 and the dividend has been distributed on March 27, 2018.

Third Agenda

Report of the Board of Directors on the Company's Business Plan For 2018.

Resolution	For the Third Meeting Agenda, no decision was taken as the agenda is only to inform on the 2018 Business Plan.
Voting Results	<ol style="list-style-type: none"> 1. Approved: 5,574,086,404 Shares or 100% of those present 2. Against: Nil 3. Abstain: Nil
Status	Has been completed

Fourth Agenda

Appointment of a Public Accountant Firm that will audit the Company's financial statements for the Fiscal Year 2018

Resolution	Gave authority and power to the Board of Commissioners to appoint a Public Accounting Firm registered with the Financial Services Authority, which will conduct an audit of the Company's financial year 2018, to obtain auditors with the best quality and price.
Voting Results	1. Approved: 5,574,086,404 Shares or 100% of those present 2. Against: Nil 3. Abstain: Nil
Status	Has been completed

Fifth Agenda

The stipulation of honorarium and other benefits for the Board of Commissioners and Directors for 2018, as well as the distribution of duties and authorities of the Board of Directors.

Resolution	1. Stipulated the net honorarium budget for all members of the Board of Commissioners in the amount of Rp1,380,000,000 (one billion three hundred eighty million Rupiah) per month, tax borne by the Company, and provide power and authority to the Company's Board of Commissioners to stipulate the distribution and other benefits for each member of the Board of Commissioners, which is valid until another decision at the next Annual Shareholders General Meeting. 2. Gave authority and power to the Board of Commissioners for and on behalf of the Meeting to determine the salaries and other benefits for each member of the Company's Board of Directors. 3. Providing power and authority to the Board of Commissioners, to assign duties and authority to each member of the Company's Board of Directors.
Voting Results	1. Approved: 5,574,086,404 Shares or 100% of those present 2. Against: Nil 3. Abstain: Nil
Status	Has been completed

2018 Extraordinary General Meeting Of Shareholders

In 2018, Bank Mega convened one (1) Extraordinary GMS (EGMS) on February 28, 2018 at Bank Mega Tower Jl. Kapten Tendean 12-14A, Jakarta 12790. The AGMS has met the provisions set forth in the Financial Services Authority regulations as follows:

Date	Activity
January 12, 2018	Notice to OJK on the EGMS plan
January 22, 2018	Announcement of EGMS in Indonesian Newspaper namely Investor Daily, website of Bank Mega and Indonesia Stock Exchange
February 6, 2018	EGMS Invitation in Indonesian Newspaper namely Investor Daily, website of Bank Mega and Indonesia Stock Exchange
February 28, 2018	EGMS
March 2, 2018	Announcement of Summary of EGMS Resolution in Indonesian Newspaper namely Investor Daily website of Bank Mega and Indonesia Stock Exchange
March 26, 2018	Submission of Minutes of EGMS to OJK

Shareholders Attendance of Board of Commissioners and Board of Directors

The EGMS is attended by Shareholders that have met the quorum and member requirements of the Board of Commissioners and Board of Directors as follows:

Shareholders	Board of Commissioners	Board of Directors
The Meeting is attended by shareholders and/or their proxies representing 5,574,086,404 shares or equivalent to 80.04% of 6,963,775,206 shares with valid voting rights issued by the Bank.	Independent Commissioner: Achjadi Ranuwisastra Lambock V. Nahattands Commissioner: Yungky Setiawan Darmadi Sutanto	President Director: Kostaman Thayib Director: Madi Darmadi Lazuardi Indivara Erni Wiweko Probojakti Y.B. Hariantono Martin Mulwanto Lay Diza Larentie Independent Director: Yuni Lastianto

Opportunities to Ask Questions and/or Opinions

In the EGMS the shareholders are given the opportunity to raise questions and/or opinions related to each meeting agenda. In the EGMS the number of questions and / or opinions submitted by the Shareholders are as follows:

Agenda	Number of Questions/Opinions
First Agenda	Nil
Second Agenda	Nil

EGMS Decision and Follow Up

First Agenda	
Amendment to the Company's Articles of Association	
Resolution	<ol style="list-style-type: none"> To approve the amendment to Article 20 paragraph (1) of the Fund's Basic Budget to read as follows: The Board of Commissioners consist of at least 3 people and the composition of the Board of Commissioners is as follows: <ol style="list-style-type: none"> A President Commissioner If needed, a Vice President Commissioner can be agreed And the others are Commissioners Independent Commissioners are appointed by the Board of Commissioners, whose amounts are in accordance with the applicable laws and regulations in the banking sector and capital market To approve the granting of power and authority to the Directors of the Company to make amendments to the provisions of the articles of association, stating the decision of this meeting in notary deed including to rearrange all statutes in a notary deed and to notify the amendments to the statutes human rights of the Republic of Indonesia and take every action needed to implement changes in the provisions of the articles of association of the Company.

First Agenda

Amendment to the Company's Articles of Association

Voting Results	1. Approved: 5,574,086,404 Shares or 100% of those present 2. Against: Nil 3. Abstain: Nil
Status	Has been completed

Second Agenda

Changes of Management of the Company

Resolution	<p>a. Honorably discharged Mr. Yungky Setiawan, as Commissioner and appointed Mr. Yungky Setiawan as Vice President Commissioner and appointed Mrs. Aviliani as Independent Commissioner. With the above decisions, the composition of the Board of Commissioners is as follows:</p> <ol style="list-style-type: none"> 1. President Commissioner: Chairul Tanjung 2. Vice President Commissioner: Yungky Setiawan 3. Commissioner: Darmadi Sutanto 4. Independent Commissioner: Achjadi Ranuwisastra 5. Independent Commissioner: Lambock V Nahattands 6. Independent Commissioner: Aviliani <p>b. Appointed Mr. C. Guntur Triyudianto as Director of the Company With the above decision, the composition of the members of the Board of Directors is as follows:</p> <ol style="list-style-type: none"> 1. President Director: Kostaman Thayib 2. Director: Madi Darmadi Blue 3. Director: Indivara Erni 4. Director: Y.B. Hariantono 5. Director: Martin Mulwanto 6. Director: Lay Diza Larentie 7. Director: C. Guntur Triyudianto 8. Independent Director: Yuni Lastianto <p>c) Granted authority the Board of Directors of the Company to declare the resolutions of the Meeting in the notarial deed and to report changes in the composition of the Board of Directors of the Company to the authorized regulators.</p>
Voting Results	<ol style="list-style-type: none"> 1. Agreed: 5,574,086,404 Shares (100%) 2. Against: Nil 3. Abstain: Nil
Status	Has been completed

Realization of the GMS Resolution in 2017

Resolution of First Agenda

- a. Accepted and approved the Annual Report of the Board of Directors regarding the Management of the Company during the financial year 2016, and the Board of Commissioners' Supervisory Report for the fiscal year ended December 31, 2016;
- b. Received and ratified the Financial Report Year 2016 which includes the Balance Sheet and Profit or Loss calculations that have been audited by the public accountant firm Purwantono, Sungkoro & Surja as in the report No. RPC-445/ PPS/2016 dated February 28, 2017; and
- c. Granted release and discharge of responsibility to members of the Board of Directors and the Board of Commissioners on the management and supervision that have been implemented during the financial year 2016 as long as such actions are reflected in the Financial Statements

Status: Has been completed

Resolution of Second Agenda

1. Determined the entire Company's net profit amounted to Rp1,158,000,308,590 (one trillion one hundred fifty eight billion three hundred eight thousand five hundred ninety Rupiah) for:
 - a. Amounted Rp100,308,590 (one hundred million three hundred eight thousand five hundred and ninety Rupiah) being set aside as a reserve funds in order to comply with the Article 70 of the Company Law;
 - b. Amounted Rp578,950,000,000 (five hundred seventy eight billion nine hundred fifty million Rupiah) will be distributed to shareholders as cash dividends;
 - c. The remaining amount of Rp578,950,000,000 (five hundred seventy eight billion nine hundred fifty million Rupiah) will be recorded as retained earnings.
2. Approved the distribution of cash dividends with the following provisions:
 - a. The procedure and schedule of the distribution of cash dividends will be determined later.
 - b. The payment of cash dividends will be taxed in accordance with the applicable tax regulations.
3. Granted the power and authority to the Board of Directors to regulate the procedures and schedule of dividends cash payment and announced in accordance with applicable laws and regulations.

Status: Has been completed

Resolution of Third Agenda

Report of the Board of Directors on the 2017 Business Plan of the Company

Resolution of Fourth Agenda

The appointment of a public accounting firm that will conduct an audit of the financial statements of the Company for 2017.

Status: Has been completed

Resolution of Fifth Agenda

Changes in the composition of the management of the Company due to the expiration of the term of office of all members of the Board of Commissioners.

Status: Has been completed

Resolution of Sixth Agenda

- a. Establish a net honorarium budget for all members of the Board of Commissioners and Company sources consisting of:
 - President Commissioner: Yungky Setiawan
 - Independent Commissioner: Achjadi Ranuwisastra
 - Independent Commissioner: Lambock Victor Nahattands
 - Commissioner: Darmadi Sutanto
 - Speaker: Chairul Tanjung

amounting to Rp1,193,500,000 (one billion one hundred ninety three million five hundred thousand Rupiah) per month, tax borne by the Company, and giving power and authority to the Board of Commissioners of the Company to determine the distribution and other benefits for each member of the Board of Commissioners and Company's speaker, which are valid until another decision at the next Annual General Meeting of Shareholders;
- b. Granted the authority and power to the Board of Commissioners for and on behalf of the Meeting to determine the salaries and other benefits for each member of the Company's Board of Directors until otherwise decided by the next General Meeting of Shareholders;
- c. Granted power and authority to the Board of Commissioners, to determine the duties and responsibilities for each member of the Board of Directors.

Status: Has been completed

BOARD OF COMMISSIONERS

Legal References

1. Law No. 40 of 2007 regarding the Limited Liability Companies.
2. Regulation of the Financial Services Authority No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
3. Regulation of the Financial Services Authority No. 55/POJK.03/2016 dated December 7, 2016 on the Implementation of Governance for Commercial Banks

Appointment Criteria

1. Proficient in doing legal capacity;
2. During 5 (five) years prior to the appointment:
 - a. Has never been declared bankrupt;
 - b. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners that is declared guilty causing a company to bankruptcy;
 - c. Has never been convicted because of crimes that harmed the state's financial and/or related to financial sector;
3. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners that while in his tenure that:
 - a. Does not hold the Annual General Meeting of Shareholders (AGMS);
 - b. Accountability as a member of the Board of Directors and/or member of the Board of Commissioners is not accepted by the GMS or do not give any accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
 - c. Caused a company which has a license, approval, or registered to Financial Services Authority to not fulfill the requirement to submit annual reports and/or financial statements to the Financial Services Authority.
4. Have a commitment to follow the laws and regulations; and
5. Have knowledge and/or expertise in the field that is required by the company

Dismissal of the Board of Commissioners Members

The terms of office of a member of the Board of Commissioners ends when a member is:

1. Passed away
2. No longer fulfilling requirements as the Board of Commissioners.
3. Voluntary resignation

The GMS has the authority to dismiss members of the Board of Commissioners by stating the reasons.

Duties and Responsibilities of the Board of Commissioners in 2018

1. To carry out oversight duties on the Bank's management by the Board of Directors, evaluate and approve the annual budget and work plan.
2. To approve the Risk Management Policy and ensuring that the implementation of risk management is adequate in accordance with the Risk Management Policy and Risk Management Strategy.
3. To decide the request of the Board of Directors proposal related to business transactions or activities that exceeding the Board of Directors authority.

4. The Board of Commissioners also conducts coaching and development in order to maintain Bank Mega business plan with due observance to prudential principles and good corporate governance.
5. To ensure that the Board of Directors has implemented prudential principles in the Bank's business activities and to ensure the application of governance principles in every Bank's business activities.
6. To ensure that the Board of Directors has followed up the audit findings and recommendations from the Internal Audit Unit, External Auditors, Bank Indonesia oversight results and Financial Services Authority as well as oversight results from other authorities.
7. To evaluate the Bank's Compliance Function implementation, at the first half and second half of 2018 by providing advices to improve the Bank's Compliance Function to the President Director with the enclosure to the Director in charge of Compliance Function.
8. To enhance compliance and anti fraud culture in all organization elements.
9. On the Integrated Governance implementation, the Board of Commissioners has also conducted oversight on the Board of Directors' duties and responsibilities in the implementation of Integrated Governance.

Performance Assessment of the Committees Under the Board of Commissioners

In accordance with its authorities, the Board of Commissioners may establish the committee that directly responsible to the Board of Commissioners to assist in overseeing the management of Bank Mega. As of December 31, 2018, there are 3 (three) Committees under the Board of Commissioners with their respective duties and responsibilities as described in the separate section of this Annual Report, namely the Audit Committee, the Nomination and Remuneration Committee and the Risk Oversight Committee. The Board of Commissioners considers that the performance of each Committee under the BOC in 2018 has been optimal, independent and effective.

BOC Charter

In performing its duties, the Board of Commissioners of Bank Mega has the BOC Charter as a reference for the Board of Commissioners in performing duties and consist of duties, authorities, obligations, responsibilities, position ethics, Board of Commissioners meetings, committees under the Board of Commissioners, resignation and concurrent positions.

Board of Commissioners Composition

The Board of Commissioners composition as of December 31, 2018 is as follows:

Name	Position	Effective of Appointment	
		Effective Date	EGMS
Chairul Tanjung	President Commissioner	June 4, 2018	November 15, 2017
Yungky Setiawan	Vice President Commissioner	March 1, 2018	February 28, 2018
Achjadi Ranuwisastro	Independent Commissioner	March 24, 2006	March 24, 2006
Darmadi Sutanto	Commissioner	October 15, 2015	May 7, 2015
Lambeck V. Nahattands	Independent Commissioner	December 18, 2015	May 7, 2015
Aviliani	Independent Commissioner	June 4, 2018	February 28, 2018

Independence and Concurrent Positions

1. The Independent Commissioner and the Board of Directors do not have ownership relations, management relations, financial relations, and familial relations with the Controlling Shareholders.
2. The President Commissioner (Chairul Tanjung) has concurrent positions at the Bank's business group, namely as the President Commissioner at PT CT Corpora, PT Para Rekan Investama, PT Mega Corpora, PT Trans Corpora and PT Trans Airways.
3. The Vice President Commissioner (Yungky Setiawan), has concurrent positions at the Bank's business group, namely as the President Commissioner at PT Trans Retail Indonesia, PT Trans Retail, PT Trans Food Oriental, PT Metropolitan Retailmart and PT Trans Fashion Indonesia, PT Trans Rasa Nippon, PT Trans Rasa Oriental, PT Alfa Retailindo, PT Trans Rasa Bali and PT Trans Pizza Resto.
4. The Commissioner (Darmadi Sutanto) has concurrent positions at the Bank's business group, namely as the Commissioner at PT Trans Ice and PT Metropolitan Retailmart.
5. The Independent Commissioner (Lambeck V. Nahattands) has concurrent positions at 1 (one) non Financial Institution (outside of the Bank's group).
6. The Independent Commissioner (Aviliani) has concurrent positions at 1 (one) non Financial Institution (outside of the Bank's group).

The concurrent position of Chairul Tanjung, Yungky Setiawan and Darmadi Sutanto are applicable in order to implement oversight functions in the companies under business group as stated in the assignment letter from the ultimate shareholders.

Board of Commissioners Training

No.	Trainings	Participants
1.	Refreshment SMR: The Role of Bank to Meet Digitalization of Financial Markets	Yungky Setiawan
2.	Fintech Workshop: Key Role of Commissioners, Directors, Committees on Fintech	Achjadi Ranuwisastro
3.	Dissemination of Achievements and Directions for the Implementation of Integrated Regulatory and Oversight Functions of the Financial Conglomerate	Achjadi Ranuwisastro
4.	Indonesia Banking Expo Seminar (IBEX) 2018: The Next Generation of Banking of the Fourth Industrial Transformation	Aviliani

INDEPENDENT COMMISSIONER

Based on Regulation of the Financial Services Authority No. 55/POJK.03/2016 the minimum number of Independent Commissioners is 50% of the total Commissioners of Bank Mega. The number of Bank Mega's Board of Commissioners as of December 31, 2018 is three (3) members as Independent Commissioner of total six (6) members of the Board of Commissioners hence had complied with the rules of the Financial Services Authority.

Independent Commissioner Criteria

The criteria for Independent Commissioners in accordance with the Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 dated March 17, 2017 on the Implementation of

Good Corporate Governance for Commercial Banks, which are not to have financial relationship, management relationship, share ownership and/or family relationships with fellow members of the Board of Commissioners, Board of Directors and/ or Controlling Shareholders or business relationship with Bank Mega, which may affect its ability to act independently.

All Independent Commissioners of Bank Mega have met the criteria as stated in the Statement Letter signed by respective Independent Commissioner at the time of the appointment.

BOARD OF DIRECTORS

Legal References

1. Law No. 40 of 2007 regarding the Limited Liability Companies.
2. Regulation of the Financial Services Authority No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
3. Regulation of Financial Services Authority No 55/POJK.03/2016 dated December 7, 2016 on the Implementation of Governance for Commercial Banks

Appointment Criteria

1. Proficient in doing legal capacity;
2. During 5 (five) years prior to the appointment:
 - a. Has never been declared bankrupt;
 - b. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners that is declared guilty causing accompany to bankruptcy;
 - c. Has never been convicted because of crimes that harmed the state's financial and/or related with financial sector;
3. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners that while in his/her tenure:
 - a. Had a track record to not hold the Annual General Meeting of Shareholders (AGMS);
 - b. Accountability as a member of the Board of Directors and/ or member of the Board of Commissioners is not accepted by the GMS or do not provide any accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS;
 - c. Caused a company which has a license agreement, or registered in the Financial Services Authority to not meet the requirement to submit the annual reports and/or financial statements to the Financial Services Authority.
4. Have a commitment to follow the laws and regulations; and
5. Have the knowledge and/or expertise in the field required by the company.

Dismissal of Members of the Board of Directors

Pursuant to the Bank's Articles of Association, the tenure of the Board of Directors members is completed in the event of:

1. Passed away.
2. No longer fulfilling the requirements as the Board of Directors
3. Voluntary resignation.

The GMS has the authority to dismiss members of the Board of Directors by stating the reasons.

Duties and Responsibilities of the Board of Directors

The Board of Directors has carried out duties and responsibilities with due observance to the authorities regulated in the Bank's Articles of Association and fully responsible on the Bank's management implementation, among others:

1. To stipulate the Bank's long term, medium, and annual objectives and strategies.
2. To establish a Good Corporate Governance (GCG) implementation policy and declare Integrity Commitment and ensure the implementation of GCG principles in every Bank's business activities at all levels and organization.
3. To develop remuneration policy and other policies transparently.
4. To establish Internal Audit Unit, Compliance Unit, Anti Fraud Strategy Unit, Anti Money Laundering Unit, Risk Management Unit, and Risk Management Committee.
5. To follow up the findings of Internal Audit, External Auditors, and oversight results of Bank Indonesia/ Financial Services Authority and/or other regulators' oversight results.
6. To evaluate and monitor the Bank's prudential and compliance principles
7. To develop annual reports and financial documents transparently.
8. To be accountable in the duties implementation to the Board of Commissioners and shareholders through the GMS.
9. No public attorney from members of the Board of Directors to other parties that resulted in the transfer of duties and functions of the Board of Directors

10. Has already in place the Board Manual containing the working procedures including work ethics, working time and meetings of the Board of Directors.
11. Does not hire individual advisors and/or professional services of consultants.

Board of Directors Division of Duties

The division of duties of each member of Bank Mega Board of Directors is determined by the Board of Commissioners based on authority provided by the GMS.

Performance Assessment of the Committees Under the Board of Directors

As of December 31, 2018, there are seven (7) Committees under the Board of Directors with their respective duties and responsibilities as described in the separate section of this Annual Report. The Board of Directors considers that the performance of each Committee in 2018 has been effective and efficient.

This assessment is based on the matters escalated along with the recommendations and reports submitted to the Board of Directors in relation to the execution of the duties of each committee.

BOD Charter

In performing its duties, Bank Mega Board of Directors has in place the BOD Charter as a reference in performing duties. The BOD Charter contains among other duties, authorities, obligations, responsibilities, position ethics, Board of Directors meetings, committees under the Board of Directors, resignation and concurrent positions.

Board of Directors Composition

The Board of Directors composition as of December 31, 2018 is as follows:

Name	Position	Effective of Appointment	
		Effective Date	EGMS
Kostaman Thayib	President Director	July 16, 2013	April 17, 2013
Y.B. Hariantono	IT Director	October 20, 2014	March 27, 2014
Martin Mulwanto	Treasury & International Banking Director	September 22, 2014	March 27, 2014
Yuni Lastianto	Compliance & HC Director (Independent Director)	August 29, 2012	March 29, 2012
Indivara Erni	Risk Director	September 22, 2014	March 27, 2014
Madi Darmadi Lazuardi	Credit Director	July 16, 2013	April 17, 2013
Lay Diza Larentie	Funding & Sales Distribution Director	December 30, 2015	May 7, 2015
C. Guntur Triyudianto	Operational Director	September 12, 2018	February 28, 2018

The total numbers, composition, integrity, and competency of members of the Board of Directors are in accordance with the Bank's business activities, as well as has met the regulations of Financial Services Authority, among others:

1. Total members of the Board of Directors are more than 3 (three) members.
2. All members of the Board of Directors are domiciled in Indonesia.
3. The replacement and/or appointment of the Board of Directors has taken into account the recommendations of the Remuneration and Nomination Committee, and has obtained the approval of the GMS.
4. All members of the Board of Directors have more than 5 (five) years of experience in banking operations as the bank's executives.
5. Has passed the Fit & Proper Test and have obtained the Approval Letter from the Financial Services Authority.

6. There are no members of the Board of Directors, both privately and jointly, owning shares that reach 5% (five percent) or more at Bank Mega or at banks and other companies domiciled at home and abroad.
7. There are no members of the Board of Directors, either alone or jointly, having shares in excess of 25% (twenty five percent) of paid-in capital in another company.

Independence and Concurrent Positions

All members of the Board of Directors do not have concurrent position as the Commissioners, Board of Directors or Executives at the Bank, other companies and or institutions and do not have financial relations, management relations, shares ownerships and/or familial relations with members of the Board of Commissioners, Board of Directors and/or Controlling Shareholders or relations with the Bank.

ASSESSMENT OF GCG APPLICATION BY BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

Performance Assessment of the Board of Commissioners

The Board of Commissioners performance assessment is conducted once a year by using Self Assessment methods. The Self Assessment of the Board of Commissioners is collectively conducted based on the set forth criteria that consists of duties and responsibilities in accordance with related regulations. The assessment refers to the rules stipulated under the Board of Commissioners Decree No. 014/DEKOM/XII/16 dated December 23, 2016 on the Self Assessment of the Board of Commissioners, Board of Directors, and the Succession in the Nomination Process of the Board of Directors.

Performance Assessment of the Board of Directors

The Board of Directors performance assessment is conducted once a year by using Self Assessment methods. The Self Assessment by the Board of Directors is collectively conducted based on the set forth criteria that consists of duties and responsibilities in accordance with related regulations. Aligned with the Self Assessment of the Board of Commissioners and the Board of Directors, the Bank has in place the Succession program in the Nomination.

Process of the Board of Directors. This program is part of leadership candidates preparedness to obtain potential candidates for the Board of Directors position, and broadly aimed at supporting business growth and achievement of the Bank's objectives and vision.

The assessment and Succession program has been stipulated in the the Board of Commissioners Decree No. 014/DEKOM/XII/16 dated December 23, 2016 on the Self Assessment of the Board of Commissioners, Board of Directors, and the Succession in the Nomination Process of the Board of Directors.

REMUNERATION POLICY OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Bank has developed the Remuneration Policy by issuing the Board of Directors Decree No. SK.207/DIRBM-HCRO/16 dated November 23, 2016 on the Remuneration Governance Policy of PT Bank Mega Tbk. The policy will be enforced on January 1, 2017 (in accordance with the regulation of POJK No. 45/POJK.03/2015 dated December 23, 2015 on the Implementation of Governance for the Remuneration of Commercial Banks and SEOJK No. 40/SEOJK.03/2016 dated September 26, 2016 on the Implementation of Governance for the Remuneration of Commercial Banks).

This provision applies to the calculation of 2017 remuneration which will be paid in 2018. The Bank has established the Remuneration & Nomination Committee with the members composition in accordance with the OJK Regulation. Members composition and Committee meetings are presented in

separate section. The remuneration paid off to members of the Remuneration & Nomination Committee during 1 (one) year was Rp12,274,643,396.

In 2018 a review was conducted in the application of the determination of Risk Takers (MRT) Material and changes in the number of percentage deferred remuneration payments. These changes were issued through Directors Decree No. SK. 081/DIRBM-HCRO/18 regarding the First Revision of the Remuneration Governance Policy of PT Bank Mega Tbk. Variable remuneration for Risk Takers Materials is given in cash (100%) with the suspension period being carried out in stages over a period of 3 (three) years given in prorated with the scheme according to the table below.

Changes in the determination of Risk Takers (MRT) Material and the number of deferred percentages specified as follows:

Shareholders		Direct Payment		1st Year Payment		2nd Year Payment		3rd Payment	
Before	Become	Before	Become	Before	Become	Before	Become	Before	Become
Commissioners	Commissioners	w%	80%	2%	6.66%	2%	6.66%	2%	6.66%
Directors	Directors								
Group Head	Group Head	97%		1%		1%		1%	
	Regional Head	-	85%	-	5%	-	5%	-	5%
	Selective Division Head*	-		-		-		-	

Payment of bonuses that are deferred to year 1 are paid in the following year after direct payment and so on until the payment of the 3rd year.

MRT Position	MRT Total
Board of Commissioners	6
Directors	8
Group Head	6
Regional Head	8
Selective Division Head	28

*) The Selective Division Head categorized as MRT in 2017 bonus calculation has been determined by Management as many as 28 persons and can be adjusted annually based on Management Decisions.

Remuneration Package and Facilities received by the Board of Directors and Board of Commissioners

Remuneration Types and Other Facilities	Total Received in 1 Year			
	Board of Commissioners		Directors	
	Person	In Million Rp	Person	In Million Rp
Salary, bonus, regular allowances, tantiem, and other facilities in non-nature	6	30.629	8	51.019
Other facilities in non-nature (housing, health insurance, and others):	6	222	8	263
a. Can be owned				
b. Cannot be owned				
Total		30.581		51.283

Remuneration Package grouped in income level received by members of the Board of Directors and Board of Commissioners in 1 (one) year

Total Remuneration per person in 1 Year *)	Total Board of Directors	Total Board of Commissioners
Above Rp2 billion	7	5
Above Rp1 billion to Rp2 billion	1	1
Above Rp500 million to Rp1 billion	-	-
Rp500 million and below	-	-

*) received in cash

Total Board of Directors, Board of Commissioners and employees receiving variable remuneration in 1 (one) year and total nominal

Variable Remuneration	Total Received in 1 Year					
	Directors		Board of Commissioners		Employees	
	Person	Million Rp	Person	Million Rp	Person	Million Rp
Total	7	6,800,50	5	2,978,50	3,598	31,219

The Share option given to the Board of Commissioners, Board of Directors, and Executives in 2018 are for the calculation of 2017 bonuses.

Highest and Lowest Salary Ratio

The following are Bank Mega highest and lowest salary ration in 2018:

- The highest and lowest employee salary ratio is 42.18 : 1
- The highest and lowest Board of Directors salary ratio is 2.97 : 1
- The highest and lowest Board of Commissioners salary ratio is 3.6 : 1
- The highest Board of Directors salary ratio and the highest employee salary ratio is 3.17 : 1

Total employees affected by employment termination and total severance nominal paid

Total Severance Nominal paid per person in 1 year	Total Employees
Above Rp1 Billion	2
Above Rp500 Million to Rp1 Billion	3
Rp500 Million and below	105

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS MEETINGS

Board of Commissioners Meeting Policy

The Board of Commissioners Meeting shall be conducted periodically at least 1 (once) every 2 (two) months. The Board of Commissioners Meeting may also be conducted at any time outside the scheduled meeting based on the request of 1 (one) or more members of the Board of Commissioners. The Board of Commissioners Meeting schedule for the relevant year is determined at the beginning of the year by the Corporate Secretary.

The Board of Commissioners Meeting implementation policy follows Bank Mega Articles of Association, which are:

- The meeting materials shall be provided to the Board of Commissioners no later than 5 (five) working days prior to the meeting.

- The Meeting shall be valid if it is attended or represented by more than 1/2 (one-half) of the total members of the Board of Commissioners.
- The Board of Commissioners Meeting shall be chaired by the President Commissioner or a member of the Board of Commissioners who is present and appointed at the meeting.
- Minutes of Meeting shall be prepared by the party appointed by the Board of Commissioners and signed by all members of the Board of Commissioners present at the Meeting.

Frequency and Attendance of the Board of Commissioners Meeting

During 2018, Bank Mega Board of Commissioners has convened 7 (seven) Meetings with the attendance frequency and agenda of meetings as follows:

Names	Attendance in BOC Meeting	
	Frequency	%
Chairul Tanjung*	3	43%
Yungky Setiawan	6	86%
Achjadi Ranuwisastra	6	86%
Darmadi Sutanto	5	71%
Lambock V. Nahattands	6	86%
Aviliani**	4	57%
Total Annual Meetings	7 times	

* Effective as June 4, 2018

** Effective as June 4, 2018

JOINT MEETINGS OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Board of Commissioners and Board of Directors shall convene the joint meetings periodically for at least one meeting in every 4 (four) months, with the meeting policy and procedures referring to Bank Mega Articles of Association.

Frequencies and Attendance of the Board of Commissioners and Board of Directors Joint Meetings

A total of 51 joint meetings of the Board of Directors and Board of Commissioners were held during 2018, with the following frequencies of attendance and agenda:

Board of Directors Meeting

Names	Attendance in BOC Meeting	
	Frequency	%
Chairul Tanjung*	26	51%
Yungky Setiawan	47	92%
Achjadi Ranuwisastra	48	94%
Darmadi Sutanto	37	73%
Lambock V. Nahattands	24	47%
Aviliani**	24	47%
Total Annual Meetings	51 times	

* Effective as June 4, 2018

** Effective as June 4, 2018

Board of Directors Meeting Policy

The Board of Directors Meeting shall be conducted periodically at least once a month and may also be conducted at any time outside the scheduled meeting based on the request of one (1) or more members of the Board of Directors.

The Board of Directors Meeting implementation policy follows Bank Mega Articles of Association, which are:

1. The meeting material shall be given to the Board of Directors no later than 5 (five) working days prior to the meeting.
2. The Meeting shall be valid if it is attended or represented by more than 1/2 (one-half) of the total members of the Board of Directors.

3. The Board of Directors Meeting shall be chaired by the President Director or a member of the Board of Directors who is present and appointed at the meeting;
4. Minutes of Meeting shall be prepared by the party appointed by the Board of Directors and signed by all members of the Board of Directors present at the Meeting.

Board of Directors Meeting Frequencies and Attendance

In 2018, the Board of Directors of Bank Mega has conducted 50 meetings with attendance frequencies and agenda of meetings as follows:

Names	Attendance in the Joint Meetings	
	Frequency	%
Kostaman Thayib	47	92%
Yuni Lastianto	46	90%
Madi D Lazuardi	50	98%
Indivara Erni	44	86%
Martin Mulwanto	46	90%
YB. Hariantono	45	88%
Lay Diza Larentie	44	86%
C. Guntur Triyudianto*	31	61%
Total Annual Meetings	51 times	

* Effective as September 10, 2018

AFFILIATES RELATIONS BETWEEN MEMBERS OF THE BOARD OF DIRECTORS, BOARD OF COMMISSIONERS, AND ULTIMATE AND/OR CONTROLLING SHAREHOLDERS

The President Commissioner, Mr. Chairul Tanjung is the Last Controlling shareholder of PT Bank Mega Tbk.

COMMITTEES OF THE BOARD OF COMMISSIONERS

Audit Committee

The Audit Committee is established and responsible to the Board of Commissioners to assist in the implementation of duties and responsibilities of supervisory of the Board of Commissioners. The Audit Committee provides independent opinion to the Board of Commissioners regarding the Bank Mega's financial statements including the financial reporting process, the effectiveness of the internal control system, monitoring the process and findings of internal and external audit as well as risk management.

Legal References

1. Regulation of the Financial Services Authority No. 55/POJK.03/2016 dated December 7, 2016 on the Implementation of Governance of Commercial Banks.
2. Decree No. SK.087/DIRBM/17 dated July 3, 2017 on the Audit Committee of PT Bank Mega Tbk.

Name	Position	Appointment by the Board of Directors	Skills	Concurrent Positions
Achjadi Ranuwisastra	Chairman	July 3, 2017	Banking	Chairman of the Remuneration & Nomination Committee
Iramady Irdja	Member	July 3, 2017	Finance & Accounting	-
Adrial Salam	Member	July 3, 2017	Finance & Banking	-

The Audit Committee members have integrity, good ethics and morals. All members of the Audit Committee are independent, both toward the Board of Directors, External Auditors, as well as Internal Auditors.

All members of the Audit Committee are independent parties without any financial, management, shares ownerships, and/or familial relations with the Board of Commissioners, Board of

Directors, and/or Controlling Shareholders or any relations with the Bank, which can influence its capabilities to act independently. The Committee members from independent parties do not assigned from former members of the Board of Directors or Executives from the same banks.

Achjadi Ranuwisastra Audit Committee Chairman/Independent Commissioner Indonesian Citizen

Educational Background	As stated in the Board of Commissioners' Profile
Professional Background	As stated in the Board of Commissioners' Profile
Skills	Banking

Iramadi Irdja Audit Committee Member Indonesian Citizen

Educational Background	As stated in the Board of Committee's Profile
Professional Background	As stated in the Board of Committee's Profile
Skills	Banking

Adrial Salam Audit Committee Member Indonesian Citizen

Educational Background	As stated in the Board of Committee's Profile
Professional Background	As stated in the Board of Committee's Profile
Skills	Banking

Audit Committee Independence

In performing its duties, the Audit Committee shall act independently. Each member of the Audit Committee of Bank Mega has met the following independent criteria:

1. Not a key employee of the Company within the last 1 (one) year prior to appointment.
2. Not having shares ownership in Bank Mega, either directly or indirectly.
3. Not having family or financial relationship affiliates relations with Bank Mega, members of the Board of Commissioners, Board of Directors or Ultimate Shareholders.
4. Has no personal interests toward Bank Mega.

All members of the Audit Committee of Bank Mega Audit have signed an independent Statement Letter documented by the Corporate Secretary.

Implementation of Duties and Responsibilities of the Audit Committee

The Audit Committee has carried out its duties and responsibilities, namely to provide independent professional opinion regarding reports and other information submitted by the Board of Directors and identify matters that require the attention of the Board of Commissioners.

To provide input to the Board of Commissioners, the Audit Committee has reviewed the published financial statements of the Bank with a focus on whether they have complied with the applicable accounting standards, while business activities are carried out by taking into account applicable regulations, internal controls effectiveness and the Bank's compliance with regulations other legislation related to the Bank's business activities. The Audit Committee also provides recommendations regarding the appointment of a Public Accountant and Public Accountant Office to the Board of Commissioners to be submitted to the General Meeting of Shareholders. Input on the performance of the Public Accountant and Public Accountant Office is also given to the Board of Commissioners based on the study results of the independence and objectivity of the Public Accountant and Internal Audit, the adequacy of audits conducted by Public Accountants to ensure that all important risks are reasonably considered.

In addition, the Audit Committee also identifies other matters that need the attention of the Board of Commissioners. During 2018, the Audit Committee discussed and submitted suggestions that included various important activities carried out by the Bank, among others:

No	Work Programs	Realizations
1.	IADT Annual Audit Work Plan (RKAT) Evaluation 2018	The evaluation has been done on the Annual Audit Work Plan 2018.
2.	Evaluating the financial statements suitability of PT Bank Mega Tbk with accounting standards	The evaluation has been implemented on the appropriateness of PT Bank Mega Tbk financial statements with accounting standard.
3.	Evaluating the results of PT Bank Mega Tbk audit by the Public Accountant Office.	The evaluation has been done for the audit results of PT Bank Mega Tbk fiscal year 2018. For the 2018 fiscal year audit, an evaluation of the audit results of PT Bank Mega Tbk fiscal year 2018, by the EY Public Accountant Office since the fourth quarter of 2018 and the evaluation will still continue until the finalization of assignment of Public Accountant Office in February 2019.

No	Work Programs	Realizations
4	Recommendation on the Public Accountant Firm appointment for fiscal year 2018.	Recommendation on the Public Accountant Firm appointment for fiscal year 2018.
5.	Evaluation on internal control audit results and the adequacy of audit reporting in 2018.	The evaluation has been done on the internal control audit results and the adequacy of audit reporting. The evaluation was conducted toward monthly audit reports and stating the results in the monthly Meeting reports.
6.	Evaluation on the Board of Directors' follow up on the internal and external audit findings.	The evaluation has been done on the implementation of follow up for improvement by the Board of Directors on internal audit and external audit findings.
7.	Quarterly Evaluation on compliance function implementation in 2018.	The quarterly evaluation has been implemented on the compliance function.

Independence of the Audit Committee

2018 Audit Committee Meeting

No	Names	Attendance	Percentage
1.	Achjadi Ranuwisastra	18 times	100%
2.	Iramady Irdja	18 times	100%
3.	Adrial Salam	18 times	100%
Total Meetings in 2018		18 times	



Achjadi Ranuwisastra
Chairman



Iramady Irdja
Member



Adrial Salam
Member

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is responsible to the Board of Commissioners to assist in performing its function and responsibilities associated with the Nomination and Remuneration of the Board of Directors and Board of Commissioners.

Legal References

1. The Regulation of Financial Services Authority No.55/POJK.03/2016 dated December 7, 2016 on the Implementation of Commercial Bank Governance.
2. Board of Directors Decree No. SK.060/DIRBM/18 dated June 8, 2018 concerning the Remuneration and Nomination Committee of PT Bank Mega Tbk.

Total Composition, and Independence of Nomination & Remuneration Committee Members

Name	Position	Appointment by the Board of Directors	Skills	Concurrent Positions
Achjadi Ranuwisastra	Chairman	June 8, 2018	Banking	Chairman Audit
Lambock V. Nahattands*	Chairman	July 3, 2017	Law	-
Yungky Setiawan	Member	June 8, 2018	Banking	-
Anwar V. Purba	Member	June 8, 2018	Human Resources	-

* Effective as June 8, 2018

The Nomination & Remuneration Committee is appointed by the Board of Directors following the Board of Commissioners meeting result. The general criteria of this appointment include of having integrity, independency, competence, good ethics and morals. Members of the Nomination & Remuneration Committee from

independent parties are not assigned from ex members of the Board of Directors or Executives from the same banks.

Achjadi Ranuwisastra NRC Chairman/Independent Commissioner Indonesian citizen

Educational Background	As stated in the Board of Commissioners' Profile
Professional Background	As stated in the Board of Commissioners' Profile
Skills	Banking

Lambock V. Nahattands NRC Member Indonesian citizen

Educational Background	As stated in the Board of Commissioners' Profile
Professional Background	As stated in the Board of Commissioners' Profile
Skills	Banking and Law

Yungky Setiawan
NRC Member
Indonesian citizen

Educational Background	As stated in the Board of Commissioners' Profile
Professional Background	As stated in the Board of Commissioners' Profile
Skills	Banking

Anwar V. Purba
NRC Member
Indonesian citizen

Educational Background	As stated in the Board of Committee's Profile
Professional Background	As stated in the Board of Committee's Profile
Skills	Banking

Committee Independence

In performing its duties, the NRC shall act independently in providing recommendation or input to the Board of Commissioners. All members of the NRC have signed an independent Statement Letter documented by the Corporate Secretary.

Duties and Responsibilities Implementation of NRC

The NRC has carried out duties and responsibilities in providing recommendations to the Board of Commissioners regarding candidates of members of the Board of Commissioners and/or Board of Directors as well as the remuneration policy for the Board of Commissioners and Board of Directors to be presented to the General Meeting of Shareholders. During 2018, the Remuneration and Nomination Committee conducted discussions and submitted proposals and suggestions related to various important activities carried out by the Bank, including:

No	Work Programs	Realizations	Remark
1.	Evaluation on Remuneration Policy Implementation for 2nd Half of 2017.	The evaluation results are submitted to the Board of Commissioners.	Implementation of Remuneration Policy Evaluation for the 1st Semester of 2018 will be conducted in the 2nd Semester of 2018.
2.	Recommendation on appointment of Vice President Commissioner, Commissioners and Board of Directors of PT Bank Mega Tbk	Appointment of Mr. Yungky Setiawan as Vice President Commissioner, Ms. Aviliani as Independent Commissioner and Mr. C. Guntur Tryudianto as Director of PT Bank Mega Tbk.	Stipulated in the General Meeting of Shareholders of PT Bank Mega Tbk in February 2018.

No	Work Programs	Realizations	Remark
3.	Recommendation on remuneration for members of the Board of Commissioners for 2018.	Recommendation to the Board of Commissioners.	Stipulated by the Board of Commissioners immediately after the General Meeting of Shareholders of PT Bank Mega Tbk in 2018.
4.	Recommendation on remuneration for members of the Board of Directors for 2018.	Recommendation to the Board of Commissioners.	Stipulated by the Board of Commissioners immediately after the General Meeting of Shareholders of PT Bank Mega Tbk in 2018.
5.	Evaluation on Remuneration Policy Application for 1st Half of 2018	The evaluation results submitted to the Board of Commissioners.	Implementation of Remuneration Policy Evaluation for the 2nd semester of 2018 will be conducted at the beginning of 2019.
6.	Review the Concept of the Board of Directors Succession Mechanism.	The results of the review are submitted to the Board of Commissioners.	Board of Commissioners input and consideration for the mechanism of Directors' Succession.

NRC Meetings

NRC Meeting Implementation in 2018

No	Names	Attendance	Percentage of Attendance
1.	Achjadi Ranuwisastra	2 times	100%
2.	Lambock V. Nahattands*	3 times	100%
3.	Yungky Setiawan	5 times	100%
4.	Anwar V. Purba	5 times	100%
Total meetings in 2018		5 times	

* Effective as June 8, 2018



Achjadi Ranuwisastra
Chairman



Yungky Setiawan
Member



Anwar V. Purba
Member

Risk Oversight Committee

Legal References

1. Regulation of the Financial Services Authority No. 55/POJK.03/2016 dated December 7, 2016 on the Implementation of Governance in the Commercial Banks.
2. Decree No. SK.056/DIRBM/18 dated June 8, 2018 on the Risk Monitoring Committee of PT Bank Mega Tbk.

Members Composition, Independence & Concurrent Position of Risk Oversight Committee Members

Name	Position	Appointment by the Board of Directors	Skills	Concurrent Positions
Aviliani	Chairman	June 8, 2018	Economy	-
Achjadi Ranuwisastra*	Chairman	June 3, 2017	Banking	Audit Committee Chairman
Purwo Junianto	Member	June 8, 2018	Risk Management	-
Ivan Purnama Sanoesi	Member	June 8, 2018	Financial Management	-

(*) Achjadi Ranuwisastra effective ended as June 8, 2018

All members of the Risk Oversight Committee are from independent parties not having financial relations, management relations, shares ownerships, and/or familial relations with the Board of Commissioners, Board of Directors, and/or Controlling Shareholders or relations with the Bank, which can influence the

capabilities to act independently. Members of the committee from independent parties are not assigned from ex members of the Board of Directors or Executives from the same banks.

Aviliani Chairman/ Independent Commissioner Indonesian citizen

Educational Background	As stated in the Board of Commissioners' Profile
Professional Background	As stated in the Board of Commissioners' Profile
Skills	Banking

Purwo Junianto Member Indonesian citizen

Educational Background	As stated in the Board of Committee's Profile
Professional Background	As stated in the Board of Committee's Profile
Skills	Banking

Ivan Purnama Sanoesi
Member
Indonesian citizen

Educational Background	As stated in the Board of Committee's Profile
Professional Background	As stated in the Board of Committee's Profile
Skills	Banking

Committee Independence

All members of the Risk Oversight Committee are independent parties without any financial, management, share ownership and/or family relationships with the Board of Commissioners, Board of Directors, and/or Controlling Shareholders or any relationship with the Bank, which may affect the ability to act independently. Committee members who are independent parties do not assigned former members of the Board of Directors or Executives from the same banks. All members of the Risk Oversight Committee have signed an independent Statement Letter documented by the Corporate Secretary.

Duties and Responsibilities Implementation of Risk Oversight Committee

The Risk Oversight Committee has assisted in the implementation of supervisory and coaching functions by the Board of Commissioners towards the Board of Directors

and its executives in the implementation of risk management by providing opinions and recommendations to the Board of Commissioners on Risk Management Policy and its implementation.

The Risk Oversight Committee reviews the adequacy of Risk Management Policy, the implementation of risk management function, and the quality of information on the Risk Profile Report that has been submitted to the Financial Services Authority and identifies other matters that require the attention of the Board of Commissioners regarding risk management implementation. During 2018, the Risk Oversight Committee has discussed and submitted suggestions regarding various risk management activities carried out by the Bank, including:

No	Work Programs	Realizations	Remark
1.	Bank Risk Profile Evaluation	Evaluation has been done on: <ul style="list-style-type: none"> - Risk Profile quarter IV/2017 - Risk Profile quarter I/2018 - Risk Profile quarter II/2018 - Risk Profile quarter III/2018 	<ul style="list-style-type: none"> - The Risk Profile has been developed in accordance with the Regulators rules. - During 2018 the Bank's risk profile is relatively stable, on low to moderate level.
2.	Assessment on the effectiveness of Risk Management Committee and Risk Management Unit	Participation on RMC meetings every month.	The RMC and RMU has properly implemented its functions, hence risk management is well implemented according to the regulations. The Bank's risk profile tends to improve at the quarter III/2018.
3.	Assessment on the effectiveness of Integrated Risk Management Committee	Active participation in IRMC quarterly meetings.	The IRMC in Mega Corpora Financial Conglomeration has been well implemented according to the regulations.
4.	Risk Management Policy Evaluation	<ol style="list-style-type: none"> 1. A meeting with RIMG has been held in charge of Credit and Operational Risk. 2. Credit Card Division and the Retail and Commercial Credit Division meeting. 3. Evaluation of the performance of Bank Mega Branch. 	<ul style="list-style-type: none"> • The role of IT in managing Operational Risk still needs to be improved. • There needs to be a match between RIMG and IADT in measuring the risk level of the Branch. <p>To support the development of credit:</p> <ul style="list-style-type: none"> • Quality of Branch Managers and Marketing still needs to be improved. • Utilization of Ecosystem with companies in the CT Group still needs to be improved. <p>Evaluation of the performance of Bank Mega Branch was conducted, related to:</p> <ul style="list-style-type: none"> • Problems faced by the Branch. • Business prospects of the area. • Increased credit distribution potential.
5.	Provide information and suggestion to the Board of Commissioners	<ol style="list-style-type: none"> 1. MD.No. 001/KPRBM/18 dated February 7, 2018 2. MD.No. 002/KPRBM/18 dated March 2, 2018 3. MD.No. 003/KPRBM/18 dated June 6, 2018 4. MD.No. 006/KPRBM/18 dated August 13, 2018 5. MD.No. 008/KPRBM/18 dated August 27, 2018 6. MD.No. 009/KPRBM/18 dated November 12, 2018 7. MD.No. 010/KPRBM/18 dated November 26, 2018 	<p>Evaluation of Risk Management Implementation Semester II/2017.</p> <p>Risk Profile Evaluation of the Quarter IV/2017.</p> <p>Risk Profile Evaluation of the Quarter I/2018.</p> <p>Recommendations for Follow-Up of OJK Examination Position Results January 2018.</p> <p>Risk Profiles of the Quarter II/2018 Evaluation.</p> <p>Bank Mega Branch Performance in September 2018 Evaluation.</p> <p>Risk Profile Evaluation of the Quarter III/2018.</p>

Risk Monitoring Committee Meeting

Implementation of the Risk Monitoring Committee Meeting in 2018

No	Names	Attendance	Percentage of attendance
1.	Aviliani *	6	100%
2.	Achjadi Ranuwisastra**	3	100%
3.	Purwo Junianto	9	100%
4.	Ivan Purnama Sanoesi	9	100%
Total meeting in a year		9 times	

* Aviliani is effectively serving since June 8, 2018

** Achjadi Ranuwisastra effectively ended on June 8, 2018



Aviliani
Chairman



Purwo Junianto
Member



Ivan Purnama Sanoesi
Member

COMMITTEES OF THE BOARD OF DIRECTORS

To assist its duties and responsibilities, the Board of Directors establishes the following Committees:

Risk Management Committee

The Authority and Responsibility of the Risk Management Committee

The authority and responsibility of the Risk Management Committee is to evaluate and provide recommendations to the Board of Directors regarding risk management that include:

- 1) Develop the Risk Management Policy and its amendment, including risk management strategy, risk level and risk tolerance, risk management framework and contingency plan to anticipate abnormal condition.
- 2) Improve the Risk Management process periodically or incidentally as a result of a change in the Bank's external and internal conditions affecting the adequacy of capital, the Bank's risk profile, and the effectiveness of risk management implementation based on the results of the evaluation.
- 3) Establish business policies and/or decisions that deviate from normal procedures, such as a significant excess of business expansion compared to a predetermined business plan, or risk taking or exposure that exceeds a predetermined limit.
- 4) Establish a Risk Limit (Risk Appetite and Risk Tolerance) of each risk area.
- 5) Monitor and evaluate and apply Risk Limit that is adjusted to the applicable Risk Limit provisions.
- 6) Establish policies to be taken based on evaluation results.
- 7) Evaluate the Quarterly and Half years Risk Profile reports and the PTKB Report prior to submitting to OJK as a regular report.
- 8) Evaluate the Bank's business strategy to manage with risk strategy.
- 9) Monitor significant issues through reports as submitted by the Risk Management Committee Secretariat.

Risk Management Committee Activities in 2018

The Risk Management Committee has held a Committee meeting to discuss risk management implementation as follows:

- 1) Discussion of Bank Soundness (PTKB) & Risk Profile assessment of PT Bank Mega, Tbk period December 2017.
- 2) Risk Assessment on CCPL Initiatives & Maintenance (CPIM).
- 3) Bank Mega's Bottom Up Stress Test (BUST).
- 4) Changes in Credit Limits to Core Debtors.
- 5) Switching Treasury Management Risk Limit.
- 6) Review Credit Limits per Economic Sector.
- 7) Bank Mega's Bottom Up Stress Test (BUST) - 2017/2018.
- 8) CC New Booking Quality Review.
- 9) Proposed Review Limit.
- 10) Proposed Risk Profile Parameter Review.
- 11) Business Continuity Management (BCM).
- 12) Risk Event Database (RED).
- 13) OPRIST Results for April 2018 Period.
- 14) Monitoring of Maturity Insurance, SHGB & TBO in the context of Credit Risk Mitigation.
- 15) Simulation of the Application of Makroprudential Intermediation Ratio (RIM).
- 16) Unrealized Loss Bond AFS.
- 17) Bank Soundness Rating (PTKB) PT Bank Mega, Tbk Semester I - 2018 Period.
- 18) Proposed Risk Appetite and Risk Tolerance of Macroprudential Intermediation Ratio (RIM).

- 19) Results of Monitoring GL-Suspense Operations.
- 20) Open GL-Suspense Items.
- 21) Review of the Recovery Plan Document.
- 22) Review of Credit Limits per Economic Sector (TBO).
- 23) Review of Recovery Plan Documents.
- 24) Minimum Capital Calculation for Operational Risk based on the Revised Standardized Approach.
- 25) Implementation of Operational Risk Governance Meeting.
- 26) Assessment of Risk Profiles for September 2018.
- 27) Credit Card BWMK Monitoring.
- 28) Operational Risk Online Test (OPRIST) Results.
- 29) Review of SFGM.
- 30) LCR/NSFR Final Projections for 2018 and Review of LCR Calculation Methodology.
- 31) Customer Ranking Based on Money Laundering Risk.
- 32) Performance of Mega Bank vs Bank Book 3.
- 33) Conditions for LCR and NSFR Liquidity Ratios (Dec-18)
- 34) Recovery Plan Monitoring.

Asset and Liabilities Committee (ALCO)

ALCO Duties and Responsibilities

- 1) Establish short-term and long-term financial targets.
- 2) Ensure that the financial targets set by the Bank get approval from the Bank Commissioners.
- 3) Establish the ALMA (Asset and Liabilities Management) strategy and keeping the Bank in maintaining the Wide Risk Level Bank at a level that matches the risk appetite.
- 4) Determination of interest rates and/or pricing for all Bank products and services.

ALCO Activities in 2018

ALCO has convened meetings with the following discussions:

- 1) Economic Indicator, Securities Portfolio
- 2) Issued Obligation
- 3) LCR (Liquidity Coverage Ratio)
- 4) Stipulation of BAK Funding Rate, Time Deposits and Saving Deposits Interest Rates
- 5) CAR Simulation
- 6) Maximizing TPF and Credit
- 7) Foreign Currency Credit Limit
- 8) Market & Liquidity Risk

Credit Policy Committee

Duties and Responsibilities

- 1) Provide input to the Board of Directors in preparing credit policies, especially those related to the principle of prudence in credit formulation.
- 2) Supervise so that Bank Credit Policy (KPB) can be applied and implemented consequently and consistently as well as formulate solutions if there are obstacles in the KPB implementation.
- 3) Conduct periodic studies of KPB and provide advice to the Board of Directors if KPB need necessary changes/improvements.
- 4) Evaluating, formulating, and updating existing policies to be adjusted to the prevailing banking conditions and regulations.
- 5) Submit a written report periodically to the Board of Directors with a copy to the Board of Commissioners, regarding:

- Results of supervision on the Bank Credit Policies implementation.
 - The results of monitoring and evaluating the credit conditions implementation.
- 6) Provide advice on corrective steps that should be taken to mitigate risks that may arise from the implementation of a policy to the Board of Directors with a copy to the Board of Commissioners in a written report made periodically.

Credit Policy Committee Activities in 2018

Credit Policy Committee has convened meetings with the following discussions:

- 1) Discussion on the following material for the Credit Guidelines Update:
 - SME Credit Handbook,
 - Commercial Credit Handbook,
 - Corporate Credit Handbook,
 - Consumer Credit Handbook, and
 - Indirect Channel Handbook.
- 2) Discussion of Changes to Credit Archive Documentation Provisions.
- 3) Discussion of Amendments to provisions on the allocation of Back to Back credit facilities.
- 4) Discussion of Facilities and Procedures for Facility A/R Financing for SME Segments.
- 5) Technical Discussion on Implementation of Declaration Letter (SKL).
- 6) Discussion of Amendments to the Authority of Credit Officers.
- 7) Discussion of Temporary Credit Provisions.
- 8) Discussion on Amount Stipulation of Loan To Value (LTV) Ratio amounting to 100%.
- 9) Discussion of Provisions for SPPT & STTS and Collateral IMB.
- 10) Discussion of Credit Limit Increase Policy and Loan On Card Conditions.
- 11) Discussion of Syndicated Credit Terms.
- 12) Discussion of Taking Collateral for Debtors with Credit Card Arrears.
- 13) Discussion of MOJF Provisions related to Check On The Spot and Reconciliation.
- 14) Discussion of KMR Results Follow-Up related to NADS and Selling Rule.
- 15) Discussion of Credit Card Closure.

Information Technology Committee

Duties and Responsibilities

Provide direction and decisions within the scope of the following:

- 1) IT strategic plan that contains priority plans, resources needed, and benefits to be obtained when the plan is implemented.
- 2) Project Conformity to IT projects with IT strategic plans and policy regulators.
- 3) Evaluating and agreeing to carry out IT projects that require an investment of more than 1 billion Rupiah.
- 4) Monitoring the performance related to the project and IT operations, and determining the necessary repairs.

Product Committee Activities in 2018

The Committee has held an Information Technology Committee meeting to discuss the following matters:

- RSTI Approval (Information Technology Strategic Plan) for the next 5 years.
- Reporting technology performance both in production and deliverables project.
- Approval budget for the following projects: Reconciliation, FDS, STP RTGS/SKN, PSAK 55/71, BDS.

Human Resources Committee

Duties and Responsibilities

- 1) Study and discuss problems in the field of Human Resources and establish direction as well as policies.
- 2) Discuss and arrange the organizational structure of PT Bank Mega, Tbk., including the establishment of positions in the organization.
- 3) Decide and discuss remuneration policies given to employees.
- 4) Establish awards/sanctions and the form or number of awards/sanctions for employees.

Duties Implementation/Activities Report of Human Resources Committee in 2018

In general the meetings of Human Resources Committee have been convened in accordance with the rules and materials related to the staffing in Bank Mega. The discussions are as follows:

- 1) Discussion on cases in Branch Offices.
- 2) Discussion on recommendations for audit findings sanctions at Branch Offices.
- 3) Discussion of Employee Salary Increase Presentation.
- 4) Discussion of Employee Bonus Presentation 2018.

Product Committee

Duties and Responsibilities of Product Committee

- 1) Ensure that New Product or activity that will be developed are in line with the Bank's plan and strategy as well as potential risks.
- 2) Provide approval and recommendation on new product or activity proposals, verify the completeness of Product Committee Memorandum, including principle license of product proposal and registration of each submission of new Products or activities.
- 3) Coordinate the preparation for the discussion of new Product or activity, compile minutes of meeting of the Product Committee and administer the documents relating to the issuance of New Products or activities.
- 4) Request opinion to each Functional Group of the Committee on the proposed Product Committee Memorandum, to request approval of any proposal of the Product Committee Memorandum to the Chairman and Permanent members of the Product Committee.
- 5) Monitor compliance toward the issuance of new products or activities.
- 6) Submit any report of plan and realization of the issuance of new products or activities of the Bank made by the Initiator to Bank Indonesia/ OJK in accordance with the provisions.
- 7) Request a Product evaluation feedback from the Product Owners to be reported to the chairman of the Committee and

Functional Group.

- 8) Monitor the product evaluation conducted by the Initiator/Product Owner.

Product Committee Activities in 2018

During 2018, the Product Committee held a meeting to discuss the following matters:

- 1) Discussion of Depo Mega Swap Products.
- 2) Discussion of Product Call Spread Option.
- 3) Discussion of Millennials Card Products.
- 4) Discussion of Mega Credit Card Mobile Phase 2 Products and QR Code.
- 5) Forex - NCY Savings and Current Accounts.
- 6) Ashmore Dana Ekuitas Nusantara Mutual Fund.
- 7) Ashmore Dana Progresif Nusantara Mutual Fund.
- 8) Ashmore Dana Obligasi Nusantara Mutual Fund.
- 9) Schroder Dana Terpadu 2 Mutual Fund
- 10) Schroder Dana Prestasi Plus mutual funds.
- 11) Schroder Dana Prestasi Mutual funds.
- 12) Schroder 90 Plus Equity Mutual Fund.
- 13) China Union Pay as Acquired at Mega ATM.
- 14) Manulife Dana Saham Mutual Fund.
- 15) Manulife Saham Andalan Mutual Fund.
- 16) Manulife Syariah Sectoral Amanah Mutual Fund.
- 17) Manulife Saham Syariah Asia Pasifik Dollar AS Mutual Fund.
- 18) Manulife Dana Campuran 2 Mutual Fund.
- 19) Mutual Fund of Manulife's Indonesian Bond 2.
- 20) Cooperation of Opening Services for Bank Mega Syariah Hajj Savings Accounts - at Bank Mega Bank Mega Sharia Services (LSB) Branch.

Procurement Committee

Duties and Responsibilities of Procurement Committee

- 1) Determine, propose, evaluate, and recommend the facilities/equipment/tools used for work equipment/operations.
- 2) Determine and evaluate the procurement of goods, working facilities and type of printed goods (standard and non-standard document) used as operational facilities.
- 3) Provide input to technical specifications on "Security Features" either for printed materials, work facilities/tools/appliances or work areas for the security and convenience of customers.
- 4) Determine and evaluate specification on IT: Work facilities, softwares or Infrastructures/Networks.
- 5) Ensure the quality of deployment and setting implementation.
- 6) Provide recommendations on the work facilities requested by the users: either due to damage for repair, upgrades or new replacements.
- 7) Conduct testing, evaluation, verification and make recommendations.
- 8) Setting up the infrastructure and ensuring that the work facilities related to IT can operate perfectly in the new user or Branch Offices/Sub Branch Offices.
- 9) Provide input and recommendation on goods related to operational needs, especially those related with building facilities whether inherent or not, such as: desks, chairs, air conditioning, vehicles operational service, safety deposit boxes, alarms & CCTV.
- 10) Provide input and suggestions on the required work that is

closely related to the aesthetic element (overall appearance), such as: queue barriers, currency boards, uniforms, building, signages, totems, table placements, chairs, filling cabinet and so forth.

- 11) Provide input, advice and joint-determination on matters closely related to the procurement of facilities and printed materials related to: promotion facilities (calendars, agendas, banners, flyers, billboards/totems/signages and so forth).
- 12) Evaluate the performance of existing vendors on a regular basis.
- 13) Translate and stipulate in the agreements occurred with external parties/vendors in the form of legal documents (binding-agreement).
- 14) Evaluate, provide advice/suggestions on proposed legal documents/agreements from external parties/vendors.
- 15) Assist in resolving existing issues legally on matters outside of existing agreements/agreements.
- 16) Determine the optimum amount of goods to support bank operations.
- 17) Recommend and propose the winning procurement of subcontractors to the Directors and The Board of Commissioners

Procurement Committee Activities in 2018

During 2018, the Procurement Committee held a meeting to discuss the following matters:

- 1) Clarification & Negotiation of EDC Enhancement for Prepaid Mega Cash Applications, EDC Verifone Enhancement for Visa Paywave, ECR Link Enhancement and Annual Maintenance TLE System.
- 2) Clarification & Negotiation on the procurement of Pax D210H EDC Machines and EDC Application development.
- 3) Clarification of the Offer for Credit Card, Billing Statement, PIN Fees with Users and Vendors.
- 4) Clarification & Negotiation of Managed Security Services work.
- 5) Aanwidzing Saving Book Procurement.
- 6) Clarification & Negotiation work on the development of 19 new billers.
- 7) Umbrella Contract Clarification & Negotiation.
- 8) Presentation of Procurement & Fixed Assets System.
- 9) Clarification & Procurement of Directors' Cars.
- 10) Clarification of Procurement of Employee ID Printing Machines.
- 11) Clarification & Negotiation of Replacement Prices for NCR and Wincor ATM Parts.
- 12) Clarification & Negotiation Enhancement Application e-Centrix Collection Secure & UnSecure Loan and Recovery System.
- 13) Presentation & Procurement of Money Counting Machines.
- 14) Clarification & Negotiation on CIT and CPC Service Fees.
- 15) Tender Book for Corporate Regulations, 2019 Table Calendar and 2018 Annual Report.
- 16) Procurement of Hard Token Clarification & Negotiation.
- 17) CRM Procurement Clarification.
- 18) Clarification & Negotiation on Procurement of Passbook Printers.
- 19) Clarification & Negotiation Renewal of MVC Ink Procurement.
- 20) Clarification & Negotiation on the procurement of TSB

License.
 21) API License Clarification & Negotiation.
 22) Aanwizding End Year Package 2019 MegaFirst.
 23) Wealth Management System Project Work Clarification &

Negotiation.
 24) Clarification & Negotiation on Performance Monitoring Work.

Frequencies of Board of Directors Committee Meetings

No	Committees	Total Meetings in 1 Year	Minutes Meetings
1.	Risk Management	11	Complete
2.	ALCO	11	Complete
3.	Credit	22	Complete
4.	IT	4	Complete
5.	HR	8	Complete
6.	Product		
	- SBDV	1	Complete
	- RPDB	2	Complete
	- CPMA	2	Complete
	- TIBS	1	Complete
7.	Procurement	117	Complete

CORPORATE SECRETARY

The Corporate Secretary is a Liaison between Bank Mega and Shareholders, Stakeholders including government agencies in the capital market.

Legal References

1. Financial Services Authority Regulation No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies.
2. Indonesian Stock Exchange Regulation No. I-A on the Establishment of Corporate Secretary.

Corporate Secretary Profile

Christiana Maria Damanik

As stated in the section of Corporate Secretary Profile

Appointment References

Based on the Financial Services Authority Regulation No. 35/POJK.04/2014 on the Corporate Secretary of Issuers and Regulations of Indonesia Stock Exchange No.I-A. regarding the Establishment of the Corporate Secretary, Bank Mega has appointed Christiana M. Damanik as Corporate Secretary based on a report to the Indonesia Stock Exchange and the Financial Services Authority with a letter number: 262/DIRBM-COAF/15 November 2, 2015.

Duties and Responsibilities

1. Follow the update on the Capital Market development, in particular the regulations applicable in the area of Capital Market.
2. Provide services to any information required by shareholders and public regarding the Bank's conditions, such as the request for the Annual Report and Annual General Meeting of Shareholders.
3. Provide input to the Board of Directors to comply with the Capital Market regulations.
4. Act as a contact person between Bank Mega and the Financial Services Authority, PT Bursa Efek Indonesia (BEI), other regulators and the public.
5. Prepare a special Share Registry.
6. Administer and being responsible for the availability of minutes of meetings of the Board of Directors and joint meetings of the Boards.
7. Prepare the necessary materials in relation to periodic reports/ activities of the Board of Directors to be presented to third parties.
8. Responsible to convene the General Meeting of Shareholders.

Duties Implementation in 2018

During 2018, the Corporate Secretary has implemented the following duties:

1. Provided services on information required by the shareholders and public regarding the Bank's conditions, such as the request for the Annual Report and Annual General Meeting of Shareholders, Extraordinary General Meeting of Shareholders.
2. Submitted periodic reports and incidental reports to the Financial Services Authority and PT Bursa Efek Indonesia.
3. Submitted information disclosures to public through PT Bursa Efek Indonesia.
4. Followed the capital market development included new regulations as well as provided latest informatin and inputs to the Board of Commissioners, Board of Directors and related operating units of new capital market regulations.
5. Administered the Board of Directors Meetings and Joint Meetings of the Boards.
6. Organized the Annual General Meeting of Shareholders and Public Expose.

Information Disclosure

Bank information disclosure to OJK-Bapepam, Stock Exchange and Public conducted by the Corporate Secretary during the 2018, are as follows:

Date	Description
10/12	Monthly Report on Securities Holder Registration as of November 2018
5/12	Information Disclosure Needed to Know by Public Resignation of Mr. Darmadi Sutanto
6/11	Monthly Report on Securities Holder Registration as of October 2018
2/11	Submission of Advertisements Proof for Information on Interim Financial Reports as of September 2018
31/10	Submission of Interim Financial Reports as of September 2018
9/10	Monthly Report on Securities Holder Registration as of September 2018

Date	Description
7/9	Monthly Report on Securities Holder Registration as of August 2018
8/8	Monthly Report on Securities Holder Registration as of July 2018
30/7	Submission of Advertisement Evidence for 2018 Annual Financial Report Information
30/7	Submission of 2018 Mid-Year Financial Report
10/7	Monthly Report on Securities Holder Registration as of June 2018
6/6	Monthly Report on Securities Holder Registration as of May 2018
24/5	Submission of Proof of Advertisements for Information on Interim Financial Reports as of March 2018
9/5	Monthly Report on Securities Holder Registration as of April 2018
30/4	Submission of Interim Financial Reports as of March 2018
9/4	Monthly Report on Securities Holder Registration as of March 2018
7/3	Monthly Report on Securities Holder Registration as of February 2018
6/3	Submission of Proof of Advertisements for Final Cash Dividend Distribution
6/3	Submission of Evidence of Advertisements from the GMS
5/3	Report on the Annual Public Expose
1/3	Results of the Annual and Extraordinary General Meeting of Shareholders
1/3	Submission of Proof of Advertising for Annual Financial Statements
12/2	Submission of Agenda for Annual and Extraordinary General Meeting of Shareholders
12/2	Annual Public Expose Plan
12/2	Monthly Report on Securities Holder Registration as of January 2018
22/2	Submission of Annual Public Expose Material
6/2	Submission of Annual Financial Reports as of December 2017
6/2	Submission of Annual Report
6/2	Submission of Evidence of GMS Call Advertisements
23/1	Submission of Evidence of GMS Notification Ads
15/1	Notification of the Annual and Extraordinary General Meeting of Shareholders Plan
8/1	Monthly Report on Securities Holder Registration as of December 2017

Annual Report

The 2018 Annual Report is prepared under the Financial Services Authority Regulation regarding the Obligation to Submit Annual Report for Issuers or Public Companies, and has been submitted to external parties including: Bank Indonesia, Financial Services Authority, PT Bursa Efek Indonesia, Shareholders, Indonesian

Consumers Foundation, PT Pefindo, Perbanas, Indonesian Banking Development Institute (LPPI), and the Society of Faculty of Economics University of Indonesia (LPEM-FE UI), Infobank Magazine, Investor Magazine and INDEF.

Bank Mega Press Release in 2018

No	Press Release	Date
1	Kemilau Emas Mega Super Vaganza Greet Bank Mega Customers in Makassar	12/1
2	The Mega Share Program Inaugurated the Ma'Arif High School in Ketapang	7/2
3	Bank Mega Inaugurated the Pontianak Transmart Cash Office	8/2
4	Bank Mega and Antavaya Tours & Travel Held Mega Travel Prime Fair in Solo	22/2
5	Bank Mega Chooses the Ultimate Winner of Trip to Camp Nou, Barcelona to Watch La Liga Match Directly	28/2
6	AGM and Public Expose: Net Income Reaches Rp1.30 Trillion or Grow 12.26%	28/2
7	Bank Mega and Antavaya Tours & Travel Holds Mega Travel Fair in Yogyakarta	1/3
8	Bank Mega Inaugurates the Bank Mega Kupang Transmart Cash Office	1/3
9	Bank Mega and Antavaya Tours & Travel Holds Mega Travel Fair in Denpasar	1/3
10	Mega Sharing Program for SMK PGRI Lembang	2/3
11	Bank Mega and Antavaya Tours & Travel Holds Mega Travel Fair in Bandung	7/3
12	Bank Mega and Antavaya Tours & Travel Held Mega Travel Fair in Jakarta	8/3
13	Bank Mega and Antavaya Tours & Travel Held Mega Travel Fair in Samarinda	15/3
14	Bank Mega and Antavaya Tours & Travel Held Mega Travel Fair in Semarang	15/3
15	Bank Mega and Antavaya Tours & Travel Held Mega Travel Fair in Makassar	19/3
16	Bank Mega and Antavaya Tours & Travel Hold Mega Travel Fair in Surabaya	21/3
17	Bank Mega Inaugurates the Relocation of the Samarinda Branch Office	21/3
18	Bank Mega and Antavaya Tours & Travel Held Mega Travel Fair in Medan	22/3
19	Garuda Indonesia Bandung Office Branch and Bank Mega Held the Garuda Indonesia Travel Fair - 2018	23/3
20	2 Lucky Customers Get Gold Half a Kilogram - From the Mega Supervaganza Gemilang Emas Program	27/3
21	Bank Mega and Antavaya Tours & Travel Held a Mega Travel Fair in Malang	29/3
22	Bank Mega and Antavaya Tours & Travel Held Mega Travel Fair in Palembang	6/4
23	Mega Sharing Program with MTS and MA Al Mu'Awana Ogan Ilir - Palembang	6/4
24	The highlight of 49th Mega Bank Anniversary Event was Held in Bandung	6/4
25	PT Bank Mega Tbk & PT Ashmore Asset Management Indonesia Begins Cooperation in Mutual Fund Sales	3/5
26	Bank Mega Customers Present at Camp Nou FC Barcelona vs FC Villarreal Match	6/5
27	Bank Mega Received 9 Awards at the 2018 Engagement Award Satisfaction Loyalty	17/5
28	Mega Peduli Spreads Concern Through the Day Gift	7/6
29	Bank Mega Inaugurated the Relocation of Batam Branch Office	7/6
30	Bank Mega is Included in 100 SWA Groups	26/7
31	Bank Mega Received "Prima Awards 2018" Award	30/8
32	Bank Mega Also Celebrate National Customer Day 2018 4/9	4/9
33	Mega Sharing Program MTS Tarbiyatul Athfal - Grobogan	6/9
34	Bank Mega and Antavaya Tours & Travel Held Mega Travel Fair 2 in Semarang	13/9

No	Press Release	Date
35	Mega Berbagi with SMK Putra Program - Pangkalan Bun	21/9
36	Bank Mega and Antavaya Tours & Travel Held Mega Travel Fair in Denpasar	21/9
37	Bank Mega and Antavaya Tours & Travel Held the 2nd Mega Travel Fair in Bandung	27/9
38	Bank Mega and Antavaya Tours & Travel Held a Branch Travel Fair in Malang	2/10
39	Bank Mega Inaugurated the Mega Bank of the Transmart Cash Office in Surabaya Ngagel	2/10
40	Mega Sharing Program for Sindang Jawa Middle School - Cirebon	4/10
41	Garuda Indonesia Bandung Office Branch and Bank Mega Held "Garuda Indonesia Travel Fair Phase II 2018"	5/10
42	Bank Mega and Antavaya Tours & Travel Hold Mega Travel Fair in Surabaya	8/10
43	Mega Sharing Program SMK Puri Wisata Pancasari - Bali	9/10
44	Bank Mega Provided Credit Facility to Hutama Karya for the Construction of the Trans Sumatera Toll Road, Pekanbaru - Dumai Toll Road	12/10
45	GKPS 1- Middle School Pematang Siantar Completely Renovated - Mega Berbagi	19/10
46	Half Kilograms of Gold for 2 Customers Who Are Lucky from the Super Vaganza Gemilang Emas Mega Program	23/10
47	Bank Mega Continues Mega Super Vaganza Gemilang Gift Prize Program	5/11
48	Mega Sharing Program Completed Renovation of Junior High School 20 Serang - Banten	7/11
49	Mega Sharing Program Completed the Renovation of Madrasah Aliyah Ddi, Baru-Baru Tanga - Pangkep	15/11
50	Bank Mega Received the Best Private Bank Award Version of the Economic Review Magazine	19/11
51	CT Corp Begins the Laying of the First Stone of Schools and House of Worship Post-Earthquake and Tsunami Reconstruction in South Sulawesi	9/12

INTERNAL AUDIT

The Internal Audit Unit of Bank Mega is established and aims at assisting the management in ensuring the adequacy and implementation of internal control systems, risk management and the implementation of good corporate governance principles.

The Internal Audit Unit, in performing its duties may conduct audit on the work process of Bank Mega and to report the findings to the Board of Commissioners through the Audit Committee.

Profile of Internal Audit Unit Head

Jusuf Sukiman

As stated in the section of profile of Head of Internal Audit Unit

Internal Audit Unit (IAU) Structure

1. Structurally, the IAU is under the President Director and independent toward the Operating units.
2. In 2018, the IAU oversees 6 sub-divisions.
3. At the end of December 2018, the IAU is supported with resources that has already attained risk management certifications, as follows:

No.	Risk Management Certifications	Total Staffs	Remarks
1.	Level 1	45 Person	Audit staffs
2.	Level 2	-	-
3.	Level 3	7 Person	Supervisors of audit sections
4.	Level 4	1 Person	IADT Head
5.	Not yet certified	1 Person	Secretary
IAU Total Employees		54 Person	

IAU Composition

1. The Internal Audit Unit is a part of the internal control structure and all forms of activities related to audit and reporting of audit results on the implementation of coordinated control structures in each management level.
2. The Head of Internal Audit Unit is appointed and dismissed by the President Director with the approval of the Board of Commissioners and reported to Bank Indonesia /FSA.

IAU Duties and Responsibilities

In accordance with the regulations of Bank Indonesia/Financial Services Authority, the Internal Audit Unit has the following duties and responsibilities:

- a. To assist the President Director and the Board of Commisisoners in conducting operational supervisory by elaborating the plan, implementation and monitoring on audit result.

- b. Provide analysis and assessment in finance, accounting, operational as well as other activities through direct assessment and indirect supervision.
- c. To identify all possibilities to improve and enhance the human resources and funds efficiency.
- d. Provide insight on improvements and objective information on activities being assessed in every management level.

In addition to the Regulation of Bank Indonesia/Financial Services Authority, the IAU existence also be based on Bank Mega Internal Audit Charter stipulating the mission, objectives, composition, authorities, responsibilities and scopes of IAU.

In carrying out the tasks mentioned above, IADT has made every effort and has successfully carried out the mandate properly.

Implementation of Internal Audit (ADT) Duties in 2018

Throughout 2018 IADT has carried out its duties and obligations in accordance with the mandate, which is mandated by

Management, the Financial Services Authority and Bank Indonesia

During this period the audit was carried out as follows:

- Conducted operational and business audits of 47 Branch Offices (including 1 Regional office) in Regional Audit 1.
- Conducted operational and business audits of 46 Branch Offices (including 1 Regional office) in Regional Audit 2.
- Conducted operational and business audits of 55 Branch Offices (including 1 Regional office) in Regional Audit 3.
- Conducted an audit of 26 auditees in the Division.
- Conducted an Audit of Mega Oto Joint Financing (MOJF) at 24 Partner Offices.
- Conducted APU PPT Audit, Risk Management, Anti-Fraud, and Consumer Services and Protection for 14 Branch Offices.
- Conduct Information System Technology (TSI) audits above 6 System/Application, 4 Divisions and 16 Branch Offices.
- Monitored the findings of the audit results on all auditees.
- Monitored the implementation of internal audits of 9 The Financial Services Institute (LJK) in the Mega Corpora group.
- Acted as a Bank Indonesia Counterpart/Service Authority Finance.

The audit results are submitted in the Audit Report (LHA) contains all findings and responses from the auditee (parties audited) and the auditee's commitment to complete the audit findings referred to in the time period set. As a follow up to the results of the audit/examination As such, IADT requested evidence of improvements made with use supporting documents.

The follow-up will continue until the whole the problem can be solved by the auditee.

EXTERNAL AUDIT

Audit by Public Accountants

1. Bank Mega has met all governance aspects in the appointment process of Public Accountant and Public Accountant Firm, among others:
 - The Public Accountant and Public Accountant Firm are registered in Bank Indonesia/Financial Services Authority.
 - The appointed Public Accountant and Public Accountant Firm are not exceeding 5 (five) fiscal years consecutively.
 - The appointment of Public Accountant Firm has been approved by the GMS following the recommendation of the Audit Committee through the Board of Commissioners.
2. Based on the authority granted by the GMS and with due observation to the recommendation of the Audit Committee as well as prevailing laws and regulations, the Board of Commissioners has appointed Public Accountant Firm Purwantono, Suherman & Surja to audit Bank Mega financial statements for fiscal year 2017.

- b) Furthermore, based on the OJK letter No.S-14/PB.31/2018 dated February 1, 2018 concerning the Audit Plan for Bank Saudara, the OJK conducts a position check of January 31, 2018 and subsequent events (Examination begins February 2, 2018). The Exit Meeting Examination was held on August 3, 2018 at OJK - DPB Meeting Room 1 and the results of the meeting are set forth in Minutes of Exit Meeting Number RR-20/PB.3/2018 dated August 3, 2018.

The follow-up to the completion of audit findings with the deadline for completion until December 31, 2018 has been completed in a timely manner and will subsequently complete the commitment in 2019 according to the agreed deadline.

Audit by Financial Services Authority

- a) The Bank has completed following up on all OJK Audit findings according to the agreed deadline and has been reported to the OJK, including:
 - Position check of December 31, 2015 and subsequent events
 - Position check of December 31, 2016 and subsequent events

Audit by Bank Indonesia

- a) The Bank has completed following up on all Audit findings related to the Implementation of National Chip Technology Standards and 6 digit Online PIN on ATM and/or Debit Cards as well as formulating policies, guidelines and procedures regarding ATM Fraud Risk Management and having fraud monitoring tools as an early detection tool fraud.
- b) Examination of Full Scope Payment System as Operator of ATM/Debit Cards, Credit Cards, Electronic Money, Funds Transfer and Proprietary Channels (Inspection Position 28 February 2018).

The inspection is carried out based on letter BI No.20/555/DSSK/Srt/Rhs dated April 6, 2018 on the Examination of Bank Indonesia in 2018 at PT Bank Mega, Tbk and carried out from April 19, 2018 to August 23, 2018.

The examination Pre-Exit Meeting was held on September 28, 2018 and November 6, 2018, and the Exit Meeting was held on November 12, 2018 at the Trust & Integrity Meeting Room, Building D - 9th Floor of Bank Indonesia Office Complex. While the results of the examination were submitted by BI to the Bank through letter No. 20/1879/DSSK/Srt/Rhs dated December 10, 2018 regarding the Full Scope Examination of PT Bank Mega, Tbk.

Follow-up completion of the audit findings has been completed in a timely manner and will subsequently complete the commitment in 2019 according to the agreed deadline.

COMPLIANCE FUNCTION

The compliance function at Bank Mega is to take preventive action to ensure that the policies, regulations, system and procedures as well as business activities undertaken by the Bank are in compliance with Regulations of Bank Indonesia, the Financial Services Authority and prevailing laws and regulations, compliance on commitment made by the Bank to Bank Indonesia, Financial Services Authority and other regulatory authorities.

The Implementation of Compliance Function

A. Compliance Structure

1. Bank Mega has appointed the Director in charge of compliance function.
2. The Compliance Director has established the Compliance Unit (Compliance & GCG).
3. The Compliance function is to take an ex-ante (prevention) measures to ensure that the policies, rules, systems and procedures, as well as the Bank's business activities has conformed with the Regulations of Bank Indonesia, Financial Services Authority and prevailing laws and regulations, and to ensure the Bank's compliance toward commitment made by the Bank to Bank Indonesia, Financial Services Authority, and other authorized regulators.

B. Compliance Frameworks

1. Creating programs to improve employee competency through continuous training/socialization for certain fields related to improving the culture of compliance and good Bank governance.
2. Disseminate internal and external provisions either indirectly, namely through the Bank's intranet media, Service Memo or directly with face-to-face / socialization to Branch Offices/Sub-Branch Offices.
3. Monitoring the implementation of the precautionary principle in Bank activities, products, opening office networks and others.
4. Conducting reviews/giving opinions on the draft policy to be issued in accordance with the applicable provisions.
5. Conducting reviews/giving opinions on the proposed credit.

6. Conduct coaching by issuing Guidance on Development Services to Branch Offices/Sub-Branches based on analysis of Audit Results Reports in the fields of Operations, Funding and Credit.
7. Monitor and maintain the Bank's compliance with all commitments made by the Bank to the Financial Services Authority, Bank Indonesia and the competent authority institutions.
8. Monitor the submission of reports in accordance with the provisions including preparing the reporting of the implementation of the duties and responsibilities of the Compliance Director.
9. Monitoring the implementation of governance and implementation/governance self assessment along with reporting to the Financial Services Authority.
10. Monitoring the implementation of integrated compliance and self assessment of the Mega Corpora Financial Conglomerate Integrated Governance along with reporting to the Financial Services Authority.

C. Compliance Function Implementation

On the Compliance function implementation, the Compliance Unit has carried out the following:

1. Policy Draft Review
 - a. Reviewing the policies on products & operations, including new products/activities.
 - b. Reviewing the draft policy on credit, including new products/activities.
2. Loans Monitoring
 - a. Reviewing loan proposal and cooperation proposal for lending (joint financing and others).
 - b. Monitoring credit quality.
 - c. Monitoring the achievement of SME loans and loans to productive business.

3. Regulation Dissemination

As the effort to improve employees' awareness toward compliance risk and to enhance as well as realize the compliance culture in all organization levels and Bank's business activities. The Bank represented by CGCG unit has implemented the following measures:

- a. Indirect Socialization is conducted through the following methods:
 - 1) Through Bank Mega internal website accessible to all employees.
 - 2) Submission of Official Memo to all working units and Branch Offices/Sub-Branch Offices on the internal and external rules issued monthly.
 - 3) Prepare Official Memos reminder to working units on the implementation of certain rules that required internal review and/or implementation of action plans. During 2018, a total of 65 Official Memos reminder were made.
- b. Direct Socialization were carried out through:
 - 1) Become a facilitator in training programs such as training for new employees, employees who submitted to career development programs (Development Programs), namely the New Employee Induction Program (NEIP), Customer Service Training Program (CSTP), Teller Training Program (TTP), Relationship Management Development Program (RMDP), Mega Management Development Program (MMDP), and Branch Manager Crash Program (BMCP) and Workshop Operations.

2) Conduct Compliance and Governance Application training to all funding and operations as follows:

- Operational Directorate Workshop, in Jakarta on September 13, 2018.
- Regional Bandung on November 17, 2018.
- Regional Surabaya on December 8, 2018.

4. Monitoring Prudent Principles

Monitoring on the fulfillment of Bank Indonesia/OJK regulations and implementation of the Bank's prudential principles such as Legal Lending Limit Requirement (BMPK), Non Performing Loans (NPL), Minimum Statutory Reserves, Capital Adequacy Ratio, Equity Tier-1 and Net Open Position by using relevant work units data.

5. Compliance Reports

The Compliance reports have been submitted to the President Director and the Board of Commissioners quarterly and submitted to the Financial Services Authority by half years.

6. Coaching Development in Operational Activities at Branch Offices

Based on the analysis of the Internal Audit Findings Report on operational fields, in 2018 there was 22 Memo of Service of funding and lending been developed that aimed at the head of work units at the Head Office, Regional/Area and Branches to improve the supervision and guidance functions.

RISK MANAGEMENT

Organization

Implementation of Risk Management is stipulated in the Regulation of Financial Services Authority No. 18/POJK.03/2016 on the Application of Risk Management for Commercial Banks. Risk management at Bank Mega is under the coordination of Risk Directorate, whereby the directorate oversees 7 (seven) Work Units, namely Operational Risk Management; Credit Risk Management; Market, Liquidity & Integrated Risk Management; National Credit Review, Restructure & Control; National Credit Appraisal; Credit Collection & Remedial; and Credit Asset Recovery.

In the bank-wide scope, Bank Mega has the Risk Management Committee (RMC) and Crisis Management Committee (CMC), which assists the Board of Commissioners and the Board of Directors in conducting active oversight of risk management.

In the structure of Board of Commissioners there are Risk Monitoring Committee, Remuneration and Nomination Committee, and Audit Committee, while there are Executive Committee consists of: Risk Management Committee, Credit Policy Committee, Credit Restructuring Committee, Product Committee, Credit Committee, Committee Integrated Governance, Information Technology Committee, Human Resources Committee, Asset & Liabilities Committee.

Within the group-wide scope, Bank Mega is a Principal Entity in the Implementation of Integrated Risk Management at the Mega Corpora Financial Conglomerate and the Market, Liquidity & Integrated Risk Management unit as the organizer of the Integrated Risk Management Committee (IRMC).

Risk Indicator

In its implementation, the Bank has divided the risks inherent in the Bank's activities into 9 (nine) types of risk in accordance with the provisions of the OJK, which are 8 (eight) bank's main risks based on OJK No. Circular. 34/SEOJK.03/2016 September 1, 2016 and 1 (one) additional risk outside the 8 (eight) main risks of the Bank related to the Implementation of Integrated Risk Management in accordance with SEOJK No.14/SEOJK.03/2015.

Each risk is assessed from 2 (two) aspects namely Inherent Risk and Quality Management Implementation Quality. The parameters for assessing inherent risk are in accordance with the Financial Services Authority Circular No. 14/SEOJK.03/2017 dated March 17, 2017 on the Assessment of Health Levels of Commercial Banks are as follows:

Types of Risk	Risk Indicator
Liquidity	<ol style="list-style-type: none"> 1. Composition of Assets, Obligations, and Administrative Account Transactions (TRA) 2. Concentration of Assets and Liabilities 3. Vulnerability to Funding Needs 4. Access to Funding Sources
Operational	<ol style="list-style-type: none"> 1. Characteristics and Business Complexity 2. Human Resources (People) 3. Information Technology and Supporting Infrastructure (System) 4. Internal Fraud and External Fraud Frequency 5. External Events Frequency
Compliance	<ol style="list-style-type: none"> 1. Types and Significance of Violations or Non-compliance carried out by the Bank 2. Bank Compliance Track Record (Types and Frequency of Similar Violations within 3 Years) 3. Violation of the Provisions for Certain Transactions
Strategic	<ol style="list-style-type: none"> 1. Suitability of the Strategy with the Conditions of the Business Environment 2. Bank Strategy 3. Bank Business Position 4. Achievement of the Bank's Business Plan
Law	<ol style="list-style-type: none"> 1. Litigation Factor 2. Engagement Weakness Factors 3. Factors in Absence/Amendment to Legislation
Reputation	<ol style="list-style-type: none"> 1. Reputation Effect of Bank Owners and Related Companies 2. Violation of Business Ethics 3. Product Complexity and Bank Business Cooperation 4. Frequency, Materiality, and Negative News Exposure of the Bank 5. Frequency and Materiality of Customer Complaints
Intra-Group Transactions	<ol style="list-style-type: none"> 1. Composition of Intra-Group Transactions in the Financial Conglomerate 2. Documentation and Fairness of Transactions 3. Other Information

*In accordance to SEOJK No.14/SEOJK.03/2015 concerning the Implementation of Integrated Risk Management

Risk Profile *)

Based on the conditions and steps taken in risk management during 2018, the PT Bank Risk Profile Mega, Tbk positions in June 2018 and December 2018 are as follows:

Risk Profile	June 2018 period			December 2018 period		
	Inherent Risk Rating	Quality Management Risk Rating	Risk level rating	Inherent Risk Rating	Quality Management Risk Rating	Risk level rating
Credit Risk	Low to Moderate	Fair	2	Low to Moderate	Satisfactory	2
Market Risk	Low to Moderate	Satisfactory	2	Low to Moderate	Satisfactory	2
Liquidity Risk	Low to Moderate	Satisfactory	2	Low to Moderate	Satisfactory	2
Operational Risk	Low to Moderate	Satisfactory	2	Low to Moderate	Satisfactory	2
Strategic Risk	Low to Moderate	Satisfactory	2	Low to Moderate	Satisfactory	2
Legal Risk	Low to Moderate	Satisfactory	2	Low to Moderate	Satisfactory	2
Compliance Risk	Moderate	Satisfactory	2	Moderate	Satisfactory	2
Reputation Risk	Low	Satisfactory	1	Low	Satisfactory	1
Composite Rating			2			2

*The rating method has been adjusted to SE OJK No.14/SEOJK.03/2017

Risk Management System

The implementation of Risk Management is an obligation for each Bank as regulated in the Financial Services Authority Regulation No. 18/POJK.03/2016 dated March 16, 2016 on the Application of Risk Management for Commercial Banks and Circular of the Financial Services Authority No. 34/SEOJK.03/2016 dated September 1, 2016 on the Application of Risk Management for Commercial Banks. Based on these provisions and the Bank's internal needs, PT Bank Mega Tbk has implemented Risk Management in accordance with the scope of its activities.

Achieving the strategic goals and business objectives of Bank Mega must be balanced with the application of risk management in accordance with national banking best practices (risk-return management). For this reason, the Bank determines the Risk Appetite parameters and Risk Tolerance which are reviewed periodically. The level of risk taken by the Bank in carrying out its business activities (Risk Appetite) is Level 1, while the maximum risk level set by the Bank in carrying out its business activities (Risk Tolerance) is Level 2. Definition of Risk Levels and measurements based on a combination of aspects of Risk Inherent and Quality Implementation of Risk Management (KPMR) refers to Circular of the Financial Services Authority No. 14/SEOJK.03 / 2017)

Four pillars of risk management implementation have become the reference in the implementation of risk management throughout

the Bank's work units. Implementation of four pillars of risk management implementation in PT Bank Mega Tbk is as follows:

- Active Supervision of the Board of Commissioners and Board of Directors**
The active supervision of the Board of Commissioners is conducted through the approval and evaluation of risk management policies as drawn up by the Board of Directors. The Board of Commissioners periodically evaluates the implementation of risk management policy through BOD and BOC Meetings, as well as in Risk Monitoring Committee (KPR) meetings. Active supervision of the Board of Directors is conducted, among others, by the preparation, approval and implementation and evaluation of risk management policies and procedures, whether conducted through Risk Management Committee Meetings, Asset & Liability Committee Meetings (ALCO), and Credit Policy Committee Meetings.
- Policy Adequacy and Limit Stipulation**
In order to support the implementation of risk management, Bank Mega established several Risk Management and Risk Limit Determination Policies. In its implementation, these policies are periodically reviewed with the approval up to the Board of Directors level through the committee meetings or through circulation to the Board of Directors in accordance with the level of authority.

c. Adequacy of Identification Process, Measurement, Monitoring, and Risk Control as well as Risk Management Information System

Risk Management Process at Bank Mega which includes identification, measurement, monitoring and risk control on 8 (eight) types of risk supported by Risk Management Information System is as follows:

i. Governance & Policy

Stipulate governance of risk management policies, including the establishment of risk appetite and risk tolerance

ii. Risk Identification & Measurement

Prevents banks from unexpected losses through risk measurement that includes:

- Identifying risks to existing banking processes and activities and the process of new banking activities
- Measuring potential risks
- Measuring actual losses

iii. Risk Monitoring

Monitoring risk events to detect and prevent losses

iv. Risk control

Applying effective risk control

v. Risk Disclosures

Submission of risk report that includes a Risk Management Report to the Board of Directors and a Risk Management Information Report to the public.

d. Internal Control System

Internal control system at PT Bank Mega Tbk is developed and implemented using the Three Lines of Defense model consisting of:

Risk Taking Unit 1st Line of Defense

Risk Owner

Responsible on risks taken, its executions and results (day-to-day risk management & control).

Responsible on risks taken, its executions and results (day-to-day risk management & control).

Responsible on the risk management and control in the day-to-day business activities or its functions. Identifying, measuring, mitigating, monitoring, and reporting the risks in business activities/functions according to risk strategy/policy/parameter that has been set forth by 2nd line of defense.

Risk Assurance Unit 3rd Line of Defense

Risk Control

Responsible in developing the Bank's risk framework, policies, principles, and development methodology.

Preparing risk management strategy and policy proposal, including risk appetite & limits.

Developing risk framework, policy, principle, tools, methodology and management standard.

To recommend to the 1st line of defense in implementing risk policy based on its authority.

Risk Control Unit 2nd Line of Defense

Risk Assurance

Responsible in independent assessment on the effectiveness of risk management implementation and internal control.

Conduct internal audit independently and periodically toward risk management and internal control implementation.

Arrange recommendations/corrective actions and monitor their implementation.

The Review of Risk Management System Implementation in 2018

In order to improve the implementation of Risk Management, PT Bank Mega, Tbk has always developed tools that are used, evaluated, and corrected any weaknesses in the process and the development of human resources as the key to the implementation. This is important because the risk factors that have a dynamic nature follow the development of banking business practices themselves.

Improvement of the Risk Management Process

Efforts to improve risk management are focused on 5 (five) main things, as follows:

I. Identification

1. Risk awareness as the main key in managing risk is always increased both at the executive level and at the leadership level. One method used is to add Risk Management material to employee education programs. During 2018, the Risk Directorate also continued the Risk Awareness Socialization work program for business line units both in Regional Offices and Headquarters. To increase awareness about Credit Risk in more depth, a Credit Risk Bulletin has been issued that can be accessed by all bank employees. In addition, socialization was carried out to all employees through bulletin publishing and operational risk article writing in the Bank's internal magazine.
2. Understanding of policies, existing products and the authority they have will be a priority that will be carried out by the relevant work units to the implementing staff in the field. To identify the risks inherent in developing new products and activities, the Bank applies an approval mechanism through the Product Committee. In addition to analyzing the risks of products and activities that are being developed, a review of existing products is also intended to improve the weaknesses of the product. In addition to increasing the efficiency and effectiveness of risk management in this area, the Bank has specific risk management guidelines for certain products which are considered to have significant risks.
3. With the growth of the Bank's loan portfolio, the risk identification process is very important in view of the large potential risks, both in terms of potential decreases in credit quality and credit concentration based on financing limits per economic sector. The Bank has and continues to carry out training and debriefing programs for all officials and officers related to credit activities. One form of supervision on the loan portfolio is carried out by the National Credit Review, Restructuring & Control work unit through the Credit Control work team, starting credit disbursement to find out whether the disbursed credit is in accordance with the Bank's procedures and policies. Risk identification will also be carried out by the Credit Risk Management work unit, including through Risk Assessment of operation and business work units in all credit segments. The Risk Council in the Credit Card segment is conducted periodically to analyze and discuss the impact of risks arising from findings in the credit card segment as a way to control and mitigate Credit Risk.

The Credit Risk Identification Process is carried out by looking at the overall loan portfolio, both in segmentation, credit quality, economic sector, and debtor irregularities and TBO documents carried out by the Credit Risk Management work unit. To identify bank credit risk for economic sectors, industry analysis was carried out on several key industries. The Risk Council in the Credit Card segment is conducted periodically to analyze and discuss the impact of risks arising from findings in the credit card segment as a way to control and mitigate Credit Risk.

4. For Market Risk, the identification process is carried out based on portfolio categories, product details and types of transactions such as transactions related to exchange rates, interest rates and various derivatives. To simplify the identification process, the system used is Spectrum and Bloomberg.
5. The process of identifying Liquidity Risk is carried out on Bank products and activities that affect the collection and distribution of funds that are in assets, liabilities and administrative accounts and other risks that have the potential to increase Liquidity Risk.
6. Throughout 2018, the Operational Risk identification strategy focused on identification through data. Some of the tools that produce the data needed are the Risk Event Database (RED), Key Risk Indicator (KRI) and Risk Control Self Assessment (RCSA), Operational Risk Online Test (OPRIST), E-Learning. Throughout 2018 the Bank perfected the Operational Risk Management System (ORMS) developed in 2016 so that existing tools can be integrated. The Operational Risk Management System has 3 (three) modules, namely RCSA, RED, and KRI.
7. In 2018 a Risk Assessment has been carried out for work units in the Treasury.
8. On the other hand, in order to curb and reclassify the Operational Risk losses according to the risk event, 7 Operational Losses have been opened so that the loss data can be analyzed properly.

II. Measurement

1. Risk measurement is carried out by the Risk Management Work Unit (SKMR) through the assessment of Bank Risk Profiles every quarter and Bank Soundness Rating (PTKB) every semester. Within the scope of the Mega Corpora Financial Conglomerate, PT Bank Mega, Tbk is appointed as the Main Entity which is obliged to submit an Integrated Risk Profile every semester.
2. In relation to the KPMM provisions, the Bank has adopted the Basel II standard approach to measure Credit Risk and Market Risk.
3. In measuring Credit Risk, the Bank already has a stress test measure for credit. The Bank will also continue to develop and implement rating and scoring for the Corporate, SME Commercial and Credit Card segments. In addition, the Bank also conducted industry analysis of several key industries in measuring the level of risk and the Bank's exposure to these industries.
4. Measurement of Market Risk includes the process of valuing financial instruments, calculating market risk capital charges, stress testing, and sensitivity analysis. For the valuation process, Banks can use marked to market

methods and/or marked to models. Meanwhile, for the calculation of capital charge market risk, the Bank uses the standard calculation method that has been reported to the regulator in the LBBU KPMM (Minimum Capital Fulfillment Adequacy).

5. In measuring Liquidity Risk, the Bank already has measuring instruments such as cashflow projections, maturity profiles, liquidity ratios, and stress tests. The Bank has also implemented the calculation of liquidity ratios from Basel III, namely Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).
6. The Bank also has tools to measure Operational Risk, namely RCSA, which is one of the risk management tools to conduct a self-assessment of the quality of implementation of controls to anticipate future Operational Risk. Currently RCSA has been implemented in branch offices and several work units in the head office, especially those that have transactional activities.
7. On the other hand, in order to measure capital adequacy, the Bank uses the Basic Indicator Approach approach in calculating RWA for Operational Risk.

III. Monitoring

1. The Risk Management Committee (KMR), the Integrated Risk Management Committee (KMRT), the Credit Policy Committee (KKP) and the Product Committee also function as monitoring instruments for the risk management process in various functional areas where the policy proposed by the business unit will first evaluated from various aspects of risk before implementation.
2. The Asset and Liability Committee (ALCO) is conducted regularly (monthly) to oversee the achievement of business targets, implementation of interest rate policies, macroeconomic projections, and discussion of strategic issues related to the management of Market Risk and Bank Liquidity Risk.
3. The Bank routinely conducts Credit Quality Monitoring on potentially problematic loans and starts having problems through periodic credit monitoring meetings.
4. Monitoring of risks has been carried out inherently by each unit carried out by each supervisor and official above and this is in line with the concept of Three Lines of Defense. In addition, the Internal Audit Unit (IADT) and Internal Control (IC) have a role in streamlining the implementation of the monitoring process.
5. The Bank has monitoring the financing limit based on the economic sector and the economic sector monitoring mechanism through trigger and action tools determined through Decree No. 079/DIRBM/18. The Credit Risk Management work unit has monitored the achievement of credit compared to the economic sector limit. The results of monitoring are reported periodically (1 time in one month) to the Board of Directors and Commissioners as well as several related divisions. For Risk Limit and trigger and action tools determined through Decree No.067/DIRBM/18 and Decree No. 182/DIRBM/17.
6. Credit monitoring is also carried out through making periodic reports for all credit and credit card segments, related to concentration levels, credit risk limits (credit limits), credit quality, credit reserves, credit deviations and To Be Obtained Documents (TBO). Documents and comparison with commercial banks and peer groups.

Periodic monitoring (2 times in 1 year) is also carried out on the use of Credit Discretionary Limits (BWMK) for credit breakers for both credit and credit cards. Periodic monitoring is carried out in the context of reviewing performance and limits of authority of BWMK holders. The policy on granting the Limits of Authority to Disconnect Credit (BWMK) is also periodically reviewed (1 time in 1 year).

7. The Market Risk monitoring process for trading activities is monitored by Treasury International Banking Business Support (TIBS) and Market, Liquidity & Integrated Risk Management (MIRG). In addition, the Bank also monitors and prepares daily reports on exposures, risks and uses of treasury limits and global markets that are reported to the relevant work units and Bank Management.
8. The Liquidity Risk monitoring process is carried out based on the results of measurement of maturity profile, daily cashflow, LCR, NSFR and stress tests. The implementation of meeting daily liquidity needs is carried out by the Treasury Work Unit. Monitoring results are submitted to the regulator and the Bank's management periodically.
9. The Bank also strengthens the monitoring system, particularly for Operational Risk with mechanisms and tools such as: limit transaction determination for each branch operations official and its staff, monitoring mechanisms for days H and H + 1 through the Internal Control and self-assessment through ORMS.
10. The monitoring process for the follow-up to the implementation of the self-assessment of work units and branch offices has also been carried out by the Operational Risk Governance Meeting at each level of the organization up to the Bank level.

IV. Control

1. The Bank has made internal policies related to 8 (eight) main risks of the Bank, namely Credit Risk, Market Risk, Strategic Risk, Liquidity Risk, Operational Risk, Reputation Risk, Compliance Risk, Legal Risk and 1 (one) additional risk within the scope Mega Corpora Financial Conglomerate, namely Intra-Group Transaction Risk.
2. In an effort to improve the Quality of Risk Management Implementation, particularly in the part of conformity to the risk management strategy with the Bank's overall strategic objectives and business strategy, the Bank has included a risk limit as part of the Bank's Business Plan. The risk limit will be periodically monitored according to the Bank's risk tolerance.
3. Determination of parameters, percentages or numbers of risk appetite and risk tolerance is carried out based on historical data analysis, statistical approaches, business/ expert judgment and conditions of commercial bank data and strategic decisions from management.
4. Review of the risk appetite and risk tolerance will be carried out periodically by considering changes in the conditions and internal business strategies of the Bank and the national macroeconomic banking.
5. Risk limit parameters (risk appetite and risk tolerance) which currently a reference based on SK. 067/DIRBM/18 concerning Bank Risk Limit Policies, are as follows:

No	Parameter	Risk Appetite	Risk Tolerance
1.	Strategic Risk		
a	Bank Mega's assets are compared to the Bank's Business Plan Target	≥ 80%	≥ 60%
b	Bank Mega's DPK is compared to the Bank's Business Plan Target	≥ 80%	≥ 60%
c	Bank Mega Credit is compared to the Bank's Business Plan Target	≥ 80%	≥ 60%
d	CAR position	≥ 17%	≥ 15%
e	BOPO position	≤ 80%	≤ 90%
f	Market Share for peer groups		
	- Assets	≥ 17%	≥ 15%
	- DPK	≥ 17%	≥ 15%
	- Credit	≥ 17%	≥ 15%
	- Capital	≥ 17%	≥ 15%
g	CAR after stress test	> 14%	> 12.625%
2.	Operational Risk		
a	Internal Frequency of Fraud (3 months)	0	< 3 times
b	The ratio of the number of employees coming out resigning to total employees (3 months)	< 3%	< 5%
c	The ratio of the number of employees who have not been trained (12 months) to total employees	≤ 5%	≤ 20%
d	OPRIST score	≥ 90	≥ 80
e	Significant Interruption Downtime Silverlake, ASCCEND, PCE, and CWX (3 months)	< 60 minutes	< 120 minutes
f	Significant Interference Frequency Silverlake, ASCCEND, PCE, and CWX (3 months)	NIL	≤ 2 times
3.	Credit Risk		
a	Low Quality Credit to Total Credit	≤ 7.50%	≤ 22.50%
		≤ 7.50%	≤ 20.00%
	Low Quality Corporate Credit to Total Corporate Loans	≤ 5.00%	≤ 15.00%
	Commercial Low Quality Credit for Total Commercial Loans	≤ 10.00%	≤ 25.00%
	SME Low Quality Credit to SME Total Loans	≤ 7.50%	≤ 15.00%

No	Parameter	Risk Appetite	Risk Tolerance
	Low Quality Credit for Total Consumer Loans	≤ 10.00%	≤ 25.00%
	JF & FL Low Quality Credit to JF & FL Total Loans	≤ 5.00%	≤ 15.00%
b	Troubled Credit to Total Credit	≤ 2.00%	≤ 4.00%
	Corporate Problem Credit to Total Corporate Loans	≤ 0.50%	≤ 2.50%
	Commercial Problem Loans for Total Commercial Loans	≤ 0.75%	≤ 3.00%
	SME Problem Credit to SME Total Loans	≤ 4.00%	≤ 6.00%
	Consumer Problem Credit for Total Consumer Loans	≤ 3.00%	≤ 5.00%
	JF & FL Problem Loans against JF & FL Total Loans	≤ 1.25%	≤ 3.00%
	CC Problem Credit against CC Total Credit	≤ 2.00%	≤ 4.00%
c	Net NPL Ratio to Total Credit	≤ 1.50%	≤ 3.50%
d	Credit to Core Debtors to Total Credit	≤ 35.00%	≤ 50.00%
4.	Market Risk & Liquidity		
a	Risk Limit for Liquid Asset Portfolios		
	Total LJK Funding for Total Liabilities	> 15%	> 18%
	Total HQLA for Total Assets	> 20%	> 13%
	PDN to KPMM Capital	< 5%	< 10%
	Unrealized Loss Bonds to KPMM Capital	> -3%	> -5%
	Liquidity Coverage Ratio (LCR)	>120%	>100%
b	Risk Composition of Securities		
	Government Securities	> 50%	> 45%
	LJK Securities	< 40%	< 50%
	Non-LJK Securities	< 10%	< 15%
	Securities-Mutual Funds	< 3%	< 5%
	Term Deposit + BI Deposit Facility	< 10%	< 20%
c	Forex LDR	<90%	<100%
d	NSFR	>110%	>100%
e	RIM	80% ≤ x ≤ 85%	Min.70% dan Max. 95%
5.	Legal Risk		
a	Percentage of Addition to the Amount of Claims experienced by the Bank	≤ 10%	≤ 20%
6.	Compliance Risk		
a	Frequency of Penalty Sanctions imposed by Regulators (OJK and / or BI)	≤ 4 times	≤ 8 times
b	Nominal Penalty Penalties for Non-compliance	≤ Rp50 million	≤ Rp100 million
7.	Reputation Risk		
	Number of negative reports	< 15 times	< 20 times

No	Parameter	Risk Appetite	Risk Tolerance
8.	Risk of Intra-Group Transactions		
a	Total Credit Provided to the Mega Corpora Group to the Bank's Total Credit	≤ 2%	≤ 3.50%
b	Total Deposits Originating From the Mega Corpora Group to the Bank's Total Deposits	≤ 5%	≤ 10%
c	Total Revenues Originating From the Mega Corpora Group to Total	≤ 5%	≤ 10%

6. The risk limit will be monitored periodically according to Bank Mega's strategic goals and business strategy and the risk tolerance set by Bank Mega.
 7. Control of Credit Risk is carried out periodically. Meanwhile, the process of controlling Credit Risk at the branch is routinely carried out by the National Credit Review, Restructuring & Control (NCRC) work unit through the Credit Control work team. Some aspects of Credit Control examination include compliance aspects and potential risks arising in the credit process, market conditions and economic conditions, the feasibility of the debtor and the feasibility of the guarantee bonding process.
 8. Risk control in addition to being built-in in the transaction and operational implementing unit, Internal Control also conducts periodic credit and operational checks. The handling of non-performing loans is carried out by independently separate work units, namely National Credit Review, Restructuring & Control (NCRC) and Credit Collection & Remedial (CCRD), which are tasked with restructuring loans that have problems but still have the potential to pay. Credit Asset Recovery (CARC) & CCRD play a role in managing and liquidating assets submitted by troubled debtors who have not been able to restructure.
 9. The function of credit collection (collection) that experiences late installment payments is in the relevant work units in each region.
 10. Market Risk Control is carried out through a limit system and discussion in the ALCO Committee meeting and the Risk Management Committee (KMR).
 11. Control of Liquidity Risk is carried out through funding strategies, management of liquidity positions and daily liquidity risks, management of intragroup liquidity and Liquidity Risk positions, management of high-quality liquid assets and emergency funding plans.
 12. To ensure the continuity of business processes in the midst of the crisis conditions faced. The Bank continues to perfect Business Continuity Management (BCM) which covers business and operational aspects.
 13. The Bank continuously strengthens risk control mechanisms, especially for Operational Risk with measures such as fulfilling and improving human resources through training programs, increasing coordination of control work units, improving policies and procedures, strengthening control at the first line of defense, and etc.
 14. Through periodic supervision on Risk Limit, management can find out the direction of the Bank's main Risk movements (Credit, Market, Liquidity, Strategic and Operational) as an early warning signal.
 15. Risk Limit policies and economic sector limits as well as action and trigger tools on the acquisition of credit portfolios are a milestone for management in determining the direction of the development of a loan portfolio in the economic sector with the desired level of risk.
- v. Reporting
1. The Bank periodically and routinely reports to regulators on business developments that occur. The technical and type of reports sent are in accordance with the provisions and formats stipulated by the regulator. Through this reporting system, Bank Mega periodically performs the translation function of its internal risk conditions to regulators.
 2. The Risk Management Unit (SKMR) has also published several reports related to the conditions of risks associated with commercial banks to several work units and management. These reports are published in order to support the performance of related units through the provision of informative and dual-control data in risk control.

No	Report	Information
1	Risk Limit Report	Report on realization versus risk appetite and risk tolerance. The risk limit parameters are submitted to the Board of Directors every month and to the regulator every quarter as part of the realization of the Bank Business Plan report. The preparation of the report and calculation of the risk limit has been stipulated in Decree No.067/DIRBM/18 concerning Bank Mega's Risk Limit Policy.
2	Capital Adequacy Ratio	KPMM Report to BI related to the calculation of Market and Credit Weighted Assets (RWA).
3	Exceed Limit Dealer & Counterparty	Report on the results of supervision on exceeding the Treasury limit.

No	Report	Information
4	Assessment of Bank Soundness and Integrated Risk Profile Assessment	Independent measurement and assessment of several risk management factors in accordance with the Financial Services Authority Circular No. 14/SEOJK.03/2017 dated March 17, 2017 concerning Assessment of the Soundness of Commercial Banks and SE OJK No.14/SEO-JK.03/2015 concerning Application of Integrated Risk Management.
5	Risk Event Database (RED)	Application/System/Database used for reporting data online for any loss events and near-miss that occur in the work unit.
6	Daily Cash Flow	Cash flow projection
7	Operational Risk Online Test (OPRIST)	Reports on the results of the implementation of online tests, especially to the ranks of branch offices and certain work units to see the level of understanding of policies, procedures, product knowledge, and aspects of operational risk control.
8.	Report on Risk Quantitative Information	Publication every 6 (six) months regarding quantitative information on bank risk exposures based on POJK No.32/POJK.03/2016 dated August 12, 2016 concerning Transparency and Publication of Bank Reports and SEOJK No.43/SEOJK.03/2016 concerning Transparency and Publication Report of Conventional Commercial Banks.
9	Daily Market Monitoring	Short review and recapitulation regarding news and market parameters.
10	Weekly report	Weekly publication of important facts related to Bank Mega's Market and Liquidity Risk exposure, along with supporting data that management needs to know.
11	Risk Weighted Assets (RWA) for Credit - Standardized Approach	The preparation and calculation of RWA for the Standardized Approach Credit has been regulated in SE No.127/DIRBM-CPPD/17 dated July 18, 2017.
12	Economic Sector Limit Reports and Trigger & Action Tools	Report on the movement of bank credit portfolios in 20 economic sector lines set by the regulator, as well as early warnings and action tools in sectors that have exceeded the expansion limit.
13	Credit Quality Monitoring Report	A credit portfolio report that is carried out on a monthly basis that includes the development of credit quality, credit restructuring, write off and collect off and the adequacy of credit reserves.
14	Calculation of Interest Rate Risk - Banking Book	The preparation and calculation of the interest rate - banking book risk has been stipulated in SE No.143/DIRBM-CPPD/16 concerning the Compilation of the Interest Rate Risk in the Banking Book.
15	Market Weighted Assets (RWA) - Standard Method	Market ATMR is a form of calculation of bank assets related to market risk based on OJK Regulation No.11/POJK.03/2016 concerning Minimum Capital Requirements for Commercial Banks and OJK SE No.38/SEOJK.03/2016 concerning Guidelines for Using Standard Methods in Calculation Minimum Capital Requirement for Commercial Banks by Taking into account Market Risk. RWA Market Risk is calculated for general interest rate risk, specific interest rate risk, and exchange rate risk. Market RWA calculation is carried out every month and reported on-line and off-line to the Regulator.
16	Reserves of Collective Impairment Losses (CKPN) for Non-Credit Card Loans	Activities related to CKPN collectively on non-credit card loans have been stipulated in SK No.113/DIRBM/18 dated December 21, 2018 concerning the Guidelines for Decreasing Credit Values along with their Changes. In detail, the activities and methodology used have been listed in a single phase 1 documentation of Bank Mega PSAK 50/55 project with Emerio. Collective CKPN credit non-credit activities are carried out every month through the PSAK system, HOST and upload data Recovery Rate to generate collective CKPN per credit segment per specified group.
17	Marked to model	The revaluation process of the fair value of productive assets is in the form of securities to determine the Bank's position on a daily basis to the value of market closure on that day. Some productive assets in the form of securities that do not have a quoted price in the market (non-liquid securities), are marked to model valuations by using a Credit Risk Spread approach. These non-liquid securities will refer to the movement of government bond yields with the addition of risk factors.

No	Report	Information
18	Calculation of Liquidity Stress Test	In implementing Liquidity Risk management, stress testing is a test of the ability of the Bank to meet liquidity needs in crisis conditions by using stress scenarios in general market towards the Bank. The stress test on the implementation of Liquidity Risk management is carried out by referring to SK No.111/DIRBM/ 6 which was published on April 15, 2016 concerning the Stress Test Policy.
19	Report on Liquidity Coverage Ratio (LCR)	Report on Calculation of Compliance with Liquidity Adequacy Ratios as regulated in OJK Regulation No.42/POJK.03/2015.
20	NSFR	Net Stable Funding Ratio Calculation Report regulated in OJK Regulation No.50/POJK.03/2017.
21	RIM	Calculation of the obligation to provide GWM (Minimum Mandatory Current Account) refers to RIM (Macroprudential Intermediation Ratio) which is regulated in Bank Indonesia Regulation No 20/4/PBI/2018.
22	E-Learning Operational Risk	Report on the results of the implementation of online tests to all Bank employees to see the level of understanding of operational risk management.
23	E-Learning Credit Risk	Report on the results of the online test implementation for all Bank employees to see the level of understanding of credit risk management.
24	Credit Stress Test Report	In the application of Credit Risk management, stress testing is carried out which is tested by considering the increase in non-performing financing and a decrease in the quality of credit to banks in crisis conditions.
25	Action Tools & Credit Risk Limit Trigger	The risk limit monitoring action report is based on exceeding the percentage value of the risk appetite and risk tolerance parameters in the credit sector carried out and delivered monthly in accordance with SE No. 182/DIRBM-CPPD/17 September 29, 2017 concerning the Mechanism of Trigger & Action Tools for Credit Risk Limit.

To measure the level of resilience of Bank Mega in facing a scenario of extreme external events, Bank Mega conducts stress testing as a basis for decision making as well as meeting regulatory requirements. Stress testing aims to estimate the amount of loss, estimate the resilience of Bank capital in absorbing losses, adequacy of liquidity to meet the obligations of the Bank, and identify steps that must be taken to mitigate risks and maintain capital resilience. The implementation of stress testing covers the main types of risks, including Credit Risk, market risk and liquidity risk. Implementation of stress testing in 2018 based on the BUST scenario. In general, the results of stress testing show that Bank Mega is still able to maintain the resilience of capital and the adequacy of liquidity in conditions of economic weakness, despite pressure on profits.

Referring to POJK No.14/POJK.03/2017 concerning Recovery Plans for Systemic Banks, Bank Mega prepares Recovery Options Action Plans and Options to prevent, restore and improve financial conditions and business continuity of the Bank in the event of financial stress, as stipulated in OJK Regulation No.14/POJK.03/2017 concerning Action Plan for Systemic Banks. The Action Plan prepared includes an analysis of the conditions of all Bank business lines including an analysis scenario of stress testing that occurs to the Bank in an idiosyncratic and market-wide shock manner which could endanger the sustainability of the Bank's business. The Bank prepares Recovery Options to overcome the conditions of capital, liquidity, profitability, and asset quality that are in accordance with the trigger level set for the purpose of

prevention, recovery and improvement of the financial condition of the Bank. Bank Mega has also carried out an analysis of the feasibility and effectiveness to ensure that each prepared Recovery Option can be carried out properly.

Risk Management Strategy

Risk management policies are adjusted to the direction of the Bank's business strategy. The focus of the business strategy in 2018 is directed at the Corporate and Joint Finance segments. Responding to the direction of business development, risk management strategies have taken steps in several key ways. Starts with:

1. Measurement, supervision, and control of the Bank's health level to remain in the risk appetite corridor or at least at risk tolerance.
2. Supervision of each risk limit parameter in Bank activities. This activity will be applied to every business line as part of management supervision so that the Bank's Risk level remains within the corridor of risk tolerance.
3. Internalization of risk statements and risk culture to all levels of the Bank's organization.
4. Maintaining the strength of the independence of the operational unit and risk management unit at each directorate.
5. Development of human resources, especially in risk management capabilities. This development program will be implemented in the form of training & refreshment of risk management certification to enterprise risk management-based training.

6. Implementation of regulatory provisions or recommendations in an orderly and sustainable manner.

The focus of risk management implementation also starts from the results of risk profile evaluations throughout 2018. Operational Risk, Credit Risk, and Strategic Risk need to be given attention in light of several key issues that require an action plan. The action plan will get attention and direct follow-up by management if needed.

In addition, the management of other risks will continue to be carried out with the pattern as has been done with adjustments and improvements to the parameters that are still at risk.

Types of Risks Faced by the Company

a. Credit Risk

Credit Risk is a risk due to the failure of the debtor and/or other parties to fulfill obligations to the Bank. Credit Risk Management is an integral responsibility of management and personnel at every level that must be reflected in daily activities through a risk awareness culture. Every party involved in planning, making decisions, implementing the credit approval process must conduct analysis and mitigation of Credit Risk in accordance with their respective functions and responsibilities.

Implementation of Risk Management for Credit Risk

Duties and Responsibilities (a) Commissioners and Directors, (b) Risk Management Work Units, (c) Supporting Units, (d) Risk Management Committees, (e) Risk Monitoring Committees, and (f) Credit Policy Committees all arranged in Bank Mega Credit Risk Management Policy.

An independent work unit has been formed to evaluate, monitor and report on various risks independently. The work unit is designed to function independently of the business unit.

Credit Risk Management, Operational Risk Management, Market, Liquidity & Integrated Risk Management, National Credit Appraisal, National Credit Review, Restructuring & Control, Good Corporate Governance, Banking Fraud, Anti Money Laundering, Corporate Legal, Customer Care Centers, and Units Operation Control has the duty to identify, review and supervise all of the Bank's main risks in accordance with established risk management policies and procedures. The risk control function is in the Internal Audit (IADT) work unit.

The principle applied by the Bank in carrying out Credit Risk management activities is based on internal Credit Risk policies as outlined in the Bank Mega Credit Risk Management Policy. The policy is a Credit Risk management strategy guideline for activities that have a significant Credit Risk exposure, management of credit concentration risk, and the mechanism of measuring and controlling Credit Risk.

The management of credit concentration risk is carried out through diversification of credit portfolios in various geographical regions, industries and credit products in an

effort to minimize Credit Risk. The bank has a financing limit based on the economic sector in all segments. Banks through the Credit Risk Management work unit have also carried out Risk Assessment on two work units, namely Credit Cards and Joint Financing, the next will be continued to other work units as a means of risk identification.

The Credit Risk measurement and control mechanism is carried out by using various analysis tools, including rating and scoring systems as one of the tools to decide credit, a system of credit breaker authority, other Credit Risk analysis based on quantitative calculations, and a threshold level of Credit Risk in calculating risk profiles based on Valuation Bank Soundness Level (PTKB).

PTKB is reported periodically to the Financial Services Authority and is measured using a risk approach (Risk-based Bank Rating/RBBR) which consists of 2 (two) parts, namely Inherent Risk and Quality Implementation of Credit Risk Management. The inherent indicators are grouped into four broad categories namely Asset Portfolio Composition and Concentration Level, Fund Provision Quality and Adequacy of Reserves, Strategies for Provision of Funds and Sources of Provision of Funds, and External Factors.

Throughout 2017, the Bank has calculated the Allowance for Impairment Losses (CKPN). Definition of bills that experience impairment, an explanation of the approach used for the formation of individual and collective Allowance for Impairment Losses (CKPN), and statistical methods used in calculating CKPN contained in the Guidelines for Decreasing Bank Mega Credit Value and Policy PSAK 50-55 PT Bank Mega, Tbk.

Disclosure of Quantitative Credit Risk Standards

The Bank applies the Standardized Approach in the calculation of Risk Weighted Assets (RWA) for Credit Risk, in accordance with Bank Indonesia regulations, which are internally contained in the Credit RWA Report Work Guidelines - Standardized Approach. This work guideline includes information on the policy of using ratings in the calculation of Risk Weighted Assets (RWA) for Credit Risk, portfolio categories that use ratings, rating agencies used, and disclosure of counterparty credit risk, including types of risk mitigation instruments Loans commonly received/ submitted by the Bank, as well as the types of Credit Risk mitigation instruments used in the calculation of RWA for Bank Mega Credit Risk.

Qualitative Standard Disclosure of Credit Risk Mitigation

Information about the Bank's policies for the main types of collateral received, procedure policies and processes for assessing and managing collateral, the main guarantee/ guarantee parties and the creditworthiness of these parties, as well as the level of concentration information generated from the use of techniques Credit Risk mitigation is included in the Collateral Assessment Policy.

All policies/guidelines above are reviewed regularly to be in line with the latest developments in regulations, business environment and changes that occur due to the Bank's business growth and global economic conditions.

Disclosure of Qualitative Asset Securitization

The bank does not have exposure to asset securitization.

a. Market Risk

Market Risk is risk in balance sheet and administrative account positions including derivative transactions, due to overall changes in market conditions, including changes in option prices. Market risk includes, among others, interest rate risk, exchange rate risk, equity risk, and commodity risk. Interest rate risk, exchange rate risk, and commodity risk can come from both the trading book position and the banking book position.

Application of Market Risk Management

Determination of organizational structure, equipment and completeness of units/functions related to the implementation of risk management for Market Risk must be adjusted to the characteristics and complexity of the Bank's business activities.

In the framework of implementing effective risk management, the Bank prepares duties and responsibilities that are tailored to business objectives and policies, the size and complexity and capabilities of the Bank. The person in charge of market risk management is generally located in each work unit that has activities exposed to Market Risk, and specifically located in the Treasury and Global Markets work units as managers of the Bank's Market Risk as a whole. In implementing this management the Treasury and Global Markets work units are assisted by the Market, Liquidity & Integrated Risk Management (MIRG) work unit, which independently provides objective input and analysis in the process of identifying, measuring, monitoring and managing Market Risk.

Distribution of authority and responsibilities of the Board of Commissioners and Directors, Market work units, Liquidity & Integrated Risk Management (MIRG), Risk Management Committee (KMR) and Asset and Liability Management Committee (ALCO), Supporting Units consisting of Internal Audit, Business Units and Operational Work Units are regulated in the Market Risk Management Policy.

Distribution of authority and responsibilities of the Board of Commissioners and Directors, Market work units, Liquidity & Integrated Risk Management (MIRG), Risk Management Committee (KMR) and Asset and Liability Management Committee (ALCO), Supporting Units consisting of Internal Audit, Business Units and Operational Work Units are regulated in the Market Risk Management Policy.

Management of the Trading Book and Banking Book Portfolio

The management of the trading book and banking book portfolio, as well as the valuation method used are also regulated in the Market Risk Management Policy. Management and control of Market Risk through the determination and review of Market Risk limits carried out periodically.

These limits include Market Risk Limit on the trading book, Market Risk Limit interest rates on the banking book, Market Risk Limit exchange rate based on Net Open Position (PDN), and risk level threshold for Bank Soundness Rating (PTKB) on

Market Risk Profiles (carried out with the approach of historical data, statistics, expertise judgment and business perspective).

The Bank also periodically measures and reports to the Financial Services Authority in managing Market Risk based on Market Risk parameters in Bank Soundness Rating (PTKB) using a risk approach (Risk-based Bank Rating / RBBR) which consists of 2 parts, namely Inherent Risk and Quality of Risk Management Implementation. These inherent indicators are grouped into 3 (three) major categories, namely the volume and composition of the portfolio, the potential loss of interest rate risk in the banking book, and the Bank's business strategy and Bank policies.

Market Risk Measurement Mechanism

Market Risk Measurement on the trading book for exchange rates and interest rates is calculated by calculating the Minimum Capital Provision Obligation (KPMM) using the Standard Method on a monthly basis as regulated in the regulatory provisions. The Bank has also implemented regulatory provisions regarding the calculation of specific interest rate risks which are weighted based on securities portfolio and rating categories.

Market Risk Measurement in terms of interest rates on the banking book uses the IRRBB (Interest Rate Risk in Banking Book) on a monthly basis. Interest rate risk is seen from the perspective of Economic Value and Earnings (NII), and Gap Ratio measurements.

Measurement of Market Risk from the side of the exchange rate through the calculation of the 30-minute Net Open Position (PDN), daily and monthly according to the regulatory provisions.

Portfolio Coverage in KPMM

The portfolio coverage (trading and banking book) that is calculated in KPMM using the Standard Method, in accordance with Bank Indonesia regulations. Calculation in KPMM consists of interest rate risk (specific risk & general risk) and exchange rate risk. Specific interest rate risk is applied based on the OJK Regulation regarding Guidelines for Using Standard Methods in Commercial Capital Adequacy Ratio Calculation by Taking into account Market Risk.

Specific interest rate risk is calculated by using securities (trading book) data based on portfolio categories and securities ratings from Bank Mega Monthly Bank (LBU) Reports. Risk weight is determined based on a combination of portfolio categories and ratings. In general, weighting is divided into 3 (three) groups, namely, Government Categories, Investment Grade and Non Qualification Categories, with variations in weights ranging from 0% to 12%.

The general interest rate risk (trading book) uses the maturity method, where grouping is based on the remaining tenor buckets from ≤ 1 month to buckets > 20 years. Risk weight varies from 0% to 12.5%.

Meanwhile, exchange rate risk is calculated from the Net Open Position (NOP) multiplied by the capital charge of 8%. Calculation of NOP is based on regulatory provisions.

Steps and Plans in Anticipating Market Risk

Analysis of Market Risk profiles that include parameters of the trading strategy and banking book, as well as the complexity of derivative products owned by the Bank, are periodically submitted to management through the Risk Management Committee, in order to formulate anticipatory steps and plans.

Qualitative Disclosure of Market Risk Calculations Using Internal Models

The Bank does not calculate Market Risk by using an internal model.

b. Liquidity Risk

Liquidity risk is a risk due to the inability of banks to meet maturing obligations from cash flow funding sources and/or from high-quality liquid assets that can be pledged without disrupting the activities and financial condition of the bank. The inability to obtain funding sources for cash flows which can cause Liquidity Risk can be caused by, among others:

- Inability to generate cash flows originating from productive assets or from the sale of assets, including liquid assets; and/or
- Inability to generate cash flows from fund raising, interbank transactions, and loans received.

Liquidity Risk Management Organization

Determination of organizational structure, equipment and completeness of units/functions related to the implementation of risk management for Liquidity Risk must be adjusted to the characteristics and complexity of the Bank's business activities.

In the framework of implementing effective risk management, the Bank prepares duties and responsibilities that are tailored to business objectives and policies, the size and complexity and capabilities of the Bank. The person in charge of managing Liquidity Risk is generally located in each work unit that has activities that are exposed to Liquidity Risk. Market, Liquidity & Integrated Risk Management (MIRG) independently provide input and objective analysis in the process of identifying, measuring, monitoring and managing Liquidity Risk. The distribution of authority and responsibilities of the Board of Commissioners and Directors, Market Work Units, Liquidity & Integrated Risk Management (MIRG), Asset and Liability Management Committee (ALCO), Supporting Units consisting of Internal Audit, Business Units and Operational Work Units are regulated in the Policy Liquidity Risk Management.

Mechanism for Measurement and Control of Liquidity Risk

Identification is carried out on all sources of Liquidity Risk as stipulated in the Liquidity Risk Management Policy which includes:

- a. Banking products and activities that can affect the source and use of funds both in the position of assets and liabilities and administrative accounts.
- b. Other risks that can increase Liquidity Risk, such as Credit Risk, Market Risk, and Operational Risk.

The tools used to measure and control Liquidity Risk refer to regulatory provisions which include Maturity Profile, Cash Flow Projection, Stress Testing, and Liquidity Risk parameters in Bank Soundness Rating (PTKB) using a risk approach (Risk-based Bank Rating/RBBR) which consists of 2 parts, namely Risk Inherent and Quality of Implementation of Risk Management. These inherent indicators are grouped into 3 (three) major categories, namely the Composition of Assets, Obligations, and Administrative Account Transactions, Concentration of Assets and Liabilities, Vulnerability to Funding Needs.

Early Warning Indicator

Monitoring of Liquidity Risk by the Bank must pay attention to early warning indicators, both internal and external, to determine the potential for increased Bank Liquidity Risk. Internal indicators include the following: Bank funding and asset growth strategies, increased concentration both on the assets and liabilities of the Bank, increasing foreign exchange mismatch, and increasing Bank funding costs.

Control is carried out on activities that have increased risk. Control is carried out through funding strategies, management of daily liquidity and Liquidity Risk positions, management of intragroup liquidity and Liquidity Risk positions, management of high quality liquid assets, and emergency funding plans.

Rupiah Maturity Profile

One of the tools used to measure Liquidity Risk with reference to the regulatory provisions is the Maturity Profile. Maturity profiles are based on assets, liabilities, and administrative accounts in Rupiah and foreign currencies that are mapped to a certain time scale (maturity bucket) based on remaining maturity which aims to identify the occurrence of gaps liquidity on a certain time scale.

c. Operational Risk

Operational Risk is a risk caused by insufficient and/or non-functioning internal processes, human errors, system failures, or external problems that affect the Bank's operations. With the issuance of the OJK Regulation on the Implementation of Risk Management for Commercial Banks, Bank Mega has since seriously implemented Operational Risk management by constantly improving its implementation in all Bank activities, both those that are embedded in transactional activities at branch offices and support activities that are located at the head office.

Operational Risk Management Organization

To increase the effectiveness of the implementation of Operational Risk management, the Bank has established an operational risk management organization with clearly defined tasks and responsibilities, starting at the branch, regional and head office levels. The functions and tasks of the organization are always reviewed to be harmonized with increasing the effectiveness of coordination and increasing the sharpness of the implementation of risk identification. At the head office level, the Bank has established an Operational Risk Management Work Unit under the

coordination of the Risk Management Work Unit. This Work Unit has the task of assisting the Directors in managing Operational Risk, monitoring the process of implementing operational risk management as a whole, ensuring operational risk management policies run at all levels of the organization. The several tasks include the following:

- Assist the Directors in drafting the Operational Risk Management Policy.
- Design and implement tools to assess Operational Risk and reporting and coordinate operational risk management activities across all work units.
- Prepare a report on the Operational Risk profile.
- Providing assistance to business units on issues of Operational Risk management, and Operational Risk management training.

In its implementation, the Operational Risk Management Work Unit coordinates with the Internal Audit Work Unit, Operational Control Work Unit, Compliance Unit and other related Work Units by conducting regular meetings to discuss material Operational Risk issues so that these risks can be controlled early.

On the other hand, the Bank has also established a Risk Management Committee (KMR) Support Group for the field of Operational Risk whose job is to assist the KMR in identifying operational risks specifically related to the risk management process carried out by the risk owner. The Support Group also functions as a filter for risk issues that will be brought to the KMR meeting, so that only crucial and material issues are found solutions in the KMR meeting forum.

Operational Risk Identification and Measurement Mechanism

The Bank uses the Operational Risk Online Test (OPRIST) tool to measure the level of mastery of the branch office staff towards policies and procedures, authority and products. Risk identification by looking at the level of employee mastery of policies and procedures is seen as an effective way to see the potential risks of errors in the implementation of operational processes.

In addition, Operational Risk Management E-Learning has been carried out for all employees to measure employee understanding regarding Operational Risk management. Through the implementation of E-Learning you can see the level of awareness of Operational Risk while providing refreshment to employees.

On a bank wide basis, risk identification and measurement are carried out on several key indicators which are considered to represent the Bank's operational risk. These indicators are grouped into 5 (five) major categories namely Business Characteristics and Complexity, Human Resources, Information Technology and Supporting Infrastructure, Fraud and External Events. The final results of identification and measurement are in the form of Bank Operational Risk profiles that are reported to the Financial Services Authority every quarter.

On the other hand, the measurement of risks associated with the calculation of Risk Weighted Assets (RWA) for Operational

Risk currently the Bank uses the Basic Indicator Approach (BIA) approach which is deemed still able to meet the needs of the Bank.

Operational Risk Mitigation Mechanism

In order to mitigate or control the Operational Risk inherent in operational activities, the Bank periodically reviews the Operating Procedure Policies and Standards (SOPs) to ensure the adequacy of the Policies and SOPs as work guidelines given that the bank's business activities are growing. In addition, the Bank also delegates authority, especially in branch transactions in the form of transaction limits, thus facilitating the customer service process without ignoring the risk aspects.

Separation of functions and tasks or segregation of duty is always carried out on all operational activities both for transactional and non-transactional activities including the reporting process. It includes the application of dual controls to ensure transaction validation. Other Operational Risk control methods such as security systems, enhancements and capabilities of Human Resources are also always carried out to minimize Operational Risk so that the Bank is avoided from losses.

e. Legal Risk

Legal Risk arises because of lawsuits and/or the existence of juridical weaknesses. Legal risks can cause significant losses if not managed adequately. Early legal risk identification is very helpful in managing legal risk so that it does not cause losses beyond the Bank's tolerance.

Legal Risk Management Organization

The Bank views Legal Risk as a type of risk that must be managed seriously considering its impact can be significantly detrimental. Based on this view, the Bank has established a legal risk management organization at the head office and regional offices. At the head office, the Bank has a Corporate Legal Work Unit that functions as a legal watch whose duties include dealing with legal issues faced by the Bank, providing legal opinions on the Cooperation Agreement to be conducted by the Bank, providing legal analysis regarding the launch of new products and activities. The Corporate Legal Unit is responsible to the President Director.

In Regional Offices legal functions are handled by Legal Managers who are under the coordination of the Regional Operational Manager. The existence of this work unit is seen as very helpful in dealing with legal issues in the work area of the regional office concerned so that if legal problems occur, they can be dealt with immediately. At the branch office, legal functions are handled by the Legal Officer.

Legal Risk Control Mechanism

Legal Risk Control has been carried out since the first time the Bank entered into business cooperation with customers in the form of liability, credit and other service activities. Completeness of administrative documents is an important requirement in opening accounts and in banking transactions, so that if the customer cannot provide the said documents, the Bank cannot carry out the transaction.

All Bank service activities to customers if not done well can cause customer complaints which in turn can cause legal problems. So to avoid these things, the Bank has completed every service activity for customers with adequate policies and procedures, so that each Bank employee can serve customer transactions more prudently.

On the other hand, in order to control legal risk, especially in the issuance of new products and activities, the Corporate Legal Work Unit always reviews Cooperation Agreements, one of which is to ensure the Bank's legal position is in the right position. In addition, the Corporate Legal Work Unit routinely conducts training related to Legal Risk management to employees, especially those related to customer transactions both in liability and credit. This is intended to improve employee competency in managing Legal Risk.

f. Strategic Risk

Strategic Risk is the risk of inaccuracy in making and/or implementing a strategic decision and failure to anticipate changes in the business environment. Thus, the accuracy of the strategy prepared by a bank is the main key in achieving the stated goals. Given the importance of the existence of this strategy, the Bank always monitors its implementation and evaluates weaknesses/irregularities that occur to be corrected immediately.

In general, the Bank's strategy has been formulated and poured into a Business Plan Document that must be reported to the Financial Services Authority at the end of each year. In this document the Bank's targets and objectives are set both on the side of assets, liabilities and new products and activities to be issued. Deviations that occur at the implementation stage are risks that must be managed so as not to cause losses to the Bank.

Strategic Risk Management Organization

All business units and support units are responsible for assisting the Board of Directors in preparing strategic plans, and implementing strategies effectively. The Bank has a Financial Control Work Unit whose task is to monitor the achievement of the Bank's business targets. In addition, the management of the Bank's Strategic Risk is focused on achieving targets that have been set as a form of monitoring of the suitability of the strategies implemented by the Bank.

Efforts to Identify and Respond to Changes in the Business Environment

One of the things that must be considered in managing Strategic Risk is how quickly the Bank can respond positively whenever there is a change in the business environment both on a national scale and the international environmental changes. In this regard, the Bank always adjusts each business strategy that will be formulated with the development of the environment in question. One form is that since 2012 the Bank has focused more on business development by integrating with group business, of course by always complying with internal and external laws and regulations. Service to the main customers (priority banking) at the moment is seen as still having a great opportunity to be developed. The promotion

strategy by synergizing credit products and deposits products which are then offered primarily to prime customers continues to be carried out to maintain customer loyalty and to acquire new customers.

In addition to that, several strategic steps will be carried out in accordance with the 2016-2017 Bank Business Plan, namely: (1) Planned addition of office networks through synergies with companies under CT Corpora, (2) Product innovation and service features to customers in order to become a retail bank and increase the amount of public fund raising, and (3) synergy with companies in CT Corpora to increase business volume and create new business opportunities.

Mechanism for Measuring Progress Achieved from a Defined Business Plan

Strategic Risk Control is always carried out by all work units, especially by business units at the branch level, business areas to the head office. Every week the branch office evaluates its business achievements. Likewise for the business area and head office is carried out every week. The scope of the evaluation in addition to achieving the targets that have been set, also includes finding solutions to the constraints faced in the field. All of these steps are carried out to keep the Bank's strategy implemented according to what has been determined, or in other words minimizing Strategic Risk.

g. Compliance Risk

Compliance Risk is a risk due to the Bank not complying with and/or not implementing the applicable laws and regulations. Compliance Risk can be sourced from, among other things, legal behavior, namely behavior/activity of the Bank that deviates or violates the provisions or applicable laws and organizational behavior, namely behavior/activities of the Bank that are deviant or contrary to generally accepted standards. Compliance Risk has a very significant impact if it is not managed adequately because the impact can be in the form of fines or severe sanctions.

In this regard, the Bank always considers that Compliance Risk is a risk that needs to be managed seriously.

Compliance Risk Management Organization

Based on this view, the Bank established a Work Unit specifically dealing with compliance, namely the Compliance & Good Corporate Governance (CGCG) Work Unit at the Head Office. Whereas the compliance function in Regional Offices is coordinated by Regional Compliance. In order to manage compliance risk, through this Work Unit, the Bank always ensures that it does not violate the applicable regulations in the form of internal regulations or external regulations. Monitoring the implementation of all reporting obligations that must be carried out by the Bank to the regulator. CGCG Work Unit is responsible to the Compliance Director (Compliance & Human Capital Director).

Strategy and Effectiveness of Application of Compliance Risk Management

The existence of the CGCG Work Unit has been independent of business work units and support so that it is more effective in carrying out its duties and functions. Related to this, in order to compile and review internal policies in the form

of operational policies as well as the Standard Operating Procedure (SOP), the Bank always ensures that no external regulations are violated. Technically, each policy issued must be reviewed by the Compliance Unit. On the other hand, in the implementation of transactions, services to customers, the officer carrying out the transaction must ensure the completeness of documents and the correctness of documentation. This is done as an anticipatory step so that the Bank is not exposed to Compliance Risk.

Compliance Risk Monitoring and Control Mechanism

In order to carry out risk monitoring compliance of the Internal Audit Unit and the Operational Control Work Unit and Credit Control Work Unit have a very important role. The three work units are in accordance with their roles and duties, collaborating hand in hand in monitoring Compliance Risk for all work units both business and support. On the other hand, to optimize aspects of internal control, the Bank routinely conducts training for employees related to aspects of compliance, especially for new employees as well as employees who have long worked. At the branch office level routinely at least once a week a morning briefing is held, namely a discussion forum specifically to discuss policies issued by the head office and external rules.

h. Reputation Risk

Reputation Risk is a risk due to a decrease in the level of trust of stakeholders (stakeholders) originating from negative perceptions of the Bank. Reputation risk can be sourced from various Bank business activities such as negative reporting in the mass media, violations of business ethics, and customer complaints; or weaknesses in governance, corporate culture, and bank business practices. Given that Reputation Risk is highly related to customers, then if it is not managed properly, reputation risk has a very significant impact, including the occurrence of a rush that ultimately leaves the Bank abandoned by its customers.

Reputation Risk Management Organization

As a business institution whose business activities are based on public trust, good reputation or good reputation has a very important role for the Bank. Reputation in the form of public trust needs to be built over a long period of time so that it needs good management. By referring to this, the Bank has a work unit tasked with managing reputation risk namely Corporate Affair where technically the implementation is carried out by the Corporate Communication team. This work unit is tasked with monitoring negative news in the mass media and handling customer complaints in the mass media, as well as carrying out public relations functions and responding to negative news or other events that affect the Bank's reputation and can cause losses to the Bank. In addition, this Work Unit is also tasked with communicating information needed by investors, customers, creditors, associations and the public.

In addition, the Bank has a Customer Care Center (CCC) Work Unit that has the task of handling customer complaints/complaints received by the branch office. Technically, every customer complaint submitted to the branch office will be reported by the relevant Branch to the CCC through the

system/application that has been prepared. Furthermore, the CCC routinely monitors complaints that exist in the system/application and then coordinates with the relevant work units to find a solution.

Policies and Mechanisms in Order to Improve Services to Customers

To maintain reputation, the Bank always makes efforts to improve service to customers. If the customer feels that all of his interests are met, they are expected to make a positive contribution to the Bank's reputation. Increasing competence to employees who are directly in touch with customers is one of the effective ways to improve services. This is done by the Bank by providing training routinely to Teller, Customer Service and marketing personnel, especially regarding ways to serve customers, as well as increasing their understanding of Bank products.

In addition, the Bank always applies the Information Transparency Principle to customers. In this connection the Bank always provides information to customers on the benefits, risks and costs of each product and service provided by the Bank. So that customers get balanced information on products or services that are utilized.

Managing Reputation Risk at the Time of Crisis

The crisis condition is the least expected condition by all types of companies, including the Bank, because this condition can be a destructive factor for the reputation that has been built by the Bank. For this reason, appropriate steps are needed in managing crisis conditions, including how to communicate them to customers to avoid negative perceptions of the Bank. The role of the Bank's reputation risk management during the crisis period is handled by the Corporate Affair work unit by getting direct directions from the President Director. Some strategies that can be done by the Bank are to maintain good relations with the mass media in a professional manner, provide adequate understanding and education to the public/customers regarding the crisis conditions so that customers can obtain the right information. This is to avoid customer panic.

Review of the Effectiveness of the Risk Management System

In 2018 the risk management system has been implemented effectively.

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RISK MANAGEMENT

TABLE BASEL DISCLOSURES

Tabel 1 : Disclosure of Capital Structure

Core Capital (Tier 1)	
1 Common Equity Tier 1 (CET 1)	
1.1	Paid up capital (After deducting Treasury Stock)
1.2	Additional Capital Reserves
1.2.1	Addition Factor
1.2.1.1	Other comprehensive income
1.2.1.1.1	Difference over financial statement translation
1.2.1.1.2	Potential profits from increasing the fair value of financial assets in the group available for sale
1.2.1.1.3	Fixed asset revaluation surplus balance
1.2.1.2	Other additional capital reserves (other disclosed reserves)
1.2.1.2.1	Agio
1.2.1.2.2	General reserves
1.2.1.2.3	Profits of past years
1.2.1.2.4	Profit for the current year
1.2.1.2.5	Capital deposit funds
1.2.1.2.6	Others
1.2.2	Deduction Factors
1.2.2.1	Other comprehensive income
1.2.2.1.1	Difference in lack of financial statement translation
1.2.2.1.2	Potential losses from decreasing the fair value of financial assets in the group available for sale
1.2.2.2	Other additional capital reserves (other disclosed reserves)
1.2.2.2.1	Disagio
1.2.2.2.2	Loss of past years
1.2.2.2.3	Loss of the current year
1.2.2.2.4	Less difference between Allowance for Deletion of Assets (PPA) and Reserves for Impairment Losses (CKPN) on productive assets
1.2.2.2.5	Difference in the amount of adjustments to the fair value of financial instruments in the trading book
1.2.2.2.6	PPA non-productive assets that must be formed
1.2.2.2.7	Others
1.3	Non-controlling Interests that can be taken into account
1.4	Deduction Factors of Core Core Capital
1.4.1	Calculation of deferred tax
1.4.2	Goodwill
1.4.3	All other intangible assets
1.4.4	Inclusion is calculated as a deduction factor
1.4.5	Lack of capital in insurance subsidiaries
1.4.6	Exposure to securitization
1.4.7	Deduction factor for other main core capital
1.4.7.1	Placement of funds on AT1 and / or Tier 2 instruments with other banks
1.4.7.2	Cross ownership in other entities obtained based on transfers due to law, grant, or will
2 Additional Tier 1 (AT 1) Capital	
2.1	Instruments that meet AT 1 requirements
2.2	Agio/Disagio
2.3	Deduction Factor: Additional Core Capital ¹⁾
2.3.1	Placement of funds on AT1 and/or Tier 2 instruments with other banks
2.3.2	Cross ownership in other entities obtained based on transfers due to law, grant, or will

(In million Rupiah)

	December 31, 2018	December 31, 2017
	12,619,668	12,072,553
	12,619,668	12,072,553
	3,481,888	3,481,888
	9,741,667	9,326,587
	-	-
	-	177,611
	3,929,739	3,530,543
	2,048,761	2,048,761
	1,497	1,453
	3,308,574	2,462,433
	1,599,347	1,300,043
	-	-
	-	-
	-	-
	(616,312)	-
	-	-
	-	-
	-	-
	(427,489)	(180,463)
	-	-
	(102,450)	(13,794)
	-	-
	-	-
	(603,887)	(735,922)
	(111,284)	(6,101)
	-	-
	(31,345)	(34,265)
	-	-
	-	-
	-	-
	-	-
	(461,258)	(695,556)
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

II	Complementary Capital (Tier 2)		
	1 Capital instruments in the form of shares or others that meet Tier 2 requirements		
	2 Agio/disagio		
	3 General PPA reserves for productive assets that must be formed (at most 1.25% ATMR Credit Risk)		
	4 Deduction Factors of Supplementary Capital		
	1 Sinking Fund		
	2 Placement of funds on AT1 and / or Tier 2 instruments with other banks		
	3 Cross ownership in other entities obtained based on transfers due to law, grant, or will		
TOTAL CAPITAL			
		December 31, 2018	December 31, 2017
WEIGHTED ASSETS BY RISK			
	WABY OF CREDIT RISK	45,180,988	40,814,894
	WABY OF MARKET RISK	115,800	159,578
	WABY OF OPERATIONAL RISK	10,088,899	9,104,346
	TOTAL WABY	55,385,697	50,078,818
	KPMM RATIO ACCORDING TO RISK PROFILE (%)	10.00%	10.00%
ALLOCATION OF KPMM FULFILLMENT ACCORDING TO RISK PROFILE			
	From CET 1 (%)	10.00%	10.00%
	From AT 1 (%)	0.00%	0.00%
	From Tier 2 (%)	0.00%	0.00%

(In million Rupiah)

		-	-
		-	-
		369,742	304,444
		-	-
		(369,742)	(304,444)
		-	-
		12,619,668	12,072,553
DESCRIPTION		December 31, 2018	December 31, 2017
	KPMM ratio		
	Rasio CET 1 (%)	22.79%	24.11%
	Rasio Tier 1 (%)	22.79%	24.11%
	Rasio Tier 2 (%)	0.00%	0.00%
	Rasio KPMM (%)	22.79%	24.11%
	CET 1 FOR BUFFER (%)	12.79%	14.11%
	PERCENTAGE OF BUFFERS THAT MUST BE FULFILLED BY BANKS (%)	1.875%	1.250%
	Capital Conservation Buffer (%)	1.875%	1.250%
	Countercyclical Buffer (%)	0.000%	0.000%
	Capital Surcharge for Systemic Banks (%)	0.000%	0.000%

Credit Risk

Tabel 2 : Disclosures of Net Bills by Region - Individual Banks

No.	Portfolio Category	December 31, 2018							
		Net Claims by Region							
		Jakarta	Bandung	Surabaya	Semarang	Medan	Makassar	Kalimantan	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Government Claims	18,605,887	-	-	-	-	-	-	18,605,887
2	Claims to Public Sector Entities	6,127,931	-	-	-	-	-	-	6,127,931
3	Claims on Multilateral Development Banks and International Agencies	-	-	-	-	-	-	-	-
4	Bank Claims	9,506,611	-	2	-	9	4,841	139	9,511,601
5	Residential Mortgage Loans	301,396	71,914	37,411	28,395	46,329	46,123	67,733	5,99,301
6	Commercial Property Backed Credit	8,736	200	3,064	579,053	12,576	58,903	2,574	665,106
7	Credit Employees/Retirees	12	-	-	-	-	27,515	-	27,527
8	Micro Business, Small Business and Retail Portfolio Bills	18,281,748	227,017	187,570	225,215	161,090	244,024	198,911	19,525,575
9	Claims to Corporations	17,708,937	90,454	408,415	463,160	181,216	11,525	301,441	19,165,148
10	Bills that Have Maturity	451,113	1,066	48,603	2,439	8,833	12,203	10,494	534,751
11	Other assets	(16,460,075)	2,939,488	7,464,252	1,125,894	5,773,927	3,667,812	3,105,250	7,616,548
	Total	54,532,295	3,330,139	8,149,316	2,424,157	6,183,979	4,072,946	3,686,542	82,379,374

(In million Rupiah)

December 31, 2017							
Net Claims by Region							
Jakarta	Bandung	Surabaya	Semarang	Medan	Makassar	Kalimantan	Total
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
30,144,953	-	-	-	-	-	-	30,144,953
4,716,553	-	-	-	-	-	-	4,716,553
-	-	-	-	-	-	-	-
9,778,024	-	1	-	13	8,641	137	9,786,817
343,835	93,843	60,706	41,632	67,813	72,023	99,348	779,200
8,099	465	3,717	665,517	15,078	76,509	15,360	784,746
118	-	-	-	-	53,445	-	53,562
14,322,120	299,963	246,925	372,828	138,932	309,129	267,841	15,957,738
14,767,114	-	585,405	246,649	186,556	2,696	230,684	16,019,103
442,857	2,127	13,125	15,291	2,045	16,481	8,132	500,058
(16,105,759)	4,083,849	7,049,990	1,053,643	5,584,694	3,561,494	2,739,694	7,967,606
58,417,914	4,480,247	7,959,869	2,395,560	5,995,131	4,100,417	3,361,197	86,710,336

Credit Risk

Tabel 3 : Net bill based on the remaining contract period

No.	Portfolio Category	December 31, 2018					
		Net bills					
		< 1 year	1 year - < 3 years	3 years - < 5 years	≥ 5 years	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims to Government	11,413,971	2,750,747	2,821,391	2,353,242	(733,465)	18,605,887
2	Claims to Public Sector Entities	334,560	2,781,673	926,984	2,084,714	-	6,127,931
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-	-	-
4	Claims to Bank	4,318,700	3,987,572	805,837	-	399,491	9,511,601
5	Residential Mortgage Loans	16,017	95,790	135,612	344,927	6,954	599,301
6	Commercial Property Backed Credit	270,459	7,150	63,535	323,961	-	665,106
7	Credit Employees / Retirees	201	3,676	9,379	11,883	2,387	27,527
8	Micro Business, Small Business and Retail Portfolio Bills	1,738,058	3,161,090	6,365,921	556,147	7,704,359	19,525,575
9	Claims to Corporations	7,925,744	2,443,247	1,590,720	7,205,194	244	19,165,148
10	Bills That Have Maturity	154,688	82,970	99,634	64,974	132,485	534,751
11	Other assets	1	-	-	-	7,616,547	7,616,548
	Total	26,172,401	15,313,916	12,819,014	12,945,041	15,129,003	82,379,373

(In million Rupiah)

December 31, 2018					
Net bills based on contract period remainder					
< 1 year	1 year - < 3 years	3 years - < 5 years	≥ 5 years	Non-Contractual	Total
(9)	(10)	(11)	(12)	(13)	(14)
19,121,765	1,532,245	3,663,646	1,025,510	4,801,788	30,144,953
1,366,249	816,167	528,045	2,006,091	-	4,716,553
-	-	-	-	-	-
5,901,960	2,452,565	1,082,475	-	349,817	9,786,817
15,878	89,662	187,061	477,906	8,693	779,200
278,442	4,137	35,674	466,493	-	784,746
674	7,676	7,026	33,648	4,539	53,562
1,944,757	2,190,226	3,855,112	991,162	6,976,481	15,957,738
7,455,583	1,990,091	2,292,434	4,277,210	3,784	16,019,103
203,431	117,226	56,958	30,242	92,201	500,058
-	-	-	-	7,967,606	7,967,606
36,288,738	9,199,994	11,708,431	9,308,263	20,204,910	86,710,336

Credit Risk

Tabel 4 : Disclosures of Net Receivables Based on Individual Economic - Individual Banks

No.	Economic Sector				
		Claims to Government	Claims to Public Sector Entities	Claims to Multilateral Development Banks and International Agencies	Claims to Bank
(1)	(2)	(3)	(4)	(5)	(6)
December 31, 2017					
1	Agriculture, hunting and forestry	-	-	-	-
2	Fishery	-	-	-	-
3	Mining and excavation	-	-	-	-
4	Processing industry	-	-	-	-
5	Electricity, Gas and Water	-	2,072,487	-	-
6	Construction	-	-	-	-
7	Big trade and retail	-	-	-	-
8	Provision of accommodation and provision of drinking meals	-	-	-	-
9	Transportation, warehousing and communication	-	12,227	-	-
10	Financial intermediary	-	334,560	-	1,437,208
11	Real estate, rental business and company services	-	-	-	-
12	Government administration, defense and obligatory social security	-	-	-	-
13	Education Services	-	-	-	-
14	Health services and social activities	-	-	-	-
15	Community services, social culture, entertainment and other individuals	-	-	-	-
16	Individual services that serve households	-	-	-	-
17	International and other extra-international Institution	-	-	-	-
18	Activities that have no clear boundaries	-	-	-	-
19	Not Other Business Fields	-	-	-	-
20	Others (additional a.l. for SBI, SUN)	18,605,887	73,708,657	-	8,074,392
	Total	18,605,887	6,127,931	-	9,511,601

(In million Rupiah)

December 31, 2018						
Residential Mortgage Loans	Commercial Property Backed Credit	Credit Employees /Retirees	Micro Business, Small Business and Retail Portfolio Bills	Claims to Corporations	Bills That Have Maturity	Other assets
(7)	(8)	(9)	(10)	(11)	(12)	(13)
1,072	81	-	54,125	151,400	698	-
350	4,481	-	2,542	-	171	-
293	-	-	51,181	2,323,673	56,953	-
44	139,707	-	170,116	2,730,926	529	-
-	-	-	3,292	-	-	-
-	395,006	-	191,879	2,949,184	2,729	-
43,350	73,754	-	688,529	963,259	37,311	-
1,602	38,101	-	222,918	1,366,702	4,723	-
-	4,493	-	5,273,350	1,007,527	191,867	-
-	-	-	3,860	3,160,498	80,817	-
982	1,555	-	141,308	2,566,612	1,209	-
-	-	-	-	-	-	-
-	343	-	18,340	-	993	-
25	408	-	20,633	13,042	1,245	-
2,781	502	-	174,403	125,316	4,131	-
-	-	-	14,563	0	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
548,802	6,675	27,527	12,408,277	7,798	151,376	-
-	-	-	86,257	1,799,212	-	7,616,548
599,301	665,106	27,527	19,525,575	19,165,148	534,751	7,616,548

No.	Economic Sector					
		Claims to Government	Claims to Public Sector Entities	Claims to Multilateral Development Banks and International Agencies	Claims to Bank	Residential Mortgage Loans
(1)	(2)	(3)	(4)	(5)	(6)	(7)
December 31, 2017						
1	Agriculture, hunting and forestry	-	-	-	-	1,566
2	Fishery	-	-	-	-	375
3	Mining and excavation	-	-	-	-	490
4	Processing industry	-	-	-	-	537
5	Electricity, Gas and Water	-	2,691,074	-	-	-
6	Construction	-	-	-	-	150
7	Big trade and retail	-	-	-	-	77,900
8	Provision of accommodation and provision of drinking meals	-	-	-	-	5,237
9	Transportation, warehousing and communication	-	-	-	-	1,777
10	Financial intermediary	-	-	-	625,859	-
11	Real estate, rental business and company services	-	-	-	-	1,275
12	Government administration, defense and obligatory social security	-	-	-	-	-
13	Education Services	-	-	-	-	-
14	Health services and social activities	-	-	-	-	78
15	Community services, social culture, entertainment and other individuals	-	-	-	-	4,130
16	Individual services that serve households	-	-	-	-	-
17	International and other extra-international Institution	-	-	-	-	-
18	Activities that have no clear boundaries	-	-	-	-	-
19	Not Other Business Fields	-	-	-	-	685,684
20	Others (additional a.l. for SBI, SUN)	30,144,953	2,025,478	-	9,160,958	-
Total		30,144,953	4,716,553	-	9,786,817	779,200

(In million Rupiah)

December 31, 2017					
Commercial Property Backed Credit	Credit Employees / Retirees	Micro Business, Small Business and Retail Portfolio Bills	Claims to Corporations	Bills that Have Maturity	Other assets
(8)	(9)	(10)	(11)	(12)	(13)
623	-	64,748	157,327	1,325	-
4,864	-	3,205	-	-	-
-	-	37,668	1,693,463	-	-
150,085	-	184,060	1,717,585	1,738	-
-	-	3,827	473,694	-	-
377,068	-	255,486	1,399,250	2,580	-
28,083	-	1,000,822	1,118,548	174,534	-
25,955	-	320,621	1,241,299	1,971	-
6,019	-	2,453,250	849,133	155,633	-
-	-	4,513	3,978,301	3,515	-
187,534	-	180,831	1,190,514	640	-
-	-	-	-	-	-
357	-	16,383	-	62	-
860	-	35,798	3,349	65	-
1,301	-	345,265	179,152	2,644	-
-	-	17,960	-	9	-
-	-	-	-	-	-
-	-	-	-	-	-
1,996	53,562	2,908,704	-	52,798	-
-	-	8,124,598	2,017,489	102,543	7,967,606
784,746	53,562	15,957,738	16,019,103	500,058	7,967,606

Credit Risk

Table 5 : Disclosure of Regional Bills and Reserves - Individual Banks

No.	Description	December 31, 2018							
		Area							
		Jakarta	Bandung	Surabaya	Semarang	Medan	Makassar	Kalimantan	Total
(1)	(2)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Bills	105,847,442	477,612	810,009	1,406,432	422,226	423,798	618,556	110,006,076
2	Impaired loans	641,333	1,227	54,140	2,880	10,198	13,859	12,281	735,919
	a. Not yet due	358,923	1,162	53,894	2,300	5,441	12,886	11,008	445,614
	b. Has matured	282,410	65	246	580	4,758	973	1,273	290,305
3	Individual allowance for impairment losses (CKPN)	24,905	-	5,061	-	-	-	-	29,967
4	Allowance for impairment losses (CKPN) - Collective	285,005	3,344	6,792	9,923	3,162	4,057	4,793	317,076
5	Erased Bill	4,004,703	60,017	32,198	33,817	49,654	75,787	40,168	4,296,343
	Total	110,803,389	542,200	908,201	1,453,052	485,240	517,500	675,798	115,385,380

(In million Rupiah)

December 31, 2017							
Area							
Jakarta	Bandung	Surabaya	Semarang	Medan	Makassar	Kalimantan	Total
(12)	(13)	(14)	(15)	(16)	(17)	(18)	(20)
93,420,422	462,409	1,022,483	2,125,135	434,541	573,026	818,305	98,856,321
699,632	2,435	17,356	17,087	2,462	20,530	9,596	769,098
358,892	2,410	16,121	2,325	2,425	19,377	9,481	411,031
340,740	25	1,235	14,763	37	1,153	115	358,067
22,696	-	3,190	1,045	-	-	-	26,931
412,764	2,777	8,331	9,094	2,314	7,225	4,635	447,140
3,540,656	65,161	43,361	19,856	60,212	77,198	50,899	3,857,343
98,096,170	532,782	1,094,722	2,172,216	499,529	677,980	883,435	103,956,833

Credit Risk

Table 6 : Disclosures of Bills and Reserves by Economic Sector - Individual Banks

No.	Economic Sector	December 31, 2018						
		Bills	Bills Experiencing a Decrease in Value		Individual Allowance for Impairment Losses (CKPN)	Reserves of Impairment Losses (CKPN) - Collective	Erased Bill	
			Not yet due	Has Matured				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
December 31, 2017								
1	Agriculture, hunting and forestry	207,774	763	29	-	725	-	
2	Fishery	7,563	191	-	-	76	-	
3	Mining and excavation	2,486,051	60,910	-	3,957	6,642	-	
4	Processing industry	3,243,398	871	130	-	22,241	-	
5	Electricity, Gas and Water	2,075,912	-	-	-	5,831	-	
6	Construction	16,202,040	1,630	1,499	-	18,644	-	
7	Big trade and retail	2,177,022	23,898	20,771	4,548	12,376	-	
8	Provision of accommodation and provision of drinking meals	1,685,068	4,701	673	-	8,357	-	
9	Transportation, warehousing and communication	7,092,829	111,148	96,936	8,871	12,988	-	
10	Financial intermediary	5,287,867	51,188	38,411	8,782	10,300	-	
11	Real estate, rental business and company services	4,158,440	1,206	124	-	9,865	-	
12	Government administration, defense and obligatory social security	-	-	-	-	-	-	
13	Education Services	19,812	1,119	-	-	293	-	
14	Health services and social activities	35,591	1,456	17	-	505	-	
15	Community services, social culture, entertainment and other individuals	312,943	3,717	1,002	-	1,921	-	
16	Individual services that serve households	14,563	-	-	-	121	-	
17	International and other extra-international Institution	-	-	-	-	-	-	
18	Activities that have no clear boundaries	-	-	-	-	-	-	
19	Not Other Business Fields	31,747,476	182,816	130,714	3,808	206,191	-	
20	Other (additional a.l. for SBI, SUN)	33,251,725	-	-	-	-	4,296,343	
	Total	110,006,076	445,614	290,305	29,967	317,076	4,296,343	

(In million Rupiah)

December 31, 2017						
	Bills	Bills Experiencing a Decrease in Value		Individual Allowance for Impairment Losses (CKPN)	Reserves of Impairment Losses (CKPN) - Collective	Erased Bill
		Not yet due	Has Matured			
	(9)	(10)	(11)	(12)	(13)	(14)
	227,685	1,544	-	-	1,122	-
	8,637	-	-	-	60	-
	1,824,173	-	-	-	5,096	-
	2,388,054	2,035	-	-	14,002	-
	3,168,659	-	-	-	6,710	-
	2,332,169	439	2,500	-	12,231	-
	2,785,965	32,112	164,592	23,741	14,978	-
	1,614,557	2,321	-	-	6,764	-
	3,490,634	108,570	59,040	-	17,221	-
	7,278,387	3,763	-	-	11,792	-
	2,713,669	651	76	-	6,148	-
	-	-	-	-	-	-
	18,462	67	-	-	169	-
	53,048	76	-	-	294	-
	539,543	1,988	1,070	-	3,203	-
	17,972	-	12	-	319	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,711,900	37,020	130,777	3,190	10,898	-
	66,682,807	220,445	-	-	336,134	3,857,343
	98,856,321	411,031	358,067	26,931	447,140	3,857,343

Credit Risk

Table 7 : Disclosure of Mutation Reserves Details for Impairment Losses - Individual Banks

No.	Description	December 31, 2018	
		Individual CKPN	Collective CKPN
(1)	(2)	(3)	(4)
1	Initial balance of CKPN	26,931	447,140
2	Establishment (recovery) of CKPN in the current period	40,720	329,500
3	CKPN used to write off bills (- / -)	(37,684)	(863,112)
4	Other establishment (recovery)	-	403,548
CKPN final balance		29,967	317,076

(In million Rupiah)

December 31, 2017	
Individual CKPN	Collective CKPN
(5)	(6)
22,283	476,999
4,648	846,430
-	(1,225,759)
-	349,470
26,931	447,140

Market Risk

Table 8 : Disclosure of Net Bills Based on Portfolio Categories and Ranking Scale - Individual Banks

No.	Portfolio Category	December 31, 2018					
		Net Bill					
		Rating Agency	Long Term Rating				
		Standard and Poor's	AAA	AA+ - AA-	A+ - A-	BBB+ - BBB-	BB+ - BB-
		Fitch Rating	AAA	AA+ - AA-	A+ - A-	BBB+ - BBB-	BB+ - BB-
		Moody's	Aaa	Aa1 - Aa3	A1 - A3	Baa1 - Baa3	Ba1 - Ba3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) - AA-(idn)	A+(idn) - A-(idn)	BBB+(idn) - BBB-(idn)	BB+(idn) - BB-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ - [Idr]AA-	[Idr]A+ - [Idr]A-	[Idr]BBB+ - [Idr]BBB-	[Idr]BB+ - [Idr]BB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ - idAA-	idA+ - idA-	id BBB+ - id BBB-	id BB+ - id BB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims to Government		-	-	-	-	177,937
2	Claims to Public Sector Entities		2,838,740	-	646,721	223,195	-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-	-	-
4	Claims to Bank		1,952,582	2,595,221	323,103	80,096	0
5	Residential Mortgage Loans						
6	Commercial Property Backed Credit						
7	Credit Employees /Retirees						
8	Micro Business, Small Business and Retail Portfolio Bills						
9	Claims to Corporations		503,390				
10	Due Date Bills						
11	Other assets						
	TOTAL		5,294,713	2,733,479	969,824	481,229	0

		Short Term Rating				No rating	Total
B+ - B-	Less than B-	A-1	A-2	A-3	Less than A-3		
B+ - B-	Less than B-	F1+ - F1	F2	F3	Less than F3		
B1 - B3	Less than B3	P-1	P-2	P-3	Less than P-3		
B+(idn) - B-(idn)	Less than B-(idn)	F1+(idn) - F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)		
[Idr]B+ - [Idr]B-	Less than [Idr] B-	[Idr]A1+ - [Idr] A1	[Idr]A2+ - A2	[Idr]A3+ - [Idr] A3	Less than [Idr] A3		
id B+ - id B-	Less than idB-	idA1	idA2	idA3 - id A4	Less than idA4		
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
-	-	-	-	-	-	18,427,950	18,605,887
-	-	-	-	-	-	2,419,274	6,127,931
-	-	-	-	-	-	-	-
-	-	221,895	-	-	-	4,338,703	9,511,601
						599,301	599,301
						665,106	665,106
						27,527	27,527
						19,525,575	19,525,575
						18,523,500	19,165,148
						534,751	534,751
						7,616,548	7,616,548
-	-	221,895	-	-	-	72,678,235	82,379,374

No.	Portfolio Category		December 31, 2017					
			Net Bill					
		Rating Agency	Long Term Rating					
		Standard and Poor's	AAA	AA+ - AA-	A+ - A-	BBB+ - BBB-	BB+ - BB-	
		Fitch Rating	AAA	AA+ - AA-	A+ - A-	BBB+ - BBB-	BB+ - BB-	
		Moody's	Aaa	Aa1 - Aa3	A1 - A3	Baa1 - Baa3	Ba1 - Ba3	
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) - AA-(idn)	A+(idn) - A-(idn)	BBB+(idn) - BBB-(idn)	BB+(idn) - BB-(idn)	
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ - [Idr]AA-	[Idr]A+ - [Idr]A-	[Idr]BBB+ - [Idr]BBB-	[Idr]BB+ - [Idr]BB-	
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ - idAA-	idA+ - id A-	id BBB+ - id BBB-	id BB+ - id BB-	
(-)	(-)	(-)	(17)	(18)	(19)	(20)	(21)	
1	Claims to Government					1,654,352		
2	Claims to Public Sector Entities				612,936	278,915		
3	Claims to Multilateral Development Banks and International Agencies							
4	Claims to Bank		1,226,786	1,201,003	52,163	712,023		
5	Residential Mortgage Loans							
6	Commercial Property Backed Credit							
7	Credit Employees /Retirees							
8	Micro Business, Small Business and Retail Portfolio Bills							
9	Claims to Corporations							
10	Due Date Bills							
11	Other assets							
TOTAL			1,226,786	1,201,003	1,119,459	2,645,289	0	

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Market Risk

Table 9 : Disclosure of Counterparty Credit Risk - Individual Banks

a. Derivative Transactions Over the Counter

No.	Underlying Variable	December 31, 2018							
		Notional value			Derivative Bill	Derivative Obligations	Net Bill before MRK	MRK	Net Bill after MRK
		≤ 1 year	> 1 year - ≤ 5 years	> 5 years					
(1)	(2)	(3)			(4)	(5)	(6)	(7)	(8)
Bank in Individual									
1	Interest rate	-	-	-	-	-	-	-	-
2	Exchange rate	81,403	-	-	106,182	85,530	262,619	-	262,619
3	Others	-	-	-	-	-	-	-	-
	Total	81,403	-	-	106,182	85,530	26,619	-	262,619

b. RePo Transaction

No.	Transaction Type	December 31, 2018			
		Fair Value of SSB Repo	Obligations of Repo	Net Bill	ATMR
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims to Government	4,936,835	4,589,369	347,465	-
2	Claims to Public Sector Entities	-	-	-	-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-
4	Claims to Bank	-	-	-	-
5	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-
6	Claims to Corporations	-	-	-	-
	Total	4,936,835	4,589,369	347,465	-

(In million Rupiah)

December 31, 2017							
Notional value			Derivative Bill	Derivative Obligations	Net Bill before MRK	MRK	Net Bill after MRK
≤ 1 year	> 1 year - ≤ 5 years	> 5 years					
(9)			(10)	(11)	(12)	(13)	(14)
612,981	-	-	4,518	3,770	4,518	-	4,518
3,642,656	-	-	12,168	4,627	48,594	-	48,594
-	-	-	-	-	-	-	-
4,255,637	-	-	16,685	8,397	53,112	-	53,112

(In million Rupiah)

December 31, 2017			
Fair Value of SSB Repo	Obligations of Repo	Net Bill	ATMR
(7)	(8)	(9)	(10)
4,458,382	-	4,458,382	67,456,982
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,458,382	-	4,458,382	67,456,982

c. RePo Reverse Transaction

No	Transaction Type	December 31, 2018			
		Net Bill	MRK Value	Net Bill after MRK	ATMR after MRK
(1)	(2)	(3)	(4)	(5)	(6)
1	Claims to Government	2,002,988	-	2,002,988	-
2	Claims to Public Sector Entities	-	-	-	-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-
4	Claims to Bank	-	-	-	-
5	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-
6	Claims to Corporations	-	-	-	-
	Total	2,002,988	4,589,369	2,002,988	-

(In million Rupiah)

December 31, 2017			
Net Bill	MRK Value	Net Bill after MRK	ATMR after MRK
(7)	(8)	(9)	(10)
3,523,293	-	3,523,293	3,523,293
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,523,293	-	3,523,293	3,523,293

Credit Risk

Table 10 : Disclosure of Net Claims Based on Risk Weight after Taking into Account the Impact of Mitigation of Credit Risk - Bank in Individual

No.	Portfolio Category				
		0%	20%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)
A. Balance Sheet Exposure					
1	Claims to Government	17,863,308	-	-	-
2	Claims to Public Sector Entities	-	2,838,740	-	-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-
4	Claims to Bank	-	8,990,964	-	-
5	Residential Mortgage Loans	-	-	599,300	-
6	Commercial Property Backed Credit	-	-	-	-
7	Credit Employees/Retirees	-	-	-	-
8	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-
9	Claims to Corporations	-	641,648	-	-
10	Due Date Bills	-	-	-	-
11	Other assets	998,453	-	-	-
	Total Balance Sheet Exposure	18,861,761	12,471,352	599,300	-
B. Commitment Liability Exposures/Contingencies in Administrative Account Transactions					
1	Claims to Government	-	-	-	-
2	Claims to Public Sector Entities	-	-	-	-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-
4	Claims to Bank	-	170,360	-	-
5	Residential Mortgage Loans	-	-	-	-
6	Commercial Property Backed Credit	-	-	-	-
7	Credit Employees/Retirees	-	-	-	-
8	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-
9	Claims to Corporations	-	-	-	-
10	Due Date Bills	-	-	-	-
	TRA Total Exposure	-	170,360	-	-

(In million Rupiah)

December 31, 2018						ATMR	Capital Expenses
Net Bill after Taking into account the Mitigation Impact of Credit Risk - Individual Banks					Others		
45%	50%	75%	100%	150%			
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	-	-	-		-	-
-	3,289,191	-	-	-		2,212,343	176,987
-	-	-	-	-		-	-
-	301,014	-	-	-		1,948,700	155,896
-	-	-	-	-		209,755	16,780
-	-	-	665,106	-		665,106	53,208
-	27,527	-	-	-		13,763	1,101
-	-	19,439,317	-	-		14,579,488	1,166,359
-	-	-	18,088,878	-		18,217,208	1,457,377
-	-	-	14,620	520,131		794,816	63,585
-	-	-	5,868,884	749,211		6,992,700	559,416
-	3,617,732	19,439,317	24,637,489	1,269,341	-	45,633,878	3,650,710
-	-	-	-	-		-	-
-	-	-	-	-		-	-
-	-	-	-	-		-	-
-	-	-	-	-		34,072	2,726
-	-	-	-	-		-	-
-	-	-	-	-		-	-
-	-	-	-	-		-	-
-	-	86,257	-	-		64,693	5,175
-	-	-	221,267	-		221,267	17,701
-	-	-	-	-		-	-
-	-	86,257	221,267	-	-	320,033	25,603

No.	Portfolio Category				
		0%	20%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)
C. Exposures due to Counterparty Credit Risk					
1	Claims to Government	742,578	-	-	-
2	Claims to Public Sector Entities	-	-	-	-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-
4	Claims to Bank	-	38,091	-	-
5	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-
6	Claims to Corporations	-	-	-	-
	Total Counterparty Credit Risk Exposure	742,578	38,091	-	-

(In million Rupiah)

December 31, 2018						ATMR	Capital Expenses
Net Bill After Calculating Credit Risk Mitigation Impacts					Others		
45%	50%	75%	100%	150%			
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	-	-	-		-	-
-	-	-	-	-		-	-
-	-	-	-	-		-	-
-	11,172	-	-	-		13,204	1,056
-	-	-	-	-		-	-
-	-	-	213,356	-		213,356	17,068
-	11,172	-	213,356	-	-	226,560	18,125

No.	Portfolio Category					
		0%	20%	35%	40%	
(1)	(2)	(3)	(4)	(5)	(6)	
1	Claims to Government	22,497,562	-	-	-	
2	Claims to Public Sector Entities	-	-	-	-	
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-	
4	Claims to Bank	-	7,800,013	-	-	
5	Residential Mortgage Loans	-	-	779,200	-	
6	Commercial Property Backed Credit	-	-	-	-	
7	Credit Employees/Retirees	-	-	-	-	
8	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-	
9	Claims to Corporations	-	-	-	-	
10	Due Date Bills	-	-	-	-	
11	Other assets	1,037,297	-	-	-	
	Total Balance Sheet Exposure	23,534,859	7,800,013	779,200	-	
1	Claims to Government	-	-	-	-	
2	Claims to Public Sector Entities	-	-	-	-	
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-	
4	Claims to Bank	-	161,356	-	-	
5	Residential Mortgage Loans	-	-	-	-	
6	Commercial Property Backed Credit	-	-	-	-	
7	Credit Employees/Retirees	-	-	-	-	
8	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-	
9	Claims to Corporations	-	-	-	-	
10	Due Date Bills	-	-	-	-	
	TRA Total Exposure	-	161,356	-	-	

(In million Rupiah)

December 31, 2017						Others	ATMR	Capital Expenses
Net Bill after Calculating Credit Risk Mitigation Impacts								
	45%	50%	75%	100%	150%			
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
-	-	-	-	-	-		-	-
-	-	4,716,553	-	-	-		2,358,276	188,662
-	-	-	-	-	-		-	-
-	-	1,816,942	-	-	-		2,468,473	197,478
-	-	-	-	-	-		272,720	21,818
-	-	-	-	784,746	-		784,746	62,780
-	-	53,563	-	-	-		26,782	2,143
-	-	-	15,882,632	-	-		11,911,974	952,958
-	-	454,360	-	15,318,956	-		15,546,136	1,243,691
-	-	-	-	11,737	488,322		744,220	59,538
-	-	-	-	6,290,939	639,851		7,250,716	580,057
-	-	7,041,418	15,882,632	22,406,377	1,128,174		-	41,364,041
-	-	-	-	-	-		-	-
-	-	-	-	-	-		-	-
-	-	-	-	-	-		-	-
-	-	-	-	-	-		32,271	2,582
-	-	-	-	-	-		-	-
-	-	-	-	-	-		-	-
-	-	-	-	-	-		-	-
-	-	-	75,106	-	-		56,329	4,506
-	-	-	-	241,340	-		241,340	19,307
-	-	-	-	-	-		-	-
-	-	-	75,106	241,340	-	-	329,941	26,395

No.	Portfolio Category					
		0%	20%	35%	40%	
(1)	(2)	(3)	(4)	(5)	(6)	
1	Claims to Government	91,732	-	-	-	
2	Claims to Public Sector Entities	-	-	-	-	
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-	
4	Claims to Bank	-	34,250	-	-	
5	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-	
6	Claims to Corporations	-	-	-	-	
	Total Counterparty Credit Risk Exposure	91,732	34,250	-	-	

December 31, 2017							ATMR	Capital Expenses
Net Bill after Calculating Credit Risk Mitigation Impacts						Others		
	45%	50%	75%	100%	150%			
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	-	-	-	-	-		-	-
	-	-	-	-	-		-	-
	-	-	-	-	-		-	-
	-	-	-	-	-		6,850	548
	-	-	-	-	-		-	-
	-	-	-	11,561	-		11,561	925
	-	-	-	11,561	-	-	18,411	1,473

Credit Risk

Table 11 : Disclosure of Net Claims and Credit Risk Mitigation Techniques - Individual Banks

No.	Portfolio Category	December 31, 2018					
		Net Bill	Parts that are not guaranteed				Parts that are not guaranteed
			Collateral	Warranty	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)		(7) = (3)-[(4)+(5)+(6)]
A Balance Sheet Exposure							
1	Claims to Government	17,863,309	-	-	-		17,863,309
2	Claims to Public Sector Entities	6,127,931	12,207	-	-		6,115,724
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-		-
4	Claims to Bank	9,291,978	-	-	-		9,291,978
5	Residential Mortgage Loans	599,301	-	-	-		599,301
6	Commercial Property Backed Credit	665,106	-	-	-		665,106
7	Credit Employees/Retirees	27,527	-	-	-		27,527
8	Micro Business, Small Business and Retail Portfolio Bills	19,439,317	72,344	-	-		19,366,973
9	Claims to Corporations	18,730,526	850,196	-	-		17,880,330
10	Due Date Bills	534,751	-	-	-		534,751
11	Other assets	7,616,548	-	-	-		7,616,548
	Total Balance Sheet Exposure	80,896,294	934,747	-	-	-	79,961,547
1	Claims to Government	-	-	-	-		-
2	Claims to Public Sector Entities	-	-	-	-		-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-		-
4	Claims to Bank	170,360	-	-	-		170,360
5	Residential Mortgage Loans	-	-	-	-		-
6	Commercial Property Backed Credit	-	-	-	-		-
7	Credit Employees/Retirees	-	-	-	-		-
8	Micro Business, Small Business and Retail Portfolio Bills	86,257	55,134	-	-		31,123
9	Claims to Corporations	221,267	19,502	-	-		201,765
10	Due Date Bills	-	-	-	-		-
1	Claims to Government	742,578	-	-	-		742,578
2	Claims to Public Sector Entities	-	-	-	-		-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-		-
4	Claims to Bank	49,263	-	-	-		49,263
5	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-		-
6	Claims to Corporations	213,356	-	-	-		213,356

(In million Rupiah)

December 31, 2017

Net Bill	Parts that are not guaranteed				Parts that are not guaranteed
	Collateral	Warranty	Credit Insurance	Others	
(3)	(4)	(5)	(6)		(7) = (3)-[(4)+(5)+(6)]
22,497,562	-	-	-		22,497,562
4,716,553	-	-	-		4,716,553
-	-	-	-		-
9,616,954	1,100	-	-		9,615,854
779,200	5,643	-	-		773,557
784,746	-	-	-		784,746
53,563	106	-	-		53,458
15,882,632	399,538	-	-		15,483,094
15,773,316	327,177	-	-		15,446,139
500,059	-	-	-		500,059
7,968,087	-	-	-		7,968,087
78,572,673	733,563	-	-	-	77,839,110
-	-	-	-		-
-	-	-	-		-
-	-	-	-		-
161,356	3,108	-	-		158,248
-	-	-	-		-
-	-	-	-		-
-	-	-	-		-
75,106	-	-	-		75,106
241,340	41,598	-	-		199,742
-	-	-	-		-
91,732	-	-	-		91,732
-	-	-	-		-
-	-	-	-		-
34,250	-	-	-		34,250
-	-	-	-		-
11,561	-	-	-		11,561

Credit Risk

Table 12 : Disclosure of Asset Securitization Transactions - Individual Banks

As of December 31, 2018 and December 31, 2017, the Company did not have individual asset securitization transactions - the Bank individually.

Credit Risk

Table 13 : Disclosure of Activity Summary of Asset Securitization Transactions in respect of the Bank Acts as Originator - Individual Bank

As of December 31, 2018 and December 31, 2017, the Company did not have an asset securitization transaction in the event that the Bank acts as the Originator - the Bank individually.

Credit Risk

Table 14 : Disclosure of ATMR Calculations for Credit Risks Using a Standardized Approach - Individual Banks

a.Asset Exposures in the Balance Sheet except for securitization exposures

(In million Rupiah)

No	Portfolio Category	December 31, 2018			December 31, 2017		
		Net Bill	ATMR before MRK	ATMR after MRK	Net Bill	ATMR before MRK	ATMR after MRK
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims to Government	17,863,309	-	-	22,497,562	-	-
2	Claims to Public Sector Entities	6,127,931	2,212,344	2,206,240	4,716,553	2,358,277	2,022,183
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-	-	-
4	Claims to Bank	9,291,978	1,948,700	1,948,700	9,616,954	2,468,473	2,467,973
5	Residential Mortgage Loans	599,301	163,631	163,631	779,2	272,72	271,621
6	Commercial Property Backed Credit	665,106	665,106	665,106	784,746	784,746	784,746
7	Credit Employees /Retirees	27,527	13,764	13,764	53,563	26,782	26,733
8	Micro Business, Small Business and Retail Portfolio Bills	19,439,317	14,579,488	14,525,230	15,882,632	11,911,974	11,673,806
9	Claims to Corporations	18,730,526	18,217,208	17,367,012	15,773,316	15,546,136	15,309,471
10	Due Date Bills	534,751	794,817	794,817	500,059	744,22	744,22
11	Other assets	7,616,548		6,992,700	7,968,087		7,250,716
	TOTAL						

b.Commitment Liability Exposure/Contingencies in Administrative Account Transactions except for Securitization exposures

(In million Rupiah)

No	Portfolio Category	December 31, 2018			December 31, 2017		
		Net Bill	ATMR before MRK	ATMR after MRK	Net Bill	ATMR before MRK	ATMR after MRK
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims to Government	-	-	-	-	-	-
2	Claims to Public Sector Entities	-	-	-	-	-	-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-	-	-
4	Claims to Bank	170.36	34,072	34,072	161,356	32,271	31.65
5	Residential Mortgage Loans	-	-	-	-	-	-
6	Commercial Property Backed Credit	-	-	-	-	-	-
7	Credit Employees /Retirees	-	-	-	-	-	-
8	Micro Business, Small Business and Retail Portfolio Bills	86,258	64,693	23,342	75,106	56.33	12,179
9	Claims to Corporations	221,266	221,267	201,765	241.34	241.34	200,317
10	Due Date Bills	-	-	-	-	-	-
11	Other assets	477,884	320,032	259,179	477,802	329,941	244,146
	TOTAL						

c.Exposures that pose Credit Risk due to the failure of Counterparty Credit Risk

(In million Rupiah)

No	Portfolio Category	December 31, 2018			December 31, 2017		
		Net Bill	ATMR before MRK	ATMR after MRK	Net Bill	ATMR before MRK	ATMR after MRK
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Claims to Government	742,578	-	-	91,732	-	-
2	Claims to Public Sector Entities	-	-	-	-	-	-
3	Claims to Multilateral Development Banks and International Agencies	-	-	-	-	-	-
4	Claims to Bank	49,263	13,204	13,204	34.25	6.85	6.85
5	Micro Business, Small Business and Retail Portfolio Bills	-	-	-	-	-	-
6	Claims to Corporations	213,356	213,356	213,356	11,561	11,561	11,561
7	Weighted exposure from Credit Valuation Adjustment (CVA)			18,051			869
	TOTAL	1,005,197	226.56	244,611	137,543	18,411	19.28

d. Exposure Causing Credit Risk due to Settlement

(In Million Rupiah)

No	Portfolio Category	December 31, 2018			December 31, 2017		
		Net Bill	ATMR before MRK	ATMR after MRK	Net Bill	ATMR before MRK	ATMR after MRK
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Delivery versus payment						
	• 8% Capital Expense (5-15 days)						
	• 50% Capital Expense (16-30 days)						
	• 75% Capital Expense (31-45 days)						
	• 100% Capital Expense (more than 45 days)						
2	Non-delivery versus payment						
	TOTAL	1,005,197	226,56	244,611	137,543	18,411	19.28

e. Securitization Exposures

(In million Rupiah)

No	Transaction Type	December 31, 2018		December 31, 2017	
		Reducing Capital Factors	ATMR	Reducing Capital Factors	ATMR
(1)	(2)	(3)	(4)	(5)	(6)
1	Credit Supporting Facilities that meet the requirements	-	-	-	-
2	Credit Support Facilities that do not meet the requirements	-	-	-	-
3	Liquidity facilities that meet the requirements		-		-
4	Liquidity facilities that do not meet the requirements	-	-	-	-
5	Purchases of Asset Backed Securities that meet Requirements	-	-	-	-
6	Purchase of Asset Backed Securities that do not meet the requirements	-	-	-	-
7	Securitization exposures that are not covered by Bank Indonesia provisions concerning prudential principles in asset securitization activities for commercial banks.		-		-
	TOTAL	-	-	-	-

f. Exposure in the Sharia Business Unit and/or Subsidiary Company Conducting Business Activities based on Sharia Principles (if any)

(In million Rupiah)

No	Transaction Type	December 31, 2018		December 31, 2017	
		Capital Reduction Factor	ATMR	Capital Reduction Factor	ATMR
(1)	(2)	(3)	(4)	(5)	(6)
1	Total Exposure	-	-	-	-

g. Total Credit Risk Measurement

(In million Rupiah)

		December 31, 2018		December 31, 2017	
TOTAL ATMR OF CREDIT RISK	(A)	45,180,988	(A)	40,814,894	
TOTAL CAPITAL REDUCER FACTORS	(B)		(B)		

Market Risk

Table 14b : Disclosure of Market Risk with Internal Models (Value at Risk)

In December 31, 2018 and December 31, 2017 positions, the Company did not have Market Risk with an Internal Model (Value at Risk).

Market Risk

Table 14c : Disclosure of Exposure to Interest Rate Risk in Banking Book (IRRBB)

IRRBB disclosure - sensitivity of net interest income to an increase or decrease in interest rates by 200 bps (shock condition) - individual banks.

	December 31, 2018			December 31, 2017		
	Parallel Improvement	Parallel Decline	Limit	Parallel Improvement	Parallel Decline	Limit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Net interest income	-666,669	666,669	<30%	-671,404	671,404	<30%
Net interest income on capital	-5.28%	5.28%		-5.56%	5.56%	

IRRBB disclosures - sensitivity of the bank's economic value to an increase or decrease in interest rates by 200 bps (shock condition) - individual banks.

	December 31, 2018			December 31, 2017		
	Parallel Improvement	Parallel Decline	Limit	Parallel Improvement	Parallel Decline	Limit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Net interest income	2,056,062	(2,056,062)	<20%	1,479,070	(1,479,070)	<20%
Net interest income on capital	16.29%	-16.29%		12.25%	-12.25%	

Market Risk

Table 15a : Disclosure of Market Risks Using the Standard Method

(In million Rupiah)

Types of Risk		December 31, 2018				December 31, 2017			
		Bank		Consolidation		Bank		Consolidation	
		Capital Expenses	ATMR	Capital Expenses	ATMR	Capital Expenses	ATMR	Capital Expenses	ATMR
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Interest Rate Risk		-		-		-		-
	a. Specific Risk	-	-	-	-	-	-	-	-
	b. General Risk	7,099	88,742	-	-	11,583	144,784	-	-
2	Exchange Rate Risk	2,165	27,058	-	-	508	6,351	-	-
3	Equity Risk	-	-	-	-	-	-	-	-
4	Commodity Risk	-	-	-	-	-	-	-	-
5	Option risk	-	-	-	-	-	-	-	-
	Total	9,264	115.8	-	-	12,091	151,135	-	-

Liquidity Risk

Table 16a : Disclosure of Rupiah Maturity Profiles - Individual Banks

No	Posts	Balance	
(1)	(2)	(3)	
I	BALANCE		
	A. Assets		
	1. Cash	882,094	
	2. Placements with Bank Indonesia	3,826,042	
	3. Placements with other banks	2,535,758	
	4. Securities	21,898,140	
	5. Credit given	37,356,897	
	6. Other bills	2,434,640	
	7. Others	572,855	
	Total Assets	69,506,426	
	B. Obligations		
	1. Third Party Funds	53,925,528	
	2. Obligations at Bank Indonesia	-	
	3. Liabilities to other banks	2,672,233	
	4. Securities Issued	-	
	5. Loans Received	-	
	6. Other obligations	5,000,370	
	7. Others	677,547	
	Total Obligations	62,275,678	
	Difference in Assets and Liabilities in the Balance Sheet	7,230,748	
II	ADMINISTRATIVE ACCOUNT		
	A. Administrative Account Bill		
	1. Commitment	2,599,384	
	2. Contingencies	-	
	Total Administrative Account Bill	2,599,384	
	B. Administrative Account Obligations		
	1. Commitment	36,884,242	
	2. Contingencies	165,709	
	Total Administrative Account Obligations	37,049,951	
	Difference in Receivables and Liabilities in Administrative Accounts	(34,450,567)	
	Difference [(IA-IB) + (IIA-IIB)]	(27,219,819)	
	Cumulative Difference	(53,033,078)	

*) Convenient with applicable regulations

(In Million Rupiah)

December 31, 2018

Due date*)

< 1 month	> 1 mnth - 3 mnths	> 3 mnths - 6 mnths	> 6 mnths - 12 mnths	> 12 months
(4)	(5)	(6)	(7)	(8)
882,094	-	-	-	-
3,714,615	111,427	-	-	-
1,935,758	600	-	-	-
-	151,56	72,622	923,881	20,750,077
8,364,753	1,981,485	1,589,441	4,816,736	20,604,482
2,426,228	8,412	-	-	-
572,824	-	-	-	31
17,896,272	2,852,884	1,662,063	5,740,617	41,354,590
43,646,131	8,505,902	982,844	393,91	396,741
-	-	-	-	-
2,636,733	26.25	3.7	5.55	-
-	-	-	-	-
-	-	-	-	-
4,991,958	8,412	-	-	-
677,547	-	-	-	-
51,952,369	8,540,564	986,544	399,46	396,741
(34,056,097)	(5,687,680)	675,519	5,341,157	40,957,849
2,599,384	-	-	-	-
-	-	-	-	-
2,599,384	-	-	-	-
21,536,071	81,642	183,192	404,368	14,678,969
40,294	20,693	30,095	70,647	3.98
21,576,365	102,335	213,287	475,015	14,682,949
(18,976,981)	-102,335	-213,287	-475,015	(14,682,949)
(53,033,078)	(5,790,015)	462,232	4,866,142	26,274,900
(58,823,093)	(58,360,861)	(53,494,719)	(27,219,819)	

No	Posts	Balance	
(1)	(2)	(3)	
I	BALANCE		
	A. Assets		
	1. Cash	788,716	
	2. Placements with Bank Indonesia	11,286,474	
	3. Placements with other banks	4,484,899	
	4. Securities	16,650,366	
	5. Credit given	30,654,657	
	6. Other bills	3,942,590	
	7. Others	956.56	
	Total Assets	68,764,262	
	B. Obligations		
	1. Third Party Funds	61,282,871	
	2. Obligations at Bank Indonesia	-	
	3. Liabilities to other banks	1,934,659	
	4. Securities Issued	-	
	5. Loans Received	-	
	6. Other obligations	4,436,578	
	7. Others	797,326	
	Total Obligations	68,451,434	
	Difference in Assets and Liabilities in the Balance Sheet	312,828	
II	ADMINISTRATIVE ACCOUNT		
	A. Administrative Account Bill		
	1. Commitment	-	
	2. Contingencies	-	
	Total Administrative Account Bill	-	
	B. Administrative Account Obligations		
	1. Commitment	23,424,025	
	2. Contingencies	200,196	
	Total Administrative Account Obligations	23,624,221	
	Difference in Receivables and Liabilities in Administrative Accounts	(23,624,221)	
	Difference [(IA-IB) + (IIA-IIB)]	(23,311,393)	
	Cumulative Difference		

*) Convenient with applicable regulations

(In million Rupiah)

December 31, 2017

Due date*)

< 1 month	> 1 month - 3 months	> 3 month - 6 months	> 6 months - 12 months	> 12 months
(4)	(5)	(6)	(7)	(8)
788,716	-	-	-	-
6,982,841	3,615,178	591,047	97,408	-
4,084,899	-	400	-	-
1,632,106	1,505,201	689,657	1,093,930	11,729,472
1,234,547	10,170,061	1,368,511	4,574,916	13,306,622
3,703,115	104.41	135,065	-	-
956.56	-	-	-	-
19,382,784	15,394,850	3,184,280	5,766,254	25,036,094
50,106,990	9,130,800	1,325,016	363,533	356,532
-	-	-	-	-
1,912,759	17.2	700	4	-
-	-	-	-	-
-	-	-	-	-
4,197,103	104,41	135,065	-	-
797,326	-	-	-	-
57,014,178	9,252,410	1,460,781	367,533	356,532
(37,631,394)	6,142,440	1,723,499	5,398,721	24,679,562
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
74,444	19,369,342	142,604	787,155	3,050,480
44,468	49,402	22,344	26,951	57,031
118,912	19,418,744	164,948	814,106	3,107,511
-118,912	(19,418,744)	-164,948	-814,106	(3,107,511)
(37,750,306)	(13,276,304)	1,558,551	4,584,615	21,572,051
(37,750,306)	(51,026,610)	(49,468,059)	(44,883,444)	(23,311,393)

Liquidity Risk

Table 16b : Disclosure of Foreign Currency Characteristics - Individual Banks

No	Posts	Balance	
(1)	(2)	(3)	
I	BALANCE		
	A. Assets		
1.	Cash	116,363	
2.	Placements with Bank Indonesia	592,456	
3.	Placements with other banks	489,103	
4.	Securities	497,145	
5.	Credit given	4,906,808	
6.	Other bills	376,929	
7.	Others	19,456	
	Total Assets	6,998,260	
	B. Obligations		
1.	Third Party Funds	6,809,266	
2.	Obligations at Bank Indonesia	-	
3.	Liabilities to other banks	129,549	
4.	Securities Issued	-	
5.	Loans Received	-	
6.	Other obligations	376,929	
7.	Others	69.57	
	Total Obligations	7,385,314	
	Difference in Assets and Liabilities in the Balance Sheet	-387,055	
II	ADMINISTRATIVE ACCOUNT		
	A. Administrative Account Bill		
1	Commitment	1,517,248	
2	Contingencies	-	
	Total Administrative Account Bill	1,517,248	
	B. Administrative Account Obligations		
1	Commitment	2,959,200	
2	Contingencies	350,596	
	Total Administrative Account Obligations	3,309,796	
	Difference in Receivables and Liabilities in Administrative Accounts	(1,792,548)	
	Difference [(IA-IB) + (IIA-IIB)]	-912,504	
	Cumulative Difference	(5,083,626)	

*) Convenient with applicable regulations

(In million Rupiah)

December 31, 2018				
Due date*)				
< 1 month	> 1 month - 3 months	> 3 month - 6 months	> 6 months - 12 months	> 12 months
(4)	(5)	(6)	(7)	(8)
116,363	-	-	-	-
592,456	-	-	-	-
489,103	-	-	-	-
-	-	-	-	497,145
12,554	20,722	62,539	1,592,226	3,218,768
215,527	132,857	28,544	-	-
18,809	-	-	-	647
1,444,812	153,578	91,083	1,592,226	3,716,561
6,415,110	362,275	23,281	8,599	-
-	-	-	-	-
129,549	-	-	-	-
-	-	-	-	-
-	-	-	-	-
215,527	132,857	28,544	-	-
69.57	-	-	-	-
6,829,757	495,132	51,826	8,599	-
(5,384,945)	-341,554	39,257	1,583,626	3,716,561
1,517,248	-	-	-	-
-	-	-	-	-
1,517,248				
2,530,432	24,336	1,009	349,225	54,198
3.49	27,911	43,158	256,307	19.73
2,533,922	52,247	44,167	605,532	73,928
(1,016,674)	-52,247	-44,167	-605,532	-73,928
(5,083,626)	-212.58	-961	943.19	3,441,473
(5,296,206)	(5,297,167)	(4,353,977)	-912,504	

No	Posts	Balance	
(1)	(2)	(3)	
I	BALANCE		
	A. Assets		
1.	Cash	248,511	
2.	Placements with Bank Indonesia	563,459	
3.	Placements with other banks	216,837	
4.	Securities	1,401,591	
5.	Credit given	4,583,157	
6.	Other bills	204,665	
7.	Others	46,427	
	Total Assets	7,264,647	
	B. Obligations		
1.	Third Party Funds	5,939,867	
2.	Obligations at Bank Indonesia	-	
3.	Liabilities to other banks	68,234	
4.	Securities Issued	-	
5.	Loans Received	135,675	
6.	Other obligations	204,665	
7.	Others	36,162	
	Total Obligations	6,384,603	
	Difference in Assets and Liabilities in the Balance Sheet	880,044	
II	ADMINISTRATIVE ACCOUNT		
	A. Administrative Account Bill		
1	Commitment	1,517,248	
2	Contingencies	-	
	Total Administrative Account Bill	1,517,248	
	B. Administrative Account Obligations	2,959,200	
1	Commitment	350,596	
2	Contingencies	3,309,796	
	Total Administrative Account Obligations		
	Difference in Receivables and Liabilities in Administrative Accounts	(1,792,548)	
	Difference [(IA-IB) + (IIA-IIB)]	-912,504	
	Cumulative Difference	(5,083,626)	

*) Convenient with applicable regulations

(In Million Rupiah)

December 31, 2017					
Due date*)					
	< 1 month	> 1 month - 3 months	> 3 month - 6 months	> 6 months - 12 months	> 12 months
	(4)	(5)	(6)	(7)	(8)
248,511	-	-	-	-	-
563,459	-	-	-	-	-
216,837	-	-	-	-	-
662,052	54,255	67,782	96,404	521,098	
49,651	4,179	71,739	1,463,285	2,994,303	
48.63	77,276	78,759	-	-	
46,427	-	-	-	-	
1,835,567	135,71	218,28	1,559,689	3,515,401	
5,613,818	218,767	96,315	10,967	-	
-	-	-	-	-	
68,234	-	-	-	-	
-	-	-	-	-	
135,675	-	-	-	-	
48.63	77,276	78,759	-	-	
36,162	-	-	-	-	
5,902,519	296,043	175,074	10,967		
(4,066,952)	-160,333	43,206	1,548,722	3,515,401	
1,517,248	-	-	-	-	
-	-	-	-	-	
1,517,248	-	-	-	-	
2,530,432	24,336	1,009	349,225	54,198	
3.49	27,911	43,158	256,307	19.73	
2,533,922	52,247	44,167	605,532	73,928	
(1,016,674)	-52,247	-44,167	-605,532	-73,928	
(5,083,626)	-212.58	-961	943.19	3,441,473	
(5,296,206)	(5,297,167)	(4,353,977)	-912,504		

Liquidity Risk

Table 17: Disclosure of Value of Liquidity Coverage Ratio (LCR)

Provision of Funds	LCR 2018 value			
	(2)	(3)	(4)	(5)
(1)				
Bank in Individual Manner	129%	133%	138%	115%

Operational Risk

Table 18 : Disclosures of Operational Risk - Individual Banks

No	Provision of Funds	December 31, 2018		
		Gross Income (Average for the last 3 years) *)	Capital Expenses	ATMR
(1)	(2)	(3)	(4)	(5)
	Basic Indicator Approach	5,380,746	807,112	10,088,899
	Total	5,380,746	807,112	10,088,899

* Banks that use Basic Indicator Approach in calculating Operational Risk

In percent (%)

	LCR 2017 value			
	(6)	(7)	(8)	(9)
	178%	186%	155%	138%

(In million Rupiah)

	December 31, 2017		
	Gross Income (Average for the last 3 years) *)	Capital Expenses	ATMR
	(6)	(7)	(8)
	4,855,651	728,348	9,104,346
	4,855,651	728,348	9,104,346

CREDIT REVIEW



National Credit Review Restructuring and Control (NCRC) is one of the divisions under the Joint Risk Directorate with Division of Credit Risk Management, Market Liquidity & Integrated Risk Management, Operational Risk Management, National Credit Appraisal, Credit Collection & Remedial and Credit Asset Recovery. The purpose and objective of the establishment of NCRC Division is as an independent party in mitigating the risk of credit related processes/activities in terms of:

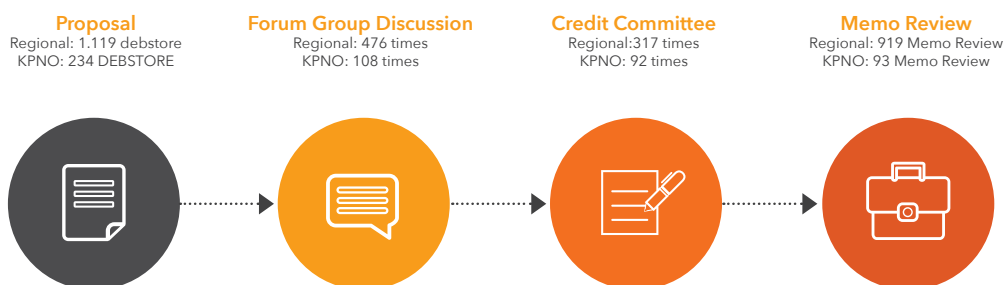
1. Conduct a review process and provide recommendations for the proposed credit/restructure proposal from the business unit before being submitted to the credit committee to be decided by the credit committee.
2. Ensure that new liquid loans/existing portfolios go according to credit decisions.

3. Ensure the governance process of carrying out credit collection and settlement in accordance with the stipulated provisions.
4. Preparing facilities and infrastructure to support credit processes/activities.
5. Together with relevant units provide input and advice in making credit policies.

The benefits of forming this Division are:

As a business partner in proposing credit proposals to the credit committee.

An independent unit in mitigating risks and providing risk justification exposed to the Credit Committee as a basis for consideration in deciding credit.



Providing early warning to stakeholders on the condition of debtor from results of a fresh/existing credit check for follow-up/improvement

As a unit that carries out check & balance on the credit collection and settlement process.

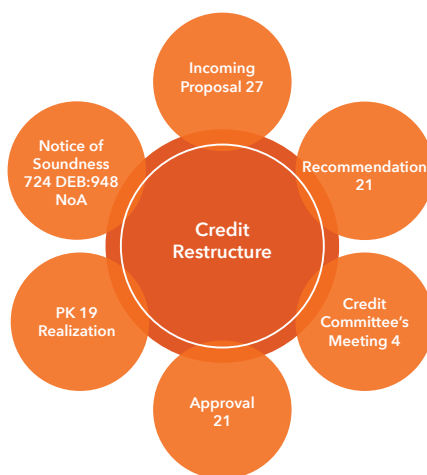
Support work processes/activities in the form of preparing systems and procedures for a more effective and efficient process

In carrying out its functions, the Division is divided into 4 (four) departments, namely Credit Review, Credit Restructure, Credit Control and Credit Development and Portfolio Monitoring.

Credit Review Department

Has the function of reviewing credit proposals initiated by business units from the Head Office and Regional Offices to be submitted to the credit committee to be decided.

Throughout 2018, the total proposals (Head Office & Regional business units) in terms of the number of debtors initiated by business units were 1,353 debtors with the frequency of 586 Forum Group Discussions and proposals issued by memo review were 1,112 memo reviews, and implementation of credit committee as much as 509 times.

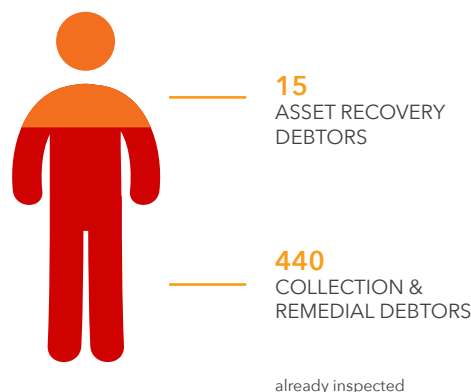
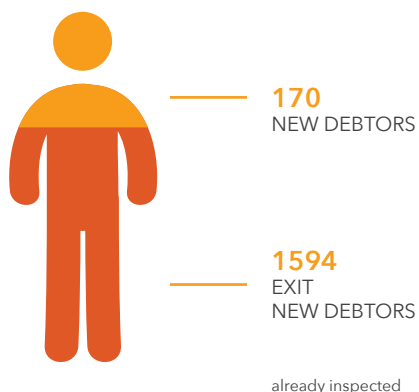


Credit Review Department

Has the function of reviewing credit proposals initiated by business units from the Head Office and Regional Offices to be submitted to the credit committee to be decided.

Throughout 2018, the total proposals (Head Office & Regional business units) in terms of the number of debtors initiated by business units were 1,353 debtors with the frequency of 586 Forum Group Discussions and proposals issued by memo reviewing 1,112 memos reviews and 509 credit committees. time.

In 2018, number of proposals reviewed were 27 proposals and 77% (21 proposals) of the memo review restructure were issued, all of which were approved by the Credit Committee and 19 debtors who successfully restructured. Debtors who obtain a Health Certificate of 724 debtors.

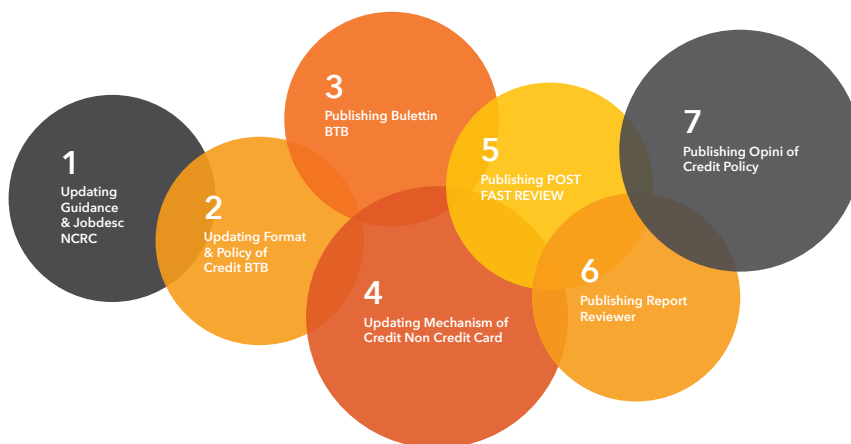


Credit Control Department

Has the function to carry out existing credit checks, new liquid loans, collection checks, and checks on recovery assets. Total debtors who were successfully audited in 2018 were 1,764 debtors (new & existing debtors) while 455 debtors were audited and completed.

Credit Development and Portfolio Monitoring

Has the function of updating/developing work processes in the form of product work guidelines, standard operating procedures, format/template review, reporting and infrastructure in supporting the smoothness of work activities in NCRC unit.

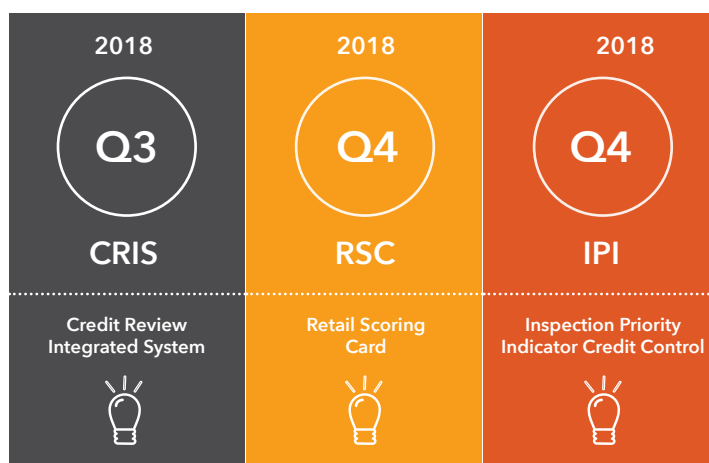


Policy and Reporting

Published policies and reporting to support the smooth process, monitoring and measuring productivity in the NCRC unit.

Development Project

The project was developed in order to build web-based infrastructure as a database of each stage of the work process, and to determine priority scale of work that was more effective & efficient.



INTERNAL CONTROL SYSTEM

Internal Control System

The Bank's internal control system is generally designed and implemented based on an adequate internal control framework covering environmental control aspects, risk assessment, activity control, information and communication and monitoring. In addition to the Internal Audit Unit that conducts regular audits, ex-post supervision is also conducted by the National Credit Review, Restructure & Control Head (NCRC) and Operational Control (OPCL).

1. The oversight and monitoring on loans is conducted by National Credit Review, Restructure & Control (NCRC) Unit. Based on the audit and monitoring results during 2018 (36 KC and 156 KCP), both onsite and offsite, there are several conditions or weaknesses in loans that need attentions and improvements.

The Action plan on improvements or coaching that has been done by NCRC unit on the findings of audit and monitoring results are as follows:

- The audit results report has been disseminated to relevant work units to follow up the issues-solving process at the Division and Regional levels.
 - Loan Governance Meeting (LGM) was organized on September 20, 2018 attended by the President Director, Credit Director, Risk Director and Credit Division Head and related Support.
2. Audit and monitoring of operational activities are conducted by Operational Control (OPCL) unit by auditing the onsite and offsite. Based on the audit results, it can be summarized that improvements are required in the operational activities. The action plan of the improvements are as follows:
 - Dissemination on presign document and regular surprise check conducted by branch officers.
 - Dissemination on marketing steps to improve target achievement in accordance with the company's code of ethics.
 - Training to increase control of branch officials.
 - Provision of sanctions.

CONFLICT OF INTEREST HANDLING

Bank Mega has in place the conflict of interest handling and affiliates transaction policy, which in general regulates the approval, administration and disclosures of conflict of interest and affiliates transactions. In 2017 there were no activities or transactions that derived conflict of interest, however there were

activities or affiliates transaction with companies within business group, among others office rental. All such activities/transactions have been completed with supporting documents such as rental agreement in accordance with the regulations.

IMPORTANT LEGAL CASES

Legal problems that occurred up to 2018 along with their settlement status.

Legal Problems	Total	
	Civil	Criminal
Has permanent legal force	432	0
In the process of completion	172	-
Total	604	0

A brief description of the legal issues is as follows:

Civil Code:

Civil cases completed by litigation at the level of the District Court, High Court and Supreme Court level handled by Bank Mega until December 2018 are 432 Civil Cases.

Most of the civil cases handled by Bank Mega are legal issues based on the following matters:

- Disputes with debtors.
- Disputes with third parties (derden verzet).

- Disputes caused by non-fulfillment of the requirements of legal subjects.
- Collateral ownership disputes related to bankruptcy.
- Industrial Relations Disputes.
- State Administrative Disputes.

Criminal Case:

There are no criminal cases throughout 2018.

SANCTION OF FINES AND BREACHES ON PRUDENT PRINCIPLES

In 2018, the frequency and nominal of sanction of fines significantly decreased compared to 2017. In 2017 the Bank posted 19 times with a total fines of Rp226,805,988, while in 2018 the frequency

reached 29 times with a total fines of Rp7,960,550,000.

INFORMATION ACCESS AND DATA

All material and data information of Bank Mega including corporate actions are accessible by the shareholders and stakeholders in the form of documents among others Annual Reports, Financial Statements and releases to the journalist or investors.

All documents above are available or can be obtain through:

1. Website : www.bankmega.com
2. Telp : (021) 791 75000
3. E-mail : corsec@bankmega.com

CODE OF CONDUCT

Bank Mega code of conduct is included in the Integrity commitment.

Integrity Commitment Principals

The integrity commitment covering among others:

1. Integrity Commitment Charter
2. Management and Employees Commitment
3. Integrity Commitment Benefits
4. GCG Principles
5. Work Ethics and Culture
6. Code of Ethics
7. Obligations for the Board of Commissioners, Board of Directors and Employees
8. Prohibition for the Board of Commissioners, Board of Directors and Employees, Conflict of Interest
9. Whistleblowing Policy
10. Anti Fraud Declaration
11. Sanctions

Integrity Commitment Enforcement

Integrity commitment applies to all Bank Mega employees regardless of their occupation and position in Bank Mega

Integrity Commitment Dissemination

Integrity Commitment is disseminated through "e-Komitmen Integritas" system with implementation process as stated in the Board of Directors Decree No. 122/DIRBM- CGCG/2015 dated June 30m, 2015.

Sanctions on the Breaches of Integrity Commitment

Breaches of Integrity Commitment will be firmly enforced based on the company rules and the Board of Directors policy as well as prevailing laws and regulations.

Corporate Culture

Corporate culture is established from the core values of Bank Mega which becomes the foundation of the Bank's management and all operating units activities. In its implementation, the Corporate Culture is expected to guide all employees in carrying out duties and responsibilities in the effort to achieve the Bank established goals.

The Bank's core values that aimed at becoming a culture are:

- Dynamic
- Entrepreneurship
- Trust
- Ethics
- Commitment
- Synergy

Whistleblower Protection

Bank Mega ensures the protection for Whistleblowers on the confidentiality of personal data and information of whistleblowing that also covers the protection towards:

1. Opression
2. Discrimination
3. Dismissal

FUNDING TO RELATED PARTIES AND LARGE EXPOSURE

Bank Mega has written and clear policies, systems and procedures for providing funds to related parties.

Banks in implementing the funding to related parties are guided by the provisions of Bank Indonesia/the Financial Services

Authority concerning the Legal Lending Limit (LLL) and have taken into account the precautionary principles and applicable legislation

No	Funding	Total	
		Debtor	Nominal (Millions of Rupiah)
1.	To Related Parties	275	486,863
2.	To Core Debtors:		
	Individual	50	18,849,391
	The group	10	13,374,506

Funding to Commissioners and Directors

Name	Position	Loan
Board of Commissioners		
Chairul Tanjung	The President Commissioner	Credit card
Yungky Setiawan	Vice President Commissioner	Credit card
Achjadi Ranuwisatra	Commissioner	Credit card
Darmadi Sutanto	Commissioner	Credit card
Lambock V. Nahattands	Commissioner	-
Aviliani	Commissioner	Credit card
Board of Directors		
Kostaman Thayib	President Director	Credit & Credit card
Yuni Lastianto	Director	Credit card
Madi Darmadi Lazuardi	Director	Credit card
Indivara Erni	Director	Credit & Credit card
Martin Mulwanto	Director	Credit & Credit card
Y.B. Hariantono	Director	Credit card
Lay Diza Larentie	Director	Credit card
C. Guntur Triyudianto	Director	Credit card

ADEQUACY OF TRANSPARENCY

Financial condition transparency is carried out through prominent print media/newspapers, Bank Mega homepage and direct mails to Financial Services Authority. The YLKI, Indonesia Rating Agencies, Banking Associations in Indonesia, LPPI, Research Institute for Economy & Finance, and Economy and Financial magazines.

Transparency on products is presented in brochures, leaflets and other promotion media as well as in Bank Mega homepage. The customer complaints can be done online through Bank Mega homepage.

On governance transparency, Bank Mega has developed Governance implementation report covering the prevailing regulations. The report is completed with the Bank's assessment results on the Governance implementation in accordance with the indicators set forth by Financial Services Authority. The report is also submitted to the Financial Services Authority and Bank Mega homepage which is as part of the Bank's Annual Report.

BANK STRATEGIC PLANS

Bank Mega has developed Corporate Plan and Business Plan by referring to the Financial Services Authority. The Corporate Plan and Business Plan are aligned with Bank Mega Vision and Mission and were developed realistically, comprehensively, measured by taking into account prudential principles. The formulation of Corporate Plan and Business Plan by the Board of Directors is

carried out following series of discussion involving the Board of Commissioners and other Management, in which then proposed for the Board of Commissioners' approval. The Corporate Plan and Business Plan are also communicated to Bank Mega organizational elements.

PROCUREMENT OF GOODS AND SERVICES

The policy of procurement of goods and services in Bank Mega is managed by the Procurement Committee with the procedures that highly upholding integrity, professionalism and transparency principle. The activities and responsibilities of the Procurement Committee is stated in separate section of this Annual Report.

Transparency of Financial and Non Financial Conditions

Financial Transparency

Transparency of Bank Mega financial is carried out through Financial Statements, Annual Reports that are reported to the Financial Services Authority and announced to public through the websites of Bursa Efek Indonesia and Bank Mega. Financial transparency also conducted through periodical press release issued for investors.

Non Financial Reports

Apart from financial information, non financial transparency also conducted by Mega, as follows:

1. Product transparency presented in brochures and other promotion media including in Bank Mega website.
2. Customer complaints can be done online through Bank Mega website.
3. Transparency on governance implementation of Bank Mega is carried out through GCG implementation report with the scopes in accordance with the prevailing regulations. The report is complemented with the Bank's assessment results on GCG implementation in accordance with indicators set by Bank Indonesia/Financial Services Authority. The Report is submitted to the Financial Services Authority and other parties in Bank Mega homepage which is as part of the Bank's Annual Report.

INTEGRATED GOVERNANCE IMPLEMENTATION

1. In the Implementation of Integrated Governance, Bank Mega as the Main Entity has implemented monitoring of governance in LJK (Financial Services Institution) related to the Mega Corpora financial conglomerate. Efforts to improve the Integrated Governance include:
 - a. Conducting On Site Review Entry Meeting, Pre Exit Meeting On Site Review, and Exit Meeting On Site Review of the Mega Corpora Group Financial Conglomerate with the Financial Services Authority (OJK). As the Main Entity, the Bank has also followed up the results of On Site Review of the Mega Corpora Group Financial Conglomerate in a letter to OJK number 025/DIR-CHC/18 dated December 14, 2018 concerning Follow-Up Results on the Mega Corpora Financial Conglomerate Site Review.
 - b. Conducting coordination meetings with Members of the Integrated Governance Support Group in the PT Mega Corpora Financial Conglomerate.
 - c. Disseminating and monitoring the Implementation of Compliance & Governance in the LJK Related.
 - 1) Following the AML Forum - Mega Bank "Money Laundering from Drug Trafficking in Commercial Banks"
 - 2) Implementation of Integrated Governance Supervision by the Board of Commissioners, assisted by Integrated Governance Committee.
2. Integrated Governance Implementation Report
 - a. The Main Entity has made and sent the 2017 Mega Corpora Financial Conglomerate Integrated Corporate Governance Report to the Financial Services Authority (Letter No.0009/DIR-CHC/18 dated May 21, 2018 concerning the 2017 Mega Corpora Financial Conglomerate Integrated Governance Report).
 - b. The Main Entity has made and sent the Integrated Management Report on the Financial Management of the Mega Corpora Semester II Year 2017 Financial Conglomerate Self-Assessment (Letter No.002/DIR-CHC/18 dated February 9, 2018 Regarding the Self Assessment Report of the Mega Corpora Financial Conglomerate for Semester II 2017).
 - c. The Main Entity has made and sent the Integrated Management of Financial Management Self-Assessment Report of the 1st Semester Mega Corpora of 2018 (Letter No.018/DIR-CHC/18 dated August 13, 2018 Regarding the Self Assessment Report of the Integrated Management of Financial Corruption of the Mega Corpora Semester I 2018).
 - d. For Reporting of Integrated Governance Self Assessment of the Mega Corpora Financial Conglomerate of Semester II 2018, the Main Entity has coordinated and sent the Compliance Monitoring Form with LJK which is a member of the Mega Corpora Financial Conglomerate. The report will be sent to the Financial Services Authority no later than February 15, 2019.

Self Assessment of Governance Implementation of PT Bank Mega Tbk in 2018

Self Assessment Result of Governance Implementation Semester I		
Bank Mega Ratings (Bank Mega & OJK Assessments)		Rating Definition
Individual	2	Indicates that the Bank's Management has implemented Good Corporate Governance that is generally good. This is reflected from the adequate fulfillment of Good Corporate Governance principles. Weaknesses in the exercise of Good Corporate Governance principles are generally not significant and can be immediately improved through regular measures by the Bank's Management.

Self Assessment Result of Governance Implementation Semester II		
Bank Mega Ratings (Bank Mega & OJK Assessments)		Rating Definition
Individual	2	Indicates that the Bank's Management has implemented Good Corporate Governance that is generally good. This is reflected from the adequate fulfillment of Good Corporate Governance principles. Weaknesses in the exercise of Good Corporate Governance principles are generally not significant and can be immediately improved through regular measures by the Bank's Management.

At the first half of 2018 the self-assessment results on the implementation of Governance that has been submitted to the Financial Services Authority Letter No.011/MIRG-SKOJK/18 dated July 30, 2018 regarding the June 2018 Bank Soundness Level Assessment Report (PTKB) and based on OJK Letter No.SR-101/PB.31/2018 dated September 24, 2018 concerning the Health Level of PT Bank Mega Tbk position of June 30, 2018, OJK provided assessment of GCG implementation in the first semester of 2018 (as of 30 June 2018), which is 2 (two).

For 2nd half of 2018, the self-assessment results on the Implementation of Governance are 2 (two), where assessment result will be submitted to the Financial Services Authority along with the Bank Soundness Level Assessment.

Governance Implementation of Public Companies

As public company, Bank Mega has the obligation to meet the Governance Guidelines of Public Companies that is regulated in the Financial Services Authority No. 21/POJK.04/2015 dated November 16, 2015 on the Implementation of Governance Guidelines of Public Companies and Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 dated November 17,

2015 on the Governance Guidelines of Public Companies. The Governance Guidelines of Public Companies contain good corporate governance practices in accordance with international practices covering 5 (five) aspects, and 8 (eight) GCG principles, and 25 recommendations of GCG aspect and principles. Bank Mega implementation is as follows:

Aspect, Principle and Recommendation	Bank Implementation
A. Relations of Public Companies with Shareholders in Ensuring Shareholders Rights	
Principle 1 Enhancing the Value of Annual General Meeting of Shareholders (AGMS).	
Recommendation:	
1) Bank has a way or technical procedure for voting either open or close that put ahead on independency and shareholders benefit.	Comply
2) All members of the BOD and BOC of Company are present in GMS.	Comply

Aspect, Principle and Recommendation	Bank Implementation
3) The summary of GMS resolution is available in the respective Company website for at least a year.	Comply
Principle 2 Enhancing the communication quality of Company with shareholders and investor.	
Recommendation: 4) Bank has the communication policy with the shareholders and investor	Comply
5) Bank discloses a communication policy of public company with shareholders or investors in the Website.	Comply
B. Board of Commissioners Functions and Roles	
Principle 3 Strengthening the membership and composition of the Board of Commissioners.	
Recommendation 6) The determination of the number of BOC members takes into account on the conditions of the Bank.	Comply
7) The determination of the composition of members of BOC members takes into account on the diversity of skills, knowledge, and required experience.	Comply
Principle 4 Improve the Quality of Implementation of Duties and Responsibilities of the Board of Commissioners.	
Recommendation: 8) The Board of Commissioners has a Self Assessment policy to assess the performance of the Board of Commissioners.	Comply
9) Self assessment policy for assessing the performance of the BOC disclosed through the Annual Report of the Bank.	Comply
10) The Board of Commissioners has a policy related to the resignation of members of the Board of Commissioners if they are involved in financial crimes.	Comply
11) The Board of Commissioners or the Committee the perform the Remuneration and Nomination function shall arrange a succession policy in the process of Nomination of members of the Board of Directors.	Comply
C. Board of Directors Functions and Roles	
Principle 5 Strengthening the Membership and Composition of Board of Directors.	
Recommendation: 12) Determination of the number of BOD members shall take into account on Public Company Conditions as well as effectiveness in decision making	Comply
13) Determination of the composition of the members of the Board of Directors shall observe the diversity of skills, knowledge, and experience required.	Comply
14) Members of the Board of Directors in charge of accounting or finance have expertise and/or knowledge in the field of accounting.	Comply
Principle 6 Improve the Quality of Implementation of Duties and Responsibility of Board of Directors.	
Recommendation: 15) The Board of Directors has a Self Assessment policy to assess the performance of the Board of Directors.	Comply

Aspect, Principle and Recommendation	Bank Implementation
16) Self Assessment Policy to assess the performance of the Board of Directors is disclosed through the annual report of the Bank.	Comply
17) The Board of Directors has a policy related to the resignation of the members of the Board of Directors if they are involved in a financial crimes.	Comply
D. Stakeholders Participation	
Principle 7 Improve Aspects of Corporate Governance through Participation of Stakeholders.	
18) The Public Company has a policy to prevent the occurrence of insider trading.	Comply
19) The Public Company has anti-corruption policies and fraud changes.	Comply
20) The Public Company has a policy on the selection and development of suppliers or vendors capability.	Comply
21) The Public Company has a policy on the fulfilment of creditor rights.	Creditor rights in details is regulated under Credit Agreement made between the Bank and Creditors
22) The Public Company has Whistleblowing System.	Comply
23) The Public Company has a policy of providing long-term incentives to Directors and employees.	Comply
E. Information Disclosures	
Principle 8 Improving Information Disclosures.	
Recommendation: 24) The Public Company utilizes the use of information technology more widely than the Website as an information disclosure medium.	Currently is only using website and social media
25) The Public Company's Annual Report reveals the final beneficiary shareholding of at least 5% (five per cent), other than the disclosure of the ultimate beneficial owner in the shares of the Public Company through its principal shareholder and controller.	Comply

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untuk Indonesia
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CORPORATE SOCIAL RESPONSIBILITY

**“THROUGH CSR
ACTIVITIES, BANK MEGA
ALSO PARTICIPATES IN
BUILDING A HARMONIOUS
RELATIONSHIP BETWEEN
THE BANK AND THE
COMMUNITY FOR BETTER
INDONESIA”**





CORPORATE SOCIAL RESPONSIBILITY

**“EDUCATION IS OUR MAIN
FOCUS ON THE ALLOCATION
OF MEGA BERBAGI
DONATIONS AS WE BELIEVE
THAT GOOD EDUCATION
WILL BREAK THE POVERTY
CHAIN”**



Vision and Policy

To attain the vision of being the pride of the nation, Bank Mega strives to provide the best efforts to contribute to the growth of this nation. In order to make a better Indonesia, the Bank's existence is not solely to pursue profitability. There are other noble things such as constructing a prosperous, righteous, and prosperous society.

Therefore, it is crucial to realize this vision by maximizing the function of Corporate Social Responsibility (CSR) programs. The Bank's CSR program is not only to comply with the regulatory requirements as stated in law no. 40 of 2007 concerning limited liability companies, but rather a form of appreciation for the community's contribution in supporting the Bank's development.

Environmental Management

For a banking institution, the direct impact of operations to the environment is relatively lower than for other industries. However, Bank Mega has a strong commitment to manage and minimize the risks and impacts of its operations to the

environment. The major environmental impact from Bank Mega's operational activities are from the usage of energy, water, paper and waste management.

The Bank conducts preservation by implementing an electronic document system, work flow and approval process. Currently, Bank Mega has successfully implementing the paperless concept, where previous use of hard-copy documents has been transformed into electronic documents. The implementation of this system will continue in all units for faster and safer customer services.

Occupational, Health and Safety (OHS)

Management of Occupational, Health and Safety (OHS) is also applied in Bank Mega. The Bank understands the importance factor of working environment for employee safety. The management strives to continuously create a safe environment,



Social Responsibilities Program

Philosophically, the CSR programs implemented not only to restore benefits to the society, but rather emphasize the realization of a harmonious relationship with the surrounding environment, particularly the community and environment, while also provide sustainable value for all stakeholders. Bank Mega has carried out various CSR programs throughout 2018 which are divided into several programs, such as Mega Peduli, Mega Berbagi Fund Distribution Commitments to Help Improve Education Facilities and Infrastructure in the country, Literacy Education, and other social activities.

Mega Peduli

The rapid growth and development of Bank Mega is inseparable from the role of public trust and the support of all parties involved in Bank Mega's business. Therefore, Bank Mega gives back to the deserving society in the form of social assistance through a social activity called "Mega Peduli".

The purpose of this annual activity is to foster a level of engagement among all managers and employees, especially for the communities in need, such as orphans (in orphanages), elderly (Panti Werda), the homeless, the disabled, natural disaster victims and others around

the work unit and/or the Bank Mega Branch offices/Sub-Branches/Cash offices throughout Indonesia.

All employees are actively involved in these activities in order to promote a sense of social responsibility and care about the others disadvantage situation. The aid is channeled through 369 Bank Mega's Branch/Sub-Branch/Cash offices throughout Indonesia.

Mega Peduli social activities are increasingly seeing benefits, especially for underprivileged communities as an impact of government policies that resulted in rising prices for basic needs and weakening purchasing power. Therefore, Bank Mega grants donations in the form of goods/natura such as rice, instant noodles, soy sauce and cooking oil in each year.

As the opening of Mega Peduli activities in 2018, Bank Mega's President Director symbolically handed a package of basic need to the underprivileged around Bank Mega's Head Office in Jakarta. Nationally, Bank Mega prepared 16,000 packages with a total value of Rp1.6 billion.



In addition, to commemorate the Bank's Anniversary, Bank Mega conducted free dental health and public health checks for the underprivileged. In 2018, it was centered in the Rusunawa - Pulo Gebang area, East Jakarta. At the same time, the Bank also conducted reading education for children and at the same time introducing the Bank's products. This activity is carried out in collaboration with CT Arsa Foundation which owns Healthy Cars, Smart Cars, and Iqro Cars to facilitate the mobility of these activities.

In 2018, Bank Mega also participated in helping the victims of the Palu earthquake by donating assistance in the form of tents, blankets, canned food, toddler food/porridge, diapers, sanitary napkins, medicines, and mineral water with a total value of IDR50,000,000, aside from the assistance to rebuild damaged schools.

In the context of the Christmas celebration, Bank Mega involved the employees in distributing assistance to the Mandiri Bhakti Service orphanage in Cibubur.

Mega Berbagi

Bank Mega believes that good education will be the salvation for a nation to liberate the next generation from the shackles of fatuity and poverty. A decent education will ultimately break the chain of poverty. In this regard, Bank Mega invites all customers and community to save and take part in building school facilities and infrastructure through Mega Berbagi savings products. By joining Mega Berbagi Savings, customers save and act, by automatically depositing a minimum of 1% interest rate received and an additional 1% from Bank Mega, the customers and Bank Mega have jointly contributed to improving the quality education for the nation's generation.

As of the end of December 2018, total donation funds reached Rp100.4 billion and have been channeled to 52 schools that have completed construction and renovation, as well as 11 schools that have received the Bank's commitments and are still under construction with a funding allocation of Rp103 billion. Since its first launching until December 2018, Mega Berbagi Committee has committed to renovating 72 schools divided into 3 schools in the first phase, 34 schools in the second phase and 26 schools in the third phase. These schools that are spread from Aceh to Papua are not having proper buildings. These include 2 schools victims of flash floods in Garut, 2 earthquake-affected schools in Pidie Jaya Aceh and 2 earthquake victims in Lombok West Nusa Tenggara. In addition, Mega Berbagi has also committed in supporting the redevelopment of damaged schools due to tsunami in Palu.

List of Schools receiving Mega Berbagi Donation for Renovation and Rebuilding as of December 31, 2018:

No	School Name
First Phase	
1	SDN Cigalontang 1 Tasikmalaya
2	SDN Sidamukti Pangalengan
3	SDN Sukamanah Pangalengan
Second Phase	
1	SMP Swasta Bakti Medan
2	MIN Paru
3	MIN Beuracan
4	MTs Humairoh HNN Pekanbaru
5	MTs Al Mu'aawanah Palembang
6	MA Al Mu'aawanah Palembang
7	SMP PGRI Garut
8	SMA PGRI Garut
9	SMKS Hidayatul Faizien Garut
10	MA Al Falak Bogor
11	MTs Muhammaduddarain Bekasi
12	SMP Anggrek Banjarmasin
13	SMP Kristen Bukit Kasih Bitung
14	SMA Kristen Agape Manado
15	MTs Al Furqan Padang
16	MA Al Furqan Padang
17	MTs Al-Wathoniyah Bekasi
18	SMP Ibadurrahman Cileungsi
19	MTS Darul Hikam Pamanukan
20	SMK PGRI Lembang
21	MTS Zainul Mu'in Jember
22	SMP Al Islah Surabaya
23	SMP Al Husna Lampung
24	SMK Ma Arif Pringsewu
25	SMA Ma'Arif Ketapang
26	SMK Putra Pangkalan Bun
27	MTs Abu Amr Pasuruan
28	SMP Progresif Bumi Shalawat Sidoarjo
29	SMP Al Jihad Jakarta

No	School Name
30	SMP Al-Kautsar Bekasi
31	SD YPK Muli Merauke
32	SMA Bayt Al-Hikmah Pasuruan
33	SMAS Al Khairat 1 Palu
Third Phase	
1	MTs Roudhatul Khuffadz Sorong
2	MTs Tarbiyatul Athfal Grobogan
3	SD Santo Antonius Meyes Manokwari
4	SMP Sindang Jawa Cirebon
5	SMPN 20 Serang
6	SMP Santo Don Bosco Manokwari
7	SMK Prasasti Karang Berahi Jambi
8	SMK Puri Wisata Pancasari Bali
9	MAs DDI Baru-Baru Tanga Pangkep
10	SMP GKPS 1 Pematang Raya
11	SMP Yos Anugrah Batam
12	MTs Al Kautsar Lima Puluh Koto
13	SMA Unggulan, Sidoarjo
14	SMP Budi Mulia Tasiu, Mamuju
15	MTs Darul Ulum Ath-Thahiriyah - Pinrang
16	SMP Tunas Darma Lampung

Schools under renovation progress:

No	School Name
1	SMK Miftahul Bariyyah Subang
2	SMK Persada Sangatta
3	SMP Ma'arif NU Benjeng Gresik
4	SMA Karya Purnawirawan Kendari
5	MA Ponpes Luhur Al Tsaqafah Jakarta
6	SMP St. Antonius Sentani Papua
7	SMP Regina Pacis - Tanjung Pandan Bangka Belitung
8	SMPN 1 Gangga Lombok Utara
9	SMK Pariwisata Tanjung Lombok

To respond the earthquake in Palu and Donggala, Bank Mega along with other business units under PT CT Corpora assisted the renovation the 9 schools for prospective beneficiaries through Mega Berbagi Savings donation fund. In the future, Bank Mega will consistently build or renovate school infrastructure that needs assistance throughout Indonesia.

Banking Education Literacy

Bank Mega actively participated in a succession of educational programs, specifically aimed at the development of public knowledge in the field of banking. The program initiated by Bank Indonesia and the Financial Services Authority is a manifestation of the sixth pillars of the Indonesian Banking Architecture, which stipulates that banks are responsible for educating the public on the basics of banking.

Throughout 2018, Bank Mega has carried out several activities related to literacy education. Among others is the education of "Come to the Bank" for Students of SMK Putra Pangkalan Bun, and banking literacy education for customers and prospective customers of credit card through Mega Travel Fair in Palembang, Jakarta, and Surabaya. In addition, Bank Mega also succeeded the Financial Literacy Month with FSA in October 2018.



Responsibility toward Products, Services and Customers

Bank Mega is committed to providing banking products and services that are transparent and fair to all customers. on every products and services, Bank Mega explains the benefits, risks and costs to customers. In all offices, Bank Mega also provides Customer Service to handle complaints on banking products or services. otherwise, complaints can be submitted through the website or by dialing 1500010 on mobile phones seven days a week, 24 hours a day.

Moreover, in line with FSA regulations, Bank Mega has also implemented a very strict policy to protect the confidentiality of customer information. Bank Mega applies a technology and process approach to ensure there is no violation of confidentiality of customer data.

All social responsibility programs of Bank Mega represent the initiative and implementation of the Bank's vision and commitment to be of benefit to all stakeholders. The Bank believes these efforts will enable Bank Mega to accelerate its growth and to thrive as the pride of the nation.



REFERENCE OF OJK CIRCULAR LETTER NO. 30/SEOJK.04/2016

Subject & Explanation	Page
I. Highlights of Key Financial Information	
<p>1. Highlights of Key Financial Information contains financial information in comparative form over a period of 3 (three) fiscal years or since the commencement of business if the Issuer or Listed Company has been running its business activities for less than 3 (three) years, at least contains:</p> <ul style="list-style-type: none"> a. Operating sales/revenue; b. Gross profit (loss); c. Profit (loss) d. Net profit attributable to owners of the parent and non-controlling interest; e. Net comprehensive profit; f. Net comprehensive profit attributable to owners of the parent and non-controlling interest; g. Profit (loss) per share; h. Total assets; i. Total liabilities; j. Total equity; k. Profit (loss) ratio to total assets; l. Profit (loss) ratio to equity; m. Profit (loss) ratio to revenue; n. Current ratio; o. Liabilities ratio to equity; p. Liabilities ratio to total assets; and q. Other relevant financial ratio and information about the Issuer or Listed Company or its industry. 	6 - 9
II. Shares Information	
<p>Shares information (if any) shall include at least:</p> <p>1. Shares published for every quarter (if any) presented in the comparison of latest 2 (two) fiscal years (if any), at least include:</p> <ul style="list-style-type: none"> a. Number of issued shares; b. Market capitalization based on the price on the Stock Exchange where shares are listed; c. Highest, lowest, and closing price based on the price on the Stock Exchange where shares are listed; and d. Transaction volume on the Stock Exchange where shares are listed. <p>Information in the letter a is disclosed by the Issuer which is a Listed Company whose shares are listed or not listed on the Stock Exchange. Information in the letter b, letter c, and letter d are only disclosed if the Issuer is a Listed Company and its shares are listed on the Stock Exchange.</p>	10

Subject & Explanation	Page
2. In case of corporate actions, such as stock split, reverse stock, shares dividend, bonus shares, and reduction in nominal share prices, the share information referred in point 2 shall be added explanations which included at least:	11
a. The execution date of corporate action;	
b. Ratio of stock split, reverse stock, share dividend, bonus share, and reduction in share price;	
c. Shares volume issued before and after corporate actions; and	
d. Shares price before and after corporate actions.	
3. In case of suspended stock trading, and/or delisting in the fiscal year, the Issuer or Listed Company explains the reason for such suspension and/or delisting.	N/A
4. In case of stock suspension and/or delisting as referred to point 3 still continue until the end of Annual Report period, the Issuer or Listed Company shall explain the actions of the company to resolve such stock suspension and/or delisting.	N/A
III. Board of Directors' Report	
Board of Directors' Report shall include at least:	27 - 30
1. A brief description of the Issuer's or Listed Company's performance, at least include:	
a. Strategy and strategic policy of Issuer or Listed Company;	
b. Comparison between achievement of results and targets; and	
c. Challenges faced by the Issuer or Listed Company.	
2. An overview of business prospects.	30
3. Implementation of Good Corporate Governance by the Issuer or Listed Company; and	31
4. Changes in the composition of the Board of Directors' members and the reason of such changes (if any).	32
IV. Board of Commissioners' Report	18 - 23
Board of Commissioner's Report shall include at least:	
1. Assessment on the performance of the Board of Directors in managing the company;	19 - 20
2. Supervision of strategy implementation of Issuer or Listed Company.	20

Subject & Explanation	Page
3. View on the prospects of the Issuer or Listed Company as established by the Board of Directors.	22 - 23
4. View on the implementation of Issuer's or Listed Company's governance.	21
5. Changes in the composition of the Board of Commissioners's members and the reason of such changes (if any); and	22
6. Frequency and means of providing advice to the members of the Board of Directors.	20
V. Company Profile	38 - 95
Profile of Issuer or Listed Company shall include at least:	
1. Name of the Issuer or Listed Company including if there is a change of name, the reason for the change, and the effective date of the name change in the fiscal year.	40
2. Access to the Issuer or Listed Company including branch office or representative office which allows the public to obtain information about the Issuer or Listed Company, including: <ul style="list-style-type: none"> a. Address; b. Phone number; c. Facsimile number; d. E-mail address; and e. Website address; 	40
3. Brief history of Issuer or Listed Company.	42
4. Vision and mission of the Issuer or Listed Company.	50 - 51
5. The business activities according to the latest articles of association, business activities carried on in the fiscal year, and type of products and/or services provided.	43
6. Organizational structure of Issuer or Listed Company in the form of a chart, giving the names and titles and at least up to the one level below the Board of Directors.	68 - 69
7. Profile of the Board of Directors, at least includes: <ul style="list-style-type: none"> a. Name and position in accordance with the duties and responsibilities; b. Latest picture; c. Age; d. Citizenship; e. Educational history; 	55 - 59

Subject & Explanation	Page
<ul style="list-style-type: none"> f. Work experience, includes information as follows: <ul style="list-style-type: none"> 1) legal basis of appointment of Board of Directors' members in the Issuer or Listed Company; 2) concurrent position, both as members of the Board of Directors, members of the Board of Commissioners, and/or members of the committee as well as other position (if any); and 3) work experience as well as the working period both inside or outside the Issuer or Listed Company; g. Training attended by the Board of Directors' members to improve the competence in the fiscal year (if any), and h. Affiliate relationships with another member of the Board of Directors, Board of Commissioners' members, and ultimate shareholders (if any) including the name of affiliated parties; 	
<p>8. Profile of the Board of Commissioners, at least includes:</p> <ul style="list-style-type: none"> a. Name; b. Latest picture; c. Age; d. Citizenship; e. Educational history; f. Work experience, includes information as follows: <ul style="list-style-type: none"> 1) legal basis of appointment of Board of Commissioners' members excluding the Independent Commissioner in the Issuer or Listed Company; 2) legal basis of appointment of Board of Commissioners' members as Independent Commissioner in the Issuer or Listed Company; 3) concurrent position, both as members of the Board of Commissioners, members of the Board of Directors, and/or members of the committee as well as other position (if any); and 4) work experience as well as the working period both inside or outside the Issuer or Listed Company; g. Training attended by the Board of Commissioners' members to improve the competence in the fiscal year (if any), and h. Affiliate relationships with another member of the Board of Commissioners and ultimate shareholders (if any) including the name of affiliated parties; and i. Independence statement of Independent Commissioner in the event of the Independent Commissioner has served more than 2 (two) periods (if any); 	52 - 54
<p>9. In case of a change in the composition of the Board of Directors and/or the Board of Commissioners that occurred after the fiscal year ends until the deadline for submission of the Annual Report, then the structure sets out in the Annual Report is the recent and previous composition of the Board of Directors's members and/or Board of Commissioners' members.</p>	√
<p>10. The number of employees and a description of the distribution of educational level and age of employees during the fiscal year.</p>	127 , 128

Subject & Explanation	Page
11. The names of shareholders and percentage of ownership at the end of the fiscal year, which consists of: <ul style="list-style-type: none"> a. Shareholders owning 5% (five percent) or more shares of the Issuer or Listed Company; b. Member of Board of Directors and Board of Commissioners who hold shares of the Issuer or Listed Company; and c. Public shareholders, a group of shareholders who each own less than 5% (five percent) of the shares of Issuer or Listed Company; 	66
12. The number of shareholders and the percentage of ownership as of the end of fiscal year based on the classification: <ul style="list-style-type: none"> a. Local institution ownership; b. Foreign institution ownership; c. Local individual ownership; and d. Foreign individual ownership; 	66
13. Information on the major and controlling shareholder of the Issuer or Listed Company, either directly or indirectly, to the individual owners, presented in the form of schemes or charts.	66
14. Name of subsidiaries entities, associates, joint venture company in which the Issuer or Listed Company has joint controlled entities, along with shareholding percentage, line of bussiness and status of such Issuer or Listed Company (if any). For subsidiary entities, please add information about the address.	N/A
15. Chronology of share listing, number of shares, nominal value, and the offering price from the beginning of listing until the end of fiscal year and name of stock exchange where the Issuer's or Listed Company's share is listed (if any).	67
16. Chronology of other Securities listing other than Securities referred in point 15, which at least includes the name of Securities, year of issuance, maturity date, offering value, and Securities rating (if any).	67
17. Name and address of capital market institutions and/or supporting professions.	67
18. In the event of capital market supporting professions that provide periodic service to the Issuer or Listed Company, the information about the service provided, fee, and assignment period shall be disclosed; and	N/A

Subject & Explanation	Page
19. Award and certification received by the Issuer or Listed Company, both on a national and international scale during the recent fiscal year (if any), which contains:	72 - 73
a. Name of award and/or certification;	
b. Agency or institution that provides the award; and	
c. The validity period of award and/or certification (if any).	
VI. Management Discussion and Analysis	96 -143
Management discussion and analysis contains the analysis and discussion of financial statements and other important information with an emphasis on material changes that occurred during the fiscal year, which at least contain:	101 - 114
1. Operational review per business segment in accordance with the type of industry of the Issuer or Listed Company, contains at least:	
a. Production, which includes the process, capacity, and development;	
b. Revenue/sales; and	
c. Profitability.	
2. Comprehensive financial performance analysis which includes a comparison between the last 2 (two) fiscal year, explanation about the cause of changes and the impact, among others concerning:	115 - 125
a. Current assets, non-current assets, and total assets;	
b. Short-term liabilities, long-term liabilities, and total liabilities;	
c. Equity;	
d. Revenue/sales, expense, profit/loss, other comprehensive income, and total of comprehensive income/loss; and	
e. Cash flow.	
3. Ability to pay debt by presenting relevant ratio calculation.	121
4. Issuer's or Listed Company's collectability by presenting relevant ratio calculation.	121
5. Capital structure and management policy on such capital structure with the basis for determining such policy.	121
6. Discussion on material ties for the investment of capital goods with description includes at least:	121
a. The purpose of the ties;	
b. Source of funds expected to fulfill the said ties;	
c. Currency of denomination; and	
d. Steps taken by the Issuer or Listed Company to protect the risk against the position of related foreign currency.	

Subject & Explanation	Page
7. Discussion on capital goods investment realized in the last fiscal year, at least includes: a. Type of capital goods investment; b. Objective of capital goods investment; and c. The investment value of capital goods.	121
8. Significant information and fact subsequent to the accountant's report date (if any).	121
9. Business prospects of the Issuer of Listed Company in connection with the condition of industry, economy in general, and the international market supported by quantitative data from a reliable data source.	122
10. Comparison between target/projection in the beginning of fiscal year and the achieved result (realization), which includes: a. Revenue/sales; b. Income (loss); c. Capital structure; or d. Other matters that considered important for the Issuer or Listed Company.	122
11. Issuer's or Listed Company's target/projection in 1 (one) year, which includes: a. Revenue/sales; b. Income (loss); c. Capital structure; d. Dividend policy; or e. Other matters that considered important for the Issuer or Listed Company.	122
12. Marketing aspect for the product and service of Issuer or Listed Company, such as: marketing strategy and market share.	122
13. Description of the dividend for 2 (two) last fiscal years (if any), which at least includes: a. Dividend policy; b. Date of cash dividend payment and/or date of non-cash dividend distribution; c. Amount of dividend per share (cash/non-cash); and d. Amount of paid dividend per year.	122
14. Actual use of proceeds from the Public Offering, provided that: a. In the event that during fiscal year, the Issuer has the obligation to report realization of the use of proceeds, thus the cumulative use of the proceeds from the Public Offering shall be disclosed until the last fiscal year; and b. In the event of any changes the in use of proceeds as stipulated in the Regulation of Financial Services Authority on Report on Realization of the Use of Proceeds from Public Offerings, Issuers shall explain such changes.	122

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15. Significant information (if any) about investment, expansion, divestment, business merger/takeover, acquisition, debt/equity restructuring, affiliated transaction, and transaction that contains conflict of interest occurred in fiscal year, among others includes: a. Date, value, and transaction object; b. Name of the parties conducting transaction; c. Nature of affiliation (if any); d. Description about transaction fairness; and e. Relevant regulation compliance	124
16. Changes in regulation which have a significant impact on the Issuer and Listed Company and the impact on financial statements (if any); and	124
17. Changes in the accounting policy, reason and its impact on financial statements (if any).	125
VII. Corporate Governance	144 -
Governance of Issuer or Listed Company shall contain at least a brief description about: 1. The Board of Directors, among others includes: a. The duties and responsibilities of each member of the Board of Directors; b. Statement that the Board of Directors has the Board of Directors' guidelines or charter; c. Procedure, basis of stipulation, structure, and the amount of remuneration for each member of the Board of Directors, as well as the relation between remuneration and the Issuer's or Listed Company's performance; d. Policy and the implementation of the Board of Directors meeting frequency, including meeting with Board of Commissioners, and attendance of the Board of Directors in such meeting; e. Information on previous GMS resolution, which includes: 1) GMS resolution realized in the fiscal year; and 2) the reason in the event of a resolution that has not been realized; f. Information on the GMS resolution in the fiscal year, which includes: 1) GMS resolution realized in the fiscal year; and 2) the reason in the event of a resolution that has not been realized; and g. The assessment on the performance of committee which supports the implementation of the Board of Directors' duties;	159 - 160
2. The Board of Commissioners, among others includes: a. The duties and responsibilities of each member of the Board of Commissioners; b. Statement that the Board of Commissioners has the Board of Commissioners' guidelines or charter; c. Procedure, basis of stipulation, structure, and the amount of remuneration for each member of the Board of Commissioners;	157 - 159

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<ul style="list-style-type: none"> d. Policy and the implementation of the Board of Commissioners meeting frequency, including meeting with Board of Directors, and level of attendance of the members of the Board of Commissioners in such meeting; e. Issuer's or Listed Company's policy on the assessment of the performance of the Board of Directors' and Board of Commissioners' members and its implementation, which includes at least: <ul style="list-style-type: none"> 1) procedure of performance assessment; 2) the criteria used; and 3) the party carrying out the assessment; f. The assessment on the performance of committee which supports the implementation of the Board of Commissioners' duties; and g. In the event that the Board of Commissioners does not establish a Nomination and Remuneration Committee, shall publish information at least about: <ul style="list-style-type: none"> 1) The reason why such committee is not established; and 2) Procedure of nomination and remuneration carried out in the fiscal year; 	
<ul style="list-style-type: none"> 3. Sharia Supervisory Board, for Issuer or Listed Company which carries out business activity based on sharia principle as stated in the article of association, which includes at least: <ul style="list-style-type: none"> a. Name; b. Duties and responsibilities of the Sharia Supervisory Board; and c. Frequency and means of providing advice and suggestion as well as the supervision on the fulfillment of Sharia Principle in the Capital Market for the Issuer of Listed Company; 	N/A
<ul style="list-style-type: none"> 4. Audit Committee, among others includes: <ul style="list-style-type: none"> a. Name and position in the committee; b. Age c. Citizenship; d. Educational history; e. Work experience, which includes information: <ul style="list-style-type: none"> 1) basis of appointment as the member of the committee; 2) concurrent position, both as the member of the Board of Commissioners, member of the Board of Directors, and/or member of committee as well as other position (if any); and 3) work experience and working period both inside and outside the Issuer or Listed Company; f. Working period and term of service of the member of Audit Committee; g. Independence statement of the Audit Committee; h. Policy and implementation of Audit Committee meeting frequency and level of attendance of the member of Audit Committee in such meeting; i. Training attended in the fiscal year (if any); and j. Implementation of Audit Committee's activity in the fiscal year in accordance with the Audit Committee guideline or charter; 	167 - 169

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<p>5. Other committees that the Issuer or Listed Company have in order to support the function and duties of the Board of Directors and/or Board of Commissioners, such as Nomination and Remuneration Committee, which includes:</p> <ul style="list-style-type: none"> a. Name and position in the committee; b. Age; c. Citizenship; d. Educational history; e. Work experience, which includes information: <ul style="list-style-type: none"> 1) basis of appointment as the member of the committee; 2) concurrent position, both as the member of the Board of Commissioners, member of the Board of Directors, and/or member of committee as well as other position (if any); and 3) work experience and working period both inside and outside the Issuer or Listed Company; f. Working period and term of service of the member of committee; g. Description of duties and responsibilities; h. Statement of the committee's guidelines or charter; i. Independency statement of the committee; j. Policy and implementation of committee meeting frequency and level of attendance of the member of committee in such meeting; k. Training attended in the fiscal year (if any); and l. Brief description of the implementation of committee's activity in the fiscal year; 	170 - 180
<p>6. Corporate Secretary, among others includes:</p> <ul style="list-style-type: none"> a. Name; b. Domicile; c. Work experience, which includes information: <ul style="list-style-type: none"> 1) basis of appointment as the Corporate Secretary; 2) work experience and working period both inside and outside the Issuer or Listed Company; d. Educational history; e. Training attended in the fiscal year (if any); and f. Brief description of the duties implementation of Corporate Secretary in the fiscal year; 	180 - 184
<p>7. Internal Audit Unit, among others includes:</p> <ul style="list-style-type: none"> a. Name of head of Internal Audit Unit; b. Work experience, which includes information: <ul style="list-style-type: none"> 1) Basis of appointment as the head of Internal Audit Unit; and 2) Work experience and working period both inside and outside the Issuer or Listed Company; c. Qualification and certification as internal auditor (if any); d. Training attended in the fiscal year; e. Structure and position of the Internal Audit Unit; f. Description of duties and responsibilities; g. Statement of Internal Audit Unit's guidelines or charter; and h. Brief description about the duties implementation of Internal Audit Unit in the fiscal year; 	185 - 186

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8. Description about internal control system implemented by the Issuer or Listed Company, at least includes: <ul style="list-style-type: none"> a. Financial and operational control, as well as compliance towards other regulations; and b. Review on the effectiveness of internal control system; 	263
9. Risk management system implemented by the Issuer or Listed Company, at least includes: <ul style="list-style-type: none"> a. General description about the Issuer's or Listed Company's risk management system; b. Type of risk and its management; and c. Review on the effectiveness of Issuer's or Listed Company's risk management; 	188 - 259
10. Important case encountered by Issuer or Listed Company, subsidiary entities, member of Board of Directors and Board of Commissioners, among others includes: <ul style="list-style-type: none"> a. Subject of the case/claim; b. Status of settlement of case/claim; and c. Potential impacts on the condition of the Issuer or Listed Company; 	263
11. Information about administrative sanctions imposed on the Issuer or Listed Company, member of the Board of Commissioners and Board of Directors, by the Capital Market authority and others in the last fiscal year (if any);	264
12. Information about Issuer's or Listed Company's code of conduct which includes: <ul style="list-style-type: none"> a. Principles of the code of conduct; b. Form of dissemination of code of conduct and its enforcement attempt; and c. Statement that the code of conduct is applicable to the members of the Board of Directors, Board of Commissioners, and employees of the Issuer or Listed Company; 	265
13. Information on corporate culture or corporate values (if any);	265
14. Description of share ownership program by employee and/or management that implemented by the Issuer or Listed Company (if any), among others includes: <ul style="list-style-type: none"> a. Number of shares and/or share options; b. Exercise period; c. Requirement of eligible employee and/or management; and d. Exercise price; 	122
15. Description of whistleblowing system in the Issuer and Listed Company (if any), among others includes: <ul style="list-style-type: none"> a. Mechanism of whistleblowing system; b. Protection for the whistleblower; c. Complaint handling; d. Party that manages the complaint; and 	21 - 22,265,270

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<ul style="list-style-type: none"> e. Result of complaint handling, at least includes: <ul style="list-style-type: none"> 1) Number of incoming and processed complaints in the fiscal year; and 2) Complaint follow-up; 	
16. Implementation Corporate Governance Guidelines for the Issuer or Listed Company which issues Equity-type Shares, which includes: <ul style="list-style-type: none"> a. Statement regarding the recommendations that have been implemented; and/or b. Explanation of recommendations that have not been implemented, as well as the reason and implementation alternatives (if any); 	268 - 270
VIII. Social and Environmental Responsibility of Issuer or Listed Company	272 - 279
1. Information of social and environmental responsibility of Issuer or Listed Company including policy, kind of program, and cost incurred, among others covering the aspects of: <ul style="list-style-type: none"> a. Environmental, among others: <ul style="list-style-type: none"> 1) use of environmentally friendly material and energy that could be recycled; 2) issuer's or Listed Company's waste treatment system; 3) complaint mechanism of environmental issue; and 4) certificate on environmental; b. Practice of employment, occupational health and safety, among others: <ul style="list-style-type: none"> 1) equality of gender and work opportunity; 2) facility and work safety; 3) employee turnover rate; 4) occupational accident rate 5) training; 6) remuneration; 7) complaint mechanism of employment issue; c. Community and social development, among others: <ul style="list-style-type: none"> 1) local worker recruitment; 2) community empowerment around the Issuer or Listed Company, among others, through the use of raw material produced by the community or educational training; 3) social facility repairment; 4) other donations; and 5) socialization of the policy and procedure of anti-corruption in the Issuer or Listed Company, and training of anti-corruption (if any); d. Product and/or service responsibility, among others: <ul style="list-style-type: none"> 1) customer's health and safety; 2) product and/or service information; 3) facility, total, and customer complaint handling. 	274 - 279

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2. In the event that Issuer or Listed Company presents information of social and environmental responsibility as stated in point 1) in separated report such as in the form of corporate social responsibility report or sustainability report, Issuer or Listed Company is excluded to disclose information on social and environmental responsibility in the Annual Report; and	N/A
3. Such report referred in point 2) is submitted to the Financial Services Authority in conjunction with submission of Annual Report.	√
IX. Audited Financial Statements	
1. The annual financial statements contained in the Annual Report shall compiled in accordance with Financial Accounting Standard in Indonesia and has been audited by Accountant. Such financial statements shall contained statement about financial statements accountability as set out in Capital Market regulation which governing the Board of Directors' responsibility upon the financial statements or the legislation in the Capital Market sector which governing the periodic report of Securities Company in terms of the aforementioned is Securities Company; and	294
X. Statements of the Members of Board of Directors and Board of Commissioners on Responsibility for the Annual Report	
1. Statement of the members of Board of Director Board of Commissioners on the responsibility for the Annual Report is prepared in accordance with the format of the Statement of the Members of Board of Directors and Board of Commissioners on Responsibility for the Annual Report as stated in the Appendix which is an integral part of this Circular Letter of Financial Services Authority.	36

FINANCIAL STATEMENTS 2018

PT Bank Mega Tbk

Laporan keuangan
tanggal 31 Desember 2018 dan
untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/

*Financial statements
as of December 31, 2018 and
for the year then ended
with independent auditors' report*

**SURAT PERNYATAAN DIREKSI
TENTANG
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN PADA
TANGGAL DAN UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2018 DAN 2017
PT. BANK MEGA Tbk.**

**BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS
ENDED 31 DECEMBER 2018 AND 2017
PT. BANK MEGA Tbk.**

Kami yang bertanda tangan di bawah ini :

We, The undersigned :

1. Nama : Kostaman Thayib
Alamat Kantor : Menara Bank Mega
Jl. Kapten Tendean kav.12-14A
Jakarta Selatan
Alamat Rumah : Jl. Tomang Rawa Kepa IX/71
Jakarta Barat
Nomor Telepon : 79175000
Jabatan : Direktur Utama
2. Nama : Madi Darmadi Lazuardi
Alamat Kantor : Menara Bank Mega
Jl. Kapten Tendean kav.12-14A
Jakarta Selatan
Alamat Rumah : Pluit Permai 1 No. 40 Penjaringan
- Jakarta Utara
Nomor Telepon : 79175000
Jabatan : Direktur

1. Name : Kostaman Thayib
Office Address : Menara Bank Mega
Jl. Kapt. Tendean
kav.12-14A Jakarta 12790
Residential Address : Jl. Tomang Rawa Kepa IX/71
West Jakarta
Telephone : 79175000
Title : President Director
2. Name : Madi Darmadi Lazuardi
Office Address : Menara Bank Mega
Jl. Kapt. Tendean kav.12-14A
Jakarta 12790
Residential Address : Pluit Permai 1 No. 40
Penjaringan - North Jakarta
Telephone : 79175000
Title : Director

Menyatakan bahwa :

Declare that :

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT. Bank Mega Tbk.;
2. Laporan keuangan PT. Bank Mega Tbk. telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan PT. Bank Mega Tbk. telah dimuat secara lengkap dan benar;
b. Laporan keuangan PT. Bank Mega Tbk. tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Kami bertanggung jawab atas sistem pengendalian internal dalam PT. Bank Mega Tbk.

1. We are responsible for the preparation and presentation of the financial statement of PT. Bank Mega Tbk.;
2. The financial statements of PT. Bank Mega Tbk. have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information has been disclosed in a complete and truthful manner in PT. Bank Mega Tbk. financial statements;
b. The financial of PT. Bank Mega Tbk. do not contain any incorrect information or material facts, nor do they omit material information or material facts;
4. We are responsible for PT. Bank Mega Tbk. internal control system.

Demikian pernyataan ini dibuat dengan sebenarnya.

Thus this statement is made truthfully.

Jakarta, 11 Februari / February 2019
Atas nama dan mewakili Direksi/For and on behalf of the Board of Directors

  Kostaman Thayib Direktur Utama/ President Director	 Madi Darmadi Lazuardi Direktur/ Managing Director
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**PT BANK MEGA TBK
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2018 DAN
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT BANK MEGA TBK
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018 AND
FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Daftar Isi	Halaman/ Pages	Table of Contents
Laporan Auditor Independen		<i>Independent Auditors' Report</i>
Laporan Posisi Keuangan	1 - 2	<i>Statement of Financial Position</i>
Laporan Laba Rugi dan Penghasilan Komprehensif Lain	3	<i>Statement of Profit or Loss and Other Comprehensive Income</i>
Laporan Perubahan Ekuitas	4	<i>Statement of Changes in Equity</i>
Laporan Arus Kas	5 - 6	<i>Statement of Cash Flows</i>
Catatan atas Laporan Keuangan	7 - 173	<i>Notes to the Financial Statements</i>

The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Laporan No. 00050/2.1032/AU.1/07/0686-
2/1/II/2019

**Pemegang Saham, Dewan Komisaris dan Direksi
PT Bank Mega Tbk**

Kami telah mengaudit laporan keuangan PT Bank Mega Tbk terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2018, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. 00050/2.1032/AU.1/07/0686-
2/1/II/2019

**The Shareholders, Boards of Commissioners
and Directors
PT Bank Mega Tbk**

We have audited the accompanying financial statements of PT Bank Mega Tbk, which comprise the statement of financial position as of December 31, 2018, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

Laporan Auditor Independen (lanjutan)

Laporan No. 00050/2.1032/AU.1/07/0686-2/1/II/2019 (lanjutan)

Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Bank Mega Tbk tanggal 31 Desember 2018, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Independent Auditors' Report (continued)

Report No. 00050/2.1032/AU.1/07/0686-2/1/II/2019 (continued)

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bank Mega Tbk as of December 31, 2018, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Purwanto, Sungkoro & Surja



Peter Surja, CPA

Registrasi Akuntan Publik No. AP.0686/Public Accountant Registration No. AP.0686

11 Februari 2019/February 11, 2019

PT BANK MEGA TBK
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2018
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT BANK MEGA TBK
STATEMENT OF FINANCIAL POSITION
As of December 31, 2018
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	31 Desember/ December 31, 2018	31 Desember/ December 31, 2017	
ASET				ASSETS
Kas	2,4	998.453	1.037.227	Cash
Giro pada Bank Indonesia	2,5	3.857.831	4.797.271	Current accounts with Bank Indonesia
Giro pada bank lain	2,6			Current accounts with other banks
Pihak berelasi	2,38	105	5.753	Related parties
Pihak ketiga		285.032	218.984	Third parties
Penempatan pada Bank Indonesia dan bank lain	2,7			Placements with Bank Indonesia and other banks
Pihak berelasi	2,38	200.000	67.000	Related parties
Pihak ketiga		2.689.675	7.102.691	Third parties
Efek-efek	2,8			Securities
Pihak berelasi	2,38	-	303.963	Related parties
Pihak ketiga		22.805.995	22.251.102	Third parties
Efek-efek yang dibeli dengan janji dijual kembali	2,9			Securities purchased under agreement to resell
Pihak ketiga		2.002.987	3.523.293	Third parties
Tagihan derivatif	2,10			Derivatives receivables
Pihak berelasi	2,38	-	9	Related parties
Pihak ketiga		106.182	16.676	Third parties
Kredit yang diberikan	2,11			Loans
Pihak berelasi	2,38	320.897	367.357	Related parties
Pihak ketiga		41.942.807	34.870.457	Third parties
		42.263.704	35.237.814	
Pendapatan bunga yang ditangguhkan		(11.002)	(15.237)	Unearned interest income
Total		42.252.702	35.222.577	Total
Dikurangi: Cadangan kerugian penurunan nilai		(347.043)	(474.071)	Less: Allowance for impairment losses
Kredit yang diberikan - neto		41.905.659	34.748.506	Loans - net
Tagihan akseptasi	2,12			Acceptances receivable
Pihak berelasi	2,38	720	2.378	Related parties
Pihak ketiga		701.698	604.899	Third parties
Aset pajak tangguhan	2,21	111.284	6.101	Deferred tax assets
Aset tetap	2,13	7.276.432	6.908.438	Fixed assets
Dikurangi: Akumulasi penyusutan		(1.231.909)	(1.412.448)	Less: Accumulated depreciation
Aset tetap - neto		6.045.523	5.495.990	Fixed assets - net
Aset lain-lain	2,14			Other assets
Pihak berelasi	2,38	7.968	7.111	Related parties
Pihak ketiga		2.042.834	2.108.056	Third parties
TOTAL ASET		83.761.946	82.297.010	TOTAL ASSETS

Catatan atas laporan keuangan terlampir merupakan bagian
yang tidak terpisahkan dari laporan keuangan secara
keseluruhan.

The accompanying notes to the financial statements form an
integral part of these financial statements taken as a whole.

PT BANK MEGA TBK
LAPORAN POSISI KEUANGAN
(lanjutan)
Tanggal 31 Desember 2018
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT BANK MEGA TBK
STATEMENT OF FINANCIAL POSITION
(continued)
As of December 31, 2018
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	31 Desember/ December 31, 2018	31 Desember/ December 31, 2017	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Liabilitas segera	2,15	458.216	666.973	Obligations due immediately
Simpanan dari nasabah				Deposits from customers
Giro	2,16			Current accounts
Pihak berelasi	2,38	2.258.451	1.928.351	Related parties
Pihak ketiga		4.459.753	6.004.534	Third parties
Tabungan	2,17			Saving deposits
Pihak berelasi	2,38	111.576	57.250	Related parties
Pihak ketiga		11.687.504	10.870.047	Third parties
Deposito berjangka	2,18			Time deposits
Pihak berelasi	2,38	860.213	638.808	Related parties
Pihak ketiga		41.357.301	41.783.881	Third parties
Simpanan dari bank lain	2,19			Deposits from other banks
Pihak berelasi	2,38	1.781	3.557	Related parties
Pihak ketiga		2.799.996	1.999.336	Third parties
Efek-efek yang dijual dengan janji dibeli kembali	2,20	4.589.369	4.025.569	Securities sold under repurchased agreements
Liabilitas derivatif	2,10			Derivatives payable
Pihak ketiga		85.530	8.397	Third parties
Utang pajak penghasilan	2,21	29.736	25.153	Income tax payable
Utang akseptasi	2,12	702.418	607.277	Acceptances payable
Pinjaman yang diterima	2,22	-	135.675	Fund borrowings
Liabilitas imbalan pasca-kerja	2,35	274.102	267.070	Post-employment benefits liability
Beban yang masih harus dibayar dan liabilitas lain-lain	2,23			Accrued expenses and other liabilities
Pihak berelasi	2,38	3.043	3.968	Related parties
Pihak ketiga		300.284	206.548	Third parties
TOTAL LIABILITAS		69.979.273	69.232.394	TOTAL LIABILITIES
EKUITAS				EQUITY
Modal saham - nilai nominal Rp500 (nilai penuh) per saham				Share capital - par value Rp500 (full amount) per share
Modal dasar - 27.000.000.000 saham				Authorized capital - 27,000,000,000 shares
Modal ditempatkan dan disetor penuh 6.963.775.206 saham	1,24	3.481.888	3.481.888	Issued and fully paid-up capital 6,963,775,206 shares
Tambahan modal disetor	2,25	2.048.761	2.048.761	Additional paid-in capital
Penghasilan komprehensif lain	2,8,13,21,35	3.342.606	3.770.038	Other comprehensive income
Cadangan umum	26	1.497	1.453	General reserve
Saldo laba		4.907.921	3.762.476	Retained earnings
TOTAL EKUITAS		13.782.673	13.064.616	TOTAL EQUITY
TOTAL LIABILITAS DAN EKUITAS		83.761.946	82.297.010	TOTAL LIABILITIES AND EQUITY

Catatan atas laporan keuangan terlampir merupakan bagian
yang tidak terpisahkan dari laporan keuangan secara
keseluruhan.

The accompanying notes to the financial statements form an
integral part of these financial statements taken as a whole.

PT BANK MEGA TBK
LAPORAN LABA RUGI DAN
PENGHASILAN KOMPREHENSIF LAIN
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2018
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT BANK MEGA TBK
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the Year Ended
December 31, 2018
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
		2018	2017	
PENDAPATAN DAN BEBAN OPERASIONAL				OPERATING INCOME AND EXPENSE
Pendapatan bunga	2,27,38	6.772.448	6.393.586	Interest income
Beban bunga	2,28,38	(3.258.611)	(2.884.980)	Interest expense
PENDAPATAN BUNGA - NETO		3.513.837	3.508.606	NET INTEREST INCOME
PENDAPATAN OPERASIONAL LAINNYA				OTHER OPERATING INCOME
Provisi dan komisi	2,29	1.917.372	1.675.332	Fees and commissions
Keuntungan penjualan efek-efek - neto	2	40.898	454.967	Gain on sale of securities - net
Keuntungan transaksi mata uang asing - neto	2	48.415	35.607	Gain on foreign exchange transactions - net
Lain-lain		11.216	13.240	Others
Total pendapatan operasional lainnya		2.017.901	2.179.146	Total other operating income
BEBAN OPERASIONAL LAINNYA				OTHER OPERATING EXPENSES
Kerugian perubahan nilai wajar instrumen keuangan - neto	2	(998)	(2.610)	Loss from the changes in fair value of financial instruments - net
Provisi dan komisi	2,29	(9.890)	(11.888)	Fees and commissions
Beban cadangan kerugian penurunan nilai aset keuangan dan aset non-keuangan - neto	2,30	(370.289)	(851.106)	Provision for impairment losses on financial assets and non-financial assets - net
Beban umum dan administrasi	31	(1.942.515)	(2.021.551)	General and administrative expenses
Beban gaji dan tunjangan lainnya	2,32,39	(1.255.113)	(1.196.512)	Salary expenses and other allowances
PENDAPATAN OPERASIONAL - NETO		1.952.933	1.604.085	OPERATING INCOME - NET
PENDAPATAN NON - OPERASIONAL - NETO	33	49.088	45.074	NON-OPERATING INCOME - NET
LABA SEBELUM BEBAN PAJAK		2.002.021	1.649.159	INCOME BEFORE TAX EXPENSE
BEBAN PAJAK - NETO	2,21	(402.674)	(349.116)	TAX EXPENSE - NET
LABA TAHUN BERJALAN		1.599.347	1.300.043	INCOME FOR THE YEAR
Penghasilan komprehensif lain :				Other comprehensive income :
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				Items that will not be reclassified subsequently to profit or loss:
Pengukuran kembali liabilitas imbalan pasca-kerja - neto	2,35	(32.705)	(22.442)	Remeasurement of post-employment benefits liability - net
Surplus revaluasi aset tetap - neto	2,13	595.338	-	Revaluation surplus of fixed assets - net
Pos yang akan direklasifikasi ke laba rugi:				Item that may be reclassified subsequently to profit or loss:
(Kerugian) keuntungan yang belum direalisasi atas perubahan nilai wajar efek-efek yang tersedia untuk dijual - neto	2,8h	(793.923)	100.284	Unrealized (loss) gain on changes in fair value of available-for-sale securities - net
TOTAL PENGHASILAN KOMPREHENSIF TAHUN BERJALAN		1.368.057	1.377.885	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
LABA PER SAHAM DASAR / DILUSIAN (nilai penuh)	2,36	230	187	BASIC / DILUTED EARNINGS PER SHARE (full amount)

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT BANK MEGA TBK
LAPORAN PERUBAHAN EKUITAS
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2018
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK MEGA TBK
STATEMENT OF CHANGES IN EQUITY
For the Year Ended
December 31, 2018
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Issued and fully paid-up capital	Tambahan modal disetor/ Additional paid-in- capital	Cadangan umum/ General reserve	Saldo laba/ Retained earnings	Penghasilan komprehensif lain/ Other comprehensive income		Keuntungan/ (kerugian) yang belum direalisasi atas perubahan nilai wajar efek-efek yang tersedia untuk dijual-neto/ Unrealized gain/ (loss) on changes in fair value of available-for- sale securities- net	Total ekuitas/ Equity	
						Surplus revaluasi aset tetap-neto/ Revaluations surplus of fixed assets-net	Pengukuran kembali atas liabilitas imbalan pasca-kerja - neto/ Remeasurement of post- employment benefits liability - net			
Saldo 31 Desember 2016		3.481.888	2.048.761	1.353	2.845.341	3.726.685	84.326	77.327	12.265.681	Balance as of December 31, 2016
Laba tahun berjalan 2017		-	-	-	1.300.043	-	-	-	1.300.043	Income for the year 2017
Pemindahan surplus aset tetap ke saldo laba	2	-	-	-	196.142	(196.142)	-	-	-	Transfer of revaluation surplus of fixed assets to retained earnings
Pengukuran kembali atas liabilitas imbalan pasca-kerja - neto setelah pajak	2,35	-	-	-	-	-	(22.442)	-	(22.442)	Remeasurement of post-employment benefit liability - net of tax
Keuntungan yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto setelah pajak	2,8h	-	-	-	-	-	-	100.284	100.284	Unrealized gain on changes in fair value of available-for- sale securities - net of tax
Dividen tunai	26	-	-	-	(578.950)	-	-	-	(578.950)	Cash dividend
Pembentukan cadangan umum	26	-	-	100	(100)	-	-	-	-	Allocation for general reserve
Saldo 31 Desember 2017		3.481.888	2.048.761	1.453	3.762.476	3.530.543	61.884	177.611	13.064.616	Balance as of December 31, 2017
Laba tahun berjalan 2018		-	-	-	1.599.347	-	-	-	1.599.347	Income for the year 2018
Pemindahan surplus aset tetap ke saldo laba	2	-	-	-	196.142	(196.142)	-	-	-	Transfer of revaluation surplus of fixed assets to retained earnings
Surplus revaluasi aset tetap - neto	2	-	-	-	-	595.338	-	-	595.338	Revaluation surplus of fixed assets - net
Pengukuran kembali atas liabilitas imbalan pascakerja - neto setelah pajak	2,35	-	-	-	-	-	(32.705)	-	(32.705)	Remeasurement of post-employment benefit liability - net of tax
Kerugian yang belum direalisasi atas efek-efek yang tersedia untuk dijual - neto setelah pajak	2,8h	-	-	-	-	-	-	(793.923)	(793.923)	Unrealized loss on changes in fair value of available for sale securities - net of tax
Dividen tunai	26	-	-	-	(650.000)	-	-	-	(650.000)	Cash dividend
Pembentukan cadangan umum	26	-	-	44	(44)	-	-	-	-	Allocation for general reserve
Saldo 31 Desember 2018		3.481.888	2.048.761	1.497	4.907.921	3.929.739	29.179	(616.312)	13.782.673	Balance as of December 31, 2018

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statement taken as a whole.

PT BANK MEGA TBK
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2018
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT BANK MEGA TBK
STATEMENT OF CASH FLOWS
For the Year Ended
December 31, 2018
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
		2018	2017	
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan bunga		6.633.858	6.423.840	Interest received
Pendapatan provisi dan komisi		1.907.481	1.663.444	Fees and commissions income
Pendapatan operasional lainnya		11.216	13.240	Other Operating Income
Pendapatan non - operasional - neto		73.922	50.903	Non-operating income - net
Penerimaan dari penjualan agunan yang diambil alih		22.312	13.139	Proceeds from sale of foreclosed assets
Penerimaan dari kredit yang telah dihapus buku		402.654	349.318	Recovery from written off loans
Pembayaran bunga dan pembiayaan lainnya		(3.224.035)	(2.856.507)	Payments of interest and other financing charges
Beban operasional lainnya		(2.985.911)	(3.035.268)	Other operating expenses
Pembayaran pajak penghasilan		(338.323)	(409.310)	Payment of income tax
<u>Kenaikan/penurunan dalam aset dan liabilitas operasi:</u>				<u>Increase/decrease in operating assets and liabilities:</u>
Penempatan pada Bank Indonesia dan bank lain		(200.000)	(100.000)	Placements with Bank Indonesia and other banks
Efek-efek		114.764	145.855	Securities
Efek-efek yang dibeli dengan janji dijual kembali	9	1.520.306	741.796	Securities purchased under agreement to resell
Kredit yang diberikan		(8.110.867)	(8.822.942)	Loans
Aset lain-lain		317.984	(243.315)	Other assets
Liabilitas segera		(208.758)	117.770	Obligations due immediately
Simpanan dari nasabah:				Deposits from customers:
Giro		(1.214.681)	2.364.175	Current accounts
Tabungan		872.716	244.811	Saving deposits
Deposito berjangka		(205.174)	7.606.218	Time deposits
Simpanan dari bank lain		798.884	1.087.124	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	20	563.800	8.316	Securities sold under repurchased agreement
Beban yang masih harus dibayar dan liabilitas lain-lain		47.923	(6.484)	Accrued expenses and other liabilities
Kas neto yang diperoleh dari (digunakan untuk) aktivitas operasi		(3.199.929)	5.356.123	Net cash provided by (used in) operating activities
ARUS KAS DARI AKTIVITAS INVESTASI				CASH FLOWS FROM INVESTING ACTIVITIES
Penerimaan dari penjualan dan jatuh tempo efek-efek tersedia untuk dijual		7.229.427	14.450.360	Proceeds from matured and sale of securities available for sale
Penerimaan efek-efek dimiliki hingga jatuh tempo		98.600	-	Acquisition of securities held to maturity
Penerimaan dari penjualan aset tetap	13	7.329	7.522	Proceeds from sale of fixed assets
Pembelian aset tetap	13	(137.412)	(63.495)	Acquisition of fixed assets
Pembelian efek-efek tersedia untuk dijual		(11.331.437)	(12.884.333)	Acquisition of securities available for sale
Pembelian efek-efek dimiliki hingga jatuh tempo		(1.363.000)	(3.210.108)	Acquisition of securities held to maturity
Kas neto yang digunakan untuk aktivitas investasi		(5.496.493)	(1.700.054)	Net cash used in investing activities

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT BANK MEGA TBK
LAPORAN ARUS KAS
(lanjutan)
Untuk Tahun yang Berakhir pada Tanggal
31 Desember 2018
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT BANK MEGA TBK
STATEMENT OF CASH FLOWS
(continued)
For the Year Ended
December 31, 2018
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
		2018	2017	
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan pinjaman yang diterima	22	-	135.675	Proceeds of fund borrowings
Pembayaran pinjaman yang diterima	22	(143.800)	(538.900)	Payments of fund borrowings
Pembayaran dividen tunai	26	(650.000)	(578.950)	Payments of cash dividends
Kas neto yang digunakan untuk aktivitas pendanaan		(793.800)	(982.175)	Net cash used in financing activities
KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS		(9.490.222)	2.673.894	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS, AWAL TAHUN		17.332.034	14.658.140	CASH AND CASH EQUIVALENTS, AT BEGINNING OF THE YEAR
KAS DAN SETARA KAS, AKHIR TAHUN		7.841.812	17.332.034	CASH AND CASH EQUIVALENTS, AT THE END OF THE YEAR
Kas dan setara kas terdiri dari:	2			Cash and cash equivalents consist of:
Kas	4	998.453	1.037.227	Cash
Giro pada Bank Indonesia	5	3.857.831	4.797.271	Current accounts with Bank Indonesia
Giro pada bank lain	6	285.137	224.737	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain - jangka waktu jatuh tempo 3 bulan atau kurang sejak tanggal perolehan	7	2.289.675	6.769.691	Placements with Bank Indonesia and other banks - maturing within 3 months since acquisition date
Sertifikat Deposito Bank Indonesia - jangka waktu jatuh tempo 3 bulan atau kurang sejak tanggal perolehan	8	410.716	4.503.108	Deposits Certificates of Bank Indonesia - maturing within 3 months since acquisition date
Total kas dan setara kas		7.841.812	17.332.034	Total cash and cash equivalents

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 MEGA TBK
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT BANK MEGA TBK
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year Then Ended
(Expressed in millions of Rupiah,
unless otherwise stated)

1. UMUM

a. Pendirian Bank dan Informasi Umum

PT Bank Mega Tbk didirikan di negara Republik Indonesia dengan nama PT Bank Karman berdasarkan akta pendirian tanggal 15 April 1969 No. 32 yang kemudian diubah dengan akta tanggal 26 November 1969 No. 47, kedua akta tersebut dibuat di hadapan Mr. Oe Siang Djie, notaris di Surabaya. Akta pendirian ini disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. J.A 5/8/1 tanggal 16 Januari 1970 dan telah diumumkan dalam Tambahan No. 55 pada Berita Negara Republik Indonesia No. 13. Anggaran dasar Bank telah mengalami beberapa kali perubahan, perubahan terakhir dilakukan dengan akta notaris Dharma Akhyuzi, S.H., No. 21 tanggal 27 Mei 2015 mengenai perubahan Anggaran Dasar Perseroan dalam rangka penyesuaian dengan ketentuan Peraturan Otoritas Jasa Keuangan (OJK). Perubahan tersebut telah diterima dan dicatat oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU-AH.01.03-0935760 tanggal 29 Mei 2015. Perubahan ini juga telah didaftarkan dalam Daftar Perseroan dengan No. AHU-3510919.AH.01.11 tanggal 29 Mei 2015.

Bank mulai beroperasi secara komersial sejak tahun 1969 di Surabaya. Pada tahun 1992 nama Bank berubah menjadi PT Mega Bank dan pada tanggal 17 Januari 2000 berubah menjadi PT Bank Mega Tbk.

PT Mega Corpora adalah entitas induk dari Bank. Entitas induk terakhir Bank adalah CT Corpora.

Sesuai dengan Pasal 3 anggaran dasar Bank, ruang lingkup kegiatan usaha Bank adalah menjalankan kegiatan umum perbankan. Bank memperoleh izin usaha sebagai bank umum berdasarkan Surat keputusan Menteri Keuangan Republik Indonesia No. D.15.6.5.48 tanggal 14 Agustus 1969. Pada tanggal 2 Agustus 2000, Bank memperoleh izin untuk menyelenggarakan kegiatan usaha sebagai Wali amanat dari Badan Pengawas Pasar Modal - Lembaga Keuangan (BAPEPAM-LK). Bank juga memperoleh izin untuk menjalankan aktivitas sebagai bank devisa berdasarkan surat keputusan Deputi Gubernur Senior Bank Indonesia No. 3/1/KEP/DGS/2001 tanggal 31 Januari 2001.

1. GENERAL

a. Establishment of the Bank and General Information

PT Bank Mega Tbk was established in the Republic of Indonesia under the business name of PT Bank Karman based on notarial deed No. 32 dated April 15, 1969 which was amended by notarial deed No. 47 dated November 26, 1969, both deeds were effected by Mr. Oe Siang Djie, notary in Surabaya. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. J.A 5/8/1 dated January 16, 1970 and was published in Supplement No. 55 to the State Gazette of the Republic of Indonesia No. 13. The articles of association have been amended several times, with the latest amendment effected by notarial deed No. 21 of Dharma Akhyuzi, S.H., dated May 27, 2015 regarding the changes of the Banks articles of association to comply with the Regulation of Financial Service Authority (OJK). The amendment was received and registered by the Minister of Laws and Human Rights of the Republic of Indonesia in his Letter No. AHU-AH.01.03-0935760 dated May 29, 2015. This amendment has also been registered in the Company's Register by No. AHU-3510919.AH.01.11 dated May 29, 2015.

The Bank started its commercial operations in 1969 in Surabaya. In 1992, the Bank changed its name to PT Mega Bank and on January 17, 2000 was changed to PT Bank Mega Tbk.

PT Mega Corpora is the parent entity of the Bank. The ultimate holding entity of the Bank is CT Corpora.

According to Article 3 of the Banks articles of association, the Bank is engaged in general banking activities. The Bank was granted with the license to conduct general banking activities based on the decision letter of Minister of Finance of the Republic of Indonesia No. D.15.6.5.48 dated August 14, 1969. On August 2, 2000, the Bank was granted with the license to conduct custodian activities by the Capital Market and Financial Institution Supervisory Agency ("BAPEPAM-LK"). The Bank was also granted with the license to conduct own exchange activities based on the decision letter of Senior Deputy Governor of Bank Indonesia No. 3/1/KEP/DGS/2001 dated January 31, 2001.

PT BANK MEGA TBK
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2018 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)

PT BANK MEGA TBK
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2018 and
For the Year Then Ended
(Expressed in millions of Rupiah,
unless otherwise stated)

1. UMUM (lanjutan)

a. Pendirian Bank dan Informasi Umum (lanjutan)

Kantor Pusat Bank berlokasi di Menara Bank Mega Jl. Kapten Tendean 12-14A, Jakarta. Bank memiliki kantor sebagai berikut:

	31 Desember/December 31		
	2018	2017	
Kantor Cabang	54	54	Branches
Kantor Cabang Pembantu	286	287	Sub-branches
Kantor Kas	29	23	Cash Offices

b. Penawaran Umum Saham Bank dan Penambahannya

Sesuai dengan Keputusan Rapat Umum Pemegang Saham Luar Biasa yang diselenggarakan pada tanggal 17 Januari 2000 yang diaktakan dengan akta notaris Imas Fatimah, S.H., No 9. Bank telah melakukan penawaran umum saham perdana kepada masyarakat sebanyak 112.500.000 saham dengan nilai nominal Rp500 (nilai penuh) per saham dan harga penawaran Rp1.200 (nilai penuh) per saham. Pada tanggal 15 Maret 2000 sesuai dengan surat ketua BAPEPAM-LK No. S-493/PM/2000, Pernyataan Pendaftaran Bank untuk menerbitkan saham kepada masyarakat di Indonesia menjadi efektif dan pada tanggal 17 April 2000 saham-saham yang ditawarkan tersebut dicatat dan diperdagangkan di Bursa Efek Indonesia.

Sesuai dengan Keputusan Rapat Umum Pemegang Saham Luar Biasa yang diselenggarakan pada tanggal 29 Maret 2001, yang diaktakan dengan akta notaris Imas Fatimah, S.H., No. 21, Bank telah membagikan saham bonus sebesar Rp69.526 dengan menerbitkan sejumlah 139.052.000 saham bonus dengan nilai nominal Rp500 (nilai penuh) per saham yang berasal dari tambahan modal disetor - agio saham dan membagikan dividen saham sebesar Rp63.785 atau sejumlah 56.698.000 saham yang berasal dari saldo laba dengan menggunakan harga penutupan saham Bank di Bursa Efek Indonesia tanggal 28 Maret 2001 yaitu sebesar Rp1.125 (nilai penuh) per saham. Dengan demikian, modal saham ditempatkan dan disetor penuh meningkat menjadi Rp379.125 yang terdiri dari 758.250.000 saham.

1. GENERAL (continued)

a. Establishment of the Bank and General Information (continued)

The Bank's Head Office is located at Menara Bank Mega, Jl. Kapten Tendean 12-14A, Jakarta. The Bank has the following offices:

b. The Bank's Public Offerings and Increase of Share Capital

Based on the decision of Extraordinary General Meeting of Shareholders held on January 17, 2000, which was notarized under notarial deed No. 9 of Imas Fatimah, S.H., the Bank conducted an initial public offering of its 112,500,000 shares with par value of Rp500 (full amount) per share at offering price of Rp1,200 (full amount) per share. On March 15, 2000, in accordance with the letter from the chairman of BAPEPAM-LK No. S-493/PM/2000, the Bank's Registration Statement for the Initial public offering became effective and on April 17, 2000, the shares were listed and traded in the Indonesia Stock Exchange.

Based on the decision of Extraordinary General Meeting of Shareholder held on March 29, 2001, which was notarized under notarial deed No. 21 of Imas Fatimah, S.H., the Bank declared bonus shares of Rp69,526 by issuing 139,052,000 bonus shares at par value of Rp500 (full amount) per share which came from additional paid-in capital and declared stock dividends of Rp63,785 representing 56,698,000 shares which came from retained earnings using the closing price of the Bank's shares published by the Indonesian Stock Exchange on March 28, 2001 at Rp1,125 (full amount) per share. Accordingly, the issued and fully paid-up capital of the Bank increased to Rp379,125 which represent 758,250,000 shares.

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1. UMUM (lanjutan)

b. Penawaran Umum Saham Bank dan Penambahannya (lanjutan)

Sesuai dengan Keputusan Rapat Umum Pemegang Saham Luar Biasa yang diselenggarakan pada tanggal 22 Mei 2002 yang diaktakan dengan akta notaris Imas Fatimah, S.H., No. 33, Bank telah melakukan Penawaran Umum Terbatas I dengan Hak Memesan Efek Terlebih Dahulu seluruhnya 181.980.000 saham dengan nilai nominal Rp500 (nilai penuh) per saham dan harga penawaran sebesar Rp1.100 (nilai penuh) per saham.

Dengan Penawaran Umum Terbatas ini modal saham ditempatkan dan disetor penuh menjadi sebesar Rp470.115 yang terdiri dari 940.230.000 saham. Penawaran Umum Terbatas I dengan Hak Memesan Efek Terlebih Dahulu tersebut telah memperoleh pernyataan efektif dari ketua BAPEPAM-LK pada tanggal 20 Mei 2002 melalui surat No. S-1023/PM/2002.

Sesuai dengan Keputusan Rapat Umum Pemegang Saham Luar Biasa yang diselenggarakan pada tanggal 10 Maret 2005 yang diaktakan dengan akta notaris Imas Fatimah, S.H., No. 22, Bank telah membagikan saham bonus sebesar Rp141.034 dengan menerbitkan sejumlah 282.068.998 saham bonus dengan nilai nominal Rp500 (nilai penuh) per saham yang berasal dari tambahan modal disetor - agio saham dan membagikan dividen saham sebesar Rp477.260 atau sejumlah 203.089.644 saham yang berasal dari saldo laba dengan menggunakan harga penutupan saham Bank di Bursa Efek Indonesia tanggal 9 Maret 2005 yaitu sebesar Rp2.350 (nilai penuh) per saham. Dengan demikian, modal saham ditempatkan dan disetor penuh meningkat menjadi Rp712.694 yang terdiri dari 1.425.388.642 saham.

Sesuai dengan Keputusan Rapat Umum Pemegang Saham Luar Biasa yang diselenggarakan pada tanggal 24 Maret 2006 yang diaktakan dengan akta notaris Imas Fatimah, S.H., No. 98, disetujui untuk melakukan Penawaran Umum Terbatas II dengan Hak Memesan Efek Terlebih dahulu sejumlah 200.054.546 saham dengan nilai nominal Rp500 (nilai penuh) per saham dengan harga penawaran sebesar Rp2.500 (nilai penuh) per saham. Dengan Penerbitan Umum Terbatas II ini, modal saham ditempatkan dan disetor penuh menjadi sebesar Rp812.722 yang terdiri dari 1.625.443.188 saham.

1. GENERAL (continued)

b. The Bank's Public Offerings and Increase of Share Capital (continued)

Based on the Decision of Extraordinary General Meeting of Shareholders held on May 22, 2002, which was notarized under notarial deed No. 33 of Imas Fatimah, S.H., the Bank offered Limited Public Offering I with Pre-emptive Rights of 181,980,000 shares at par value of Rp500 (full amount) per share at offering price of Rp1,100 (full amount) per share.

With this Limited Public Offering, the issued and fully paid-up share capital of the Bank became Rp470,115 representing 940,230,000 shares. The Limited Public Offering I with Pre-emptive Rights became effective through the chairman of BAPEPAM-LK's letter No. S-1023/PM/2002 dated May 20, 2002.

Based on the Decision of Extraordinary General Meeting of Shareholders held on March 10, 2005, which was notarized under notarial deed No. 22 of Imas Fatimah, S.H., the Bank declared bonus shares of Rp141,034 by issuing 282,068,998 bonus shares at par value of Rp500 (full amount) per share, which came from additional paid-in capital and declared stock dividends of Rp477,260 representing 203,089,644 shares, which came from retained earnings using the closing price published by the Indonesian Stock Exchange on March 9, 2005 at Rp2,350 (full amount) per share. Accordingly, the issued and fully paid-in share capital increased to Rp712,694 which represent 1,425,388,642 shares.

Based on the Decision of Extraordinary General Meeting of Shareholders held on March 24, 2006 as notarized under notarial deed No. 98 of Imas Fatimah, S.H., it is resolved to offer Limited Public Offering II with Pre-emptive Rights representing 200,054,546 shares at par value of Rp500 (full amount) per share at offering price of Rp2,500 (full amount) per share. With this Limited Public Offering II, the issued and fully paid-in share capital of the Bank became Rp812,722 which represent 1,625,443,188 shares.

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b. Penawaran Umum Saham Bank dan Penambahannya (lanjutan)

Pendaftaran Umum Terbatas II dengan Hak Memesan Efek Terlebih Dahulu tersebut telah memperoleh pernyataan efektif dari ketua BAPEPAM-LK pada tanggal 23 Maret 2006 melalui surat No. S-702/PM/2006.

Keputusan Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 20 Mei 2009 yang diaktakan dengan akta notaris Imas Fatimah, S.H., No. 49 pada tanggal yang sama, menyetujui pembagian saham bonus sebanyak-banyaknya 1.555.781.337 saham yang berasal dari kapitalisasi agio saham sebesar Rp777.890 yang dibagikan kepada para pemegang saham secara proporsional dengan ketentuan saham bonus akan dibagikan kepada pemegang saham yang tercatat pada daftar pemegang saham yang berhak (*Recording Date*) dengan rasio setiap pemegang 70 saham berhak mendapatkan 67 saham baru dengan harga sebesar nilai nominal yaitu Rp500 (nilai penuh) setiap saham dengan ketentuan apabila terdapat sisa pecahan saham akibat pembagian berdasarkan rasio tersebut maka sisa pecahan tersebut dikembalikan kepada Bank. Dengan pembagian saham bonus ini, modal saham ditempatkan dan disetor penuh menjadi sebesar Rp1.590.612 yang terdiri dari 3.181.224.188 saham.

Sehubungan dengan hasil keputusan Rapat Umum Pemegang Saham Luar Biasa pada tanggal 5 Juni 2008, sebagaimana dinyatakan dalam akta notaris Imas Fatimah, S.H., No. 03 pada tanggal yang sama, pemegang saham Bank telah menyetujui antara lain peningkatan modal dasar Bank dari Rp900.000 terdiri dari 1.800.000.000 saham menjadi Rp3.200.000 terdiri dari 6.400.000.000 saham. Perubahan anggaran dasar tersebut telah diterima dan dicatat oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU-45346.AH.01.02 Tahun 2008 tanggal 28 Juli 2008. Perubahan ini juga telah didaftarkan dalam Daftar Perusahaan dengan No. AHU-0064063.AH.01.09 Tahun 2008 tanggal 28 Juli 2008.

1. GENERAL (continued)

b. The Bank's Public Offerings and Increase of Share Capital (continued)

The Limited Public Offering II with Pre-emptive Rights became effective through the chairman of BAPEPAM-LK letter No. S-702/PM/2006 dated March 23, 2006.

*The decision of Annual General Meeting of Shareholders held on May 20, 2009 as notarized under notarial deed No. 49 on the same date by Imas Fatimah, S.H., declared bonus shares at a maximum of 1,555,781,337 shares which came from additional paid-in capital amounted to Rp777,890 which was distributed proportionally to the listed shareholders (*Recording Date*) with a ratio of 67 new shares with par value of Rp500 (full amount) per share for every 70 shares owned by each shareholder, provided that any remaining fractional shares due to the division based on the ratio are returned on the Bank. With the declaration of these bonus shares, the issued and fully paid-in share capital of the Bank became Rp1,590,612 which represent 3,181,224,188 shares.*

According to the decision of Extraordinary General Meeting of Shareholders held on June 5, 2008, which was notarized under notarial deed No. 03 on the same date by Imas Fatimah, S.H., the shareholders approved, among others, the increase of the Banks authorized share capital from Rp900,000 representing 1,800,000,000 shares to Rp3,200,000 representing 6,400,000,000 shares. The amendment of the Banks articles of association was received and registered by the Minister of Law and Human Right of the Republic of Indonesia in its Decision Letter No. AHU-45346.AH.01.02 Year 2008 dated July 28, 2008. This amendment was also registered under the Corporate Registration under No. AHU-0064063.AH.01.09 Year 2008 dated July 28, 2008.

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b. Penawaran Umum Saham Bank dan Penambahannya (lanjutan)

Keputusan Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 12 Mei 2011 yang diaktakan dengan akta notaris Dharma Akhyuzi, S.H., No. 02 pada tanggal yang sama, menyetujui pembagian dividen saham sebanyak 464.731.862 saham yang berasal dari saldo laba maksimum sebesar Rp1.603.325 dengan harga sebesar nilai nominal yaitu Rp500 (nilai penuh) setiap saham, dengan ketentuan apabila terdapat sisa pecahan saham akibat pembagian berdasarkan rasio tersebut maka sisa pecahan tersebut dikembalikan kepada Bank. Dengan pembagian dividen saham ini, modal saham ditempatkan dan disetor penuh menjadi sebesar Rp1.822.978 yang terdiri dari 3.645.956.050 saham.

Keputusan Rapat Umum Pemegang Saham Tahunan yang diselenggarakan pada tanggal 17 April 2013 yang diaktakan dengan akta notaris Dharma Akhyuzi, S.H., No. 08 pada tanggal yang sama, menyetujui pembagian dividen saham sebanyak 167.713.978 saham yang berasal dari saldo laba maksimum sebesar Rp684.568 dengan harga sebesar nilai nominal yaitu Rp500 (nilai penuh) setiap saham, dengan ketentuan apabila terdapat sisa pecahan saham akibat pembagian berdasarkan rasio tersebut maka sisa pecahan tersebut dikembalikan kepada Bank.

Sesuai dengan Keputusan Rapat Umum Pemegang Saham Luar Biasa yang diselenggarakan pada tanggal 17 April 2013, yang diaktakan dengan akta notaris Dharma Akhyuzi, S.H., No. 09 pada tanggal yang sama, Bank telah membagikan saham bonus maksimum sebanyak 2.741.758.949 saham yang berasal dari tambahan modal disetor maksimum sebesar Rp1.370.959 yang dibagikan kepada para pemegang saham secara proporsional dengan rasio pembagian setiap pemegang 500 saham memperoleh 376 saham bonus dengan harga sebesar nilai nominal yaitu Rp500 (nilai penuh) per saham dan membagikan dividen saham maksimum sebanyak 408.347.077 dividen saham yang berasal dari saldo laba dengan rasio pembagian setiap pemegang 500 saham memperoleh 56 saham yang dibagikan secara proporsional maksimum sebesar Rp1.664.849 dengan menggunakan harga penutupan saham Bank di Bursa Efek Indonesia

1. GENERAL (continued)

b. The Bank's Public Offerings and Increase of Share Capital (continued)

The decision of Annual General Meeting of Shareholders held on May 12, 2011 as notarized under notarial deed No. 02 on the same date by Dharma Akhyuzi, S.H., declared the issuance of 464,731,862 stock dividends which came from retained earnings at an amount not to exceed Rp1,603,325 with par value of Rp500 (full amount) per share, provided that any remaining fractional shares are returned to the Bank. With the declaration of these stock dividends, the issued and fully paid-in share capital of the Bank became Rp1,822,978 which represent 3,645,956,050 shares.

The decision of Annual General Meeting of Shareholders held on April 17, 2013 as notarized under notarial deed No. 08 on the same date by Dharma Akhyuzi, S.H., declared the issuance of 167,713,978 stock dividends which came from retained earnings at an amount not to exceed Rp684,568 with par value of Rp500 (full amount) per share, provided that any remaining fractional shares are returned to the Bank.

Based on the Decision of Extraordinary General Meeting of Shareholders held on April 17, 2013 as notarized under notarial deed No. 09 on the same date by Dharma Akhyuzi, S.H., the Bank declared bonus shares at a maximum of 2,741,758,949 shares which came from additional paid-in capital maximum amounted to Rp1,370,959 which was distributed proportionally to the shareholders with a ratio of 376 bonus shares with par value of Rp500 (full amount) per share for every 500 shares owned by each shareholder, and declared stock dividends at a maximum of 408,347,077 stock dividends which came from retained earnings with a ratio for every 500 shares owned by each shareholder received 56 shares which was distributed proportionally at an amount not to exceed Rp1,664,849 using the closing price of the Bank's shares published by the Indonesia Stock Exchange on

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b. Penawaran Umum Saham Bank dan Penambahannya (lanjutan)

tanggal 16 April 2013 yaitu sebesar Rp4.050 (nilai penuh) per saham, dengan ketentuan apabila terdapat sisa pecahan saham akibat pembagian berdasarkan rasio tersebut maka sisa pecahan tersebut dikembalikan kepada Bank. Dengan pembagian saham bonus dan dividen saham ini, modal saham ditempatkan dan disetor penuh menjadi sebesar Rp3.481.888 yang terdiri dari 6.963.775.206 saham.

c. Dewan Komisaris, Direksi, Komite Audit dan Karyawan

Susunan Dewan Komisaris dan Direksi Bank pada tanggal 31 Desember 2018 dan 2017, adalah sebagai berikut:

	2018	2017	
Komisaris:			Commissioner:
Komisaris Utama	Chairul Tanjung	Chairul Tanjung*)	President Commissioner
Wakil Komisaris Utama	Yungky Setiawan	Yungky Setiawan	Deputy President Commissioner
Komisaris	Darmadi Sutanto	Darmadi Sutanto	Commissioner
Komisaris Independen	Achjadi	Achjadi	
Komisaris Independen	Ranuwisasstra	Ranuwisasstra	Independent Commissioner
Komisaris Independen	Lambeck V.	Lambeck V.	
Komisaris Independen	Nahattands	Nahattands	Independent Commissioner
	Aviliani	Aviliani	Independent Commissioner
Direksi:			Directors:
Direktur Utama	Kostaman Thayib	Kostaman Thayib	President Director
Direktur Kredit	Madi D. Lazuardi	Madi D. Lazuardi	Credit Director
Direktur Tresuri dan <i>International Banking</i>	Martin Mulwanto	Martin Mulwanto	Treasury and International Banking Director
Direktur Risiko	Indivara Erni	Indivara Erni	Risk Director
Direktur Kepatuhan dan Sumber Daya Manusia	Yuni Lastianto	Yuni Lastianto	Compliance and Human Capital Director
Direktur Pendanaan dan Jaringan	Lay Diza Larentie	Lay Diza Larentie	Funding and Network Director
	C.Guntur	C.Guntur	
Direktur Operasi	Triyudianto	Triyudianto	Operational Director
Direktur Teknologi Informasi	YB. Hariantono	YB. Hariantono	Information Technology Director

*) Efektif setelah mendapat persetujuan Otoritas Jasa Keuangan (OJK)

*) Effective after obtained approval from Indonesian Financial Services Authority (OJK)

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1. UMUM (lanjutan)

c. Dewan Komisaris, Direksi, Komite Audit dan Karyawan (lanjutan)

Susunan Komite Audit Bank pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut

Komite Audit/Audit Committee

Ketua
 Anggota
 Anggota

Achjadi Ranuwisastira
 Iramady Irdja
 Adrial Salam

Chairman
 Member
 Member

Pembentukan Komite Audit Bank telah dilakukan sesuai dengan Peraturan OJK No. 55/POJK.04/2015 tanggal 29 Desember 2015.

Dewan Komisaris dan Direksi pada tanggal 31 Desember 2018 ditentukan berdasarkan Rapat Umum Pemegang Saham Luar Biasa pada tanggal 28 Februari 2018, yang berita acaranya telah diaktakan dengan akta notaris No. 14, Dharma Akhyuzi, S.H., pada tanggal yang sama.

Dewan Komisaris dan Direksi pada tanggal 31 Desember 2017 ditentukan berdasarkan Rapat Umum Pemegang Saham Luar Biasa pada tanggal 15 Nopember 2017, yang berita acaranya telah diaktakan dengan akta notaris No. 21, Dharma Akhyuzi, S.H., pada tanggal yang sama.

Dewan Komisaris dan Direksi pada tanggal 31 Desember 2018 dan 2017 telah memperoleh persetujuan dari Otoritas Jasa Keuangan (OJK).

Pada tanggal 31 Desember 2018 dan 2017, Bank memiliki karyawan tetap masing-masing 5.962 dan 6.156 orang (tidak diaudit).

d. Manajemen Bank bertanggung jawab atas penyusunan laporan keuangan ini, yang diselesaikan dan disetujui untuk diterbitkan oleh Direksi pada tanggal 11 Februari 2019.

1. GENERAL (continued)

c. Board of Commissioners, Directors, Audit Committee and Employees (continued)

The composition of the Banks Audit Committee as of December 31, 2018 and 2017 were as follows:

The establishment of Bank's Audit Committee has complied with OJK Regulation No. 55/POJK.04/2015 dated December 29, 2015.

The Board of Commissioners and Directors as of December 31, 2018 were appointed based on the decision of Extraordinary General Meeting of Shareholders held on February 28, 2018, the minutes of which were notarized through notarial deed No. 14 of Dharma Akhyuzi, S.H., on the same date.

The Board of Commissioners and Directors as of December 31, 2017 were appointed based on the decision of Extraordinary General Meeting of Shareholders held on November 15, 2017, the minutes of which were notarized through notarial deed No. 21 of Dharma Akhyuzi, S.H., on the same date.

The Board of Commissioners and Directors as of December 31, 2018 and 2017 were approved by Financial Services Authority (OJK).

As of December 31, 2018 and 2017, the Bank had 5,962 and 6,156 permanent employees (unaudited), respectively.

d. The management of the Bank is responsible for the preparation of these financial statements, which were completed and authorized once by the Board of Directors for issue on February 11, 2019.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN

Kebijakan akuntansi utama yang diterapkan dalam penyusunan laporan keuangan Bank adalah seperti dijabarkan di bawah ini:

Pernyataan Kepatuhan

Laporan keuangan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia.

a. Dasar penyusunan laporan keuangan

Laporan keuangan disusun berdasarkan harga perolehan kecuali untuk beberapa akun yang dinilai menggunakan dasar pengukuran lain sebagaimana dijelaskan pada kebijakan akuntansi dari akun tersebut. Laporan keuangan disusun dengan metode akrual kecuali laporan arus kas.

Laporan arus kas disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas dalam aktivitas operasi, investasi dan pendanaan. Untuk tujuan laporan arus kas, kas dan setara kas mencakup kas, giro pada Bank Indonesia dan giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, Sertifikat Bank Indonesia dan Sertifikat Deposito Bank Indonesia yang jatuh tempo dalam 3 (tiga) bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan untuk pinjaman serta tidak dibatasi penggunaannya.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial statements of the Bank is set out below:

Statement of Compliance

The financial statements for the years ended December 31, 2018 and 2017 were prepared and presented in accordance with Indonesian Financial Accounting Standards.

a. Basis for preparation of the financial statements

The financial statements have been prepared under the historical cost convention except for certain accounts which have been valued on another measurement basis as explained in the accounting policy for such accounts. The financial statements are prepared under the accrual basis of accounting, except the statements of cash flows.

The statements of cash flows were prepared based on the direct method with cash flows classified into cash flows from operating, investing and financing activities. For the purpose of the statements of cash flows, cash and cash equivalents include cash, current accounts with Bank Indonesia and other banks, placements with Bank Indonesia and other banks, Certificates of Bank Indonesia and Deposits Certificates of Bank Indonesia maturing within 3 (three) months or less from the acquisition date as long as they are not being pledged as collateral for borrowing nor restricted.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

a. Dasar penyusunan laporan keuangan (lanjutan)

Pos-pos dalam Penghasilan Komprehensif Lainnya disajikan terpisah antara akun - akun yang akan direklasifikasikan ke laba rugi dan akun - akun yang tidak akan direklasifikasikan ke laba rugi.

Dalam penyusunan laporan keuangan sesuai dengan Standar Akuntansi Keuangan di Indonesia, dibutuhkan estimasi dan asumsi yang mempengaruhi:

- nilai aset dan liabilitas dilaporkan, dan pengungkapan atas aset dan liabilitas kontinjensi pada tanggal laporan keuangan,
- jumlah pendapatan dan beban selama periode pelaporan.

Walaupun estimasi ini dibuat berdasarkan pengetahuan terbaik manajemen atas kejadian dan tindakan saat ini, hasil yang timbul mungkin berbeda dengan jumlah yang diestimasi semula.

Estimasi-estimasi dan asumsi-asumsi yang digunakan ditelaah secara berkesinambungan. Revisi atas estimasi akuntansi diakui pada periode dimana estimasi tersebut direvisi dan periode yang akan datang yang dipengaruhi oleh revisi estimasi tersebut.

Secara khusus, informasi mengenai hal-hal penting yang terkait dengan ketidakpastian estimasi dan pertimbangan-pertimbangan penting dalam penerapan kebijakan akuntansi yang memiliki dampak yang signifikan terhadap jumlah yang diakui dalam laporan keuangan dijelaskan di Catatan 3.

Mata uang penyajian yang digunakan pada laporan keuangan adalah Rupiah, yang merupakan mata uang fungsional Bank.

Seluruh angka dalam laporan keuangan ini, kecuali dinyatakan lain, dibulatkan menjadi jutaan Rupiah.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis for preparation of the financial statements (continued)

The items under Other Comprehensive Income (OCI) are presented separately between items to be reclassified to profit or loss and those items not to be reclassified to profit or loss.

The preparation of financial statements in conformity with Financial Accounting Standards in Indonesia requires the use of estimates and assumptions that affect:

- *the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements,*
- *the reported amounts of revenues and expenses during the reporting period.*

Although these estimates are based on management's best knowledge of current events and activities, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amount recognized in the financial statements are described in Note 3.

The presentation currency used in the financial statements is Indonesian Rupiah, which is the functional currency of the Bank.

Figures in the financial statements are rounded to and stated in millions of Rupiah unless otherwise stated.

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b. Transaksi dan saldo dalam mata uang asing

Transaksi dalam mata uang asing dicatat dalam Rupiah berdasarkan kurs yang berlaku pada saat transaksi dilakukan. Pada tanggal pelaporan, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam Rupiah berdasarkan kurs tengah *Reuters* pukul 16.00 WIB. Laba atau rugi selisih kurs yang terjadi dikreditkan atau dibebankan pada laporan laba rugi dan penghasilan komprehensif lain tahun yang bersangkutan.

Kurs mata uang asing utama yang digunakan untuk menjabarkan mata uang asing ke dalam Rupiah adalah sebagai berikut (nilai penuh):

	31 Desember/December 31	
	2018	2017
1 Poundsterling Inggris	18.311,50	18.325,62
1 Euro Eropa	16.440,66	16.236,23
1 Dolar Amerika Serikat	14.380,00	13.567,50
1 Dolar Australia	10.162,35	10.594,19
1 Dolar Singapura	10.554,91	10.154,56
1 Dolar Hong Kong	1.836,28	1.736,21
1 Yen Jepang	130,62	120,52
1 Dolar Selandia Baru	9.659,05	9.650,57
1 Franc Swiss	14.595,28	13.901,13
1 Yuan China	2.090,57	2.083,64

c. Informasi segmen

Segmen operasi adalah komponen dari Bank yang terlibat dalam aktivitas bisnis yang menghasilkan pendapatan dan menimbulkan beban, termasuk pendapatan dan beban yang terkait dengan transaksi dengan komponen lain Bank, dimana hasil operasinya dikaji ulang secara berkala oleh pengambil keputusan utama dalam operasional Bank untuk membuat keputusan mengenai sumber daya yang akan dialokasikan pada segmen tersebut dan menilai kinerjanya, serta tersedia informasi keuangan yang dapat dipisahkan. Hasil segmen yang dilaporkan kepada pengambil keputusan operasional Bank meliputi komponen-komponen yang dapat diatribusikan secara langsung kepada suatu segmen, dan komponen-komponen yang dapat dialokasikan dengan dasar yang wajar.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Transactions and balances in foreign currency

Transactions in foreign currencies are recorded in Rupiah based on the rates prevailing at the transaction dates. On the reporting date, monetary assets and liabilities denominated in foreign currencies are converted into Rupiah based on the *Reuters* middle rate at 16.00 Western Indonesian Time. Exchange gains or losses from foreign exchange transactions are credited or charged to the current year statement of profit or loss and other comprehensive income.

The major exchange rates used to translate foreign currencies into Rupiah were as follows (full amount):

	31 Desember/December 31	
	2018	2017
1 Great Britain Poundsterling	18.311,50	18.325,62
1 European Euro	16.440,66	16.236,23
1 United States Dollar	14.380,00	13.567,50
1 Australian Dollar	10.162,35	10.594,19
1 Singapore Dollar	10.554,91	10.154,56
1 Hong Kong Dollar	1.836,28	1.736,21
1 Japanese Yen	130,62	120,52
1 New Zealand Dollar	9.659,05	9.650,57
1 Swiss Franc	14.595,28	13.901,13
1 Chinese Yuan	2.090,57	2.083,64

c. Segment information

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Bank's other components, whose operating results are reviewed regularly by the Bank's chief operating decision maker to make decision about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Bank's chief operating decision maker include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

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d. Transaksi dengan pihak berelasi

Dalam menjalankan usahanya, Bank melakukan transaksi dengan pihak-pihak berelasi seperti yang didefinisikan dalam PSAK No. 7 tentang "Pengungkapan Pihak-pihak Berelasi".

Transaksi ini dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak, dimana persyaratan tersebut mungkin tidak sama dengan transaksi lain yang dilakukan dengan pihak-pihak yang tidak berelasi. Seluruh transaksi dan saldo yang material dengan pihak-pihak berelasi diungkapkan dalam catatan atas laporan keuangan yang relevan dan rinciannya telah disajikan dalam Catatan 38 atas laporan keuangan.

Sesuai dengan PSAK No. 38 (Revisi 2012) tentang "Kombinasi Bisnis Entitas Sepengendali", transaksi kombinasi bisnis entitas sepengendali berupa pengalihan bisnis yang dilakukan dalam rangka reorganisasi entitas-entitas yang berada dalam suatu kelompok usaha yang sama, bukan merupakan perubahan kepemilikan dalam arti substansi ekonomi, sehingga transaksi demikian tidak dapat menimbulkan laba atau rugi bagi seluruh kelompok perusahaan ataupun bagi entitas individual dalam kelompok usaha tersebut. Selisih nilai transaksi kombinasi bisnis entitas sepengendali disajikan pada akun Tambahan Modal Disetor.

e. Aset dan liabilitas keuangan

Aset keuangan Bank terutama terdiri dari kas, giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, efek-efek, efek-efek yang dibeli dengan janji dijual kembali, tagihan derivatif, kredit yang diberikan, tagihan akseptasi dan bunga yang masih akan diterima, setoran jaminan, piutang sewa dan aset yang diblokir yang dicatat dalam aset lain-lain.

Liabilitas keuangan Bank terutama terdiri dari liabilitas segera, simpanan dari nasabah, simpanan dari bank lain, efek-efek yang dijual dengan janji dibeli kembali, liabilitas derivatif, utang akseptasi, pinjaman yang diterima, utang bunga dan setoran jaminan yang dicatat dalam liabilitas lain-lain.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Transactions with related parties

In the normal course of its business, the Bank enters into transactions with related parties which are defined under SFAS No. 7, "Related Party Disclosures".

Transactions with related parties are made on terms agreed by both parties, where such requirements may not be the same as other transactions undertaken with third parties. Material transactions and balances with related parties are disclosed in the notes to the financial statements and the relevant details have been presented in Note 38 of the financial statements.

Based on SFAS No. 38 (Revised 2012) regarding "Business Combination of Entities Under Common Control", the business combination transactions between entities under common control on transfer shares that are conducted in connection with the reorganization of entities under common control, do not constitute a change of ownership within the meaning of economic substance, therefore such transactions would not result in gain or loss to the group companies or to the individual entity within the group companies. Differences in values of business combination of entities under common control is presented in Additional Paid-Up Capital.

e. Financial assets and liabilities

The Bank's financial assets mainly consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, securities, securities purchased under agreement to resell, derivatives receivables, loans, acceptances receivable and interest receivables, security deposits, rent receivables and restricted assets which are presented as part of other assets.

The Bank's financial liabilities mainly consist of obligations due immediately, deposits from customers, deposits from other banks, securities sold under repurchase agreements, derivatives payable, acceptances payable, fund borrowings, interest payables and security deposits which are presented as part of other liabilities.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Aset dan liabilitas keuangan (lanjutan)

e. Financial assets and liabilities (continued)

(i) Klasifikasi

(i) Classification

Bank mengklasifikasi aset keuangannya berdasarkan kategori sebagai berikut pada saat pengakuan awal:

The Bank classifies its financial assets in the following categories at initial recognition:

- i. Diukur pada nilai wajar melalui laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu aset keuangan yang ditetapkan demikian pada saat pengakuan awal dan aset keuangan yang diklasifikasikan dalam kelompok diperdagangkan;
- ii. Tersedia untuk dijual;
- iii. Dimiliki hingga jatuh tempo;
- iv. Pinjaman yang diberikan dan piutang.

- i. *Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial assets designated as such upon initial recognition and financial assets classified as held for trading;*
- ii. *Available-for-sale;*
- iii. *Held-to-maturity;*
- iv. *Loans and receivables.*

Liabilitas keuangan diklasifikasikan ke dalam kategori sebagai berikut pada saat pengakuan awal:

Financial liabilities are classified into the following categories at initial recognition:

- i. Diukur pada nilai wajar melalui laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu liabilitas keuangan yang ditetapkan demikian pada saat pengakuan awal dan liabilitas keuangan yang diklasifikasikan dalam kelompok diperdagangkan;
- ii. Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

- i. *Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial liabilities designated as such upon initial recognition and financial liabilities classified as held for trading;*
- ii. *Financial liabilities measured at amortized cost.*

Bank menetapkan aset dan liabilitas keuangan tertentu pada nilai wajar melalui laba rugi dalam kondisi berikut ini:

The Bank has designated financial assets and liabilities at fair value through profit or loss in the following circumstances:

- Kelompok aset atau liabilitas keuangan dikelola dan kinerjanya dievaluasi berdasarkan nilai wajar.
- Penetapan tersebut mengeliminasi atau mengurangi secara signifikan ketidak-konsistenan pengukuran dan pengakuan (*accounting mismatch*) yang dapat muncul apabila aset atau liabilitas tersebut tidak diukur demikian.

- *The financial assets or liabilities are managed and evaluated on a fair value basis.*
- *The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.*

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e. Aset dan liabilitas keuangan (lanjutan)

(i) Klasifikasi (lanjutan)

ii. Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi. (lanjutan)

- Aset atau liabilitas keuangan mengandung derivatif melekat yang memodifikasi secara signifikan arus kas yang dipersyaratkan oleh kontrak.

Kategori untuk diperdagangkan adalah aset dan liabilitas keuangan yang diperoleh atau dimiliki Bank terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau dimiliki sebagai bagian dari portofolio instrumen keuangan yang dikelola secara bersama-sama untuk memperoleh laba jangka pendek atau *position taking*.

Kategori tersedia untuk dijual terdiri dari aset keuangan non-derivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak dikelompokkan ke dalam salah satu kategori aset keuangan lainnya.

Kategori dimiliki hingga jatuh tempo mencakup aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan dimana Bank mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo, dan tidak ditetapkan pada nilai wajar melalui laba rugi atau tersedia untuk dijual.

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan yang tidak mempunyai kuotasi di pasar aktif dan Bank tidak berniat untuk menjualnya segera atau dalam waktu dekat.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial assets and liabilities (continued)

(i) Classification (continued)

ii. Financial liabilities measured at amortized cost. (continued)

- The financial asset or liabilities contains embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Held for trading are those financial assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

The available-for-sale category consists of non-derivative financial assets that are designated as available-for-sale or are not classified in one of the other categories of financial assets.

Held-to-maturity category consists of non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets and that the Bank does not intend to sell immediately or in the near term.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Aset dan liabilitas keuangan (lanjutan)

e. Financial assets and liabilities (continued)

(ii) Pengakuan

(ii) Recognition

Bank pada awalnya mengakui kredit yang diberikan serta simpanan pada tanggal perolehan. 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.

The Bank initially recognizes loans and deposits on the date of origination. Regular way purchases and sales of financial assets are recognized on the trade date at which the Bank commits to purchase or sell the asset. All other financial assets and liabilities are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instruments.

Pada saat pengakuan awal, aset atau liabilitas keuangan diukur pada nilai wajar ditambah (untuk *item* 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 dan liabilitas keuangan setelah pengakuan awal tergantung pada klasifikasi aset keuangan dan liabilitas keuangan tersebut.

A financial asset or liability is initially measured at fair value plus (for an item not valued at fair value through profit and loss at initial recognition) transaction costs subsequently measured at fair value that are directly attributable to the acquisition of financial assets or issuance of financial liabilities. The subsequent measurement of financial assets and liabilities depends on their classifications.

Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk perolehan suatu aset keuangan atau penerbitan suatu liabilitas keuangan dan merupakan biaya tambahan yang tidak akan terjadi apabila instrumen keuangan tersebut tidak diperoleh atau diterbitkan. Untuk aset keuangan, biaya transaksi ditambahkan pada jumlah yang diakui pada awal pengakuan aset, sedangkan untuk liabilitas keuangan, biaya transaksi dikurangkan dari jumlah utang yang diakui pada awal pengakuan liabilitas.

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issue 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.

Biaya transaksi tersebut diamortisasi selama umur instrumen berdasarkan metode suku bunga efektif dan dicatat sebagai bagian dari pendapatan bunga untuk biaya transaksi sehubungan dengan aset keuangan atau sebagai bagian dari beban bunga untuk biaya transaksi sehubungan dengan liabilitas keuangan.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Aset dan liabilitas keuangan (lanjutan)

e. Financial assets and liabilities (continued)

(ii) Pengakuan (lanjutan)

(ii) Recognition (continued)

Aset dan liabilitas keuangan yang dimiliki untuk tujuan diperdagangkan pada saat pengakuan awal dan setelah pengakuan awal diakui dan diukur pada nilai wajar di laporan posisi keuangan, dengan biaya transaksi yang terjadi diakui langsung pada laporan laba rugi dan penghasilan komprehensif lain.

Financial assets and liabilities held for trading are initially recognized and subsequently measured at fair value in the statements of financial position, with transaction costs taken directly to the statements of profit or loss and other comprehensive income.

Semua perubahan nilai wajar diakui sebagai bagian dari keuntungan perubahan nilai wajar instrumen keuangan pada laporan laba rugi dan penghasilan komprehensif lain. Keuntungan atau kerugian yang direalisasi pada saat penjualan aset yang dimiliki untuk diperdagangkan, diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

All changes in fair value are recognized as part of gain from the changes in the fair value of financial instruments in the statements of profit or loss and other comprehensive income. Gains or losses which are realized when the financial assets held for trading are sold, are recognized in the statements of profit or loss and other of comprehensive income.

Aset dan liabilitas keuangan untuk diperdagangkan tidak direklasifikasi setelah pengakuan awal.

Financial assets and liabilities held for trading are not reclassified subsequent to their initial recognition.

(iii) Penghentian pengakuan

(iii) Derecognition

Bank menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kadaluwarsa, atau pada saat Bank mentransfer seluruh hak untuk menerima arus kas kontraktual dari aset keuangan dalam transaksi dimana Bank secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan yang ditransfer. Setiap hak atau liabilitas atas aset keuangan yang ditransfer yang timbul atau yang masih dimiliki oleh Bank diakui sebagai aset atau liabilitas secara terpisah.

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 on 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.

Bank menghentikan pengakuan liabilitas keuangan pada saat liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluwarsa.

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Aset dan liabilitas keuangan (lanjutan)

e. Financial assets and liabilities (continued)

(iii) Penghentian pengakuan (lanjutan)

(iii) Derecognition (continued)

Dalam transaksi dimana Bank secara substansial 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.

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.

Bank menghapusbukkan saldo kredit dan efek utang untuk tujuan investasi, dan cadangan kerugian penurunan nilai terkait, pada saat Bank menentukan bahwa kredit atau efek-efek tersebut tidak dapat ditagih. Keputusan ini diambil setelah mempertimbangkan informasi seperti telah terjadinya perubahan signifikan pada posisi keuangan debitur/penerbit sehingga debitur/penerbit tidak lagi dapat melunasi liabilitasnya, atau hasil penjualan agunan tidak akan cukup untuk melunasi seluruh eksposur kredit yang diberikan.

The Bank writes off a loan and investment debt security balance, and any related allowance for impairment losses, when the Bank determines that the loan or security is uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrowers/issuers financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

(iv) Saling hapus

(iv) Offsetting

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya dilaporkan di laporan posisi keuangan jika, dan hanya jika, saat ini terdapat hak yang berkekuatan hukum untuk saling hapus jumlah keduanya dan terdapat intensi untuk diselesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently an enforceable legal rights to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

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e. Aset dan liabilitas keuangan (lanjutan)

(iv) Saling hapus (lanjutan)

Hak yang berkekuatan hukum berarti:

- a. tidak terdapat kontinjensi di masa yang akan datang, dan
- b. hak yang berkekuatan hukum pada kondisi-kondisi berikut ini;
 - i. kegiatan bisnis normal;
 - ii. kondisi kegagalan usaha; dan
 - iii. kondisi gagal bayar atau bangkrut.

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

(v) Pengukuran biaya diamortisasi

Biaya perolehan diamortisasi dari aset 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 cadangan kerugian penurunan nilai.

(vi) 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 antara pelaku pasar pada tanggal pengukuran.

Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

- Di pasar utama untuk aset dan liabilitas tersebut; atau
- Jika tidak terdapat pasar utama, dipasar yang paling menguntungkan untuk aset atau liabilitas tersebut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial assets and liabilities (continued)

(iv) Offsetting (continued)

Enforceable right means:

- a. *there are no contingencies in the future, and*
- b. *enforceable right to the following conditions;*
 - i. *deploying normal activities;*
 - ii. *conditions of business failures; and*
 - iii. *conditions of default or bankruptcy.*

Income and expenses are presented on a net basis only when permitted by accounting standards.

(v) 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, minus allowance for impairment losses.

(vi) 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *In the principal market for the asset or liability, or*
- *In the absence of a principal market, in the most advantageous market for the asset or liability.*

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Aset dan liabilitas keuangan (lanjutan)

e. Financial assets and liabilities (continued)

(vi) Pengukuran nilai wajar (lanjutan)

(vi) Fair value measurement (continued)

Nilai wajar suatu aset atau liabilitas diukur menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset dan liabilitas tersebut dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomik terbaiknya.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Pengukuran nilai wajar aset non-keuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomik dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut dalam penggunaan tertinggi dan terbaiknya.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Bank menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hirarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik.
- Level 2 : input selain harga kuotasian yang termasuk dalam Level 1 yang dapat diobservasi untuk aset dan liabilitas baik secara langsung (misalnya harga) atau secara tidak langsung; input untuk aset dan liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).
- Level 3: input untuk aset dan liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (example, price) or indirectly;
- Level 3 : inputs for the asset and liability that are not based on observable market data (unobservable inputs).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Aset dan liabilitas keuangan (lanjutan)

e. Financial assets and liabilities (continued)

(vi) Pengukuran nilai wajar (lanjutan)

(vi) Fair value measurement (continued)

Untuk aset dan liabilitas yang diakui pada laporan keuangan secara berulang, Bank menentukan apakah terjadi transfer antara level di dalam hirarki dengan cara mengevaluasi kategori (berdasarkan input level terendah yang signifikan dalam pengukuran nilai wajar) setiap akhir periode pelaporan.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(vii) Reklasifikasi Instrumen Keuangan

(vii) Reclassification of Financial Instruments

Bank tidak melakukan reklasifikasi instrumen keuangan dari atau ke klasifikasi yang diukur pada nilai wajar melalui laporan laba rugi selama instrumen keuangan tersebut dimiliki atau diterbitkan.

The Bank shall not reclassify any financial instrument out of or into the fair value through profit or loss classification while it is held or issued.

Bank tidak mereklasifikasi setiap instrumen keuangan dari diukur pada nilai wajar melalui laba rugi jika pada pengakuan awal instrumen keuangan tersebut ditetapkan oleh Bank sebagai diukur pada nilai wajar melalui laba rugi.

The Bank does not reclassify any financial instrument out of fair value through profit or loss classification if upon initial recognition the financial instrument is designated by the Bank as at fair value through profit or loss.

Bank mereklasifikasi aset keuangan dari diukur pada nilai wajar jika aset keuangan tersebut tidak lagi dimiliki untuk tujuan penjualan atau pembelian kembali dalam waktu dekat (meskipun aset keuangan mungkin telah diperoleh atau timbul terutama untuk tujuan penjualan atau pembelian kembali dalam waktu dekat).

The Bank reclassify financial assets out of fair value through profit or loss classification if the financial asset no longer owned for the purpose of selling or repurchasing it in the near term (although the financial asset might have been acquired or intended principally for the purpose of selling or repurchasing it in the near term).

f. Giro pada Bank Indonesia dan bank lain

f. Current Accounts with Bank Indonesia and other banks

Giro pada Bank Indonesia dan bank lain setelah perolehan awal dinilai sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif (EIR). Cadangan kerugian penurunan nilai untuk giro pada bank lain diukur bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2m.

Subsequent to initial recognition, current accounts with Bank Indonesia and other banks are measured at their amortized cost using the effective interest rate (EIR) method. Allowance for impairment losses for current account with other bank is assessed if there is an indication of impairment using the impairment methodology as disclosed in Note 2m.

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g. Penempatan pada Bank Indonesia dan bank lain

Penempatan pada Bank Indonesia dan bank lain merupakan penanaman dana dalam bentuk *call money*, Fasilitas Simpanan Bank Indonesia dan deposito berjangka.

Penempatan pada Bank Indonesia dinyatakan sebesar saldo penempatan dikurangi dengan pendapatan bunga yang ditangguhkan.

Penempatan pada bank lain pada awalnya diukur pada nilai wajar ditambah biaya transaksi yang dapat diatribusikan secara langsung dan merupakan biaya tambahan untuk memperoleh aset keuangan tersebut, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif (EIR). Cadangan kerugian penurunan nilai diukur bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2m.

h. Efek-efek

Efek-efek terdiri dari obligasi korporasi, *negotiable certificate of deposits*, investasi dalam unit penyertaan reksa dana, Obligasi Ritel Indonesia, Obligasi Pemerintah Indonesia, Sertifikat Bank Indonesia ("SBI"), Surat Perbendaharaan Negara, Obligasi Republik Indonesia, Sertifikat Deposito Bank Indonesia ("SDBI") dan wesel impor/ekspor.

Efek-efek pada awalnya diukur pada nilai wajar ditambah biaya transaksi, kecuali aset keuangan yang diklasifikasikan pada nilai wajar melalui laba rugi dimana biaya transaksi diakui langsung ke laporan laba rugi dan penghasilan komprehensif lain. Pengukuran setelah pengakuan awal tergantung pada klasifikasinya.

Pengukuran efek-efek dan obligasi Pemerintah didasarkan atas klasifikasinya sebagai berikut:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks consist of call money, Bank Indonesia Deposit Facilities and time deposits.

Placements with Bank Indonesia are stated at the outstanding balances, less unearned interest income.

Placements with other banks are initially measured at fair value plus incremental direct transaction cost directly attributable to obtain the financial asset, and subsequently measured at their amortized cost using the effective interest rate (EIR) method. Allowance for impairment losses is assessed if there is an indication of impairment using the impairment methodology as disclosed in Note 2m.

h. Securities

Securities consist of corporate bonds, negotiable certificate of deposits, investments in mutual fund units, Indonesian Retail Bonds, Government Bonds, Certificates of Bank Indonesia ("SBI"), State Treasury Notes, Republic of Indonesia Bonds, Certificates of Deposit Bank Indonesia ("SDBI") and import/export bills.

Securities are initially measured at fair value plus transaction costs, except for financial assets classified as fair value through profit or loss where the transaction costs are recognized directly to the statement of profit or loss and other comprehensive income. Subsequent measurement depends on their classification.

The measurement of securities and Government bonds are based on the classification of the securities as follows:

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Efek-efek (lanjutan)

h. Securities (continued)

1. Dimiliki hingga jatuh tempo

1. Held-to-maturity

Efek-efek yang diklasifikasikan dimiliki hingga jatuh tempo dicatat pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif setelah pengakuan awal. Bila terjadi penjualan atau reklasifikasi dalam jumlah yang lebih dari jumlah yang tidak signifikan dari efek-efek dalam kelompok dimiliki hingga jatuh tempo yang belum mendekati tanggal jatuh tempo, maka hal ini akan menyebabkan reklasifikasi atas semua 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.

Securities classified as held-to-maturity are subsequently carried at amortized cost using effective interest method after initial recognition. Any sale or reclassification of a more than insignificant amount of held-to-maturity securities not close to their maturity would result in the reclassification of all held-to-maturity securities as available-for-sale and prevent the Bank from classifying securities as held-to-maturity for the current and the following two financial years.

2. Tersedia untuk dijual

2. Available-for-sale

Setelah pengakuan awal, efek-efek yang diklasifikasikan dalam kelompok tersedia untuk dijual dinyatakan pada nilai wajarnya.

After initial recognition, securities classified as available-for-sale are carried at their fair value.

Pendapatan bunga diakui dalam laporan laba rugi dan penghasilan komprehensif lain dengan menggunakan metode suku bunga efektif. Laba atau rugi selisih kurs atas efek-efek utang yang tersedia untuk dijual diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Interest income is recognized in the statement of profit or loss and other comprehensive income using the effective interest method. Foreign exchange gains or losses on available-for-sale debt securities are recognized in the statements of profit or loss and other comprehensive income.

Perubahan nilai wajar lainnya diakui secara langsung sebagai penghasilan komprehensif lain sampai efek-efek tersebut dijual atau mengalami penurunan nilai, dimana keuntungan dan kerugian kumulatif yang sebelumnya diakui sebagai penghasilan komprehensif lain direklasifikasi ke laba rugi sebagai penyesuaian reklasifikasi.

Other fair value changes are recognized directly as other comprehensive income until the securities are sold or impaired, where upon the cumulative gains and losses previously recognized in other comprehensive income are reclassified to profit or loss as a reclassification adjustment.

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h. Efek-efek (lanjutan)

3. Diukur pada nilai wajar melalui laba rugi

a. Diperdagangkan

Setelah pengakuan awal, efek-efek yang diklasifikasikan ke dalam kelompok diperdagangkan diukur pada nilai wajar di laporan posisi keuangan. Keuntungan atau kerugian yang belum direalisasi akibat perubahan nilai wajar efek-efek yang diperdagangkan diakui sebagai bagian dari keuntungan atau kerugian dari perubahan nilai wajar instrumen keuangan dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan. Efek-efek yang diperdagangkan tidak direklasifikasi setelah pengakuan awal.

b. Ditetapkan pada nilai wajar melalui laba rugi

Efek-efek tertentu telah ditetapkan sebagai efek-efek pada nilai wajar melalui laba rugi apabila aset tersebut dikelola, dievaluasi dan dilaporkan secara internal atas dasar nilai wajar.

Cadangan kerugian penurunan nilai diukur bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2m.

i. Instrumen keuangan derivatif

Dalam melakukan usaha bisnisnya, Bank melakukan transaksi instrumen keuangan derivatif seperti kontrak tunai dan berjangka mata uang asing, *swap* mata uang asing, *cross currency swaps*, dan *swap* suku bunga. Seluruh instrumen derivatif yang diadakan Bank adalah untuk diperdagangkan dan untuk tujuan lindung nilai terhadap risiko bank atas *net open position*, risiko *interest gap*, risiko *maturity gap* dan risiko lainnya dalam kegiatan operasional Bank dan tidak memenuhi kriteria akuntansi lindung nilai. Instrumen keuangan derivatif dicatat pada nilai wajarnya dan perubahan nilai wajar dari instrumen derivatif ini dibebankan atau dikreditkan dalam laporan laba rugi dan penghasilan komprehensif lain tahun yang bersangkutan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Securities (continued)

3. Fair value through profit and loss

a. Held for trading

After initial recognition, securities classified as held for trading are measured at fair value in the statements of financial position. Unrealized gains or losses from changes in fair value of trading securities are recognized as part of gain or loss from changes in fair value of financial instruments in the statement of profit or loss and other comprehensive income for the year. Trading securities are not reclassified subsequent to their initial recognition.

b. Designated at fair value through profit or loss

Certain securities had been designated as securities at fair value through profit or loss when the assets are managed, evaluated and reported internally on a fair value basis.

Allowance for impairment losses are assessed if there is an indication of impairment using the impairment methodology as disclosed in Note 2m.

i. Derivative financial instruments

In the normal course of business, the Bank enters into transactions involving derivative financial instruments such as foreign currency spot and forward contracts, foreign currency swaps, cross currency swaps and interest rate swaps. All derivative instruments entered by the Bank were for trading as well for hedging the Banks exposures to net open position, interest gap risk, maturity gap risk, and other risks in the Banks daily operations and did not qualify for hedge accounting. Derivative financial instruments are stated at fair value and the changes in fair value of these derivative financial instruments are charged or credited to the statements of profit or loss and other comprehensive income for the year.

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j. Efek-efek yang dibeli dengan janji dijual kembali dan efek-efek yang dijual dengan janji dibeli kembali

Efek-efek yang dibeli dengan janji dijual kembali

Efek-efek yang dibeli dengan janji dijual kembali (*reverse repo*) diakui sebesar harga jual kembali efek yang bersangkutan dikurangi pendapatan bunga yang belum diamortisasi. Selisih antara harga beli dengan harga jual diperlakukan sebagai pendapatan bunga yang belum diamortisasi dan diakui sebagai pendapatan bunga sesuai dengan jangka waktu efek dibeli hingga dijual kembali dengan menggunakan metode suku bunga efektif (EIR). Efek yang dibeli tidak dibukukan sebagai aset dalam laporan posisi keuangan karena kepemilikan efek tetap berada pada pihak penjual.

Efek-efek yang dibeli dengan janji dijual kembali diklasifikasikan sebagai pinjaman yang diberikan dan piutang.

Efek-efek yang dijual dengan janji dibeli kembali (*repo*) diakui sebesar harga pembelian kembali yang disepakati dikurangi beban bunga yang belum diamortisasi. Beban bunga yang belum diamortisasi merupakan selisih antara harga jual dengan harga beli kembali yang disepakati dan diakui sebagai beban bunga selama jangka waktu sejak efek dijual hingga dibeli kembali dengan menggunakan metode suku bunga efektif (EIR). Efek yang dijual tetap dicatat sebagai aset dalam laporan posisi keuangan karena secara substansi kepemilikan efek tetap berada pada pihak Bank sebagai penjual.

Efek-efek yang dijual dengan janji dibeli kembali diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Securities purchased under agreement to resell and securities sold under repurchased agreements

Securities purchased under agreement to resell

Securities purchased under agreements to resell (*reverse repo*) are recognized as a repo receivable in the amount of the resale price of the related securities, less unamortized interest. The difference between purchase price and the selling price is treated as unamortized interest and is recognized as interest income in accordance with the period since the securities are purchased until they are resold by using effective interest rate (EIR) method. The securities received are not recorded as assets on the statements of financial position because the ownership of the securities remains with the seller.

Securities purchased under agreement to resell are classified as loans and receivables.

Securities sold under repurchased (*repo*) agreements are recognized at the agreed repurchase price less unamortized interest. The unamortized interest represents the difference between the selling price and the agreed repurchase price and is recognized as interest expense during the period from the sale of securities to the date of repurchase by using Effective Interest Rate (EIR) method. The securities sold are recorded as assets on the statements of financial position because in substance the ownership of the securities remains with the Bank as the seller.

Securities sold under repurchased agreement are classified as financial liabilities measured at amortized cost.

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k. Kredit yang diberikan

Kredit yang diberikan pada awalnya diukur pada nilai wajar ditambah biaya transaksi yang dapat diatribusikan secara langsung dan merupakan biaya tambahan untuk memperoleh aset keuangan tersebut, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Cadangan kerugian atas penurunan nilai dilakukan bila terdapat bukti objektif penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2m.

Kredit yang diberikan dihapusbukukan ketika tidak terdapat prospek yang realistis mengenai pengembalian pinjaman atau hubungan normal antara Bank dan debitur dengan jaminan telah berakhir. Pinjaman yang tidak dapat dilunasi dihapusbukukan dengan mendebit cadangan kerugian penurunan nilai. Pelunasan kemudian atas pinjaman yang telah dihapusbukukan sebelumnya, dikreditkan ke cadangan kerugian penurunan nilai pinjaman di laporan posisi keuangan.

Restrukturisasi kredit

Restrukturisasi kredit meliputi modifikasi persyaratan kredit, konversi kredit menjadi saham atau instrumen keuangan lainnya dan/atau kombinasi dari keduanya.

Kerugian yang timbul dari restrukturisasi kredit yang berkaitan dengan modifikasi persyaratan kredit diakui bila nilai tunai penerimaan kas masa depan yang telah ditentukan dalam persyaratan kredit yang baru, termasuk penerimaan yang diperuntukan sebagai bunga maupun pokok, adalah lebih kecil dari nilai kredit yang diberikan yang tercatat sebelum restrukturisasi.

Untuk restrukturisasi kredit bermasalah dengan cara konversi kredit yang diberikan menjadi saham atau instrumen keuangan lainnya, kerugian dari restrukturisasi kredit diakui hanya apabila nilai wajar penyertaan saham atau instrumen keuangan yang diterima dikurangi estimasi biaya untuk menjualnya, adalah kurang dari nilai tercatat kredit yang diberikan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Loans

Loans are initially measured at fair value plus incremental transaction costs which can be directly attributable and are additional costs to obtain those financial assets, and subsequently measured at their amortized cost using the effective interest method. Allowance for impairment losses is assessed if there is an indication of impairment using the impairment methodology as disclosed in Note 2m.

Loans are written-off when there are no realistic prospects of collection or when the Banks normal relationship with the collateralised borrowers has ceased to exist. When loans are deemed uncollectible, they are written-off against the related allowance for impairment losses. Subsequent recoveries of loans written-off are credited to the allowance for impairment losses from loans in the statement of financial position.

Loan restructuring

Loan restructuring may involve a modification of the terms of the loans, conversion of loans into equity or other financial instruments and/or a combination of both.

Losses on loan restructuring in respect of modification of the terms of the loans are recognized only if the cash value of total future cash receipt specified in the new terms of the loan, including both receipt designated as interest and those designated as loan principal, are less than the recorded amounts of loans before restructuring.

For non-performing loan restructuring which involves a conversion of loan into equity or other financial instrument, a loss on loan restructuring is recognized only if the fair value of the equity investment or other financial instrument received, reduced by estimated costs to sell the equity or other financial instrument, is less than the carrying value of the loan.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

l. Tagihan dan utang akseptasi

Dalam kegiatan bisnis biasa, Bank memberikan jaminan keuangan, seperti *letters of credit*, bank garansi dan akseptasi.

Setelah pengakuan awal, tagihan dan utang akseptasi dicatat pada biaya perolehan diamortisasi.

Cadangan kerugian penurunan nilai dilakukan bila terdapat indikasi penurunan nilai dengan menggunakan metodologi penurunan nilai sebagaimana diungkapkan dalam Catatan 2m.

m. Penurunan nilai aset keuangan dan non-keuangan

Penurunan nilai aset keuangan

Pada setiap tanggal pelaporan, Bank mengevaluasi apakah terdapat bukti yang objektif bahwa aset keuangan atau kelompok aset keuangan yang tidak dicatat pada nilai wajar melalui laba rugi telah mengalami penurunan nilai.

Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai telah terjadi jika, dan hanya jika, terdapat bukti yang objektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut (peristiwa yang menyebabkan penurunan nilai), yang berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara andal.

Bukti obyektif bahwa aset keuangan mengalami penurunan nilai meliputi wanprestasi atau tunggakan pembayaran oleh debitur, restrukturisasi kredit atau uang muka oleh Bank dengan persyaratan yang tidak mungkin diberikan jika debitur tidak mengalami kesulitan keuangan, indikasi bahwa debitur atau penerbit akan dinyatakan pailit, hilangnya pasar aktif dari aset keuangan akibat kesulitan keuangan, atau data yang dapat diobservasi lainnya yang 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Acceptances receivable and payable

In the ordinary course of business, the Bank provides financial guarantees, consisting of letters of credit, bank guarantees and acceptances.

After initial recognition, acceptance receivables and payables are carried at amortized cost.

Allowances for impairment losses are assessed if there is an indication of impairment by using the impairment methodology as disclosed in Note 2m.

m. Impairment of financial and non-financial assets

Impairment of financial assets

At each reporting date, the Bank assesses whether there is any objective evidence that a financial asset or a group of financial assets not carried at fair value through profit and loss are impaired.

A financial asset or a group of financial assets is deemed to be impaired and impairment losses incurred if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter into bankruptcy, the disappearance of an active market for a security due to financial difficulties, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

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m. Penurunan nilai aset keuangan dan non-keuangan (lanjutan)

Penurunan nilai aset keuangan (lanjutan)

Bank menentukan bukti penurunan nilai atas aset keuangan secara individual dan kolektif. Evaluasi penurunan nilai terhadap aset keuangan yang signifikan dilakukan secara individual.

Semua aset keuangan yang signifikan secara individual yang tidak mengalami penurunan nilai secara individual dievaluasi secara kolektif untuk menentukan penurunan nilai yang sudah terjadi namun belum diidentifikasi. Aset keuangan yang tidak signifikan secara individual akan dievaluasi secara kolektif untuk menentukan penurunan nilainya dengan mengelompokkan aset keuangan tersebut berdasarkan karakteristik risiko yang serupa. Aset keuangan yang dievaluasi secara individual untuk penurunan nilai, dan dimana kerugian penurunan nilai diakui tidak lagi termasuk dalam penurunan nilai secara kolektif.

Bank menerapkan model statistik dengan menggunakan data historis kerugian kredit dan mempertimbangkan hal-hal berikut ini dalam menentukan cadangan kerugian penurunan nilai kredit secara kolektif:

- data historis *probability of default*,
- waktu pemulihan,
- jumlah kerugian yang terjadi, dan
- pertimbangan pengalaman manajemen mengenai apakah kondisi ekonomi dan kredit saat ini mungkin menyebabkan kerugian aktual lebih besar atau lebih kecil daripada jumlah yang didasarkan pada pengalaman historis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Impairment of financial and non-financial assets (continued)

Impairment of financial assets (continued)

The Bank considers evidence of impairment for financial assets at both individual and collective level. All significant financial assets are assessed for individual impairment.

All individually significant financial assets not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Financial assets that are not individually significant are collectively assessed for impairment by grouping together such financial assets with similar risk characteristics. Financial assets that are individually assessed for impairment and for which an impairment loss is recognized are no longer included in the collective assessment of impairment.

The Bank apply statistical modeling using historical loan loss data and taking into account the following in determining the allowance for collective impairment loan loss:

- *historical trend of the probability of default,*
- *the timing of recoveries,*
- *the amount of loss incurred, and*
- *consideration of management's experience as to whether the current economic and credit conditions are such that the actual level of incurred losses is likely to be greater or less than that suggested by historical experience.*

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m. Penurunan nilai aset keuangan dan non-keuangan (lanjutan)

Penurunan nilai aset keuangan (lanjutan)

Kerugian penurunan nilai atas aset keuangan yang dicatat pada biaya perolehan diamortisasi diukur sebesar selisih antara nilai tercatat aset keuangan dengan nilai kini estimasi arus kas masa datang yang didiskonto menggunakan suku bunga efektif awal dari aset keuangan tersebut. Kerugian yang terjadi diakui pada laporan laba rugi dan penghasilan komprehensif lain dan dicatat pada akun cadangan kerugian penurunan nilai atas aset keuangan yang dicatat pada biaya perolehan diamortisasi. Pendapatan bunga atas aset keuangan yang mengalami penurunan nilai tetap diakui atas dasar suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam pengukuran kerugian penurunan nilai. Ketika peristiwa yang terjadi setelah penurunan nilai menyebabkan jumlah kerugian penurunan nilai berkurang, kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan dan pemulihan tersebut diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Kerugian penurunan nilai atas efek-efek yang tersedia untuk dijual diakui dengan mengeluarkan kerugian kumulatif yang telah diakui secara langsung sebagai 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 laporan laba rugi dan penghasilan komprehensif lain. Perubahan pada cadangan kerugian penurunan nilai yang dapat diatribusikan pada nilai waktu (*time value*) tercermin sebagai komponen pendapatan bunga.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Impairment of financial and non-financial assets (continued)

Impairment of financial assets (continued)

Impairment losses on financial assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate. Losses are recognized in the statement of profit or loss and other comprehensive income and reflected in an allowance account against financial assets carried at amortized cost. Interest on the impaired financial asset continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the statement of profit or loss and other comprehensive income.

Impairment losses on available-for-sale securities are recognized by transferring the cumulative losses that have been recognized directly as other comprehensive income to profit or loss as a reclassification adjustment.

The cumulative losses that are reclassified from other comprehensive income to profit or loss are the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in the statement of profit or loss and other comprehensive income. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

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m. Penurunan nilai aset keuangan dan non-keuangan (lanjutan)

Penurunan nilai aset keuangan (lanjutan)

Jika pada tahun berikutnya, nilai wajar utang yang diklasifikasikan dalam kelompok tersedia untuk dijual yang mengalami penurunan nilai meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian penurunan nilai pada laporan laba rugi dan penghasilan komprehensif lain, maka kerugian penurunan nilai tersebut harus dipulihkan dan pemulihan tersebut diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Jika persyaratan kredit, piutang atau efek 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.

Penyesuaian atas cadangan kerugian penurunan nilai aset keuangan dicatat dalam tahun dimana penyesuaian tersebut diketahui atau dapat ditaksir secara wajar. Termasuk dalam penyesuaian ini adalah penambahan cadangan kerugian penurunan nilai aset keuangan maupun pemulihan aset keuangan yang telah dihapusbukukan.

Penurunan nilai aset non-keuangan

Nilai tercatat dari aset yang bukan aset keuangan Bank, kecuali aset pajak tangguhan, ditelaah setiap tanggal pelaporan untuk menentukan apakah terdapat indikasi penurunan nilai. Jika indikasi tersebut ada, maka nilai yang dapat dipulihkan dari aset tersebut akan diestimasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Impairment of financial and non-financial assets (continued)

Impairment of financial assets (continued)

If in the subsequent year, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of profit or loss and other comprehensive income, the impairment loss was to be reversed, with the amount of reversal recognized in the statement of profit or loss and other comprehensive income.

If the terms of a loan, receivable or held-to-maturity security 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.

Adjustment to the allowance for impairment losses from financial assets are reported in the year such adjustments become known or can be reasonably estimated. These adjustments include additional allowance for impairment losses, as well as recoveries of previously written-off financial assets.

Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount will be estimated.

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m. Penurunan nilai aset keuangan dan non-keuangan (lanjutan)

Penurunan nilai aset non-keuangan (lanjutan)

Nilai yang dapat diperoleh kembali dari suatu aset atau unit penghasil kas adalah sebesar jumlah yang lebih tinggi antara nilai pakainya dan nilai wajar aset atau unit penghasil kas dikurangi biaya untuk menjual. Dalam menilai nilai pakai, estimasi arus kas masa depan didiskontokan ke nilai sekarang dengan menggunakan tingkat diskonto sebelum pajak yang mencerminkan penilaian pasar saat ini terhadap nilai kas kini dan risiko spesifik terhadap aset tersebut.

Cadangan penurunan nilai diakui pada tahun sebelumnya dinilai pada setiap tanggal pelaporan untuk melihat adanya indikasi bahwa kerugian telah menurun atau tidak ada lagi. Kerugian penurunan nilai di jurnal balik jika terdapat perubahan estimasi yang digunakan dalam menentukan nilai yang dapat dipulihkan.

Cadangan kerugian penurunan nilai di jurnal balik hanya hingga nilai tercatat aset tidak melebihi nilai tercatat yang telah ditentukan, dikurangi dengan depresiasi atau amortisasi, jika cadangan penurunan nilai tidak pernah diakui.

Bank tidak diwajibkan lagi untuk membentuk cadangan kerugian penurunan nilai untuk aset non produktif, namun Bank tetap harus menghitung cadangan kerugian penurunan nilai mengacu pada standar akuntansi yang berlaku (lihat Catatan 14b).

n. Aset tetap

Bank menerapkan kebijakan akuntansi model revaluasi untuk aset tetap berupa tanah dan bangunan. Untuk aset tetap selain tanah dan bangunan menggunakan model biaya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Impairment of financial and non-financial assets (continued)

Impairment of non-financial assets (continued)

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Allowance for impairment loss recognized in prior year is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Allowance for impairment losses is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

The Bank is not required to provide an allowance for impairment losses for non-productive assets, but the Bank should still calculate the impairment losses in accordance with the applicable accounting standards (see Note 14b).

n. Fixed assets

Bank applies revaluation model as accounting policy for land and buildings. For fixed assets other than land and buildings, it applies cost model.

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n. Aset tetap (lanjutan)

Tanah dan bangunan disajikan sebesar nilai wajar, dikurangi akumulasi penyusutan untuk bangunan. Penilaian terhadap tanah dan bangunan dilakukan oleh penilai independen eksternal yang telah memiliki sertifikasi. Penilaian atas aset tersebut dilakukan secara berkala untuk memastikan bahwa nilai wajar aset yang direvaluasi tidak berbeda secara material dengan nilai tercatatnya. Akumulasi penyusutan pada tanggal revaluasi dieliminasi terhadap nilai tercatat bruto aset, dan nilai netonya disajikan kembali sebesar nilai revaluasi aset tetap.

Jika nilai wajar dari aset yang direvaluasi mengalami perubahan yang signifikan dan fluktuatif, maka perlu direvaluasi secara tahunan, sedangkan jika nilai wajar dari aset yang direvaluasi tidak mengalami perubahan yang signifikan dan fluktuatif, maka perlu dilakukan revaluasi paling kurang 3 tahun sekali.

Kenaikan nilai tercatat yang timbul dari revaluasi tanah dan bangunan dicatat sebagai "Surplus Revaluasi Aset Tetap" dan disajikan sebagai "Penghasilan Komprehensif Lain". Penurunan nilai tercatat yang timbul dari revaluasi, jika ada, dicatat sebagai beban pada tahun berjalan. Apabila aset tersebut memiliki saldo "Surplus Revaluasi Aset Tetap" maka selisih penurunan nilai tercatat tersebut dibebankan terhadap "Surplus Revaluasi Aset Tetap" yang disajikan sebagai "Penghasilan Komprehensif Lain" dan sisanya diakui sebagai beban tahun berjalan.

Aset tetap, selain tanah dan bangunan, pada awalnya dinyatakan sebesar harga perolehan. Biaya perolehan mencakup harga pembelian dan semua pengeluaran-pengeluaran yang terkait secara langsung untuk membawa aset tersebut ke lokasi dan kondisi yang diperlukan untuk memungkinkan aset tersebut beroperasi sebagaimana ditentukan oleh manajemen. Setelah pengukuran awal, aset tetap diukur dengan model biaya, dicatat pada harga perolehan dikurangi akumulasi penyusutan dan akumulasi kerugian penurunan nilai aset.

Tanah, termasuk biaya pengurusan legal hak atas tanah ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan aset tanah dan tidak diamortisasi. Biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah ditangguhkan dan diamortisasi sepanjang umur hukum hak atau umur ekonomi tanah, mana yang lebih pendek.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Fixed assets (continued)

Land and buildings are stated at fair value, less subsequent depreciation for buildings. Valuation of land and buildings is performed by external independent valuers with certain qualification. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

If the fair value of the revalued asset change significantly, it is necessary to revalue on an annual basis, whereas if the fair value of the revalued asset does not change significantly, it is necessary to revalue at a minimum every 3 years.

Increase in the carrying amount arising from revaluation of land and buildings is recorded in "Revaluation Surplus of Fixed Assets" and presented as "Other Comprehensive Income". Decrease in carrying amount as a result of revaluation, if any, is recorded as expenses in the current year. If the asset does have balance on its "Revaluation Surplus of Fixed Assets", loss from revaluation of fixed asset is charged to "Revaluation Surplus of Fixed Assets" which is presented as "Other Comprehensive Income" and the remaining balance is charged to current year's expenses.

Fixed assets, except land and buildings, are initially recognized at cost. Acquisition cost includes purchase price and expenditures directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in the manner attended by management. Subsequent to initial measurement, fixed assets are measured using cost model, carried at its cost less accumulated depreciation and accumulated impairment losses.

Land, including legal cost incurred when the land was first acquired is recognized as part of the land acquisition cost and not amortized. The cost of the extension or renewal of legal right over land is deferred and amortized over the life of legal life or economic life of the land, whichever is shorter.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Aset tetap (lanjutan)

n. Fixed assets (continued)

Penyusutan aset tetap selain tanah dihitung dengan menggunakan metode garis lurus atau saldo menurun berganda berdasarkan taksiran masa manfaat aset tetap sebagai berikut:

Depreciations of fixed assets other than land are calculated on a straight-line or double declining balance method based on the estimated useful lives of the assets as follows:

	Masa manfaat (tahun)/ Useful lives (year)	
Bangunan	20	<i>Buildings</i>
Peralatan dan perabot kantor, kendaraan dan perbaikan gedung	4 - 8	<i>Office equipment and furniture and fixtures, vehicles and building improvements</i>

Beban perbaikan dan pemeliharaan dibebankan pada laporan laba rugi dan penghasilan komprehensif lain; sedangkan renovasi dan penambahan yang jumlahnya signifikan dan memperpanjang masa manfaat dikapitalisasi ke aset tetap yang bersangkutan. Nilai tercatat serta akumulasi penyusutan atas aset tetap yang tidak digunakan lagi atau dijual, dikeluarkan dari kelompok aset tetap yang bersangkutan, dan laba atau ruginya diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

Normal repair and maintenance expenses are charged to the statement of profit or loss and other comprehensive income; while renovation and betterments, which are significant and prolong the useful life of assets, are capitalized to the respective assets. The carrying amount and the related accumulated depreciation of fixed assets which are not utilized anymore or sold, are removed from the related group of assets, and the gains or losses are recognized in the statements of profit or loss and other comprehensive income.

Aset dalam penyelesaian merupakan aset yang masih dalam proses pembangunan dan belum siap untuk digunakan, serta dimaksudkan untuk dipergunakan dalam kegiatan usaha. Aset ini dicatat sebesar biaya yang telah dikeluarkan dan dipindahkan ke aset tetap yang bersangkutan pada saat selesai dan siap digunakan.

Construction in progress consists of assets that are still in progress of construction and are not ready for use yet and are intended to be used for business activity. This account is recorded based on the amount paid and transferred to the respective fixed assets when completed and ready to use.

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat dilepaskan atau saat tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Laba atau rugi yang timbul dari penghentian pengakuan aset (dihitung sebagai perbedaan antara jumlah neto hasil pelepasan dan jumlah tercatat dari aset) diperhitungkan dalam laporan laba rugi dan penghasilan komprehensif lain pada periode aset tersebut dihentikan pengakuannya.

An item of fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of profit and other comprehensive income in the period such asset is derecognized.

Pada setiap akhir tahun buku, Bank melakukan penelaahan atas nilai residu, masa manfaat dan metode penyusutan dan disesuaikan secara prospektif.

The residual values, useful lives and methods of depreciation of fixed asset are reviewed by Bank and adjusted prospectively, if appropriate, at the end of each year.

Surplus revaluasi yang dipindahkan ke saldo laba adalah sebesar perbedaan biaya perolehan awalnya. Pemindahan surplus revaluasi ke saldo laba tidak dilakukan melalui laba rugi.

The amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfer from revaluation surplus to retained earnings is not made through profit and loss.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

o. Agunan yang diambil alih

Agunan yang diambil alih disajikan dalam akun "Aset Lain-lain".

Agunan yang diambil alih dinyatakan sebesar nilai realisasi bersih atau sebesar nilai *outstanding* kredit yang diberikan, mana yang lebih rendah. Nilai realisasi bersih adalah nilai wajar agunan yang diambil alih dikurangi dengan estimasi biaya untuk menjual agunan tersebut. Selisih lebih saldo kredit di atas nilai realisasi neto dari agunan yang diambil alih dibebankan ke dalam akun cadangan kerugian penurunan nilai kredit.

Selisih antara nilai agunan yang diambil alih dan hasil penjualannya diakui sebagai keuntungan atau kerugian pada saat penjualan.

Manajemen mengevaluasi nilai agunan yang diambil alih secara berkala. Cadangan kerugian penurunan nilai pada agunan yang diambil alih dibentuk berdasarkan penurunan nilai agunan yang diambil alih.

Beban-beban sehubungan dengan perolehan dan pemeliharaan agunan yang diambil alih dibebankan pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan pada saat terjadinya.

p. Aset lain-lain

Terdiri dari aset yang tidak material yang tidak dapat digolongkan dalam pos-pos sebelumnya. Aset lain-lain dinyatakan sebesar nilai tercatat, yaitu harga perolehan setelah dikurangi dengan akumulasi amortisasi, penurunan nilai atau cadangan kerugian.

q. Liabilitas segera

Liabilitas segera merupakan liabilitas Bank kepada pihak lain yang sifatnya wajib segera dibayarkan sesuai dengan perintah pemberi amanat atau perjanjian yang ditetapkan sebelumnya. Liabilitas segera dinyatakan sebesar nilai liabilitas Bank kepada pemberi amanat.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Foreclosed assets

Foreclosed assets are presented in the "Other Assets" account.

Foreclosed assets are stated at net realizable value or stated at loan outstanding amount, whichever is lower. Net realizable value is the fair value of the foreclosed assets less estimated costs of disposing the assets. The excess of loan receivable over the net realizable value of the foreclosed assets is charged to allowance for impairment of the loan losses.

The difference between the value of the foreclosed assets and the proceeds from the sale of such property is recorded as a gain or loss when the property is sold.

Management evaluates the value of foreclosed assets regularly. An allowance for possible losses on foreclosed assets are provided based on the decline in value of foreclosed assets.

Expenses in relation with the acquisition and maintenance of foreclosed assets are charged in the current year of statement of profit or loss and other comprehensive income as incurred.

p. Other assets

Represent immaterial assets that cannot be classified under the above accounts. Other assets are stated at carrying amount, which is cost less accumulated amortization, allowance for impairment losses or possible losses.

q. Obligations due immediately

Obligations due immediately represent the Bank's liabilities to beneficiaries that are payable immediately in accordance with the demand from the beneficiaries or as agreed upon by the Bank's and the beneficiaries. Obligation due immediately are stated at outstanding payables to the beneficiaries.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

r. Simpanan dari nasabah dan simpanan dari Bank lain

Simpanan dari nasabah dan simpanan dari bank lain pada awalnya diukur pada nilai wajar ditambah biaya transaksi yang dapat diatribusikan secara langsung dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

s. Pendapatan dan beban bunga

Pendapatan dan beban bunga diakui dalam laporan laba rugi dan penghasilan komprehensif lain dengan menggunakan metode suku bunga efektif. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran dan penerimaan 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 dari aset keuangan atau liabilitas keuangan. Pada saat menghitung suku bunga efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, tetapi tidak mempertimbangkan kerugian kredit di masa mendatang.

Perhitungan suku bunga efektif mencakup biaya transaksi (Catatan 2e.ii) dan seluruh imbalan/provisi dan bentuk lain yang dibayarkan atau diterima yang merupakan bagian tak terpisahkan dari suku bunga efektif.

Pendapatan dan beban bunga yang disajikan di dalam laporan laba rugi dan penghasilan komprehensif lain meliputi:

- Bunga atas aset dan liabilitas keuangan yang dicatat pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif;
- Bunga atas aset keuangan untuk tujuan tersedia untuk dijual yang dihitung menggunakan metode suku bunga efektif.

Pendapatan bunga dari semua aset keuangan yang diperdagangkan dipandang bersifat insidental terhadap kegiatan perdagangan Bank dan disajikan sebagai pendapatan bunga.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Deposits from customer and deposits from other banks

Deposits from customer and deposits from other banks are initially measured at fair value plus directly attributable transaction costs and subsequently measured at their amortized cost using the effective interest method.

s. Interest income and expense

Interest income and expenses are recognized in the statements of profit or loss and other comprehensive income using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The calculation of the effective interest rate includes transaction costs (Note 2e.ii) and all fees and points paid or received that are an integral part of the effective interest rate.

Interest income and expenses presented in the statements of profit or loss and other comprehensive income include:

- *Interest on financial assets and liabilities at amortized cost calculated on an effective interest method;*
- *Interest on available-for-sale financial assets calculated on an effective interest method.*

Interest income on all trading financial assets are considered to be incidental to the Bank's trading operations and are presented as part of interest income.

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s. Pendapatan dan beban bunga (lanjutan)

Jika aset keuangan atau kelompok aset keuangan serupa telah diturunkan nilainya sebagai akibat kerugian penurunan nilai, maka pendapatan bunga yang diperoleh setelahnya diakui atas bagian aset keuangan yang tidak mengalami penurunan nilai dari aset keuangan yang mengalami penurunan nilai, berdasarkan suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam menghitung kerugian penurunan nilai.

Kredit yang pembayaran angsuran pokok atau bunganya telah lewat 90 hari atau lebih setelah jatuh tempo atau yang pembayarannya secara tepat waktu diragukan, secara umum diklasifikasikan sebagai kredit yang mengalami penurunan nilai.

Beban diakui pada saat terjadinya.

t. Provisi dan komisi

Pendapatan dan beban provisi dan komisi yang signifikan dan merupakan bagian tak terpisahkan dari suku bunga efektif atas aset keuangan atau liabilitas keuangan dimasukkan ke dalam perhitungan suku bunga efektif.

Pendapatan provisi dan komisi lainnya termasuk provisi yang terkait dengan kegiatan perkreditan, kegiatan ekspor-impor, provisi sebagai pengatur sindikasi dan provisi atas jasa diakui pada saat jasa tersebut dilakukan.

Beban provisi dan komisi lainnya sehubungan dengan transaksi antar bank diakui sebagai beban pada saat jasa tersebut diterima.

Apabila pinjaman diselesaikan sebelum jatuh tempo, maka saldo pendapatan provisi dan komisi yang belum diamortisasi diakui pada saat pinjaman diselesaikan.

u. Keuntungan (kerugian) perubahan nilai wajar aset keuangan

Keuntungan (kerugian) perubahan nilai wajar instrumen keuangan merupakan perubahan nilai wajar dari efek-efek dan instrumen derivatif yang ditetapkan pada nilai wajar melalui laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Interest income and expense (continued)

Once a financial asset or a group of similar financial assets' value has been written down as a result of an impairment loss, interest income is recognized as the unimpaired portion of the impaired financial assets using the rate of interest used to discount the future cash flows for the purpose of measuring the impaired loss.

Loans with principal and interest payment that have been past due for 90 days or more, or where reasonable doubts regarding the timely collection, exist are generally classified as impaired loans.

Expenses are recognized when incurred.

t. Fees and commissions

Fees and commission income and expenses that are significant and integral to the effective interest rate on financial asset or financial liability are included in the measurement of the effective interest rate.

Other fees and commission income, including credit related fees, export-import related fees, syndication lead arranger fees, and provision for services are recognized when the related services are performed.

Other fees and commission expense related mainly to inter-bank transaction fees which are expensed as the service are received.

The outstanding balances of unamortized fees and commissions on loans terminated or settled prior to maturity are recognized as income upon settlement.

u. Gain (loss) from changes in fair value of financial assets

Gain (loss) from changes in fair value of financial instruments represent changes in fair value of securities and derivative instruments designated at fair value through profit or loss.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

v. Provisi

Provisi diakui jika, sebagai akibat peristiwa masa lalu, Bank memiliki kewajiban kini, baik bersifat hukum maupun bersifat konstruktif, yang dapat diestimasi secara andal, dan kemungkinan besar penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi.

w. Liabilitas imbalan pasca-kerja

Imbalan pasca-kerja dicadangkan dan diakui sebagai biaya ketika jasa telah diberikan oleh pegawai yang menjadi peserta program pensiun Bank. Imbalan kerja ditentukan berdasarkan peraturan Bank dan persyaratan minimum Undang-undang Tenaga Kerja No. 13/2003, mana yang lebih tinggi.

Liabilitas imbalan pasca-kerja dihitung sebesar nilai kini dari estimasi jumlah liabilitas imbalan pasca-kerja di masa depan yang timbul dari jasa yang telah diberikan oleh karyawan pada masa kini dan masa lalu, dikurangi dengan nilai wajar aset program, jika ada. Perhitungan dilakukan oleh aktuaris independen dengan metode *projected-unit credit*.

Nilai kini liabilitas imbalan pasti ditentukan dengan mendiskontokan estimasi arus kas keluar masa depan dengan menggunakan tingkat bunga obligasi pemerintah berkualitas tinggi dalam mata uang yang sama dengan mata uang imbalan yang akan dibayarkan dan waktu jatuh tempo yang kurang lebih sama dengan waktu jatuh tempo imbalan yang bersangkutan.

Seluruh biaya jasa lalu diakui pada saat yang lebih dulu antara ketika amandemen/kurtailmen terjadi atau ketika biaya restrukturisasi atau pemutusan hubungan kerja diakui. Sebagai akibatnya, biaya jasa lalu yang belum vested tidak lagi dapat ditangguhkan dan diakui selama periode vesting masa depan.

Bunga neto atas imbalan pasti neto merupakan komponen pendapatan bunga dari aset program, biaya bunga atas liabilitas imbalan pasti dan bunga atas dampak batas atas dari aset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

w. Post-employment benefits liability

The post-employment benefits are accrued and recognized as expense when services have been rendered by qualified employees. The benefits are determined based on the Bank's regulations and the minimum requirements of Labor Law No. 13/2003, whichever is higher.

Post-employment benefits liability is calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and past periods, deducted by plan assets, if any. Calculation is performed by an independent actuary using the projected-unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality government bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximately the same as the terms of the related pension liability.

All past service costs are recognized at the earlier of the occurrence of amendment/curtailment and the recognition of related restructuring or termination costs. As a result, unvested past service costs can no longer be deferred and recognized over the future vesting period.

Net interest of the net defined benefit liabilities is the interest income component of plan assets, interest expense of defined benefit obligation and interest of the effect of asset ceiling.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

w. Liabilitas imbalan pasca-kerja (lanjutan)

Pengukuran kembali liabilitas imbalan pasti neto terdiri atas:

- keuntungan dan kerugian aktuarial
- imbal hasil atas aset program, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas imbalan pasti neto
- setiap perubahan dampak batas atas aset, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas imbalan pasti neto.

Pesangon pemutusan hubungan kerja

Pesangon pemutusan hubungan kerja terutang ketika karyawan dihentikan kontrak kerjanya sebelum usia pensiun normal. Bank mengakui pesangon pemutusan hubungan kerja ketika menunjukkan komitmennya untuk memutuskan hubungan kerja dengan karyawan berdasarkan suatu rencana formal terperinci yang kecil kemungkinannya untuk dibatalkan. Pesangon yang akan dibayarkan dalam waktu lebih dari 12 bulan setelah tanggal laporan posisi keuangan didiskontokan untuk mencerminkan nilai kini.

x. Perpajakan

Beban pajak terdiri dari pajak kini dan tangguhan. Pajak diakui dalam laporan laba rugi dan penghasilan komprehensif lain.

Manajemen melakukan evaluasi secara periodik atas posisi yang diambil dalam surat pemberitahuan pajak apabila terdapat situasi di mana peraturan perpajakan yang berlaku adalah subjek atas interpretasi. Bank membentuk cadangan, jika dianggap perlu berdasarkan jumlah yang diestimasikan akan dibayarkan ke kantor pajak.

Pajak penghasilan tangguhan disajikan dengan menggunakan metode posisi keuangan untuk semua perbedaan temporer yang muncul antara dasar pengenaan pajak atas aset dan liabilitas dengan nilai tercatatnya dalam rangka kebutuhan laporan keuangan pada setiap tanggal pelaporan. Tarif pajak yang berlaku digunakan dalam menentukan pajak penghasilan tangguhan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

w. Post-employment benefits liability (continued)

Remeasurement of the net defined benefit obligation consists of:

- *actuarial gains and losses*
- *return on plan assets, excluding amount included in net interest of the net defined benefit obligation*
- *any changes in effect of the asset ceiling, excluding amount included in net interest of the net defined benefit obligation.*

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date. The Bank recognizes termination benefits when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan with low possibility of withdrawal. Benefits which will be paid more than 12 months after statement of financial position's date are discounted to reflect its present value.

x. Taxation

The tax expense comprises current and deferred tax. Tax is recognized in the statements of profit or loss and other comprehensive income.

Management periodically evaluates the positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. The Bank establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is determined using the financial position method, for all temporary differences arises between the tax bases of assets and liabilities and their carrying values for financial reporting purposes at each reporting date. Currently enacted or substantially enacted tax rates are used to determine deferred income tax.

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x. Perpajakan (lanjutan)

Aset pajak tangguhan diakui apabila terdapat kemungkinan besar bahwa jumlah laba fiskal pada masa datang akan memadai untuk mengkompensasi aset pajak tangguhan yang muncul akibat perbedaan temporer tersebut.

Perbedaan antara nilai tercatat dari aset revaluasi dan dasar pengenaan pajak merupakan perbedaan temporer sehingga menimbulkan liabilitas atau aset pajak tangguhan, kecuali untuk aset tertentu seperti tanah yang pada saat realisasinya dikenakan pajak final yang dikenakan atas nilai bruto transaksi.

Koreksi terhadap liabilitas perpajakan diakui saat surat ketetapan pajak diterima atau jika mengajukan keberatan, pada saat keputusan atas keberatan tersebut telah ditetapkan.

y. Laba per saham

Laba per saham dasar dihitung dengan membagi laba tahun berjalan dengan rata-rata tertimbang jumlah saham biasa yang ditempatkan dan disetor penuh selama tahun yang bersangkutan, setelah memperhitungkan pembagian dividen saham dan saham bonus yang diterapkan secara retrospektif.

z. Program loyalitas pelanggan

Program loyalitas pelanggan digunakan Bank untuk memberikan insentif kepada pelanggan untuk membeli barang atau jasa entitas. Jika pelanggan membeli barang atau jasa, maka Bank akan memberikan poin penghargaan kepada pelanggan (seringkali disebut sebagai "poin"). Pelanggan dapat menukar poin penghargaan tersebut dengan barang atau jasa secara gratis atau dengan potongan harga. Interpretasi ini berlaku untuk poin penghargaan loyalitas pelanggan yang:

- a. diberikan oleh Bank kepada pelanggannya sebagai bagian dari transaksi penjualan yaitu penjualan barang, pemberian jasa, atau penggunaan aset entitas oleh pelanggan; dan
- b. bergantung pada pemenuhan terhadap setiap kondisi lebih lanjut yang disyaratkan, pelanggan dapat menukar barang atau jasa secara gratis atau dengan potongan harga di masa depan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Taxation (continued)

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to compensate the deferred tax assets that arose from temporary differences.

The difference between the carrying amount of a revalued asset and its tax base is a temporary difference that gives rise to a deferred tax liability or asset, except for certain asset such as land, which realization is taxed with final tax on gross value of transaction.

Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the results of the appeal have been decided.

y. Earnings per share

Earnings per share is computed by dividing income for the year with the weighted average number of outstanding common shares issued and are fully paid-up during the year, after considering effect of stock dividends and bonus shares distribution that applied retrospectively.

z. Customer loyalty program

Customer loyalty program is used by the Bank to provide customers with incentives to buy their goods or services. If a customer buys goods or services, the Bank grants the customer award credits (often described as points). The customer can redeem the award credits for awards such as free or discounted goods or services. This interpretation applies to customer loyalty award credits that:

- a. *the Bank are granted by to its customers as part of a sales transaction, i.e. a sale of goods, rendering of services or use by a customer of entity's assets; and*
- b. *subject to fulfilment of any further qualifying conditions, the customers can redeem for free or discounted goods or services in the future.*

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

aa. Sewa

aa. Lease

Bank sebagai lessee

Bank as lessee

Suatu sewa diklasifikasikan sebagai sewa operasi jika sewa tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset sewaan. Dengan demikian, pembayaran sewa diakui sebagai beban dengan metode garis lurus (*straight-line method*) selama masa sewa.

Lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the leased asset. Accordingly, the related lease payments are recognized in profit or loss on a straight-line method over the lease term.

Bank sebagai lessor

Bank as lessor

Dalam sewa menyewa operasi, Bank sebagai *lessor* mengakui aset untuk sewa operasi di laporan posisi keuangan sesuai sifat aset tersebut. Bank mencatat aset tersebut sebagai aset sewa operasi yang disusutkan dengan menggunakan metode garis lurus selama umur manfaat aset tersebut. Biaya langsung awal sehubungan proses negosiasi sewa operasi ditambahkan ke jumlah tercatat dari aset sewaan dan diakui sebagai beban selama masa sewa dengan dasar yang sama dengan pendapatan sewa. Rental kontinjen, apabila ada, diakui sebagai pendapatan pada tahun-tahun terjadinya.

Under an operating lease, the Bank as a lessor presents assets subject to operating leases in its statements of financial position according to the nature of the asset. The Bank recorded those assets as assets under operating leases which is depreciated using straight-line method over the estimated useful lives of the assets. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents, if any, are recognized as revenue in the years in which they are earned.

ab. Perubahan Pernyataan Standar Akuntansi Keuangan dan Interpretasi Standar Akuntansi Keuangan

ab. Change to Statements of Financial Accounting Standards and Interpretations of Statements of Financial Accounting Standards

Pada tanggal 1 Januari 2018, Bank menerapkan pernyataan standar akuntansi keuangan ("PSAK") dan interpretasi standar akuntansi keuangan ("ISAK") baru dan revisi yang efektif sejak tanggal tersebut. Perubahan kebijakan akuntansi Bank telah dibuat seperti yang disyaratkan, sesuai dengan ketentuan transisi dalam masing-masing standar dan interpretasi.

On 1 January 2018, the Bank adopted new and revised statements of financial accounting standards ("SFAS") and interpretations of statements of financial accounting standards ("ISFAS") that are mandatory for application from that date. Changes to the Bank's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards and interpretations.

Penerapan dari standar dan interpretasi baru berikut, tidak menimbulkan perubahan substansial terhadap kebijakan akuntansi Bank dan tidak berdampak signifikan terhadap jumlah yang dilaporkan pada tahun berjalan atau tahun sebelumnya:

The adoption of these new and revised standards and interpretation did not result in substantial changes to the Bank's accounting policies and had no material effect on the amounts reported for the current or prior financial years:

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

ab. Perubahan Pernyataan Standar Akuntansi Keuangan dan Interpretasi Standar Akuntansi Keuangan (lanjutan)

- Amandemen PSAK 53: Pembayaran Berbasis Saham: Klasifikasi dan Pengukuran Transaksi Pembayaran Berbasis Saham
- Amandemen PSAK 46: Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi
- Amandemen PSAK 2: Laporan Arus Kas tentang Prakarsa Pengungkapan

3. PERTIMBANGAN DAN ESTIMASI AKUNTANSI YANG SIGNIFIKAN

Dalam proses penerapan kebijakan akuntansi Bank, manajemen telah melakukan pertimbangan profesional dan estimasi dalam menentukan jumlah yang diakui dalam laporan keuangan. Beberapa pertimbangan profesional dan estimasi yang signifikan adalah sebagai berikut:

a. Sumber utama atas ketidakpastian estimasi

a.1 Cadangan kerugian penurunan nilai atas aset keuangan

Evaluasi atas kerugian penurunan nilai aset keuangan yang dicatat pada biaya perolehan diamortisasi dijelaskan di Catatan 2m.

Cadangan kerugian penurunan nilai terkait dengan pihak lawan spesifik dalam seluruh cadangan kerugian penurunan nilai dibentuk atas tagihan yang penurunan nilainya dievaluasi secara individual berdasarkan estimasi terbaik manajemen atas nilai tunai arus kas yang diharapkan akan diterima. Dalam mengestimasi arus kas ini, manajemen membuat pertimbangan mengenai kondisi keuangan dari pihak lawan dan nilai bersih yang dapat direalisasi dari agunan yang diterima. Setiap aset yang mengalami penurunan nilai dievaluasi, dan strategi penyelesaiannya serta estimasi arus kas yang dinilai dapat diperoleh kembali secara independen disetujui oleh bagian Risiko Kredit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ab. *Change to Statements of Financial Accounting Standards and Interpretations of Statements of Financial Accounting Standards (continued)*

- *Amendments of SFAS No. 53: Classification and Measurement of Share-based Payment Transactions*
- *Amendments of SFAS No. 46: Recognition of Deferred Tax Assets for Unrealised Losses*
- *Amendments of SFAS No. 2: Statement of Cash Flows regarding Recognition of Deferred Tax Assets for Unrealised Losses*

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In the process of applying the Bank's accounting policies, management has exercised professional judgments and estimates in determining the amounts recognized in the financial statements. The several significant uses of the professional judgments and estimates are as follows:

a. *Key sources of estimation uncertainty*

a.1 *Allowances for impairment losses on financial assets*

Financial assets accounted for at amortized cost are evaluated for impairment on a basis described in Note 2m.

The specific counterparty component of the total allowances for impairment applies to claim evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about the counterparty's financial situation and the net realizable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimated cash flows considered recoverable are independently approved by the Credit Risk Unit.

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3. PERTIMBANGAN DAN ESTIMASI AKUNTANSI YANG SIGNIFIKAN

a. Sumber utama atas ketidakpastian estimasi (lanjutan)

a.1 Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)

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 kredit secara kolektif, manajemen mempertimbangkan faktor-faktor seperti kualitas kredit, besarnya portofolio, konsentrasi kredit dan faktor-faktor ekonomi. Dalam mengestimasi cadangan yang diperlukan, asumsi-asumsi dibuat untuk menentukan model kerugian bawaan dan untuk menentukan parameter input yang diperlukan, berdasarkan pengalaman historis dan kondisi ekonomi saat ini.

Ketepatan dari cadangan ini bergantung pada seberapa tepat estimasi arus kas masa depan untuk menentukan cadangan individual serta asumsi model dan parameter yang digunakan dalam menentukan cadangan kolektif.

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 2e. 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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

a. Key sources of estimation uncertainty (continued)

a.1 Allowances for impairment losses on financial assets (continued)

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is an 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 historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimate future cash flows for specific counterparty.

The accuracy of the allowances depends on how well these estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

a.2 Determining fair values

In determining the fair value for financial assets and liabilities for which there is no observable market price, Bank should use the valuation techniques as described in Note 2e. For financial instruments that are infrequently trade and have little price transparency, fair value is 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.

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3. PERTIMBANGAN DAN ESTIMASI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

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

Bank menggunakan hirarki berikut untuk menentukan dan mengungkapkan nilai wajar dari instrumen keuangan: (Catatan 43)

- Level 1 : harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik.
- Level 2 : input selain harga kuotasian yang termasuk dalam Level 1 yang dapat diobservasi untuk aset dan liabilitas baik secara langsung (misalnya harga) atau secara tidak langsung;

Bank menggunakan hirarki berikut untuk menentukan dan mengungkapkan nilai wajar dari instrumen keuangan: (Catatan 43) lanjutan

- Level 3 : input untuk aset dan liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Kebijakan akuntansi Bank untuk pengukuran nilai wajar dibahas di Catatan 2.

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3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

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 adopts the following hierarchy for determining and disclosing the fair value of financial instruments: (Note 43)

- Level 1 : *quoted (unadjusted) market prices in active market for identical assets or liabilities.*
- Level 2 : *inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (example, price) or indirectly;*

The Bank adopts the following hierarchy for determining and disclosing the fair value of financial instruments: (Note 43) continued

- Level 3 : *inputs for the asset and liability that are not based on observable market data (unobservable inputs).*

The Bank's accounting policy on fair value measurements is discussed in Note 2.

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3. PERTIMBANGAN DAN ESTIMASI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

b. Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank (lanjutan)

Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank meliputi: (lanjutan)

b.1 Penilaian instrumen keuangan (lanjutan)

Nilai wajar dari aset keuangan dan liabilitas keuangan yang diperdagangkan di pasar aktif didasarkan pada kuotasi harga pasar atau kuotasi dari harga dealer. Untuk seluruh instrumen keuangan lainnya, Bank menentukan nilai wajar dengan menggunakan teknik penilaian. Teknik penilaian termasuk model nilai sekarang dan arus kas yang didiskontokan, dan perbandingan dengan instrumen yang sejenis dimana terdapat harga pasar yang dapat diobservasi. Asumsi dan input yang digunakan dalam teknik penilaian termasuk suku bunga bebas risiko (*risk-free*) dan suku bunga acuan, *credit spread* dan variabel lainnya yang digunakan dalam mengestimasi tingkat diskonto, harga obligasi, kurs mata uang asing, serta tingkat kerentanan dan korelasi harga yang diharapkan.

Tujuan dari teknik penilaian adalah penentuan nilai wajar yang mencerminkan harga dari instrumen keuangan pada tanggal pelaporan yang akan ditentukan oleh para partisipan di pasar dalam suatu transaksi yang wajar.

b.2 Klasifikasi aset dan liabilitas keuangan

Kebijakan akuntansi Bank memberikan keleluasaan untuk menetapkan aset dan liabilitas keuangan ke dalam berbagai kategori pada saat pengakuan awal sesuai dengan standar akuntansi yang berlaku berdasarkan kondisi tertentu:

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

b. Critical accounting judgments in applying the Bank's accounting policies (continued)

Critical accounting judgments made in applying the Bank's accounting policies include: (continued)

b.1 Valuation of financial instruments (continued)

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other variable used in estimating discount rates, bond prices, foreign currency exchange rates, and price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

b.2 Financial asset and liability classification

The Bank's accounting policies provide scope for assets and liabilities to be designated at inception into different accounting categories in certain circumstances:

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3. PERTIMBANGAN DAN ESTIMASI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

b. Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank (lanjutan)

Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank meliputi: (lanjutan)

b.2 Klasifikasi aset dan liabilitas keuangan (lanjutan)

- Dalam mengklasifikasikan aset keuangan dalam kelompok “diperdagangkan”, Bank telah menentukan bahwa aset tersebut sesuai dengan definisi aset dalam kelompok diperdagangkan yang dijabarkan pada Catatan 2e.
- Dalam menetapkan aset atau liabilitas keuangan pada nilai wajar melalui laba rugi, Bank telah menentukan bahwa aset tersebut memenuhi salah satu kriteria untuk penetapan tersebut seperti yang dijabarkan dalam Catatan 2e.
- Dalam mengklasifikasikan aset keuangan sebagai “dimiliki hingga jatuh tempo”, Bank telah menentukan bahwa Bank memiliki intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga tanggal jatuh tempo seperti yang dijabarkan dalam Catatan 2e.

Rincian klasifikasi aset dan liabilitas keuangan Bank disajikan di Catatan 43 atas laporan keuangan.

b.3 Aset pajak tangguhan

Aset pajak tangguhan diakui atas jumlah pajak penghasilan terpulihkan (*recoverable*) pada periode mendatang sebagai akibat perbedaan temporer yang boleh dikurangkan.

Justifikasi manajemen diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan waktu yang tepat dan tingkat laba fiskal di masa mendatang sejalan dengan strategi rencana perpajakan ke depan (Catatan 2x).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

b. Critical accounting judgments in applying the Bank’s accounting policies (continued)

Critical accounting judgments made in applying the Bank’s accounting policies include: (continued)

b.2 Financial asset and liability classification (continued)

- *In classifying financial assets as “trading”, the Bank has determined that it meets the description of trading assets set out in Note 2e.*
- *In designating financial assets or liabilities at fair value through profit or loss, the Bank has determined that it has met one of the criteria for this designation set out in Note 2e.*
- *In classifying financial assets as held-to-maturity, the Bank has determined that it has both the positive intention and ability to hold the assets until their maturity date as set out in Note 2e.*

Details of the Bank’s classification are presented in Note 43 of the financial statements.

b.3 Deferred tax assets

Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference.

Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future strategic planning (Note 2x).

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b. Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank (lanjutan)

Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank meliputi: (lanjutan)

b.4 Revaluasi Aset Tetap

Revaluasi aset tetap Bank bergantung pada pemilihan asumsi yang digunakan oleh penilai independen dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain: tingkat diskonto, nilai tukar, tingkat inflasi dan tingkat kenaikan pendapatan dan biaya. Bank berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan dalam asumsi yang ditetapkan Bank dapat mempengaruhi secara material nilai aset tetap yang direvaluasi. Penjelasan lebih rinci diungkapkan dalam Catatan 13.

b.5 Imbalan kerja

Penentuan liabilitas imbalan kerja Bank bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dan manajemen Bank dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji tahunan, tingkat pengunduran diri karyawan tahunan, tingkat kecacatan, umur pensiun dan tingkat kematian.

b.6 Pajak penghasilan

Bank mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan.

b.7 Penurunan nilai aset non-keuangan

Bank mengevaluasi penurunan nilai aset apabila terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat aset tidak dapat dipulihkan kembali. Faktor-faktor penting yang dapat menyebabkan penelaahan penurunan nilai adalah sebagai berikut:

- a) performa yang tidak tercapai secara signifikan terhadap ekspektasi historis atau proyeksi hasil operasi di masa yang akan datang;

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

b. Critical accounting judgments in applying the Bank's accounting policies (continued)

Critical accounting judgments made in applying the Bank's accounting policies include: (continued)

b.4 The Revaluation of Fixed assets

The Bank's fixed assets revaluation depends on its selection of certain assumptions used by the independent appraisal in calculating such amounts. Those assumptions include among others: discount rate, exchange rate, inflation rate and revenue and cost increase rate. The Bank believes that its assumptions are reasonable and appropriate and significant differences in the Bank's assumptions may materially affect the valuation of its revalued fixed assets. Further details are disclosed in Note 13.

b.5 Employee benefits

The determination of the Bank's employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries and the Bank's management in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate.

b.6 Income tax

The Bank recognizes liabilities for corporate income tax based on estimation of whether additional corporate income tax will be due.

b.7 Impairment of non-financial assets

The Bank assesses impairment of assets whenever events or changes in circumstances that would indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- a) significant underperformance relative to expected historical or projected future operating results;

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3. PERTIMBANGAN DAN ESTIMASI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

b. Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank (lanjutan)

Pertimbangan akuntansi yang penting dalam menerapkan kebijakan akuntansi Bank meliputi: (lanjutan)

b.7 Penurunan nilai aset non-keuangan (lanjutan)

- b) perubahan yang signifikan dalam cara penggunaan aset atau strategi bisnis secara keseluruhan; dan
- c) industri atau tren ekonomi yang secara signifikan bernilai negatif.

Bank mengakui kerugian penurunan nilai apabila nilai tercatat aset melebihi nilai yang dapat dipulihkan. Jumlah terpulihkan adalah nilai yang lebih tinggi antara nilai wajar dikurang biaya untuk menjual dengan nilai pakai aset (atau unit penghasil kas). Jumlah terpulihkan diestimasi untuk aset individual atau, jika tidak memungkinkan, untuk unit penghasil kas yang mana aset tersebut merupakan bagian daripada unit tersebut.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

b. Critical accounting judgments in applying the Bank's accounting policies (continued)

Critical accounting judgments made in applying the Bank's accounting policies include: (continued)

b.7 Impairment of non-financial assets (continued)

- b) significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- c) significant negative industry or economic trends.

The Bank recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

4. KAS

Kas terdiri dari:

	31 Desember/December 31	
	2018	2017
Rupiah	882.094	788.716
Mata uang asing		
Dolar Amerika Serikat	50.825	91.494
Dolar Singapura	32.638	32.254
Dolar Australia	22.200	35.053
Euro Eropa	10.043	64.855
Yen Jepang	646	7.734
Poundsterling Inggris Raya	7	11.708
Dolar Hong Kong	-	5.411
Dolar Selandia Baru	-	2
Total	998.453	1.037.227

Kas dalam Rupiah termasuk jumlah kas pada Anjungan Tunai Mandiri (ATM) masing-masing sejumlah Rp138.889 dan Rp124.289 pada tanggal-tanggal 31 Desember 2018 dan 2017.

Informasi mengenai klasifikasi dan nilai wajar diungkapkan pada Catatan 43.

4. CASH

Cash consists of the following:

	31 Desember/December 31	
	2018	2017
Rupiah	882.094	788.716
Mata uang asing		
Dolar Amerika Serikat	50.825	91.494
Dolar Singapura	32.638	32.254
Dolar Australia	22.200	35.053
Euro Eropa	10.043	64.855
Yen Jepang	646	7.734
Poundsterling Inggris Raya	7	11.708
Dolar Hong Kong	-	5.411
Dolar Selandia Baru	-	2
Total	998.453	1.037.227

Cash in Rupiah includes cash in Automatic Teller Machines (ATM) amounting to Rp138,889 and Rp124,289 as of December 31, 2018 and 2017, respectively.

Information with regard to the classification and fair value was disclosed in Note 43.

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5. GIRO PADA BANK INDONESIA

Giro pada Bank Indonesia terdiri dari:

		31 Desember/December 31			
		2018		2017	
		Mata uang asing (nilai penuh)/ Foreign currency (full amount)	Ekuivalen Rupiah/ Equivalent in Rupiah	Mata uang asing (nilai penuh)/ Foreign currency (full amount)	Ekuivalen Rupiah/ Equivalent in Rupiah
Rupiah			3.265.375		4.233.812
Dolar Amerika Serikat	41.200.000		592.456	41.530.000	563.459
Total			3.857.831		4.797.271

Bank dipersyaratkan untuk memiliki Giro Wajib Minimum (GWM) dalam mata uang Rupiah dalam kegiatannya sebagai bank umum dan GWM dalam mata uang asing dalam kegiatannya melakukan transaksi mata uang asing.

Pada tanggal 31 Desember 2018, Giro Wajib Minimum (GWM) Bank telah sesuai dengan Peraturan Anggota Dewan Gubernur (PADG) No.20/30/PADG/2018 tanggal 30 November 2018 yang merupakan perubahan dari PADG No.20/10/PADG/2018 tanggal 31 Mei 2018 tentang Giro Wajib Minimum Bank Umum Dalam Rupiah dan Valuta Asing Bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah; dan Pada tanggal 31 Desember 2017, Giro Wajib Minimum (GWM) Bank telah sesuai dengan PBI No. 20/3/PBI/2018 tanggal 29 Maret 2018 tentang Giro Wajib Minimum Bank Umum Dalam Rupiah dan Valuta Asing Bagi Bank Umum Konvensional, yang masing-masing sebesar:

5. CURRENT ACCOUNTS WITH BANK INDONESIA

Current accounts with Bank Indonesia consist of the following:

The Bank is required to maintain minimum statutory reserves (GWM) in Rupiah for conventional banking activities and statutory reserves in foreign currencies for foreign exchange transactions.

As of 31 December 2018, the Bank's Minimum Statutory Reserve complies with Board of Governors Member Regulations (PADG) which is the amendment of No. 20/10/PADG/2018 dated 31 May 2018 concerning Minimum Statutory Reserve of Commercial Banks, Sharia Banks, and Sharia Business Units; and as of 31 December 2017, the Bank's Minimum Statutory Reserve complies with Bank Indonesia (BI) PBI No. 20/3/PBI/2018 dated 29 Maret 2018 concerning Minimum Statutory Reserve of Commercial Banks with BI in Rupiah and foreign currency; which are as follows:

		31 Desember/December 31			
		2018	2017		
Rupiah				Rupiah	
- GWM Primer	6,50%	6,50%		Primary Reserves -	
Harian	3,50%	5,00%		Daily	
Rata-rata	3,00%	1,50%		Average	
- PLM (d/h GWM Sekunder)	4,00%	4,00%		PLM (Formerly Statutory Reserve) -	
				Foreign currencies	
Mata uang asing				Primary Reserves -	
- GWM Primer	8,00%	8,00%		Daily	
Harian	6,00%	-		Average	
Rata-rata	2,00%	-			

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5. GIRO PADA BANK INDONESIA (lanjutan)

GWM Primer adalah simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia. GWM Sekunder dan Penyangga Likuiditas Makroprudensial (PLM) adalah cadangan minimum yang wajib dipelihara oleh Bank berupa SBI, Surat Utang Negara (SUN), Surat Berharga Syariah Negara (SBSN) dan/atau excess reserve yang merupakan kelebihan saldo Rekening Giro Rupiah Bank dari GWM Primer, GWM LFR dan Rasio Intermediasi Makroprudensial (RIM). GWM LFR dan RIM adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, jika LFR dan RIM Bank dibawah minimum LFR dan RIM target Bank Indonesia (80%) atau jika di atas maksimum LFR dan RIM target BI (92%) dan Kewajiban Penyediaan Modal Minimum (KPMM) Bank lebih kecil dari KPMM Insentif BI sebesar 14%.

Rasio Giro Wajib Minimum untuk rekening Rupiah dan mata uang asing pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar:

	31 Desember/December 31	
	2018	2017
Rupiah		
- GWM Primer	6,80%	6,52%
- Harian	3,50%	5,00%
- Rata-rata	3,01%	1,52%
- PLM (d/h GWM Sekunder)	18,80%	32,26%
- RIM (d/h GWM LFR)	0,29%	2,11%
Mata uang asing		
- GWM Primer	8,04%	8,04%

Informasi mengenai jatuh tempo diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar diungkapkan pada Catatan 43.

5. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

Primary Minimum Statutory Reserve is a minimum reserve that should be maintained by the Bank in Current Accounts with Bank Indonesia. Secondary Minimum Statutory Reserve and Macroprudential Liquidity Buffer are the minimum reserves that should be maintained by the Bank which comprised of Certificates of Bank Indonesia (SBI), Government Debenture Debt (SUN), Sharia Government Securities (SBSN), and/or excess reserve which represent the excess reserve of the Bank's Current Accounts in Rupiah over the Primary Minimum Statutory Reserve, Minimum Statutory Reserve on LFR and Macroprudential Intermediation Ratio (RIM). Minimum Statutory Reserve on LFR and RIM is the additional reserve that should be maintained by the Bank in the form of Current Accounts with Bank Indonesia, if the Bank's LFR and RIM is below the minimum of LFR and RIM targeted by Bank Indonesia (80%) or if the Bank's LFR and RIM is above the maximum of LFR and RIM targeted by BI (92%) and the Capital Adequacy Ratio (CAR) is below BI requirement of 14%.

The ratio of the Minimum Statutory Reserve requirement for its Rupiah and foreign currencies accounts as of December 31, 2018 and 2017, are as follows:

	Rupiah
- Primary Reserves	-
- Daily	-
- Average	-
- PLM (Formerly Secondary Reserves)	-
- RIM (Formerly LFR Reserve)	-
- Foreign currencies	-
- Primary Reserves	-

Information in respect of maturities is disclosed in Note 44e. Information with regards to the classification and fair value is disclosed in Note 43.

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6. GIRO PADA BANK LAIN

a. Berdasarkan mata uang

	31 Desember/December 31			
	2018		2017	
	Mata uang asing (nilai penuh)/ Foreign currency (full amount)	Ekuivalen Rupiah/ Equivalent in Rupiah	Mata uang asing (nilai penuh)/ Foreign currency (full amount)	Ekuivalen Rupiah/ Equivalent in Rupiah
Pihak ketiga				
Rupiah		80.653		2.146
Mata uang asing				
Dolar Amerika Serikat	7.243.981	104.169	11.273.189	152.950
Dolar Singapura	6.283.770	66.325	3.565.065	36.202
Yen Jepang	103.333.393	13.497	45.429.038	5.475
Euro Eropa	301.955	4.964	338.028	5.488
Yuan China	2.302.036	4.813	206.556	430
Poundsterling Inggris	215.628	3.948	133.914	2.454
Dolar Australia	244.562	2.485	591.167	6.263
Dolar Selandia Baru	224.161	2.165	474.923	4.583
Franc Swiss	71.878	1.049	25.283	352
Dolar Hong Kong	524.878	964	1.521.370	2.641
		204.379		216.838
Pihak berelasi (Catatan 38)				
Rupiah		105		5.753
Total		285.137		224.737

b. Berdasarkan Bank

b. By Bank

	31 Desember/December 31		
	2018	2017	
Rupiah			Rupiah
Pihak berelasi (Catatan 38)			Related parties (Note 38)
PT Bank Pembangunan Daerah Sulawesi Utara	100	1.499	PT Bank Pembangunan Daerah Sulawesi Utara
PT Bank Pembangunan Daerah Sulawesi Tengah	5	4.254	PT Bank Pembangunan Daerah Sulawesi Tengah
	105	5.753	
Pihak ketiga			Third parties
PT Bank Central Asia Tbk	76.740	62	PT Bank Central Asia Tbk
PT Bank Pembangunan Daerah Papua	3.711	1.881	PT Bank Pembangunan Daerah Papua
PT Bank Rakyat Indonesia (Persero) Tbk	128	123	PT Bank Rakyat Indonesia (Persero) Tbk
PT Standard Chartered Bank Indonesia	42	43	PT Standard Chartered Bank Indonesia
PT Bank Mandiri (Persero) Tbk	10	15	PT Bank Mandiri (Persero) Tbk
Lainnya	22	22	Others
	80.653	2.146	
Total - Rupiah	80.758	7.899	Total - Rupiah

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6. GIRO PADA BANK LAIN (lanjutan)

b. Berdasarkan Bank (lanjutan)

	31 Desember/December 31	
	2018	2017
Mata uang asing		
Pihak ketiga		
Citibank N.A., New York	50.340	70.813
United Overseas Bank (UOB), Singapura	45.727	21.402
Citibank N.A., Jakarta	38.131	1.217
Standard Chartered Bank, Singapura	20.589	13.777
Standard Chartered Bank, New York	7.728	38.342
Wells Fargo Bank N.A., Tokyo	7.299	1.774
Sumitomo Mitsui Banking Corporation, Tokyo	6.199	3.701
ING Belgium	4.964	5.438
Standard Chartered Bank, London	3.948	2.454
Bank of China, Jakarta	3.628	106
PT Bank Central Asia Tbk	3.357	1.415
PT Bank Mandiri (Persero) Tbk	3.352	1.161
ANZ Banking Group Ltd., Melbourne	2.485	6.263
ANZ Banking Group Ltd., Selandia Baru	2.165	4.583
PT Bank ICBC Indonesia	1.185	325
Wells Fargo Bank, New York	1.260	1.544
Credit Suisse AG, Zurich	1.049	352
Standard Chartered Bank, Hong Kong	964	2.642
Development Bank of Singapore (DBS), Singapura	9	1.022
JP Morgan Chase N.A., New York	-	38.304
Bank of America, New York	-	132
Deutsche Bank AG, Frankfurt	-	50
Wells Fargo Bank, New Jersey	-	18
Lainnya	-	3
Total - mata uang asing	204.379	216.838
Total	285.137	224.737

Giro pada bank lain dalam mata uang Rupiah (kecuali giro Rupiah pada bank lain untuk wilayah Indonesia Bagian Timur), Dolar Hong Kong, Yen Jepang, Dolar Selandia Baru, Franc Swiss, Poundsterling Inggris dan Euro Eropa tidak mendapatkan bunga. Tingkat suku bunga rata-rata setahun untuk giro pada bank lain dalam Rupiah dan mata uang asing lainnya adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Rupiah	0,27%	0,26%
Mata uang asing		
Dolar Amerika Serikat	0,22%	0,21%
Yuan Cina	0,44%	0,22%
Dolar Australia	0,16%	0,01%
Dolar Singapura	0,05%	0,06%

6. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b. By Bank (continued)

Foreign currencies	
Third Parties	
Citibank N.A., New York	
United Overseas Bank (UOB), Singapore	
Citibank N.A., Jakarta	
Standard Chartered Bank, Singapore	
Standard Chartered Bank, New York	
Wells Fargo Bank N.A., Tokyo	
Sumitomo Mitsui Banking Corporation, Tokyo	
ING Belgium	
Standard Chartered Bank, London	
Bank of China, Jakarta	
PT Bank Central Asia Tbk	
PT Bank Mandiri (Persero) Tbk	
ANZ Banking Group Ltd., Melbourne	
ANZ Banking Group Ltd., New Zealand	
PT Bank ICBC Indonesia	
Wells Fargo Bank, New York	
Credit Suisse AG, Zurich	
Standard Chartered Bank, Hong Kong	
Development Bank of Singapore, (DBS) Singapore	
JP Morgan Chase N.A., New York	
Bank of America, New York	
Deutsche Bank AG, Frankfurt	
Wells Fargo Bank, New Jersey	
Others	
Total - foreign currencies	
Total	

Current accounts with other banks in Rupiah (except for Rupiah current accounts with other banks in East Region of Indonesia), Hong Kong Dollar, Japanese Yen, New Zealand Dollar, Swiss Franc, Great Britain Poundsterling and European Euro are non-interest bearing accounts. The average interest rates per annum for current accounts with other banks in Rupiah and other foreign currencies were as follows:

Rupiah
Foreign currencies
United States Dollar
China Yuan
Australian Dollar
Singapore Dollar

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6. GIRO PADA BANK LAIN (lanjutan)

Berdasarkan hasil penelaahan dan evaluasi manajemen Bank, seluruh giro pada bank lain digolongkan lancar.

Manajemen Bank berpendapat bahwa cadangan kerugian penurunan nilai untuk tahun 2018 dan 2017 tidak diperlukan.

Informasi mengenai jatuh tempo diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar diungkapkan pada Catatan 43.

Pada tanggal 31 Desember 2018 dan 2017, tidak terdapat giro pada bank lain yang dijaminkan.

7. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN

Penempatan pada Bank Indonesia dan bank lain terdiri dari:

a. Berdasarkan mata uang dan jenis

31 Desember/December 31	
2018	2017
Mata uang asing (nilai penuh)/ Foreign currency (full amount)	Ekuivalen Rupiah/ Equivalent in Rupiah
Pihak ketiga	
Rupiah	
Penempatan pada Bank Indonesia	
Deposito berjangka Bank Indonesia	149.951
Fasilitas simpanan Bank Indonesia	-
Total	149.951
Inter-bank Call Money	
PT Bank Sumitomo Mitsui Indonesia	600.000
PT Bank Pembangunan Daerah Riau	500.000
PT Bank Victoria International Tbk	360.000
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	200.000
PT Bank Pembangunan Daerah Daerah Istimewa Yogyakarta	100.000
PT Bank DKI	100.000
PT Bank Nobu	100.000
PT Bank Mandiri (Persero) Tbk	100.000
PT Bank Sinarmas Tbk.	100.000
PT Bank Capital Indonesia	70.000
PT Bank Kesejahteraan Ekonomi	25.000
PT Bank Jateng	-
PT Bank Tabungan Pensiunan Nasional Tbk	-
PT Bank Pembangunan Daerah Kalimantan Selatan	-
PT Bank KEB Hana Indonesia	-
PT Bank Bukopin Tbk	-
PT Bank CIMB Niaga Tbk	-
PT Bank Pembangunan Daerah Kalimantan Timur	-
PT Bank OCBC NISP Tbk	-
PT Bank Pembangunan Daerah Sulawesi Tenggara	-
	2.255.000
	2.404.951

6. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

Based on Bank's management's review and evaluation, all current account with other banks are considered as current.

The Bank's management believed that allowance for impairment losses in 2018 and 2017 were not required.

Information in respect of maturities were disclosed in Note 44e. Information with regard to the classification and fair value were disclosed in Note 43.

As of December 31, 2018 and 2017, there were no current accounts with other banks which were pledged.

7. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

Placements with Bank Indonesia and other banks as follows:

a. Based on currency and type

31 Desember/December 31	
2018	2017
Mata uang asing (nilai penuh)/ Foreign currency (full amount)	Ekuivalen Rupiah/ Equivalent in Rupiah
Third parties	
Rupiah	
Placements with Bank Indonesia	
Term Deposits of Bank Indonesia	
Deposit facilities of Bank Indonesia	
Total	2.549.554
Inter-bank Call Money	
PT Bank Sumitomo Mitsui Indonesia	400.000
PT Bank Pembangunan Daerah Riau	500.000
PT Bank Victoria International Tbk	350.000
PT Bank Pembangunan Daerah Jawa Barat and Banten Tbk	280.000
PT Bank Pembangunan Daerah Daerah Istimewa Yogyakarta	-
PT Bank DKI	-
PT Bank Nobu	-
PT Bank Mandiri (Persero) Tbk	-
PT Bank Sinarmas Tbk.	100.000
PT Bank Capital Indonesia	-
PT Bank Kesejahteraan Ekonomi	-
PT Bank Jateng	700.000
PT Bank Tabungan Pensiunan Nasional Tbk	350.000
PT Bank Pembangunan Daerah Kalimantan Selatan	300.000
PT Bank KEB Hana Indonesia	300.000
PT Bank Bukopin Tbk	300.000
PT Bank CIMB Niaga Tbk	250.000
PT Bank Pembangunan Daerah Kalimantan Timur	230.000
PT Bank OCBC NISP Tbk	200.000
PT Bank Pembangunan Daerah Sulawesi Tenggara	150.000
	4.410.000
	6.959.554

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7. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN (lanjutan)

Penempatan pada Bank Indonesia dan bank lain terdiri dari:

a. Berdasarkan mata uang dan jenis (lanjutan)

31 Desember/December 31

	2018		2017	
	Mata uang asing (nilai penuh)/ Foreign currency (full amount)	Ekuivalen Rupiah/ Equivalent in Rupiah	Mata uang asing (nilai penuh)/ Foreign currency (full amount)	Ekuivalen Rupiah/ Equivalent in Rupiah
Pihak ketiga (lanjutan)				
Mata uang asing				
<i>Inter-bank Call Money - USD</i>				
Wells Fargo Bank N.A., New York	6.800.000	97.784	10.550.000	143.137
PT Bank Negara Indonesia (Persero) Tbk	8.000.000	115.040	-	-
PT Bank Mandiri (Persero) Tbk	5.000.000	71.900	-	-
		284.724		143.137
Pihak berelasi (Catatan 38)				
Rupiah				
<i>Inter-bank Call Money</i>				
PT Bank Pembangunan Daerah Sulawesi Tengah		200.000	-	-
PT Bank Mega Syariah		-		67.000
		200.000		67.000
Total		2.889.675		7.169.691

b. Penempatan pada Bank Indonesia dan bank lain kepada pihak berelasi diungkapkan pada Catatan 38. Informasi mengenai jatuh tempo diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar diungkapkan pada Catatan 43.

Tingkat suku bunga rata-rata tertimbang setahun untuk penempatan adalah sebagai berikut:

Tahun yang Berakhir pada tanggal
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	2018	2017
Rupiah	6,06%	6,32%
Mata uang asing		
Dolar Amerika Serikat	1,81%	1,07%

Berdasarkan hasil penelaahan dan evaluasi manajemen Bank, seluruh penempatan pada bank lain digolongkan lancar.

Manajemen Bank berpendapat bahwa tidak terdapat penurunan nilai pada tanggal 31 Desember 2018 dan 2017.

Pada tanggal 31 Desember 2018 dan 2017 tidak terdapat penempatan pada Bank Indonesia dan bank lain yang dijaminkan.

7. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

Placements with Bank Indonesia and other banks as follows:

a. Based on currency and type (continued)

Third parties (continued)
Foreign currencies
Inter-bank Call Money - USD
Wells Fargo Bank N.A., New York
PT Bank Negara Indonesia
(Persero) Tbk
PT Bank Mandiri (Persero) Tbk

Related parties (Note 38)
Rupiah
Inter-bank Call Money
PT Bank Pembangunan Daerah
Sulawesi Utara
PT Bank Mega Syariah

b. Placements with Bank Indonesia and other banks with related parties are disclosed in Note 38. Information in respect of maturities were disclosed in Note 44e. Information with regard to the classification and fair value is disclosed in Note 43.

The weighted average of interest rate per annum for placements were as follows:

Rupiah
Foreign currencies
United States Dollar

Based on the Bank's management review and evaluation, all placement with other banks were classified as current.

The Bank's management believed that there were no impairment losses as of December 31, 2018 and 2017.

As of December 31, 2018 and 2017, there were no placements with Bank Indonesia and other banks which were pledged.

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8. EFEK-EFEK

Efek-efek terdiri dari:

- a. Berdasarkan jenis dan mata uang

8. SECURITIES

Securities consist of:

- a. Based on type and currency

31 Desember/ December 31					
	2018		2017		
	Nilai Nominal/ Nominal value	Nilai tercatat/ Nilai wajar/ Carrying value/ Fair Value	Nilai Nominal/ Nominal value	Nilai tercatat/ Nilai wajar/ Carrying value/ Fair Value	
Nilai wajar melalui laba rugi					Fair value through profit or loss
Diperdagangkan					Trading
Rupiah					Rupiah
Obligasi Pemerintah Indonesia	162.632	163.249	131.851	138.598	Indonesian Government Bonds
Obligasi Ritel Indonesia	9.275	9.275	3.450	3.489	Indonesian Retail bonds
	171.907	172.524	135.301	142.087	
Mata uang asing					Foreign currencies
Obligasi Republik Indonesia	3.451	3.230	101.349	101.288	Republic of Indonesia Bonds
	3.451	3.230	101.349	101.288	
Total - diperdagangkan	175.358	175.754	236.650	243.375	Total - trading
Total - nilai wajar melalui laba rugi	175.358	175.754	236.650	243.375	Total - fair value through profit or loss
Dimiliki hingga jatuh tempo					Held to maturity
Rupiah					Rupiah
Obligasi korporasi	3.895.879	3.895.886	2.674.717	2.674.729	Corporate bonds
Obligasi Pemerintah Indonesia	500.000	519.215	500.000	522.543	Indonesian Government Bonds
Total - dimiliki hingga jatuh tempo	4.395.879	4.415.101	3.174.717	3.197.272	Total - held to maturity
Tersedia untuk dijual					Available-for-sale
Rupiah					Rupiah
Obligasi Pemerintah Indonesia	12.323.423	11.656.593	4.305.379	4.431.080	Indonesian Government Bonds
Obligasi korporasi	5.393.000	5.320.113	5.332.000	5.489.567	Corporate bonds
Sertifikat Deposito Bank Indonesia	412.131	410.716	4.550.000	4.503.108	Deposits Certificates of Bank Indonesia
Negotiable Certificate of Deposit	375.000	333.809	700.000	619.124	Negotiable Certificate of Deposit
Surat Perbendaharaan Negara	-	-	2.363.367	2.355.657	Treasury Bills
Obligasi Ritel Indonesia	-	-	405.150	415.386	Indonesian Retail bonds
Wesel SKBDN	-	-	193	193	SKBDN Bills
	18.503.554	17.721.231	17.656.089	17.814.115	
Mata uang asing					Foreign currencies
Obligasi Republik Indonesia	273.220	269.846	945.655	955.379	Republic of Indonesia bonds
Obligasi korporasi	215.700	224.063	325.620	344.924	Corporate bonds
	488.920	493.909	1.271.275	1.300.303	
Total - tersedia untuk dijual	18.992.474	18.215.140	18.927.364	19.114.418	Total - available-for-sale
Total efek-efek		22.805.995		22.555.065	Total securities

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8. EFEK-EFEK (lanjutan)

b. Berdasarkan peringkat

Rincian peringkat obligasi korporasi pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

8. SECURITIES (continued)

b. Based on rating

The ratings of corporate bonds as of December 31, 2018 and 2017 were as follows:

31 Desember/ December 31					
2018			2017		
	Peringkat/ Rating	Total		Peringkat/ Rating	Total
Tersedia untuk dijual			Available-for-sale		
Rupiah			Rupiah		
Lembaga Pembiayaan Ekspor Indonesia	idAAA	1.120.977	idAAA	1.157.166	Lembaga Pembiayaan Ekspor Indonesia
PT Bank Pan Indonesia Tbk	idAA-	1.098.535	idAA-	650.617	PT Bank Pan Indonesia Tbk
PT Bank Permata Tbk	idAA+	604.370	idAA+	752.640	PT Bank Permata Tbk
PT Bank KEB Hana Indonesia	AAA(idn)	344.123		-	PT Bank KEB Hana Indonesia
PT Bank Tabungan Negara (Persero) Tbk	idAA+	302.460	idAA+	307.800	PT Bank Tabungan Negara (Persero) Tbk
MTN I Mitsubishi UFJ & Finance Indonesia	idAAA	301.834	idAAA	464.469	MTN I Mitsubishi UFJ & Finance Indonesia
MTN II Sumitomo Mitsui Indonesia	idAAA	300.263	idAAA	307.981	MTN II Sumitomo Mitsui Indonesia
PT Bank Rakyat Indonesia (Persero) Tbk	idAA	276.000		-	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank CIMB Niaga Tbk	AA-(idn)	260.363	AA(idn)	266.158	PT Bank CIMB Niaga Tbk
MTN Century Tokyo Leasing	idAAA	201.723	idAAA	206.823	MTN Century Tokyo Leasing
PT Bank Rakyat Indonesia Agroniaga Tbk	idAA	155.383	idAA	159.340	PT Bank Rakyat Indonesia Agroniaga Tbk
PT Bank Jateng	idAA-	149.158	idAA-	150.000	PT Bank Jateng
PT Bank Tabungan Pensiunan Nasional Tbk	AAA(idn)	139.729	AAA(idn)	139.119	PT Bank Tabungan Pensiunan Nasional Tbk
PT Bank Maybank Indonesia Tbk	idAA+	65.195	idAA+	114.175	PT Bank Maybank Indonesia Tbk
PT Permodalan Nasional Madani		-	idA	305.688	PT Permodalan Nasional Madani
PT Garuda Indonesia (Persero) Tbk		-	idBBB+	303.963	PT Garuda Indonesia (Persero) Tbk
MTN II Cilipan Finance Indonesia		-	idA+	203.628	MTN II Cilipan Finance Indonesia
Mata uang asing			Foreign currencies		
Majapahit Holding BV (PLN)	BBB-	224.063	BBB	222.887	Majapahit Holding BV (PLN)
Astra Sedaya Finance		-	BBB-	67.782	Astra Sedaya Finance
PT Bank Rakyat Indonesia (Persero) Tbk		-	BBB-	54.255	PT Bank Rakyat Indonesia (Persero) Tbk
Total - tersedia untuk dijual		5.544.176		5.834.491	Total - available-for-sale
Dimiliki hingga jatuh tempo			Held to maturity		
Rupiah			Rupiah		
PT Bank Rakyat Indonesia (Persero) Tbk	idAAA	600.000	idAAA	600.000	PT Bank Rakyat Indonesia (Persero) Tbk
PT Cilipan Finance Indonesia, Tbk	idAA-	522.000		-	PT Cilipan Finance Indonesia, Tbk
PT Pupuk Indonesia (Persero)	AAA(idn)	500.000	AAA(idn)	500.000	PT Pupuk Indonesia (Persero)
PT Permodalan Nasional Madani	idA	400.000		-	PT Permodalan Nasional Madani
PT Jasa Marga (Persero) Tbk	idAAA	394.407	idAAA	493.012	PT Jasa Marga (Persero) Tbk
PT Sarana Multi Infrastruktur (Persero)	idAAA	300.000	idAAA	300.000	PT Sarana Multi Infrastruktur (Persero) Tbk
PT Maybank Indonesia Finance	AA+(idn)	300.000	AA+(idn)	300.000	PT Maybank Indonesia Finance
Lembaga Pembiayaan Ekspor Indonesia	idAAA	300.000		-	Lembaga Pembiayaan Ekspor Indonesia
PT Indonesia Power	idAAA	196.479	idAAA	239.717	PT Indonesia Power
PT Waskita Karya (Persero) Tbk	A-(idn)	157.000	A-(idn)	157.000	PT Waskita Karya (Persero) Tbk
PT Oto Multiartha	idAA+	141.000		-	PT Oto Multiartha
PT Timah (Persero) Tbk	idA+	85.000	idA+	85.000	PT Timah (Persero) Tbk
Total - Dimiliki hingga jatuh tempo		3.895.886		2.674.729	Total - Held to maturity

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8. EFEK-EFEK (lanjutan)

b. Berdasarkan peringkat (lanjutan)

Lembaga pemeringkat untuk obligasi yang diterbitkan oleh PT Bank Permata Tbk, PT Bank Pan Indonesia Tbk, PT Permodalan Nasional Madani, PT Bank Maybank Indonesia Tbk, Lembaga Pembiayaan Ekspor Indonesia, PT Century Tokyo Leasing Indonesia, PT Jasa Marga (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, PT Clipan Finance Indonesia Tbk, PT Garuda Indonesia (Persero) Tbk, PT Bank Rakyat Indonesia Agroniaga Tbk, PT Bank Sumitomo Mitsui Indonesia, PT Bank Tabungan Negara (Persero) Tbk, PT Bank Jateng, PT Indonesia Power, PT Timah (Persero) Tbk, PT Sarana Multi Infrastruktur (Persero), PT Mitsubishi UFJ & Finance Indonesia dan PT Oto Multiartha adalah PT Pefindo.

Lembaga pemeringkat untuk obligasi yang diterbitkan oleh PT Maybank Indonesia Finance, PT Bank CIMB Niaga Tbk, PT Bank Tabungan Pensiunan Nasional Tbk, dan PT Pupuk Indonesia (Persero), PT Astra Sedaya Finance, PT Waskita Karya (Persero) Tbk dan PT Bank KEB Hana Indonesia adalah PT Fitch Ratings Indonesia.

Lembaga pemeringkat untuk obligasi yang diterbitkan oleh Majapahit Holding BV (PLN) adalah S&P Global.

c. Tingkat suku bunga rata-rata tertimbang setahun untuk obligasi korporasi adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal	
	31 Desember/Year Ended	
	December 31	
	2018	2017
Rupiah	8,39%	10,25%
Mata uang asing	6,11%	5,40%

d. Pada tanggal 31 Desember 2018, Obligasi Pemerintah dalam Rupiah Bank yang diklasifikasikan sebagai nilai wajar melalui laba rugi, tersedia untuk dijual dan dimiliki hingga jatuh tempo akan jatuh tempo pada berbagai tanggal antara tahun 2019 sampai dengan 2038 dengan tingkat suku bunga berkisar antara 5,625% sampai dengan 9,00% per tahun.

8. SECURITIES (continued)

b. Based on rating (continued)

The rating agency for bonds issued by PT Bank Permata Tbk, PT Bank Pan Indonesia Tbk, PT Permodalan Nasional Madani, PT Bank Maybank Indonesia Tbk, Lembaga Pembiayaan Ekspor Indonesia, PT Century Tokyo Leasing Indonesia, PT Jasa Marga (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, PT Clipan Finance Indonesia Tbk, PT Garuda Indonesia (Persero) Tbk, PT Bank Rakyat Indonesia Agroniaga Tbk, PT Bank Sumitomo Mitsui Indonesia, PT Bank Tabungan Negara (Persero) Tbk, PT Bank Jateng, PT Indonesia Power, PT Timah (Persero) Tbk, PT Sarana Multi Infrastruktur (Persero), PT Mitsubishi UFJ & Finance Indonesia and PT Oto Multiartha were PT Pefindo.

The rating agency for bonds issued by PT Maybank Indonesia Finance, Majapahit Holding BV (PLN), PT Bank CIMB Niaga Tbk, PT Bank Tabungan Pensiunan Nasional Tbk dan PT Pupuk Indonesia (Persero), PT Astra Sedaya Finance, PT Waskita Karya (Persero) Tbk and PT Bank KEB Hana Indonesia was PT Fitch Ratings Indonesia.

The rating agency for bonds issued by Majapahit Holding BV (PLN) were S&P Global.

c. The weighted average interest rates per annum for corporate bonds were as follows:

d. As of December 31, 2018, Bank's Government Bonds in Rupiah classified as fair value through profit or loss, available-for-sale and held to maturity will mature on various dates between 2019 and 2038 with interest rate between 5.625% and 9.00% per annum.

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8. EFEK-EFEK (lanjutan)

- e. Pada tanggal 31 Desember 2017, Obligasi Pemerintah dalam Rupiah Bank yang diklasifikasikan sebagai nilai wajar melalui laba rugi, tersedia untuk dijual dan dimiliki hingga jatuh tempo akan jatuh tempo pada berbagai tanggal antara tahun 2018 sampai dengan 2038 dengan tingkat suku bunga berkisar antara 5,85% sampai dengan 9,00% per tahun.

Pembayaran bunga atas obligasi pemerintah dengan suku bunga tetap tersebut dilakukan setiap 6 bulan, dimana Bank Indonesia bertindak selaku agen pembayaran.

- f. Pada tanggal 31 Desember 2018 Obligasi Pemerintah Bank dalam Dolar Amerika Serikat yang diklasifikasikan sebagai nilai wajar melalui laba rugi dan tersedia untuk dijual akan jatuh tempo pada berbagai tanggal antara tahun 2021 sampai dengan 2048 dengan tingkat suku bunga berkisar antara 3,40% sampai dengan 4,35% per tahun.

Pada tanggal 31 Desember 2017 Obligasi Pemerintah Bank dalam Dolar Amerika Serikat yang diklasifikasikan sebagai nilai wajar melalui laba rugi dan tersedia untuk dijual akan jatuh tempo pada berbagai tanggal antara tahun 2018 sampai dengan 2048 dengan tingkat suku bunga berkisar antara 3,40% sampai dengan 6,875% per tahun.

Pendapatan bunga diterima setahun dua kali yaitu setiap tanggal 1 Maret dan 1 September untuk INDOIS 2023, tanggal 11 Juli dan 11 Januari untuk INDON 2028, tanggal 24 April dan 24 Oktober untuk INDON 2028N, tanggal 11 Januari dan 11 Juli untuk INDON 2048, tanggal 18 Januari dan 18 Juli untuk INDON 2027 dan INDON 2047, tanggal 15 April dan 15 Oktober untuk INDON 2043, tanggal 10 Maret dan 10 September untuk INDOIS SBSN 2024, tanggal 29 Maret dan 29 September untuk INDOIS 2021, tanggal 25 April dan 25 Oktober untuk INDON 2022, tanggal 17 Januari dan 17 Juli untuk INDON 2018 dan tanggal 21 Mei dan 21 November untuk INDOIS 2018.

- g. Efek-efek pada pihak berelasi diungkapkan pada Catatan 38. Informasi mengenai jatuh tempo efek-efek diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar efek-efek diungkapkan pada Catatan 43.

8. SECURITIES (continued)

- e. As of December 31, 2017, Bank's Government Bonds in Rupiah classified as fair value through profit or loss, available-for-sale and held to maturity will mature on various dates between 2018 and 2038 with interest rate between 5.85% and 9.00% per annum.

The interest payment of the fixed rate government bonds is collectible every 6 months, with Bank Indonesia acting as the payment agent.

- f. As of December 31, 2018, Bank's Government Bonds in United States Dollar classified as fair value through profit or loss and available for sale will mature on various dates between 2021 and 2048 with interest rate between 3.40% and 4.35% per annum.

As of December 31, 2017, Bank's Government Bonds in United States Dollar classified as fair value through profit or loss and available for sale will mature on various dates between 2018 and 2048 with interest rate between 3.40% and 6.875% per annum.

The interest payments are collectible twice a year on March 1 and September 1 for INDOIS 2023, July 11 and January 11, for INDON 2028, April 24 and October 24 for INDON 2028N, January 11 and July 11 for INDON 2048, January 18 and July 18 for INDON 2027 and INDON 2047, April 15 and October 15 for INDON 2043, March 10 and September 10 for INDOIS SBSN 2024, March 29 and September 29 for INDOIS 2021, April 25 and October 25 for INDON 2022, January 17 and July 17 for INDON 2018 and May 21 and November 21 for INDOIS 2018.

- g. Securities with related parties were disclosed in Note 38. Information in respect of maturities for securities were disclosed in Note 44e. Information with regards to the classification and fair value of securities is disclosed in Note 43.

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8. EFEK-EFEK (lanjutan)

- h. Perubahan keuntungan (kerugian) yang belum direalisasi atas efek-efek yang tersedia untuk dijual adalah sebagai berikut:

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31			
2018	2017		
Saldo awal, sebelum pajak tangguhan	222.013	96.658	Beginning balance, before deferred tax
Penambahan (rugi) laba yang belum direalisasi selama tahun berjalan - neto	(992.403)	125.355	Increase in unrealized (loss) gain during the year - net
Total sebelum pajak tangguhan	(770.390)	222.013	Total before deferred tax
Pajak tangguhan	154.078	(44.402)	Deferred tax
Saldo akhir	(616.312)	177.611	Ending balance

- i. Berdasarkan hasil penelaahan dan evaluasi manajemen Bank, seluruh efek-efek pada tanggal 31 Desember 2018 dan 2017 digolongkan lancar. Manajemen Bank berpendapat bahwa jumlah cadangan kerugian penurunan nilai untuk tahun 2018 dan 2017 tidak diperlukan.
- j. Pada tanggal 31 Desember 2018 dan 2017, tidak terdapat efek-efek yang dijaminkan.

8. SECURITIES (continued)

- h. Unrealized gains (loss) from changes in fair values of available-for-sale in securities were as follows:

- i. Based on the Bank's management review and evaluation, all securities as of December 31, 2018 and 2017 were classified as current. The Bank's management believed that allowance for impairment losses in 2018 and 2017 were not required.
- j. As of December 31, 2018 and 2017, there were no securities which were pledged.

9. EFEK-EFEK YANG DIBELI DENGAN JANJI DIJUAL KEMBALI

9. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL

31 Desember/December 31, 2018

Nasabah/ Counterparty	Jenis efek-efek/ Type of securities	Nilai nominal/ Nominal amount	Tanggal dimulai/ Starting date	Tanggal jatuh tempo/ Due date	Nilai penjualan kembali/ Resale amount	Pendapatan bunga yang belum diamortisasi/ Unamortised interest	Nilai tercatat/ Carrying value
Pihak ketiga/ Third Parties							
PT Bank Bukopin Tbk	Obligasi Pemerintah FR053/Government bonds FR053	300.000	28 Desember/ December 28, 2018	4 Januari/ January 4, 2019	274.584	(151)	274.433
PT Bank Bukopin Tbk	Obligasi Pemerintah FR070/Government bonds FR070	191.000	26 Desember/ December 26, 2018	7 Januari/ January 7, 2019	175.001	(198)	174.803
PT Bank Bukopin Tbk	Obligasi Pemerintah FR071/Government bonds FR071	305.000	26 Desember/ December 26, 2018	7 Januari/ January 7, 2019	291.075	(329)	290.746
PT Bank Bukopin Tbk	Obligasi Pemerintah FR071/Government bonds FR071	47.500	31 Desember/ December 31, 2018	9 Januari/ January 9, 2019	45.234	(67)	45.167
PT Bank Bukopin Tbk	Obligasi Pemerintah FR073/Government bonds FR073	230.000	28 Desember/ December 28, 2018	4 Januari/ January 4, 2019	216.332	(119)	216.213
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah FR059/ Government bonds FR059	298.427	20 Desember/ December 20, 2018	4 Januari/ January 4, 2019	251.517	(145)	251.372
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah FR059/ Government bonds FR059	40.000	27 Desember/ December 27, 2018	3 Januari/ January 3, 2019	33.793	(12)	33.781
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah FR061/ Government bonds FR061	30.000	27 Desember/ December 27, 2018	3 Januari/ January 3, 2019	26.414	(10)	26.404

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9. EFEK-EFEK YANG DIBELI DENGAN JANJI
DIJUAL KEMBALI (lanjutan)

9. SECURITIES PURCHASED
AGREEMENT TO RESELL (continued)

31 Desember/December 31, 2018

Nasabah/ Counterparty	Jenis efek-efek/ Type of securities	Nilai nominal/ Nominal amount	Tanggal dimulai/ Starting date	Tanggal jatuh tempo/ Due date	Nilai penjualan kembali/ Resale amount	Pendapatan bunga yang belum diamortisasi/ Unamortised interest	Nilai tercatat/ Carrying value
Pihak ketiga (lanjutan)/ Third Parties (continued)							
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah FR062/ Government bonds FR062	30.289	27 Desember/ December 27, 2018	3 Januari/ January 3, 2019	20.974	(8)	20.966
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah FR064/ Government bonds FR064	89.840	27 Desember/ December 27, 2018	3 Januari/ January 3, 2019	71.311	(26)	71.285
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah FR065/ Government bonds FR065	274.811	27 Desember/ December 27, 2018	3 Januari/ January 3, 2019	215.713	(79)	215.634
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah FR069/ Government bonds FR069	240.000	20 Desember/ December 20, 2018	4 Januari/ January 4, 2019	217.613	(126)	217.487
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah FR074/ Government bonds FR074	46.102	20 Desember/ December 20, 2018	4 Januari/ January 4, 2019	38.837	(22)	38.815
PT Bank Victoria Internasional Tbk	Obligasi Ritel Indonesia 13/ Indonesian Retail bonds 13	90.000	27 Desember/ December 27, 2018	3 Januari/ January 3, 2019	80.516	(30)	80.486
PT Bank Victoria Internasional Tbk	Obligasi Ritel Indonesia 15/ Indonesian Retail bonds 15	50.000	27 Desember/ December 27, 2018	3 Januari/ January 3, 2019	45.412	(17)	45.395
Total		2.262.969			2.004.326	(1.339)	2.002.987

31 Desember/December 31, 2017

Nasabah/ Counterparty	Jenis efek-efek/ Type of securities	Nilai nominal/ Nominal amount	Tanggal dimulai/ Starting date	Tanggal jatuh tempo/ Due date	Nilai penjualan kembali/ Resale amount	Pendapatan bunga yang belum diamortisasi/ Unamortised interest	Nilai tercatat/ Carrying value
Pihak ketiga/ Third Parties							
PT Bank Bukopin Tbk	Obligasi Pemerintah FR053/ Government bonds FR053	362.513	15 Desember/ December 15, 2017	3 Januari/ January 3, 2018	350.896	(94)	350.802
PT Bank Bukopin Tbk	Obligasi Pemerintah FR053/ Government bonds FR053	183.525	19 Desember/ December 19, 2017	9 Januari/ January 9, 2018	177.772	(197)	177.575
PT Bank Bukopin Tbk	Obligasi Pemerintah FR063/ Government bonds FR063	140.000	19 Desember/ December 19, 2017	9 Januari/ January 9, 2018	123.103	(136)	122.967
PT Bank Bukopin Tbk	Obligasi Pemerintah FR063/ Government bonds FR063	227.080	27 Desember/ December 27, 2017	4 Januari/ January 4, 2018	199.576	(75)	199.501
PT Bank Bukopin Tbk	Obligasi Pemerintah FR059/ Government bonds FR059	160.000	27 Desember/ December 27, 2017	4 Januari/ January 4, 2018	150.775	(57)	150.718
PT Bank Pan Indonesia Tbk	Sertifikat Deposito Bank Indonesia/ Deposit Certificate of Bank Indonesia	750.000	20 November/ November 20, 2017	2 Januari/ January 2, 2018	665.685	(87)	665.598
PT Bank Pan Indonesia Tbk	Sertifikat Deposito Bank Indonesia/ Deposit Certificate of Bank Indonesia	950.000	27 November/ November 27, 2017	8 Januari/ January 8, 2018	843.927	(775)	843.152
PT Bank Pan Indonesia Tbk	Sertifikat Deposito Bank Indonesia/ Deposit Certificate of Bank Indonesia	510.000	22 Desember/ December 22, 2017	9 Januari/ January 9, 2018	451.633	(540)	451.093
PT Bank Pan Indonesia Tbk	Surat Perbendaharaan Negara/ Treasury Bills	632.000	13 Desember/ December 13, 2017	5 Januari/ January 5, 2018	562.205	(318)	561.887
Total		3.915.118			3.525.572	(2.279)	3.523.293

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9. EFEK-EFEK YANG DIBELI DENGAN JANJI DIJUAL KEMBALI (lanjutan)

Manajemen Bank berpendapat bahwa jumlah cadangan kerugian penurunan nilai untuk tahun 2018 dan 2017 tidak diperlukan.

Pada tanggal 31 Desember 2018 dan 2017, tidak terdapat efek-efek yang dibeli dengan janji dijual kembali yang dijaminkan.

Informasi mengenai jatuh tempo diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar diungkapkan pada Catatan 43.

Tingkat suku bunga rata-rata tertimbang setahun untuk efek - efek yang dibeli dengan janji dijual kembali untuk tahun yang berakhir 31 Desember 2018 dan 2017 masing-masing adalah 5,02% dan 4,99%.

9. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL (continued)

The Bank's management believed that the allowance for impairment losses in 2018 and 2017 were not required.

As of December 31, 2018 and 2017, there were no securities purchased under the agreement to resell which are pledged.

Information in respect of maturities were disclosed in Note 44e. Information with regards to the classification and fair value is disclosed in Note 43.

The weighted average of interest rate per annum for securities purchased under agreement to resell for the year ended December 31, 2018 and 2017 were 5.02% and 4.99%, respectively.

10. TAGIHAN DAN LIABILITAS DERIVATIF

Ikhtisar atas tagihan derivatif dan liabilitas derivatif pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

10. DERIVATIVES RECEIVABLE AND PAYABLE

The summary of derivatives receivable and derivatives payable as of December 31, 2018 and 2017 were as follows:

31 Desember/December 31, 2018				
Transaksi	Nilai nosional (kontrak) (ekuivalen dengan Rp)/ Notional amount (contract) (equivalent to Rp)	Nilai Wajar/Fair Value		Transactions
		Tagihan derivatif/ Derivatives receivable	Liabilitas derivatif/ Derivatives payable	
Terkait nilai tukar				Related to exchange rate contracts
Pihak ketiga				Third parties
Spot - beli				Spot - buy
Dolar Amerika Serikat	776.951	-	6.251	United States Dollar
Mata uang asing lain	2.237	1	-	Other foreign currencies
Spot - jual				Spot - sell
Dolar Amerika Serikat	208.668	2.373	-	United States Dollar
Mata uang asing lain	16.441	-	9	Other foreign currencies
Swap				Swap
Dolar Amerika Serikat	2.316.618	5.042	70.707	United States Dollar
Mata uang asing lain	418.228	439	2.652	Other foreign currencies
Forward - beli				Forward - buy
Dolar Amerika Serikat	40.552	116	160	United States Dollar
Forward - jual				Forward - sell
Dolar Amerika Serikat	2.106.061	97.609	5.751	United States Dollar
Mata uang asing lain	10.478	602	-	Other foreign currencies
Total		106.182	85.530	Total

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10. TAGIHAN DAN LIABILITAS DERIVATIF (lanjutan)

Ikhtisar atas tagihan derivatif dan liabilitas derivatif pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut: (lanjutan)

10. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

The summary of derivatives receivable and derivatives payable as of December 31, 2018 and 2017 were as follows: (continued)

31 Desember/December 31, 2017				
Transaksi	Nilai nosional (kontrak) (ekuivalen dengan Rp)/ Notional amount (contract) (equivalent to Rp)	Nilai Wajar/Fair Value		Transactions
		Tagihan derivatif/ Derivatives receivable	Liabilitas derivatif/ Derivatives payable	
Terkait nilai tukar				Related to exchange rate contracts
Pihak berelasi				Related parties
Forward - jual				Forward - sell
Dolar Amerika Serikat	8.141	9	-	United States Dollar
Pihak ketiga				Third parties
Spot - beli				Spot - buy
Dolar Amerika Serikat	669.515	451	2	United States Dollar
Mata uang asing lain	81.910	270	-	Other foreign currencies
Spot - jual				Spot - sell
Dolar Amerika Serikat	255.707	3	184	United States Dollar
Mata uang asing lain	82.726	-	198	Other foreign currencies
Swap				Swap
Dolar Amerika Serikat	1.737.997	4.999	4.207	United States Dollar
Mata uang asing lain	222.317	2.803	26	Other foreign currencies
Forward - beli				Forward - buy
Dolar Amerika Serikat	11.532	3	10	United States Dollar
Forward - jual				Forward - sell
Dolar Amerika Serikat	407.025	3.630	-	United States Dollar
Cross Currency Swap (CCS)	612.981	4.517	3.770	Cross Currency Swap (CCS)
Total		16.685	8.397	Total

Informasi mengenai jatuh tempo diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar diungkapkan pada Catatan 43.

Information in respect of maturities were disclosed in Note 44e. Information with regards to the classification and fair value is disclosed in Note 43.

Manajemen Bank berpendapat bahwa cadangan kerugian penurunan nilai untuk tahun 2018 dan 2017 tidak diperlukan.

The Bank's management believes that allowance for impairment losses in 2018 and 2017 were not required.

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11. KREDIT YANG DIBERIKAN

Kredit yang diberikan terdiri dari:

- a. Berdasarkan jenis kredit dan mata uang

	31 Desember/December 31	
	2018	2017
Pihak berelasi (Catatan 38)		
Rupiah:		
Modal kerja	202.547	237.947
Konsumsi	91.024	88.368
Investasi	4.656	18.503
	<u>298.227</u>	<u>344.818</u>
Mata uang asing:		
Konsumsi	22.670	22.539
Total kredit pihak berelasi	320.897	367.357
Pihak ketiga		
Rupiah:		
Investasi	13.480.596	9.944.908
Konsumsi	13.086.112	11.922.368
Modal kerja	10.491.961	8.442.563
	<u>37.058.669</u>	<u>30.309.839</u>
Mata uang asing:		
Modal kerja	3.309.272	2.626.827
Investasi	1.574.866	1.933.791
	<u>4.884.138</u>	<u>4.560.618</u>
Total - kredit pihak ketiga	41.942.807	34.870.457
Total	42.263.704	35.237.814
Pendapatan bunga yang ditangguhkan	(11.002)	(15.237)
Total	42.252.702	35.222.577
Cadangan kerugian penurunan nilai	(347.043)	(474.071)
Total kredit yang diberikan - neto	41.905.659	34.748.506

11. LOANS

Loans consist of the following:

- a. Based on type of loans and currency

Related parties (Note 38)
Rupiah:
Working capital
Consumer
Investment
Foreign currencies:
Consumer
Total related parties loans
Third parties
Rupiah:
Investment
Consumer
Working capital
Foreign currencies:
Working capital
Investment
Total - third parties loans
Total
Unearned interest income
Total
Allowance for impairment losses
Total loans - net

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11. KREDIT YANG DIBERIKAN (lanjutan)

11. LOANS (continued)

Rasio kredit bermasalah Bank adalah sebagai berikut:

The Bank's non-performing loan ratios are as follows:

		31 Desember/December 31		
		2018	2017	
Bruto		1,60%	2,01%	Gross
Bersih		1,27%	1,41%	Net

Berdasarkan Peraturan Bank Indonesia No. 6/9/PBI/2004 tanggal 26 Maret 2004 tentang Tindak Lanjut Pengawasan dan Penetapan Status Bank, rasio dari kredit bermasalah bersih maksimal adalah 5% dari jumlah kredit yang diberikan Bank.

In accordance with Bank Indonesia Regulation No. 6/9/PBI/2004 dated March 26, 2004 regarding Subsequent Action for Supervision and Designation of Bank Status, the net non-performing loan ratio should not exceed 5% of the Bank's total loans.

b. Berdasarkan sektor ekonomi

b. Based on economic sector

31 Desember/December 31, 2018							
	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Total	
Rupiah							Rupiah
Jasa usaha	7.469.199	19.528	509	175	90.241	7.579.652	Business services
Perdagangan, restoran dan perhotelan	1.908.695	115.348	4.800	4.583	40.566	2.073.992	Trading, restaurant and hotel
Listrik, gas dan air	1.989.615	623	-	-	-	1.990.238	Electricity, gas and water
Perindustrian	1.978.918	873.769	-	318	681	2.853.686	Industrial
Konstruksi	3.331.100	126.990	949	243	1.930	3.461.212	Construction
Jasa sosial	341.701	24.337	1.391	2.399	3.497	373.325	Social services
Pengangkutan, pergudangan dan komunikasi	4.186.609	1.057.897	384	6.736	200.894	5.452.520	Transportation, warehouse and communication
Pertanian, perburuan dan sarana pertanian	205.898	4.984	153	190	637	211.862	Agriculture, hunting and agriculture improvement
Pertambangan	121.297	1.065	-	-	60.910	183.272	Mining
Lain-lain	11.805.537	1.117.847	71.853	122.584	59.316	13.177.137	Others
	33.338.569	3.342.388	80.039	137.228	458.672	37.356.896	
Mata uang asing							Foreign currencies
Perdagangan, restoran dan perhotelan	1.343.755	-	-	-	-	1.343.755	Trading, restaurant and hotel
Pertambangan	2.242.498	-	-	-	-	2.242.498	Mining
Pengangkutan, pergudangan dan komunikasi	973.554	-	-	-	-	973.554	Transportation, warehouse and communication
Perindustrian	178.292	-	-	-	-	178.292	Industrial
Konstruksi	44.785	-	-	-	-	44.785	Construction
Jasa usaha	101.255	-	-	-	-	101.255	Business services
Lain-lain	22.669	-	-	-	-	22.669	Others
	4.906.808	-	-	-	-	4.906.808	
Total	38.245.377	3.342.388	80.039	137.228	458.672	42.263.704	Total
Dikurangi: Pendapatan bunga yang ditangguhkan						(11.002)	Less: Unearned interest income
Cadangan kerugian penurunan nilai						(347.043)	Allowance for impairment losses
Neto						41.905.659	Net

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11. KREDIT YANG DIBERIKAN (lanjutan)

b. Berdasarkan sektor ekonomi (lanjutan)

31 Desember/December 31, 2017						
	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Total
Rupiah						
Jasa usaha	5.972.780	133.123	271	292	3.927	6.110.393
Perdagangan, restoran dan perhotelan	1.706.701	177.464	6.075	21.571	171.212	2.083.023
Listrik, gas dan air	3.131.679	754	-	-	-	3.132.433
Perindustrian	942.936	857.759	813	844	373	1.802.725
Konstruksi	1.887.967	63.807	-	111	2.824	1.954.709
Jasa sosial	546.578	50.410	587	1.490	1.131	600.196
Pengangkutan, pergudangan dan komunikasi	1.791.554	699.659	2.557	14.561	150.242	2.658.573
Pertanian, perburuan dan sarana pertanian	219.419	9.324	903	582	53	230.281
Pertambangan	49.602	62.244	-	-	-	111.846
Lain-lain	10.664.064	978.657	99.776	179.878	48.103	11.970.478
	26.913.280	3.033.201	110.982	219.329	377.865	30.654.657
Mata uang asing						
Perdagangan, restoran dan perhotelan	1.895.294	-	-	-	-	1.895.294
Pertambangan	1.608.258	-	-	-	-	1.608.258
Pengangkutan, pergudangan dan komunikasi	765.964	-	-	-	-	765.964
Perindustrian	235.533	-	-	-	-	235.533
Konstruksi	46.080	-	-	-	-	46.080
Jasa usaha	9.460	-	-	-	-	9.460
Jasa Sosial	29	-	-	-	-	29
Lain-lain	22.539	-	-	-	-	22.539
	4.583.157	-	-	-	-	4.583.157
Total	31.496.437	3.033.201	110.982	219.329	377.865	35.237.814
Dikurangi: Pendapatan bunga yang ditangguhkan						(15.237)
Cadangan kerugian penurunan nilai						(474.071)
Neto						34.748.506

c. Berdasarkan jangka waktu

Berdasarkan jangka waktu perjanjian kredit sebelum dikurangi pendapatan bunga yang ditangguhkan dan cadangan kerugian penurunan nilai.

31 Desember/December 31		
	2018	2017
Rupiah		
Kurang dari 1 tahun	16.785.486	17.348.035
1 - 2 tahun	3.152.806	2.131.580
2 - 5 tahun	9.627.095	5.053.616
Lebih dari 5 tahun	7.791.509	6.121.426
	37.356.896	30.654.657
Mata uang asing		
Kurang dari 1 tahun	1.688.026	1.588.854
1 - 2 tahun	205.224	-
2 - 5 tahun	2.066.406	1.173.321
Lebih dari 5 tahun	947.152	1.820.982
	4.906.808	4.583.157
Total	42.263.704	35.237.814

11. LOANS (continued)

b. Based on economic sector (continued)

Rupiah	
Business services	
Trading, restaurant and hotel	
Electricity, gas and water	
Industrial	
Construction	
Social services	
Transportation, warehouse and communication	
Agriculture, hunting and agriculture improvement	
Mining	
Others	
Foreign currencies	
Trading, restaurant and hotel	
Mining	
Transportation, warehouse and communication	
Industrial	
Construction	
Business services	
Social Services	
Others	
Total	
Less:	
Unearned interest income	
Allowance for impairment losses	
Net	

c. Based on loan periods

By term loan based on loan agreement before unearned interest income and allowance for impairment losses.

Rupiah	
Less than 1 year	
1 - 2 years	
2 - 5 years	
More than 5 years	
Foreign currencies	
Less than 1 year	
1 - 2 years	
2 - 5 years	
More than 5 years	
Total	

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11. KREDIT YANG DIBERIKAN (lanjutan)

c. Berdasarkan jangka waktu (lanjutan)

Kredit yang diberikan ke pihak berelasi diungkapkan pada Catatan 38. Informasi mengenai jatuh tempo kredit yang diberikan diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar kredit yang diberikan diungkapkan pada Catatan 43.

Berikut ini adalah informasi lainnya sehubungan dengan kredit yang diberikan:

- a) Kredit yang diberikan dalam mata uang asing terdiri dari Dolar Amerika Serikat dan Dolar Singapura.
- b) Kredit yang diberikan dijamin dengan agunan tunai berupa tabungan (Catatan 17), deposito berjangka (Catatan 18), emas, agunan yang diikat dengan hak tanggungan atau surat kuasa untuk menjual dan jaminan lain yang umumnya diterima oleh perbankan.
- d. Suku bunga rata-rata tertimbang setahun atas kredit yang diberikan adalah sebagai berikut:

Tahun yang Berakhir pada tanggal
31 Desember/Year Ended
December 31

	2018	2017
Rupiah		
Investasi	12,05%	13,13%
Modal kerja	12,10%	13,11%
Konsumsi	11,78%	12,96%
Mata uang asing		
Investasi	9,01%	9,21%
Modal kerja	9,14%	9,19%

e. Kredit konsumsi terdiri dari:

31 Desember/December 31

	2018	2017
Rupiah		
Kartu kredit	7.711.716	8.374.182
Kredit kendaraan bermotor	4.662.406	2.844.717
Kredit pemilikan rumah	424.264	534.591
Kredit perorangan lainnya	378.750	257.246
	13.177.136	12.010.736
Mata uang asing		
Kredit perorangan lainnya	22.670	22.539
Total	13.199.806	12.033.275

11. LOANS (continued)

c. Based on loan periods (continued)

Loans to related parties were disclosed in Note 38. Information in respect of maturities of loans were disclosed in Note 44e. Information with regards to the classification and fair value of loans is disclosed in Note 43.

The other information relating to loans were as follows:

- a) Loans in foreign currencies were denominated in United States Dollar and Singapore Dollar.
- b) Loans are secured with cash collaterals consisting of saving deposits (Note 17), time deposits (Note 18), gold, collaterals bonded by security right or powers of attorney to sell and by other guarantees generally accepted by banks.
- d. The weighted average interest rates per annum for loans were as follows:

Rupiah
Investment
Working capital
Consumer
Foreign currencies
Investment
Working capital

e. Consumer loans consist of:

Rupiah
Credit card
Motor vehicle loans
Housing loans
Other personal loans

Foreign currencies
Other personal loans

Total

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11. KREDIT YANG DIBERIKAN (lanjutan)

- f. Rincian kredit yang diberikan pada pihak berelasi (sebelum cadangan kerugian penurunan nilai) adalah sebagai berikut (Catatan 38):

	31 Desember/December 31	
	2018	2017
Pinjaman perusahaan yang merupakan pihak berelasi	189.548	238.116
Pinjaman manajemen kunci	26.166	31.376
Pinjaman komisaris dan direksi perusahaan yang merupakan pihak berelasi	105.183	97.865
Total	320.897	367.357

Pinjaman direksi dan karyawan Bank merupakan kredit yang diberikan untuk pembelian kendaraan dan rumah serta kartu kredit dengan jangka waktu yang berkisar antara 1 (satu) sampai dengan 20 (duapuluh) tahun dengan suku bunga setahun rata-rata berkisar antara 0%-16,50% masing-masing untuk tahun 2018 dan 2017, yang dilunasi melalui pemotongan gaji setiap bulan. Pada tanggal 31 Desember 2018 dan 2017, pinjaman direksi dan karyawan bank tersebut digolongkan lancar.

- g. Rincian kredit yang direstrukturisasi, yang terdiri dari modifikasi persyaratan kredit dan perpanjangan jatuh tempo, pada 31 Desember 2018 dan 2017 adalah sebagai berikut:

	31 Desember/December 31	
	2018	2017
Kredit yang direstrukturisasi	3.271.544	3.158.203
Cadangan kerugian penurunan nilai	(28.611)	(22.414)
	3.242.933	3.135.789

- h. Pada tanggal 31 Desember 2018 dan 2017, jumlah kredit yang telah dihentikan pengakuan pendapatan bunganya (kredit bermasalah) masing-masing sebesar Rp675.939 dan Rp708.176 atau meliputi 1,60% dan 2,01% dari jumlah kredit yang diberikan.

11. LOANS (continued)

- f. The details of loans to related parties (before allowance for impairment losses) were as follows (Note 38):

*Loans to related companies
Loans to the Bank's key management personnel*

Loans to related companies' directors and commissioners

Total

Loans to the Bank's directors and employees represent loans granted for car loans, housing loans and credit cards with terms ranging from 1 (one) to 20 (twenty) years with an average loan interest of between 0%-16.50% per annum in 2018 and 2017, respectively, which are collected through monthly payroll deductions. As of December 31, 2018 and 2017, loans to the Bank's director and employees were classified as current.

- g. Summary of loan restructuring, which consists of modification of credit terms and extension of maturity dates as of December 31, 2018 and 2017 were as follows:

*Restructured loans
Allowance for impairment losses*

- h. As of December 31, 2018 and 2017, loans of which interest income had been stopped accrued (non-performing loans) were Rp675,939 and Rp708,176, or representing 1.60% and 2.01% of total loans, respectively.

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11. KREDIT YANG DIBERIKAN (lanjutan)

i. Pinjaman Sindikasi

Pinjaman sindikasi merupakan pinjaman yang diberikan kepada debitur berdasarkan perjanjian pembiayaan bersama dengan bank - bank lain.

Keikutsertaan bank dalam pinjaman sindikasi dengan bank-bank lain adalah sebesar Rp2.159.914 dan Rp1.986.103 masing-masing pada tanggal 31 Desember 2018 dan 2017.

Keikutsertaan bank dalam pinjaman sindikasi, dimana bank bertindak sebagai anggota sindikasi adalah sebagai berikut (tidak diaudit):

		31 Desember/December 31			
		2018	2017		
% Partisipasi		3%-17%	17%	% Participation	

j. Perincian pinjaman bermasalah dan cadangan kerugian penurunan nilai berdasarkan sektor ekonomi adalah sebagai berikut:

		31 Desember/December 31			
		2018	2017		
		Pokok/ Principal	Cadangan Kerugian penurunan nilai/ impairment losses	Pokok/ Principal	Cadangan kerugian penurunan nilai/ impairment losses
Perdagangan, restoran dan perhotelan		49.949	8.010	198.858	28.025
Pengangkutan, pergudangan dan komunikasi		208.014	16.186	167.360	11.977
Jasa usaha		90.925	8.903	4.490	335
Jasa sosial		7.287	941	3.208	433
Konstruksi		3.122	400	2.935	359
Perindustrian		999	155	2.030	296
Pertanian, perburuan dan sarana pertanian		980	114	1.538	219
Pertambangan		60.910	3.957	-	-
Lain-lain		253.753	101.624	327.757	171.145
Total		675.939	140.290	708.176	212.789

11. LOANS (continued)

i. Syndicated loans

Syndicated loans represent loans represents loans provided to debtors based on syndication agreements with other banks.

Bank's participation in syndicated loans with other banks amounted to Rp2,159,914 and Rp1,986,103 as of December 31, 2018 and 2017, respectively.

Bank's participation in syndicated loans, in which bank acts as the syndication member, is as follows (unaudited):

j. The details of non-performing loans and allowance for impairment losses based on economic sector were as follows:

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11. KREDIT YANG DIBERIKAN (lanjutan)

- k. Perubahan cadangan kerugian penurunan nilai atas kredit yang diberikan adalah sebagai berikut:

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31							
	2018			2017			
	Rupiah	Mata uang asing/ Foreign currencies	Total	Rupiah	Mata uang asing/ Foreign currencies	Total	
Saldo awal	461.392	12.679	474.071	489.902	9.380	499.282	Beginning balance
Penambahan penyisihan selama tahun berjalan (Catatan 30)	369.805	415	370.220	846.756	4.322	851.078	Additional provision during the year (Note 30)
Penerimaan kembali kredit yang telah dihapusbukukan	402.654	-	402.654	345.827	3.491	349.318	Recoveries of previously written-off loans
Penghapusbukuan selama tahun berjalan	(900.796)	-	(900.796)	(1.221.093)	(4.666)	(1.225.759)	Write-off during the year
Selisih penjabaran kurs	-	894	894	-	152	152	Foreign exchange differences
Saldo akhir	333.055	13.988	347.043	461.392	12.679	474.071	Ending balance

Manajemen Bank berpendapat bahwa jumlah cadangan kerugian penurunan nilai atas kredit yang diberikan telah memadai.

The Bank's management believes that the allowance for impairment losses on loans was adequate.

- l. Kredit yang disalurkan dengan sistem pembiayaan bersama (*joint financing*) pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp10.156.406 dan Rp5.325.013 yang dilakukan dengan dan tanpa tanggung renteng (*with and without recourse*).

- l. Joint financing loans as of December 31, 2018 and 2017 were Rp10,156,406 and Rp5,325,013, respectively, which were made on a with recourse or without recourse basis.

Jumlah kredit dengan pola pembiayaan bersama (*joint financing*) dengan pihak berelasi adalah sebagai berikut:

The balances of the joint financing loans with related parties were as follows:

31 Desember/December 31			
	2018	2017	
PT Mega Central Finance	7.045.608	2.679.385	PT Mega Central Finance
PT Mega Auto Finance	1.669.598	1.371.023	PT Mega Auto Finance
PT Mega Finance	92.984	69.471	PT Mega Finance
Total	8.808.190	4.119.879	Total

Seluruh kredit dengan pola pembiayaan bersama (*joint financing*) dengan pihak berelasi tersebut dilakukan secara tanpa tanggung renteng (*without recourse*).

Joint financing facilities with the related parties were made on a without recourse basis.

Pada tanggal 31 Desember 2018 dan 2017, jumlah pembiayaan bersama yang dilakukan secara tanpa tanggung renteng (*without recourse*) adalah masing-masing sebesar Rp8.808.190 dan Rp4.119.879. Risiko kredit yang ditanggung oleh Bank adalah sesuai dengan porsi kredit yang dibiayai oleh Bank yang berkisar antara 90% sampai dengan 99% sebagaimana disebutkan dalam perjanjian.

As of December 31, 2018 and 2017 the balances of joint financing loans which were made on a without recourse basis amounted to Rp8,808,190 and Rp 4,119,879, respectively. The Bank is exposed to credit risk based on the percentage of credit financing contributed by the Bank, which ranged from 90% to 99% as stipulated in the joint financing agreement.

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11. KREDIT YANG DIBERIKAN (lanjutan)

- m. Ikhtisar perubahan kredit yang dihapusbukkan adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
	2018	2017	
Saldo awal	4.699.337	3.822.896	Beginning balance
Penghapusbukuan dalam tahun berjalan	900.796	1.225.759	Write-off during the year
Penerimaan kembali kredit yang telah dihapusbukkan	(402.654)	(349.318)	Recoveries of previously written-off loan
Saldo akhir	5.197.479	4.699.337	Ending balance

- n. Pada tanggal 31 Desember 2018 dan 2017, tidak terdapat pelanggaran maupun pelampauan Batas Maksimum Pemberian Kredit (BMPK) kepada pihak berelasi dan pihak ketiga sesuai dengan peraturan yang ditetapkan Bank Indonesia.
- o. Rasio kredit Usaha, Mikro, Kecil & Menengah (UMKM) terhadap kredit yang diberikan pada tanggal 31 Desember 2018 dan 2017 adalah sebesar 20,32% dan 15,07% (tidak diaudit).

11. LOANS (continued)

- m. The changes in cumulative written-off loans were as follows:

- n. As of 31 December 2018 and 2017, there was not any breach nor violation of Legal Lending Limit (LLL) to related parties and third parties as required by Bank Indonesia regulations.
- o. Ratio of Micro, Small and Medium Enterprise (UMKM) credits to loans as of December 31, 2018 and 2017 are 20.32% and 15.07% (unaudited).

12. TAGIHAN DAN UTANG AKSEPTASI

a. Tagihan akseptasi

Rincian tagihan akseptasi berdasarkan pihak, mata uang dan pihak berelasi:

	31 Desember/December 31		
	2018	2017	
Rupiah			Rupiah
Pihak ketiga			Third parties
Nasabah	325.470	402.612	Debtors
Mata uang asing			Foreign currencies
Pihak Berelasi (Catatan 38)			Related Parties (Note 38)
Nasabah	720	2.378	Debtors
Pihak ketiga			Third parties
Nasabah	376.228	202.287	Debtors
Total	702.418	607.277	Total

Rincian tagihan akseptasi berdasarkan sisa umur jatuh tempo adalah sebagai berikut (Catatan 44e):

	31 Desember/December 31		
	2018	2017	
Rupiah			Rupiah
Kurang dari 1 bulan	158.272	163.137	Less than 1 month
1 - 3 bulan	140.059	104.410	1 - 3 months
3 - 6 bulan	27.139	135.065	3 - 6 months
	325.470	402.612	

12. ACCEPTANCES RECEIVABLE AND PAYABLE

a. Acceptances receivable

The details of acceptances receivable based on the counterparty, currency and related parties:

The details of acceptances receivable based on the remaining period to maturity date were as follows (Note 44e):

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12. TAGIHAN DAN UTANG AKSEPTASI (lanjutan)

a. Tagihan akseptasi (lanjutan)

Rincian tagihan akseptasi berdasarkan sisa umur jatuh tempo adalah sebagai berikut (Catatan 44e):

	31 Desember/December 31	
	2018	2017
Mata uang asing		
Kurang dari 1 bulan	71.721	48.630
1 - 3 bulan	123.709	77.276
3 - 6 bulan	181.518	78.759
	376.948	204.665
Total	702.418	607.277

Foreign currencies
Less than 1 month
1 - 3 months
3 - 6 months

b. Utang akseptasi

	31 Desember/December 31	
	2018	2017
Rupiah		
Pihak ketiga		
Bank	325.470	402.612
Mata uang asing		
Pihak ketiga		
Bank	376.948	204.665
Total	702.418	607.277

Rupiah
Third parties
Bank

Foreign currencies
Third parties
Bank

Berdasarkan hasil penelaahan dan evaluasi manajemen Bank, seluruh tagihan akseptasi pada tanggal 31 Desember 2018 dan 2017 digolongkan lancar. Manajemen Bank berpendapat bahwa cadangan kerugian penurunan nilai untuk tahun 2018 dan 2017 tidak diperlukan.

Informasi mengenai jatuh tempo diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar diungkapkan pada Catatan 43.

12. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

a. Acceptances receivable (continued)

The details of acceptances receivable based on the remaining period to maturity date were as follows (Note 44e):

	31 Desember/December 31	
	2018	2017
Foreign currencies		
<i>Less than 1 month</i>	71.721	48.630
<i>1 - 3 months</i>	123.709	77.276
<i>3 - 6 months</i>	181.518	78.759
	376.948	204.665
Total	702.418	607.277

b. Acceptances payable

	31 Desember/December 31	
	2018	2017
Rupiah		
<i>Third parties</i>		
<i>Bank</i>	325.470	402.612
Foreign currencies		
<i>Third parties</i>		
<i>Bank</i>	376.948	204.665
Total	702.418	607.277

Based on the Bank's management review and evaluation, all acceptances receivable as of December 31, 2018 and 2017 were classified as current. The Bank's management believes that the allowance for impairment losses in 2018 and 2017 were not required.

Information in respect of maturities is disclosed in Note 44e. Information with regards to the classification and fair value is disclosed in Note 43.

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13. ASET TETAP

Aset tetap terdiri dari:

13. FIXED ASSETS

Fixed assets consist of:

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31, 2018							
	Saldo Awal/ Beginning Balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Revaluasi dan eliminasi/ Revaluations and eliminations	Saldo Akhir/ Ending Balance	
Kepemilikan langsung						Direct ownership	
Biaya perolehan						Cost	
Tanah	3.098.049	-	(4.184)	4.716	441.717	3.540.298	Land
Bangunan	2.470.832		-	3.784	(175.437)	2.299.179	Buildings
Peralatan kantor	650.711	85.422	(15.529)	1.533	-	722.137	Office equipment
Perabot kantor	398.864	12.610	(4.599)	739	-	407.614	Furniture and fixtures
Kendaraan	182.189	13.733	(10.823)	-	-	185.099	Vehicles
Perbaikan gedung	74.000	6.088	(563)	-	-	79.525	Building improvements
Total	6.874.645	117.853	(35.698)	10.772	266.280	7.233.852	Total
Aset dalam penyelesaian	33.793	19.559	-	(10.772)	-	42.580	Construction in progress
Total biaya perolehan	6.908.438	137.412	(35.698)	-	266.280	7.276.432	Total cost
Kepemilikan langsung							Direct ownership
Akumulasi penyusutan							Accumulated Depreciation
Bangunan	(247.112)	(123.652)	-	-	370.764	-	Buildings
Peralatan kantor	(588.781)	(62.296)	15.484	-	-	(635.593)	Office equipment
Perabot kantor	(354.138)	(16.461)	4.362	-	-	(366.237)	Furniture and fixtures
Kendaraan	(154.954)	(11.586)	9.986	-	-	(156.554)	Vehicles
Perbaikan gedung	(67.463)	(5.625)	563	-	-	(72.525)	Building improvements
Total akumulasi penyusutan	(1.412.448)	(219.620)	30.395	-	370.764	(1.230.909)	Total accumulated depreciation
Nilai Buku bersih	5.495.990					6.045.523	Net book value

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31, 2017						
	Saldo Awal/ Beginning Balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Saldo Akhir/ Ending Balance	
Kepemilikan langsung						Direct ownership
Biaya perolehan/nilai revaluasi						Cost/revaluation value
Tanah	3.098.049	-	-	-	3.098.049	Land
Bangunan	2.470.799	-	(34)	67	2.470.832	Buildings
Peralatan kantor	618.568	2.637	(16.826)	46.332	650.711	Office equipment
Perabot kantor	397.238	1.838	(4.328)	4.116	398.864	Furniture and fixtures
Kendaraan	202.063	1	(19.875)	-	182.189	Vehicles
Perbaikan gedung	70.936	811	(3)	2.256	74.000	Building improvements
Total	6.857.653	5.287	(41.066)	52.771	6.874.645	Total
Aset dalam penyelesaian	28.356	58.208	-	(52.771)	33.793	Construction in progress
Total biaya perolehan	6.886.009	63.495	(41.066)	-	6.908.438	Total cost
Kepemilikan langsung						Direct ownership
Akumulasi penyusutan						Accumulated Depreciation
Bangunan	(123.553)	(123.561)	2	-	(247.112)	Buildings
Peralatan kantor	(554.815)	(50.728)	16.762	-	(588.781)	Office equipment
Perabot kantor	(335.846)	(22.369)	4.077	-	(354.138)	Furniture and fixtures
Kendaraan	(158.944)	(15.749)	19.739	-	(154.954)	Vehicles
Perbaikan gedung	(61.781)	(5.685)	3	-	(67.463)	Building improvements
Total akumulasi penyusutan	(1.234.939)	(218.092)	40.583	-	(1.412.448)	Total accumulated depreciation
Nilai Buku bersih	5.651.070				5.495.990	Net book value

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13. ASET TETAP (lanjutan)

Beban penyusutan yang dibebankan pada tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp219.620 dan Rp218.092 (Catatan 31).

Pada tanggal 31 Desember 2018, hak atas tanah yang dimiliki oleh Bank merupakan Hak Guna Bangunan ("HGB") dan Hak Milik atas Satuan Rumah Susun ("HMASRS") dengan sisa umur hak atas tanah tersebut berkisar antara 3 bulan sampai dengan 29 tahun dan dapat diperpanjang. Pada tanggal 31 Desember 2018, tanah dengan luas sebesar 2.076 m2 masih dalam pengurusan penggabungan dan pembetulan sertifikat serta balik nama menjadi atas nama Bank di Badan Pertanahan Nasional Republik Indonesia ("BPN-RI").

Manajemen berpendapat bahwa kepemilikan hak atas tanah tersebut dapat diperbaharui/diperpanjang pada saat jatuh tempo.

Ruangan kantor yang disewakan kepada pihak berelasi (Catatan 14a) disajikan sebagai bagian dari aset tetap karena nilai buku dari ruangan yang disewakan tersebut tidak signifikan.

Aset tetap, kecuali aset dalam penyelesaian dan tanah, diasuransikan terhadap risiko kebakaran dan risiko lainnya berdasarkan suatu paket polis tertentu dengan nilai pertanggungan masing-masing sebesar Rp2.505.581 dan Rp2.517.118 pada tanggal 31 Desember 2018 dan 2017. Manajemen Bank berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

Persentase tingkat penyelesaian aset dalam penyelesaian pada tanggal 31 Desember 2018 berkisar antara 15% - 99% (2017: 20% - 99%) dari nilai kontrak (tidak diaudit). Aset dalam penyelesaian terdiri dari bangunan dan peralatan kantor dan diperkirakan akan selesai dalam waktu kurang dari 1 sampai 2 tahun setelah tanggal laporan posisi keuangan.

13. FIXED ASSETS (continued)

The depreciation expense for the years ended December 31, 2018 and 2017 amounted to Rp219,620 and Rp218,092, respectively (Note 31).

As of December 31, 2018, land titles are in the form of "Hak Guna Bangunan" ("HGB") and "Hak Milik Atas Satuan Rumah Susun" ("HMASRS" - Strata title) with remaining terms for the related landrights ownership ranging from 3 month to 29 years and renewable upon their expiry. As of December 31, 2018, land of 2,076 m2 are in the process of merging, certificates correction and transfer of title into the Bank's name by the National Landrights Agency - the Republic of Indonesia ("BPN-RI").

Management believes the ownership of land rights can be renewed/extended on maturity.

Office spaces that are rented out to related parties (Note 14a) were presented as part of fixed assets since the book value of rented spaces were not significant.

Fixed assets, except for construction in progress and land, were covered by insurance against fire and other risks under certain blanket policies with insured amount of Rp2,505,581 and Rp2,517,118 as of December 31, 2018 and 2017, respectively. The Bank's management believed that the insurance coverage was adequate to cover possible losses on the assets insured.

The percentage of completion of the constructions in progress as of December 31, 2018 is ranging from 15% - 99% (2017: 20% - 99%) of the contract values (unaudited). Constructions in progress consist of buildings and furniture and fixtures and are estimated to be completed in less than 1 year up to 2 years after the statement of financial position date.

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13. ASET TETAP (lanjutan)

Manajemen tidak mengantisipasi akan ada kesulitan dalam penyelesaian pembangunan pada waktu yang ditargetkan.

Aset tetap dalam penyelesaian

Aset tetap dalam penyelesaian terdiri dari:

31 Desember 2018	Persentase Penyelesaian (tidak diaudit)/ Completion Percentage (unaudited)	Nilai Tercatat/ Carrying Value
Tanah dan Bangunan	20%-99%	32.887
Peralatan kantor	15%-50%	7.884
Perbaikan gedung	20%-90%	1.809
Total		42.580

31 Desember 2017	Persentase Penyelesaian (tidak diaudit)/ Completion Percentage (unaudited)	Nilai Tercatat/ Carrying Value
Tanah dan Bangunan	20%-99%	29.769
Peralatan kantor	20%-60%	3.911
Perabot kantor	30%-65%	113
Total		33.793

Perhitungan laba atas pelepasan aset tetap adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Hasil penjualan bersih	7.329	7.522
Nilai buku	(5.303)	(483)
Laba atas pelepasan aset tetap	2.026	7.039

Laba yang timbul dari hasil penjualan aset tetap dicatat sebagai bagian dari akun "Pendapatan Non-Operasional - Neto" pada laporan laba rugi dan penghasilan komprehensif lain.

Manajemen Bank berpendapat bahwa tidak terdapat indikasi penurunan nilai atas aset tetap di atas pada tanggal 31 Desember 2018 dan 2017.

Pada tanggal 31 Desember 2018 dan 2017, jumlah tercatat bruto dari setiap aset tetap yang telah disusutkan penuh dan masih digunakan masing-masing adalah sebesar Rp947.648 dan Rp844.880.

13. FIXED ASSETS (continued)

The management does not anticipate any difficulties in the completion of the above facilities at targeted time.

Constructions in-progress

Constructions in-progress consist of the following:

Perkiraan Waktu Penyelesaian/ Estimated Time of Completion	December 31, 2018
2019-2020	Land and building
2019-2020	Office equipment
2019	Building improvements
Total	Total

Perkiraan Waktu Penyelesaian/ Estimated Time of Completion	December 31, 2017
2018-2019	Land and building
2018-2019	Office equipment
2018	Furniture and fixtures
Total	Total

Calculations of gains from disposal of fixed assets were as follows:

Gains from disposal of fixed assets were recognized as part of "Non-Operating Income - Net" in the statements of profit or loss and other comprehensive income.

The Bank's management believes that there was no impairment indication on the above fixed assets as of December 31, 2018 and 2017.

As of December 31, 2018 and 2017, the gross amount of fixed assets which have been fully depreciated and are still being used amounted to Rp947,648 and Rp844,880, respectively.

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13. ASET TETAP (lanjutan)

Pada tanggal 31 Desember 2015, Bank melakukan perubahan kebijakan akuntansi atas tanah dan bangunan dari sebelumnya menggunakan model biaya menjadi model revaluasi.

Berdasarkan keputusan Ketua Badan Pengawas Pasar Modal Dan Lembaga Keuangan No. KEP-347/BL/2012 tanggal 25 Juni 2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik butir 27.e, dengan mempertimbangkan nilai buku aset tetap (tanah dan bangunan) yang telah dilakukan revaluasi pada tahun 2015, maka per tanggal 31 Desember 2018 Bank telah menugaskan perusahaan jasa penilai terdaftar untuk melaksanakan penilaian (revaluasi) aset tetap (tanah dan bangunan). Bank melakukan penilaian kembali atas tanah dan bangunan tersebut bukan untuk tujuan perpajakan tetapi hanya untuk pemenuhan ketentuan Bapepam dan LK tersebut.

Penilaian atas tanah dan bangunan dilakukan oleh penilai independen eksternal KJPP Ruky, Safrudin & Rekan.

Penilaian dilakukan berdasarkan Standar Penilaian Indonesia, ditentukan berdasarkan transaksi pasar terkini dan dilakukan dengan ketentuan-ketentuan yang lazim. Metode penilaian yang dipakai adalah metode data pasar, metode biaya dan metode pendapatan.

Informasi mengenai penilaian kembali aset tetap pada tanggal 31 Desember 2018 untuk kelompok aset tanah dan bangunan yang dilakukan oleh Bank adalah sebagai berikut :

	Nilai buku sebelum revaluasi/ <i>Carrying amount before revaluation</i>	Nilai buku setelah revaluasi/ <i>Carrying amount after revaluation</i>	Surplus revaluasi/ <i>Revaluation Surplus</i>	
Tanah	3.098.581	3.540.298	441.717	Land
Bangunan	2.103.852	2.299.179	195.327	Buildings
Total	5.202.433	5.839.477	637.044	Total

13. FIXED ASSETS (continued)

On December 31, 2015, the Bank changed its accounting policy for land and buildings from cost model to revaluation model.

Based on Decision of Chairman of Bapepam and LK No. KEP-347/BL/2012 dated 25 June 2012, about the presentation and disclosure in financial report of issuer or a public company in point 27.e, by considering the book value of fixed assets (land and buildings) that have been conducted revaluation in 2015, therefore on December 31, 2018, the Bank assigned registered independent appraisers to appraise (revalue) its fixed assets (land and buildings). The Group has revalued the value of that land and buildings not for tax purpose rather for the compliance of the aforementioned Bapepam and LK regulation.

The valuations of land and building are performed by KJPP Ruky, Safrudin & Rekan as external independent valuer.

Valuations are performed based on Indonesian Valuation Standards, determined based on reference to recent market transactions done on arm's length terms and appropriate requirements. The valuation methods used are market value approach, cost approach and income approach.

Information on the revaluation of land and buildings as of December 31, 2018 performed by the Bank were as follows :

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13. ASET TETAP (lanjutan)

Penilaian kembali yang dilakukan atas tanah menghasilkan jumlah kenaikan nilai tercatat sebesar Rp441.717. Kenaikan nilai tanah seluruhnya dicatat sebagai "Penghasilan Komprehensif Lain".

Kenaikan nilai tercatat yang timbul dari revaluasi bangunan dicatat sebesar Rp195.327. Kenaikan nilai tanah seluruhnya dicatat sebagai "Penghasilan Komprehensif Lain".

Secara total kenaikan nilai tercatat yang timbul dari revaluasi tanah dan bangunan dicatat sebagai "Penghasilan Komprehensif Lain" adalah sebesar Rp637.044.

Perubahan cadangan revaluasi aset neto setelah pajak adalah sebagai berikut:

	Cadangan revaluasi aset, neto setelah pajak/ asset revaluation reserve, net of tax	
	2018	2017
Saldo awal	3.530.543	3.726.685
Pemindahan surplus aset tetap ke saldo laba	(196.142)	(196.142)
Surplus revaluasi aset tetap neto	595.338	-
Saldo akhir	3.929.739	3.530.543

Ketentuan penyusutan fiskal aset tetap setelah penilaian kembali dengan tujuan perpajakan dimulai sejak tanggal 1 Januari 2016.

13. FIXED ASSETS (continued)

The revaluation of land resulted in an increase in the carrying amount of land amounting to Rp441,717. The increase in the carrying amount of land recognised as "Other Comprehensive Income".

Increase in carrying amount of buildings from the revaluation of building is recorded at Rp195,327. The increase in the carrying amount of land recognised as "Other Comprehensive Income".

In total, the increase in the carrying amount from revaluation of land and buildings is recognised in "Other Comprehensive Income" amounting to Rp637,044.

The movements in the asset revaluation reserve net of tax are as follows:

Beginning balance
Transfer of revaluation surplus of fixed
assets to retained earnings
Revaluation surplus of fixed assets net
Ending balance

The provision on the fiscal depreciation of fixed assets after revaluation for tax purposes is valid from January 1, 2016.

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14. ASET LAIN-LAIN

Aset lain-lain terdiri dari:

14. OTHER ASSETS

Other assets consist of:

31 Desember/December 31							
	2018			2017			
	Rupiah	Mata uang asing/ Foreign currencies	Total	Rupiah	Mata uang asing/ Foreign currencies	Total	
Pihak berelasi (Catatan 38)							Related parties (Note 38)
Piutang sewa	6.891	-	6.891	6.244	-	6.244	Rent receivables
Bunga yang masih akan diterima	1.068	9	1.077	858	9	867	Interest receivables
Total pihak berelasi	7.959	9	7.968	7.102	9	7.111	Total related parties
Pihak ketiga							Third parties
Bunga yang masih akan diterima	572.088	19.374	591.462	408.126	39.278	447.404	Interest receivables
Tagihan transaksi kartu kredit	169.603	-	169.603	70.995	-	70.995	Credit card transaction receivables
Aset yang diblokir	191.000	-	191.000	191.000	-	191.000	Restricted assets
Beban dibayar di muka	112.341	-	112.341	90.741	-	90.741	Prepaid expenses
Uang muka	11.391	-	11.391	22.363	-	22.363	Advances
Beban tangguhan	23.766	-	23.766	15.985	-	15.985	Deferred costs
Setoran jaminan	14.346	6.984	21.330	14.179	6.590	20.769	Security deposits
Agunan yang diambil alih, setelah dikurangi cadangan kerugian penurunan nilai, masing-masing sebesar Rp1.304 dan Rp1.235 pada tanggal 31 Desember 2018 dan 2017	748.535	-	748.535	639.184	-	639.184	Foreclosed assets, net of allowance for impairment losses of Rp1,304 and Rp1,235 as of December 31, 2018 and 2017, respectively
Tagihan penjualan surat berharga	10.080	1.294	11.374	331.983	550	332.533	Sale of securities receivable
Piutang sewa	3.795	-	3.795	4.170	-	4.170	Rent receivables
Lain-lain	149.044	9.193	158.237	264.545	8.367	272.912	Others
Total pihak ketiga	2.005.989	36.845	2.042.834	2.053.271	54.785	2.108.056	Total third parties
Total	2.013.948	36.854	2.050.802	2.060.373	54.794	2.115.167	Total

a. Piutang sewa dari pihak berelasi merupakan piutang dari hasil sewa ruangan kantor di Menara Bank Mega kepada PT Mega Capital Sekuritas (d/h PT Mega Capital Indonesia), PT Para Bandung Propertindo, PT Asuransi Umum Mega, PT Trans Retail Indonesia, PT Asuransi Jiwa Mega Indonesia, PT Duta Visual Nusantara TV 7, PT Bank Syariah Mega Indonesia, PT Mega Asset Management, PT Trans Event, PT Trans Coffee, PT Trans Kalla Makassar, PT Trans Studio, PT Trans E Produksi, PT Trans Rekreasindo, PT Trans Burger, Para Bali Propertindo, PT Asuransi Jiwa Mega Life, dan Baskin Robin. Jumlah pendapatan sewa yang diperoleh untuk tahun 2018 dan 2017 masing-masing sebesar Rp17.332 dan Rp17.153 dan dicatat sebagai bagian dari akun "Pendapatan (Beban) Non-Operasional" pada laporan laba rugi dan penghasilan komprehensif lain (Catatan 33).

a. Rent receivables from related parties represent office space lease receivables of Menara Bank Mega to PT Mega Capital Sekuritas (formerly PT Mega Capital Indonesia), PT Para Bandung Propertindo, PT Asuransi Umum Mega, PT Trans Retail Indonesia, PT Asuransi Jiwa Mega Indonesia, PT Duta Visual Nusantara TV 7, PT Bank Syariah Mega Indonesia, PT Mega Asset Management, PT Trans Event, PT Trans Coffee, PT Trans Kalla Makassar, PT Trans Studio, PT Trans E Produksi, PT Trans Rekreasindo, PT Trans Burger, Para Bali Propertindo, PT Asuransi Jiwa Mega Life and Baskin Robin. The rent income recognized were Rp17,332 and Rp17,153 in 2018 and 2017, respectively, and were recorded as part of "Non-Operating Income (Expense)" in the statements of profit or loss and other comprehensive income (Note 33).

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14. ASET LAIN-LAIN (lanjutan)

- b. Pada tanggal 31 Desember 2018 dan 2017, agunan yang diambil alih berdasarkan kolektibilitas adalah sebagai berikut:

	31 Desember/December 31	
	2018	2017
Lancar	132.888	614.509
Kurang lancar	591.041	-
Diragukan	24.232	24.232
Macet	1.678	1.678
Saldo akhir tahun	749.839	640.419
Cadangan kerugian penurunan nilai	(1.304)	(1.235)
Neto	748.535	639.184

Ikhtisar perubahan cadangan kerugian penurunan nilai atas agunan yang diambil alih adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Saldo awal	1.235	1.207
Penambahan penyisihan dalam tahun berjalan (Catatan 30)	69	28
Saldo akhir	1.304	1.235

Manajemen Bank berpendapat bahwa jumlah cadangan kerugian penurunan nilai atas agunan yang diambil alih telah memadai dan nilai tercatat agunan yang diambil alih tersebut merupakan nilai bersih yang dapat direalisasi.

- c. Sehubungan dengan kasus PT Elnusa Tbk dan Pemerintah Kabupaten Batubara, Bank telah memblokir Sertifikat Bank Indonesia ("SBI") sebesar Rp191.000 seperti yang diwajibkan dalam Surat Bank Indonesia No. 13/26/DPB11/PPB11-2/Rahasia tanggal 24 Mei 2011. Karena pemblokiran tersebut, Sertifikat Bank Indonesia tersebut disajikan sebagai aset lain-lain dan bukan sebagai bagian dari efek-efek (Catatan 39).

14. OTHER ASSETS (continued)

- b. As of December 31, 2018 and 2017, foreclosed assets based on collectibility were as follows:

Current
Sub-standard
Doubtful
Loss
Ending balance
Allowance for impairment losses
Net

The movements of the allowance for impairment losses of foreclosed assets were as follows:

Beginning balance
Additional of provision during the year (Note 30)
Ending balance

The Bank's management believes that the allowance for impairment losses of foreclosed assets was adequate and recorded at its net realizable value.

- c. In relation with the case of PT Elnusa Tbk and Batubara Country Government, the Bank has put certain Certificates of Bank Indonesia ("SBI") as restricted asset amounting to Rp191,000 as required by Bank Indonesia ("BI") under Letter No. 13/26/DPB11/PPB11-2/Rahasia dated May 24, 2011. Because of this restriction, such Certificates of Bank Indonesia were presented as part of other assets and not as securities (Note 39).

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15. LIABILITAS SEGERA

Liabilitas segera terutama terdiri dari transaksi kliring atau transfer nasabah yang belum diselesaikan dan titipan pembayaran pajak yang belum dilimpahkan ke rekening Kantor Perbendaharaan dan Kas Negara ("KPKN") sehubungan dengan kegiatan operasional Bank sebagai Bank Persepsi.

15. OBLIGATIONS DUE IMMEDIATELY

Obligations due immediately mainly consist of clearing transactions or unsettled customers' money transfer and deposit of tax payments which has not yet been transferred to the account of Kantor Perbendaharaan dan Kas Negara ("KPKN") in relation with the Bank's function as Collecting Bank.

16. GIRO

Giro terdiri dari:

16. CURRENT ACCOUNTS

Current accounts consist of:

31 Desember/December 31							
	2018			2017			
	Rupiah	Mata uang asing/ Foreign currencies	Total	Rupiah	Mata uang asing/ Foreign currencies	Total	
Pihak berelasi (Catatan 38)	1.733.242	525.209	2.258.451	1.772.147	156.204	1.928.351	Related parties (Note 38)
Pihak ketiga	3.084.292	1.375.461	4.459.753	3.945.431	2.059.103	6.004.534	Third parties
Total	4.817.534	1.900.670	6.718.204	5.717.578	2.215.307	7.932.885	Total

Giro dalam mata uang asing terdiri dari Dolar Amerika Serikat, Dolar Australia, Dolar Singapura, Euro Eropa, Poundsterling Inggris dan Yen Jepang.

Current accounts in foreign currencies consist of United States Dollar, Australian Dollar, Singapore Dollar, European Euro, Great Britain Poundsterling and Japanese Yen.

Suku bunga rata-rata tertimbang setahun untuk giro adalah sebagai berikut:

The weighted average of interest rate per annum for current accounts were as follows:

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31			
	2018	2017	
Rupiah	2,81%	2,46%	Rupiah
Mata uang asing			Foreign currencies
Dolar Amerika Serikat	0,30%	0,26%	United States Dollar
Dolar Australia	0,49%	0,49%	Australian Dollar
Dolar Singapura	0,15%	0,15%	Singapore Dollar
Euro Eropa	0,15%	0,14%	European Euro

Pada tanggal 31 Desember 2018 dan 2017, tidak ada giro yang digunakan sebagai jaminan atas fasilitas-fasilitas kredit, bank garansi dan *Letter of Credit* yang diberikan oleh Bank kepada nasabah atau yang diblokir.

As of December 31, 2018 and 2017 there is no current accounts that are pledged as collaterals for loans, bank guarantees and Letter of Credit issued by the Bank to customers or blocked.

Giro dari pihak berelasi diungkapkan pada Catatan 38. Informasi mengenai jatuh tempo giro yang diberikan diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar giro yang diberikan diungkapkan pada Catatan 43.

Demand deposits from related parties were disclosed in Note 38. Information in respect of maturities of demand deposits were disclosed in Note 44e. Information with regards to the classification and fair value of demand deposits were disclosed in Note 43.

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17. TABUNGAN

Tabungan terdiri dari:

17. SAVING DEPOSITS

Saving deposits consist of:

31 Desember/December 31							
2018			2017				
Pihak berelasi (Catatan 38)/ Related parties (Note 38)	Pihak ketiga/ Third parties	Total	Pihak berelasi (Catatan 38)/ Related parties (Note 38)	Pihak ketiga/ Third parties	Total		
Rupiah:						Rupiah:	
Mega Dana	25.771	5.622.481	5.648.252	25.242	5.221.981	Mega Dana	
Mega Ultima	60.272	1.693.933	1.754.205	8.866	1.856.698	Mega Ultima	
Mega Maxi	3.467	1.238.966	1.242.433	4.536	1.101.367	Mega Maxi	
Mega Peduli	957	743.013	743.970	1.578	805.190	Mega Peduli	
Mega Rencana	1.960	533.415	535.375	2.324	475.575	Mega Rencana	
Mega Perdana	67	420.362	420.429	176	36.955	Mega Perdana	
Tabunganku	8	87.383	87.391	17	80.128	Tabunganku	
Mega Salary	15.228	37.230	52.458	13.242	32.724	Mega Salary	
Mega Absolut	13	10.437	10.450	13	21.657	Mega Absolut	
Mega Proteksi	-	171	171	-	170	Mega Proteksi	
Mega Prestasi	-	28	28	-	28	Mega Prestasi	
Mata uang asing:						Foreign currency:	
Mega Valas	3.833	1.300.085	1.303.918	1.256	1.237.574	Mega Valas	
Total	111.576	11.687.504	11.799.080	57.250	10.870.047	Total	

Tabungan dalam mata uang asing terdiri dari Dolar Amerika Serikat, Dolar Australia, Dolar Singapura, Euro Eropa, Poundsterling Inggris, Yen Jepang, Yuan Cina, Dolar New Zealand dan Franc Swiss.

Saving deposits in foreign currencies consist of United States Dollar, Australian Dollar, Singapore Dollar, European Euro, Great Britain Poundsterling, Japanese Yen, Chinese Yuan, New Zealand Dollar and Swiss Franc.

Suku bunga rata-rata tertimbang setahun untuk tabungan adalah sebagai berikut:

The weighted average of interest rate per annum for saving deposits were as follows:

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31					
2018		2017			
Rupiah	2,05%	2,17%	Rupiah		
Mata uang asing			Foreign currencies		
Dolar Amerika Serikat	0,20%	0,19%	United States Dollar		
Dolar Australia	0,49%	0,49%	Australian Dollar		
Dolar Singapura	0,15%	0,15%	Singapore Dollar		
Dolar New Zealand	0,65%	0,99%	New Zealand Dollar		
Euro Eropa	0,14%	0,15%	European Euro		
Yuan Cina	0,20%	-	Chinese Yuan		

Tabungan yang digunakan sebagai jaminan atas fasilitas-fasilitas kredit, bank garansi dan Letter of Credit yang diberikan oleh Bank kepada nasabah atau yang diblokir pada tanggal 31 Desember 2018 dan 2017 masing-masing berjumlah Rp1.038 dan Rp3.786.

Saving deposits that are pledged as collaterals for loans, bank guarantees and Letters of Credits issued by the Bank to customers or blocked were Rp1,038 and Rp3,786 as of December 31, 2018 and 2017, respectively.

Tabungan dari pihak berelasi diungkapkan pada Catatan 38. Informasi mengenai jatuh tempo tabungan yang diberikan diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar tabungan yang diberikan diungkapkan pada Catatan 43.

Saving deposits from related parties were disclosed in Note 38. Information in respect of maturities of saving deposits were disclosed in Note 44e. Information with regards to the classification and fair value of saving deposits were disclosed in Note 43.

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18. DEPOSITO BERJANGKA

Deposito berjangka terdiri dari:

18. TIME DEPOSITS

Time deposits consist of:

31 Desember/December 31							
	2018			2017			
		Mata uang asing/ Foreign currencies			Mata uang asing/ Foreign currencies		
	Rupiah		Total	Rupiah		Total	
Pihak berelasi (Catatan 38)	523.022	337.191	860.213	622.711	16.097	638.808	Related parties (Note 38)
Pihak ketiga	38.089.814	3.267.487	41.357.301	39.314.248	2.469.633	41.783.881	Third parties
Total	38.612.836	3.604.678	42.217.514	39.936.959	2.485.730	42.422.689	Total

Deposito berjangka yang digunakan sebagai jaminan atas fasilitas-fasilitas kredit, bank garansi dan *Letter of Credit* yang diberikan oleh Bank kepada nasabah atau yang diblokir pada tanggal 31 Desember 2018 dan 2017 masing-masing berjumlah Rp682.964 dan Rp593.939.

Time deposits that are pledged as collaterals for loans, bank guarantees and Letters of Credit issued by the Bank to customers or blocked were Rp682,964 and Rp593,939 as of December 31, 2018 and 2017, respectively.

Deposito berjangka dalam mata uang asing terdiri dari Dolar Amerika Serikat, Dolar Australia, Dolar Singapura, Euro Eropa.

Time deposits in foreign currencies consist of United States Dollar, Australian Dollar, Singapore Dollar, European Euro.

Tingkat suku bunga rata-rata tertimbang setahun untuk deposito berjangka adalah sebagai berikut:

The weighted average interest rates per annum of time deposits were as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
	2018	2017	
Rupiah	6,45%	6,68%	Rupiah
Mata uang asing			Foreign currencies
Dolar Amerika Serikat	1,59%	1,15%	United States Dollar
Dolar Australia	0,93%	1,00%	Australian Dollar
Dolar Singapura	0,34%	0,68%	Singapore Dollar
Euro Eropa	0,61%	0,38%	European Euro

Deposito berjangka dari pihak berelasi diungkapkan pada Catatan 38. Informasi mengenai jatuh tempo deposito berjangka yang diberikan diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar deposito berjangka yang diberikan diungkapkan pada Catatan 43.

Time deposits from related parties were disclosed in Note 38. Information in respect of maturities of time deposits were disclosed in Note 44e. Information with regards to the classification and fair value of time deposits were disclosed in Note 43.

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19. SIMPANAN DARI BANK LAIN

Rincian simpanan dari bank lain adalah sebagai berikut:

	31 Desember/December 31	
	2018	2017
Rupiah		
Pihak berelasi (Catatan 38)		
Giro	1.657	3.160
Pihak ketiga		
Giro	426.513	475.049
Deposito berjangka	398.288	391.643
Call money	1.695.000	880.000
Tabungan	150.775	184.807
	2.672.233	1.934.659
Mata uang asing		
Pihak berelasi (Catatan 38)		
Giro	124	397
Pihak ketiga		
Call money	129.420	67.837
	129.544	68.234
Total	2.801.777	2.002.893

Informasi mengenai jatuh tempo simpanan dari bank lain yang diberikan diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar simpanan dari bank lain yang diberikan diungkapkan pada Catatan 43.

Simpanan yang diterima dari pihak berelasi merupakan simpanan dari PT Bank Mega Syariah, PT Bank Pembangunan Daerah Sulawesi Utara dan PT Bank Pembangunan Daerah Sulawesi Tengah.

Suku bunga rata-rata tertimbang tahunan simpanan dari bank lain adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Rupiah		
Giro	4,78%	4,50%
Tabungan	3,76%	3,94%
Deposito	6,20%	5,98%
Call Money	4,97%	4,50%
Valuta Asing		
Call money - USD	1,97%	0,98%

19. DEPOSITS FROM OTHER BANKS

The details of deposits from other banks were as follows:

Rupiah
Related parties (Note 38)
Current accounts
Third parties
Current accounts
Time deposits
Call money
Saving deposits
Foreign currency
Related parties (Note 38)
Current accounts
Third parties
Call money
Total

Information in respect of maturities of deposit from other banks were disclosed in Note 44e. Information with regards to the classification and fair value of deposits from other banks were disclosed in Note 43.

The outstanding balances of deposits from related parties represented the deposits from PT Bank Mega Syariah, PT Bank Pembangunan Daerah Sulawesi Utara and PT Bank Pembangunan Daerah Sulawesi Tengah.

The weighted average of interest rate per annum of deposits from other banks were as follows:

Rupiah
Current accounts
Saving deposits
Time deposits
Call Money
Foreign currency
Call money - USD

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19. SIMPANAN DARI BANK LAIN (lanjutan)

Klasifikasi jangka waktu simpanan dari bank lain berdasarkan sisa umur sampai dengan saat jatuh tempo adalah sebagai berikut:

19. DEPOSITS FROM OTHER BANKS (continued)

The classification of deposits from other banks based on their remaining period to maturity are as follows:

31 Desember/December 31, 2018									
	≤ 1 bulan/ ≤ 1 month	> 1 - 3 bulan/ > 1 - 3 months	> 3 bulan - 1 tahun/ > 3 months - 1 year	Total					
Rupiah					Rupiah				
<u>Pihak ketiga</u>					<u>Third parties</u>				
Call money	1.695.000	-	-	1.695.000	Call money				
Deposito berjangka	362.788	26.250	9.250	398.288	Time deposits				
Tabungan	150.775	-	-	150.775	Savings				
Giro	426.513	-	-	426.513	Current accounts				
	2.635.076	26.250	9.250	2.670.576					
<u>Pihak berelasi (Catatan 38)</u>					<u>Related parties (Note 38)</u>				
Giro	1.657	-	-	1.657	Current accounts				
Total Rupiah	2.636.733	26.250	9.250	2.672.233	Total Rupiah				
Mata uang asing					Foreign currency				
<u>Pihak ketiga</u>					<u>Third parties</u>				
Call money	129.420	-	-	129.420	Call money				
<u>Pihak berelasi (Catatan 38)</u>					<u>Related parties (Note 38)</u>				
Giro	124	-	-	124	Current accounts				
Total valuta asing	129.544	-	-	129.544	Total foreign currency				
Total	2.766.277	26.250	9.250	2.801.777	Total				

31 Desember/December 31, 2017									
	≤ 1 bulan/ ≤ 1 month	> 1 - 3 bulan/ > 1 - 3 months	> 3 bulan - 1 tahun/ > 3 months - 1 year	Total					
Rupiah					Rupiah				
<u>Pihak ketiga</u>					<u>Third parties</u>				
Call money	880.000	-	-	880.000	Call money				
Deposito berjangka	369.743	17.200	4.700	391.643	Time deposits				
Tabungan	184.807	-	-	184.807	Savings				
Giro	475.049	-	-	475.049	Current accounts				
	1.909.599	17.200	4.700	1.931.499					
<u>Pihak berelasi (Catatan 38)</u>					<u>Related parties (Note 38)</u>				
Giro	3.160	-	-	3.160	Current accounts				
Total Rupiah	1.912.759	17.200	4.700	1.934.659	Total Rupiah				
Mata uang asing					Foreign currency				
<u>Pihak ketiga</u>					<u>Third parties</u>				
Call money	67.837	-	-	67.837	Call money				
<u>Pihak berelasi (Catatan 38)</u>					<u>Related parties (Note 38)</u>				
Giro	397	-	-	397	Current accounts				
Total valuta asing	68.234	-	-	68.234	Total foreign currency				
Total	1.980.993	17.200	4.700	2.002.893	Total				

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20. EFEK-EFEK YANG DIJUAL DENGAN JANJI DIBELI KEMBALI

20. SECURITIES SOLD UNDER REPURCHASED AGREEMENT

31 Desember/December 31, 2018

Nasabah/ Counterparty	Jenis efek-efek/ Type of securities	Nilai nominal/ Nominal amount	Tanggal dimulai/ Starting date	Tanggal jatuh tempo/ Maturity date	Liabilitas pembelian kembali/ Repurchased liabilities	Beban bunga yang belum diamortisasi/ Unamortised interest	Nilai tercatat/ Carrying value
Pihak ketiga/ Third parties							
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah/Government bonds	480.560	19 Desember/ December 19, 2018	2 Januari/ January 2, 2019	422.137	(81)	422.056
PT Bank Victoria Internasional Tbk	Obligasi Pemerintah/Government bonds	695.725	26 Desember/ December 26, 2018	4 Januari/ January 4, 2019	579.974	(322)	579.652
PT Bank Bukopin Tbk	Obligasi Pemerintah/Government bonds	586.420	21 Desember/ December 21, 2018	3 Januari/ January 3, 2019	484.994	(184)	484.810
PT Bank Bukopin Tbk	Obligasi Pemerintah/Government bonds	651.170	27 Desember/ December 27, 2018	2 Januari/ January 2, 2019	516.772	(94)	516.678
Bank Indonesia	Obligasi Pemerintah/Government bonds	1.200.000	7 Desember/ December 7, 2018	4 Januari/ January 4, 2019	1.045.740	(606)	1.045.134
Bank Indonesia	Obligasi Pemerintah/Government bonds	1.200.000	19 Desember/ December 19, 2018	3 Januari/ January 3, 2019	1.041.467	(379)	1.041.088
Bank Indonesia	Obligasi Pemerintah/Government bonds	320.000	28 Desember/ December 28, 2018	4 Januari/ January 4, 2019	300.580	(157)	300.423
Bank Indonesia	Sertifikat Deposito Bank Indonesia/Deposit Certificate Of Bank Indonesia	200.000	28 Desember/ December 28, 2018	4 Januari/ January 4, 2019	199.632	(104)	199.528
		5.333.875			4.591.296	(1.927)	4.589.369

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Nasabah/ Counterparty	Jenis efek-efek/ Type of securities	Nilai nominal/ Nominal amount	Tanggal dimulai/ Starting date	Tanggal jatuh tempo/ Maturity date	Liabilitas pembelian kembali/ Repurchased liabilities	Beban bunga yang belum diamortisasi/ Unamortised interest	Nilai tercatat/ Carrying value
Pihak ketiga/ Third parties							
PT Bank Pan Indonesia Tbk	Sertifikat Deposito Bank Indonesia/Deposit Certificate Of Bank Indonesia	815.000	22 November/ November 22, 2017	4 Januari/ January 4, 2018	725.432	(286)	725.146
PT Bank Pan Indonesia Tbk	Sertifikat Deposito Bank Indonesia/Deposit Certificate Of Bank Indonesia	675.000	15 Desember/ December 15, 2017	3 Januari/ January 3, 2018	601.562	(162)	601.400
PT Bank Pan Indonesia Tbk	Sertifikat Deposito Bank Indonesia/Deposit Certificate Of Bank Indonesia	495.000	20 Desember/ December 20, 2017	11 Januari/ January 11, 2018	441.768	(681)	441.087
PT Bank Pan Indonesia Tbk	Surat Perbendaharaan Negara/Treasury Bills	872.000	29 November/ November 29, 2017	10 Januari/ January 10, 2018	783.042	(921)	782.121
PT Bank Bukopin Tbk	Sertifikat Deposito Bank Indonesia/Deposit Certificate Of Bank Indonesia	367.000	22 Desember/ December 22, 2017	3 Januari/ January 3, 2018	325.596	(97)	325.499
PT Bank Bukopin Tbk	Surat Perbendaharaan Negara/Treasury Bills	291.785	13 Desember/ December 13, 2017	5 Januari/ January 5, 2018	260.848	(147)	260.701
PT Bank Bukopin Tbk	Sertifikat Deposito Bank Indonesia/Deposit Certificate Of Bank Indonesia	500.000	29 Desember/ December 29, 2017	9 Januari/ January 9, 2018	446.057	(505)	445.552
PT Bank Central Asia Tbk	Sertifikat Deposito Bank Indonesia/Deposit Certificate Of Bank Indonesia	500.000	21 Desember/ December 21, 2017	4 Januari/ January 4, 2018	444.266	(203)	444.063
		4.515.785			4.028.571	(3.002)	4.025.569

Tingkat suku bunga rata-rata tertimbang setahun untuk efek-efek yang dijual dengan janji dibeli kembali untuk tahun berakhir pada 31 Desember 2018 dan 2017 masing-masing adalah 5,33% dan 4,58%.

Informasi mengenai jatuh tempo diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar diungkapkan pada Catatan 43.

The weighted average of interest rate per annum for securities sold under repurchased agreement for the year ending December 31, 2018 and 2017 were 5.33% and 4.58%, respectively.

Information in respect of maturities were disclosed in Note 44e. Information with regards to the classification and fair value were disclosed in Note 43.

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21. PERPAJAKAN

- a. Utang pajak penghasilan terdiri dari:

	31 Desember/December 31	
	2018	2017
Pajak penghasilan		
Pasal 29	29.736	25.153
Total	29.736	25.153

Income taxes
Article 29
Total

- b. Beban pajak terdiri dari:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Pajak kini	342.907	323.641
Pajak tangguhan	59.767	8.609
Pajak tahun sebelumnya	-	16.866
Neto	402.674	349.116

Current tax
Deferred tax
Tax for the prior year
Net

- c. Sesuai dengan peraturan perpajakan di Indonesia, Bank menghitung dan melaporkan/menyetorkan pajak berdasarkan sistem *self-assessment*. Fiskus dapat menetapkan/mengubah pajak-pajak tersebut dalam jangka waktu tertentu sesuai dengan peraturan yang berlaku.

- c. In accordance with the taxation laws in Indonesia, the Bank calculates and submits income tax returns based on self-assessment. The tax authorities may assess/amend taxes within the statute of limitations under the prevailing regulations.

- d. Rekonsiliasi antara laba akuntansi sebelum beban pajak ke laba kena pajak untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

- d. The reconciliation between accounting income before tax expense to taxable income for the years ended December 31, 2018 and 2017 were as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Laba akuntansi sebelum beban pajak - Bank	2.002.021	1.649.159
Penghasilan tidak kena pajak	-	(5.703)
Beda temporer:		
Liabilitas imbalan pasca-kerja	(33.850)	(23.581)
Kerugian atas aset derivatif - neto	748	4.816
Kerugian (keuntungan) atas efek-efek yang diperdagangkan - neto	251	(2.206)
Pemulihan cadangan kerugian penurunan nilai restrukturisasi kredit	(9.300)	(2.486)
Penyusutan aset tetap	(482)	(397)
Pemulihan cadangan kerugian penurunan nilai atas aset keuangan dan non-keuangan	(256.204)	(19.194)
Total beda temporer	(298.837)	(43.048)

Accounting income before
tax expense - Bank
Non-taxable income
Temporary differences:
Post-employment benefits liability
Loss on
derivative assets - net
Loss (gain) on trading
marketable securities - net
Reversal of provision
for impairment losses
on loan restructuring
Depreciation of fixed assets
Additional reversal
for impairment losses on
financial assets and
non-financial assets
Total temporary differences

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21. PERPAJAKAN (lanjutan)

- d. Rekonsiliasi antara laba akuntansi sebelum beban pajak ke laba kena pajak untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut (lanjutan):

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
<u>Beda tetap:</u>		
Hasil Surat Ketetapan Pajak Kurang Bayar ("SKPKB")	-	275
Jamuan dan representasi	1.355	8.117
Penyusutan aset tetap	1.650	562
Sumbangan	1.158	1.801
Kesejahteraan karyawan	718	1.214
Lain-lain	6.467	5.824
Total beda tetap	11.348	17.793
Laba kena pajak	1.714.532	1.618.201
Beban pajak penghasilan badan	342.907	323.641
Dikurangi: pajak penghasilan dibayar dimuka	(313.171)	(298.488)
Utang pajak penghasilan badan	29.736	25.153

Dasar pelaporan SPT tahun 2018 akan sesuai dengan taksiran penghasilan kena pajak tahun 2018 diatas.

- e. Rekonsiliasi antara laba akuntansi Bank sebelum pajak dikali tarif pajak yang berlaku dengan beban pajak adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Laba akuntansi sebelum beban pajak	2.002.021	1.649.159
Penghasilan tidak kena pajak	-	(5.703)
	2.002.021	1.643.456
Tarif pajak yang berlaku	20%	20%
	400.404	328.691
Beda tetap dengan tarif 20%	2.270	3.559
Pajak tahun sebelumnya	-	16.866
Beban pajak	402.674	349.116

21. TAXATION (continued)

- d. The reconciliation between accounting income before tax expense to taxable income for the years ended December 31, 2018 and 2017 were as follows (continued):

<u>Permanent differences:</u>
Tax Underpayment Assessment Letter ("SKPKB") Result
Entertainment and representation
Depreciation of fixed assets
Donations
Employee benefits
Others
Total permanent differences
Taxable income
Corporate income tax expense
Less: prepayment of income tax
Corporate income tax payable

The basis for reporting base for 2018 Annual Tax Return will be in accordance with the estimated taxable income for 2018 above.

- e. The reconciliation between the Bank's accounting income before tax multiplied by the enacted tax rate applicable to income tax expense were as follows:

Accounting income before tax expense
Non-taxable income
Enacted marginal tax rate
Permanent differences at 20%
Tax for the prior year
Tax expense

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21. PERPAJAKAN (lanjutan)

- e. Rekonsiliasi antara laba akuntansi Bank sebelum pajak dikali tarif pajak yang berlaku dengan beban pajak adalah sebagai berikut (lanjutan):

Berdasarkan PMK 238/2008, perseroan terbuka dalam negeri dapat memperoleh penurunan tarif Pajak Penghasilan sebesar 5% lebih rendah dari tarif tertinggi Pajak Penghasilan sebagaimana diatur dalam Pasal 17 ayat 1b ("Undang-undang Pajak Penghasilan"), jika memenuhi kriteria yang ditentukan, sebagai berikut:

1. Apabila jumlah kepemilikan saham publiknya 40% (empat puluh persen) atau lebih dari keseluruhan saham yang disetor dan saham tersebut dimiliki paling sedikit oleh 300 (tiga ratus) pihak.
2. Masing-masing pihak hanya boleh memiliki saham kurang dari 5% (lima persen) dari keseluruhan saham yang disetor dalam waktu paling singkat 6 (enam) bulan atau 183 (seratus delapan puluh tiga) hari kalender dalam jangka waktu 1 (satu) tahun pajak.
3. Wajib Pajak harus melampirkan Surat Keterangan dari Biro Administrasi Efek pada Surat Pemberitahuan Tahunan PPh WP Badan dengan melampirkan formulir X.H.1-6 sebagaimana diatur dalam Peraturan BAPEPAM - LK Nomor X.H.1 untuk setiap tahun pajak terkait.

Peraturan ini berlaku efektif sejak tanggal 30 Desember 2008 dan harus diterapkan secara retroaktif sejak tanggal 1 Januari 2008.

Pada tanggal 4 Januari 2019 dan 10 Januari 2018, Bank telah mendapat surat keterangan dari PT Datindo Entrycom, Biro Administrasi Efek, yang menyatakan bahwa Bank telah memenuhi kriteria-kriteria tersebut di atas dan oleh karena itu Bank telah menerapkan penurunan tarif pajak dalam perhitungan pajak penghasilan tahun 2018 dan 2017.

21. TAXATION (continued)

- e. The reconciliation between the Bank's accounting income before tax multiplied by the enacted tax rate applicable to income tax expense were as follows (continued):

Under the PMK 238/2008, domestic public companies can apply for tax reduction of 5% lower than the highest income tax rate as stated in point 1b of article 17 of the Income Tax Law if the following criteria are met:

1. Total publicly-owned shares covers 40% or more of the total paid-up shares and such shares are owned by at least 300 (three hundred) parties.
2. Each party can only own less than 5% shares of the total paid-up shares within a minimum of 6 (six) months or 183 (one hundred eighty three) calendar days in 1 (one) tax/fiscal year.
3. The Tax Payer should attach the Declaration Letter ("Surat Keterangan") from the Securities Administration Bureau ("Biro Administrasi Efek") to the Annual Income Tax Return of the Tax Payer with the form X.H.1-6 as provided in BAPEPAM - LK Regulation No. X.H.1 for each respective tax/fiscal year.

This regulation was effective on December 30, 2008 and shall be applied retroactively starting from January 1, 2008.

On January 4, 2019 and January 10, 2018, the Bank received declaration letter from PT Datindo Entrycom, the Securities Administration Bureau, stating that the Bank has complied with the above mentioned criteria; accordingly, the Bank has applied the tax reduction in its 2018 and 2017 income tax calculation.

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21. PERPAJAKAN (lanjutan)

Pada tanggal 7 September 2016, Bank menerima Surat Ketetapan Pajak atas hasil pemeriksaan pajak Bank untuk tahun 2011 sebesar kurang bayar Rp63.850 untuk Pajak Penghasilan Badan, Pajak Pertambahan Nilai dan Pajak Penghasilan Pasal 21, 23, 26, 4(2). Pada tanggal 4 Oktober 2016, Bank telah melakukan pembayaran atas kurang bayar tersebut sebesar Rp59.027 (termasuk Rp47.823 atas PPh Badan), sedangkan sisanya sebesar Rp4.823 untuk Pajak Pertambahan Nilai dalam proses keberatan ke Kantor Pajak. Pada tanggal 21 April 2017, Bank telah melakukan pembayaran atas kekurangan pembayaran PPN sebesar Rp2.814 dan tidak mengajukan banding ke pengadilan pajak.

Pada tanggal 2 Desember 2016, Bank menerima Surat Ketetapan Pajak atas hasil pemeriksaan pajak Bank untuk tahun 2012 sebesar kurang bayar Rp63.772 untuk Pajak Penghasilan Badan, Pajak Pertambahan Nilai dan Pajak Penghasilan Pasal 21, 23, 26, 4(2). Pada tanggal 21 Desember 2016, Bank telah melakukan pembayaran atas kurang bayar tersebut sebesar Rp42.935 (termasuk Rp32.533 atas PPh Badan), sedangkan sisanya yang merupakan nilai Denda sebesar 20.837 telah terhapuskan seiring dengan keikutsertaan Bank dalam Tax Amnesty di tahun 2017.

Pada tanggal 28 Desember 2017, Bank menerima Surat Ketetapan Pajak atas hasil pemeriksaan pajak Bank untuk tahun 2016 sebesar kurang bayar Rp17.141 untuk Pajak Penghasilan Badan, Pajak Pertambahan Nilai dan Pajak Penghasilan Pasal 21, 23, 26, 4(2). Pada tanggal 29 Desember 2017, Bank telah melakukan pembayaran atas kurang bayar tersebut sebesar Rp17.141 (termasuk Rp16.866 atas PPh Badan) dan tidak mengajukan keberatan kepada Direktorat Jenderal Pajak.

Rincian aset (liabilitas) pajak tangguhan, bersih adalah sebagai berikut:

	31 Desember/December 31	
	2018	2017
Aset pajak tangguhan		
Liabilitas imbalan pasca-kerja	62.115	68.885
Cadangan kerugian penurunan nilai restrukturisasi kredit	103	1.963
Penyusutan aset tetap	67	163
Kerugian yang belum direalisasi atas efek-efek tersedia untuk dijual	154.079	-
Kerugian yang belum direalisasi atas efek-efek diperdagangkan - neto	990	940
Total aset pajak tangguhan	217.354	71.951

21. TAXATION (continued)

On September 7, 2016, the Bank received Tax Assessment Letter for the result of the Bank's taxes audit for the year 2011 which stated underpayment amounting to Rp63,850 for Corporate Income Tax, Value Added Tax and Income Tax Article 21, 23, 26, 4(2). On October 4, 2016, Bank paid the underpayment amounting to Rp59,027 (including Rp47,823 of Corporate Income Tax), while the remaining balance amounting Rp4,823 for Value Added Tax is in the process of objection to Tax Office. On April 21, 2017, Bank paid underpayment of Value Added Tax amounting to Rp2,814 and did not file appeal to tax court.

On December 2, 2016, the Bank received Tax Assessment Letter for the result of the Bank's taxes audit for the year 2012 which stated underpayment amounting to Rp63,772 for Corporate Income Tax, Value Added Tax and Income Tax Article 21, 23, 26, 4(2). On December 21, 2016, Bank paid the underpayment amounting to Rp42,935 (including Rp32,533 of Corporate Income Tax), while the remaining balance, tax penalty, amounting to 20,837 has been erased along with the Bank's participation in Tax Amnesty in 2017.

On December 28, 2017, the Bank received Tax Assessment Letter for the result of the Bank's taxes audit for the year 2016 which stated underpayment amounting to Rp17,141 for Corporate Income Tax, Value Added Tax and Income Tax Article 21, 23, 26, 4(2). On December 29, 2017, Bank paid the underpayment amounting to Rp17,141 (including Rp16,866 of Corporate Income Tax) and no objection was filed to the Directorate General of Tax.

The details of deferred tax assets (liabilities), net were as follows:

Deferred tax assets
Post-employment benefits liability
Allowance for impairment losses on loan restructuring
Depreciation of fixed assets
Unrealized gains from available-for-sale in securities
Unrealized loss from trading securities - net
Total deferred tax assets

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21. PERPAJAKAN (lanjutan)

Rincian aset (liabilitas) pajak tangguhan, bersih adalah sebagai berikut (lanjutan):

	31 Desember/December 31	
	2018	2017
Liabilitas pajak tangguhan		
Keuntungan aktuarial atas liabilitas imbalan pasca-kerja	(7.295)	(15.471)
Keuntungan yang belum direalisasi atas efek-efek tersedia untuk dijual	-	(44.402)
Keuntungan atas aset derivatif - neto	-	(149)
Cadangan kerugian penurunan nilai aset keuangan dan non-keuangan	(57.069)	(5.828)
Revaluasi aset tetap	(41.706)	-
Total liabilitas pajak tangguhan	(106.070)	(65.850)
Aset pajak tangguhan - neto	111.284	6.101

Manajemen Bank berpendapat bahwa seluruh aset pajak tangguhan dapat terpulihkan di tahun-tahun mendatang.

21. TAXATION (continued)

The details of deferred tax assets (liabilities), net were as follows (continued):

Deferred tax liabilities
Actuarial gain on post-employment benefits liability
Unrealized gains from available-for-sale in securities
Gain on derivative assets - net
Allowance for impairment losses on financial and non-financial assets
Fixed asset revaluation
Total deferred tax liabilities
Deferred tax assets - net

The Bank's management believes that the total deferred tax assets can be recovered in future years.

22. PINJAMAN YANG DITERIMA

Pada tahun 2017, Bank memperoleh pinjaman yang diterima dalam mata uang Dolar Amerika Serikat dari PT Bank Rakyat Indonesia (Persero) Tbk Cabang Jakarta, dalam rangka pembiayaan fasilitas *Letter of Credit* dan *Trade Finance*. Saldo transaksi tersebut adalah sebagai berikut:

31 Desember/December 31, 2017			
Tanggal/Date		Suku bunga (%) / Interest rate (%)	Nilai penuh (US\$) / Full amount (US\$)
Penerimaan/Receipt	Jatuh tempo/Maturity		Ekuivalen Rp / Equivalent in Rp
4 Desember 2017/December 4, 2017	3 Januari 2018/January 3, 2018	1,7500	135.675
Total			135.675

Pinjaman yang diterima diatas telah dilunasi pada tanggal jatuh tempo.

Jumlah beban bunga untuk tahun 2018 dan 2017 masing-masing sebesar Rp216 dan Rp5.817. Informasi mengenai jatuh tempo pinjaman yang diterima diungkapkan pada Catatan 44e. Informasi mengenai klasifikasi dan nilai wajar pinjaman yang diterima diungkapkan pada Catatan 43.

22. FUND BORROWINGS

In 2017, the Bank received fund borrowings denominated in United States Dollar from PT Bank Rakyat Indonesia (Persero) Tbk Jakarta Branch, respectively in order to finance Letters of Credit and Trade Finance facilities. The balances of fund borrowings were as follows:

The above fund borrowing has been fully repaid on the maturity date.

The amount of interest expense incurred in 2018 and 2017 were Rp216 and Rp5,817, respectively. Information in respect of maturities of fund borrowings is disclosed in Note 44e. Information with regards to the classification and fair value of fund borrowings is disclosed in Note 43.

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23. BEBAN YANG MASIH HARUS DIBAYAR DAN LIABILITAS LAIN-LAIN

23. ACCRUED EXPENSES AND OTHER LIABILITIES

31 Desember/December 31							
2018			2017				
Rupiah	Mata uang asing/ Foreign currencies	Total	Rupiah	Mata uang asing/ Foreign currencies	Total		
Utang bunga						Interest payables	
Pihak berelasi (Catatan 38)	2.267	88	2.355	3.151	7	Related parties (Note 38)	3.158
Pihak ketiga	152.139	3.204	155.343	121.032	1.960	Third parties	122.992
Setoran jaminan						Security deposits	
Pihak berelasi (Catatan 38)	176	512	688	810	-	Related parties (Note 38)	810
Pihak ketiga	6.579	60.801	67.380	11.060	24.956	Third parties	36.016
Beban yang masih harus dibayar	812	-	812	2.191	-	Accrued expenses	2.191
Lain-lain	69.614	7.135	76.749	41.811	3.538	Others	45.349
Total	231.587	71.740	303.327	180.055	30.461	Total	210.516

Informasi mengenai transaksi dengan pihak berelasi dan jatuh tempo diungkapkan pada Catatan 38 dan 44e.

Information on related parties transactions and maturities are disclosed in Notes 38 and 44e.

24. MODAL SAHAM

24. SHARE CAPITAL

Susunan pemegang saham Bank berdasarkan informasi yang diterima dari PT Datindo Entrycom selaku Biro Administrasi Efek Bank pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

As of December 31, 2018 and 2017, the composition of the Bank's shareholders and their respective shareholdings based on the statement of PT Datindo Entrycom, the Bank's Share Administrative Bureau, were as follows:

31 Desember 2018/ December 31, 2018				
Pemegang saham	Jumlah saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah nominal/ Nominal value	Shareholders
PT Mega Corpora	4.040.079.822	58,02%	2.020.040	PT Mega Corpora
Publik - masing-masing di bawah 5%	2.923.695.384	41,98%	1.461.848	Public - each below 5%
Total	6.963.775.206	100,00%	3.481.888	Total

31 Desember 2017/ December 31, 2017				
Pemegang saham	Jumlah saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah nominal/ Nominal value	Shareholders
PT Mega Corpora	4.039.807.622	58,01%	2.019.904	PT Mega Corpora
Publik - masing-masing di bawah 5%	2.923.967.584	41,99%	1.461.984	Public - each below 5%
Total	6.963.775.206	100,00%	3.481.888	Total

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25. TAMBAHAN MODAL DISETOR

Pada tanggal 31 Desember 2018 dan 2017, akun tambahan modal disetor terdiri dari:

25. ADDITIONAL PAID - UP CAPITAL

As of December 31, 2018 and 2017, additional paid-up capital consists of :

31 Desember 2018 dan 2017/ December 31, 2018 and 2017		
Tambahan Modal disetor		Additional paid-up capital
Penawaran Umum Perdana Tahun 2000	78.750	Initial Public Offering Year 2000
Kapitalisasi tambahan modal disetor Tahun 2001	(69.526)	Capitalization of additional paid-up capital Year 2001
Dividen Saham Tahun 2001	35.436	Stock Dividend Year 2001
Penawaran Umum Terbatas I Tahun 2002	109.188	Limited Public Offering I Year 2002
Dividen Saham Tahun 2005	375.716	Stock Dividend Year 2005
Penawaran Umum Terbatas II Tahun 2006	400.109	Limited Public Offering II Year 2006
Kapitalisasi tambahan modal disetor Tahun 2009	(777.890)	Capitalization of additional paid-up capital Year 2009
Dividen Saham Tahun 2011	1.370.959	Stock Dividend Year 2011
Saham bonus Tahun 2005	(141.035)	Bonus share Year 2005
Dividen Saham Tahun 2013	2.045.014	Stock Dividend Year 2013
Saham bonus Tahun 2013	(1.370.880)	Bonus share Year 2013
Beban emisi efek ekuitas		Stock issuance costs
Penawaran Umum Perdana Tahun 2000	(9.223)	Initial Public Offering Year 2000
Penawaran Umum Terbatas I Tahun 2002	(1.430)	Limited Public Offering I Year 2002
Selisih nilai transaksi kombinasi bisnis entitas sependengali	3.573	Differences in values of business combination transaction of entities under common control
Total	2.048.761	Total

26. PENGGUNAAN LABA NETO DAN CADANGAN UMUM

Dalam Rapat Umum Pemegang Saham Tahunan Bank yang diselenggarakan pada tanggal 28 Februari 2018, yang diaktakan dengan Akta Notaris Dharma Akhyuzi, S.H., No. 13, para pemegang saham setuju untuk menetapkan pembagian dividen tunai sebesar Rp650.000 dan juga menetapkan dana cadangan umum sebesar Rp44 untuk memenuhi ketentuan Pasal 70 Undang-Undang Perseroan Terbatas.

Dalam Rapat Umum Pemegang Saham Tahunan Bank yang diselenggarakan pada tanggal 31 Maret 2017, yang diaktakan dengan Akta Notaris Dharma Akhyuzi, S.H., No. 25, para pemegang saham setuju untuk menetapkan pembagian dividen tunai sebesar Rp578.950 dan juga menetapkan dana cadangan umum sebesar Rp100 untuk memenuhi ketentuan Pasal 70 Undang-Undang Perseroan Terbatas.

Bank telah membentuk cadangan umum dengan jumlah sebesar Rp1.497 dan Rp1.453 pada tanggal 31 Desember 2018 dan 2017, sesuai dengan Undang-undang No. 40 tahun 2007 mengenai Perseroan Terbatas, yang mengharuskan perusahaan-perusahaan untuk membuat cadangan umum sebesar sekurang-kurangnya 20% dari jumlah modal yang ditempatkan dan disetor penuh. Undang-undang tersebut tidak mengatur jangka waktu untuk pembentukan cadangan tersebut.

26. APPROPRIATION OF NET INCOME AND GENERAL RESERVE

At the Bank's Annual General Meeting of Shareholders held on February 28, 2018, which was notarized under Notarial Deed No. 13 by Dharma Akhyuzi, S.H., the shareholders agreed to declare cash dividends amounting to Rp650,000 and also set the general reserves amounting to Rp44 to comply with Article 70 of Limited Liability Company Law.

At the Bank's Annual General Meeting of Shareholders held on March 31, 2017, which was notarized under Notarial Deed No. 25 by Dharma Akhyuzi, S.H., the shareholders agreed to declare cash dividends amounting to Rp578,950 and also set the general reserves amounting to Rp100 to comply with Article 70 of Limited Liability Company Law.

The Bank set-up a general reserves totalling Rp1,497 and Rp1,453 as of December 31, 2018 and 2017, respectively, in accordance with the Indonesian Limited Company Law No. 40, year 2007 which requires companies to set up a general reserve amounting to at least 20% of the issued and fully paid share capital. The regulation did not set period of time over which this amount should be provided.

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27. PENDAPATAN BUNGA

Pendapatan bunga diperoleh dari:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Kredit yang diberikan	4.870.743	4.516.991
Efek-efek	1.805.466	1.720.668
Penempatan pada Bank Indonesia dan bank lain	91.599	152.537
Lain-lain	4.640	3.390
Total	6.772.448	6.393.586

Jumlah pendapatan bunga yang dihitung dengan menggunakan metode suku bunga efektif yang berasal dari aset keuangan yang diklasifikasikan sebagai pinjaman dan piutang masing-masing sebesar Rp4.966.982 dan Rp4.672.918 untuk tahun 2018 dan 2017.

27. INTEREST INCOME

Interest income was derived from the following:

Loans
Securities
Placements with Bank Indonesia and other banks
Others
Total

Total interest income calculated using the effective interest method derived from financial assets classified as loans and receivables amounted to Rp4,966,982 and Rp4,672,918 for the year ended 2018 and 2017, respectively.

28. BEBAN BUNGA

Akun ini merupakan beban bunga dan pembiayaan lainnya yang timbul atas:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Simpanan dari nasabah		
Deposito berjangka	2.480.387	2.196.875
Tabungan	218.758	206.532
Giro	165.476	115.034
Simpanan dari bank lain	275.036	260.948
Beban pembiayaan lainnya	118.954	105.591
Total	3.258.611	2.884.980

Sehubungan dengan liabilitas bank umum yang dijamin oleh Program Penjaminan Pemerintah, Pemerintah Republik Indonesia telah mendirikan, sebuah lembaga independen berdasarkan Undang-undang Republik Indonesia No. 24 tahun 2004 tanggal 22 September 2004. Berdasarkan peraturan ini, Lembaga Penjamin Simpanan (LPS) menjamin dana masyarakat termasuk dana dari bank lain dalam bentuk giro, deposito, sertifikat deposito, tabungan dan/atau bentuk lainnya yang dipersamakan dengan itu.

28. INTEREST EXPENSE

This account represents interest expense and other financing charges incurred on the following:

Deposits from customers
Time deposits
Saving deposits
Current accounts
Deposits from other banks
Other financing charges

In connection with the commercial bank obligations guaranteed by Government Guarantee Program, the Indonesian Government has established an independent institution in accordance with the Republic of Indonesia Law No. 24 year 2004 dated September 22, 2004. Under this Law, The Deposit Guarantee Institution (Lembaga Penjamin Simpanan/LPS), guarantees third parties deposits including deposits from other banks in the form of demand deposits, time deposits, certificates of deposit, saving deposits and/or other equivalent forms.

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28. BEBAN BUNGA (lanjutan)

Pada tanggal 13 Oktober 2008, Presiden Republik Indonesia menetapkan Peraturan Pemerintah No. 66 Tahun 2008 tentang besaran nilai simpanan yang dijamin LPS. Berdasarkan peraturan tersebut, nilai simpanan yang dijamin untuk setiap nasabah pada satu Bank yang semula berdasarkan Undang-undang No. 24 Tahun 2004 ditetapkan maksimum Rp100.000.000 (nilai penuh) diubah menjadi maksimum Rp2.000.000.000 (nilai penuh). Pada tanggal 31 Desember 2018 dan 2017, Bank adalah peserta dari program penjaminan tersebut.

Bank telah melakukan pembayaran premi Program Penjaminan Pemerintah Terhadap Kewajiban Pembayaran Bank Umum masing-masing sebesar Rp118.954 dan Rp105.591 untuk tahun 2018 dan 2017 yang dicatat sebagai beban pembiayaan lainnya.

28. INTEREST EXPENSE (continued)

On October 13, 2008, the President of the Republic of Indonesia approved Government Regulation No. 66 Year 2008 regarding the amount of deposits guaranteed by LPS. Based on such regulation, the customers' guaranteed deposit in a Bank which was previously regulated under Law No. 24 Year 2004 amounted to a maximum of Rp100,000,000 (full amount) was amended to a maximum of Rp2,000,000,000 (full amount). As of December 31, 2018 and 2017, Bank was a participant of above guarantee program.

The Bank has paid the premium on the Government Guarantee Program for Obligation of Commercial Banks amounting to Rp118,954 and Rp105,591 for the year ended in 2018 and 2017, respectively, which were recorded as other financing charges.

29. PENDAPATAN PROVISI DAN KOMISI - NETO

29. FEES AND COMMISSIONS INCOME - NET

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
	2018	2017	
Komisi dari kartu debit dan kartu kredit	1.427.691	1.358.631	Commissions from debit and credit cards
Komisi dari kredit	189.513	53.054	Commissions from loan
Penerimaan beban administrasi	120.461	112.431	Administration Fees
Komisi dari perusahaan asuransi	66.524	54.444	Commissions from insurance companies
Jasa kustodian dan wali amanat	62.141	55.595	Custodian service and trusteeship
Komisi impor dan ekspor	18.010	12.082	Commissions on imports and exports
Komisi jasa remittance	10.099	9.053	Remittance fees
Penerimaan dari penalti	6.524	5.295	Penalty fees
Komisi atas jasa	5.994	3.789	Commissions from services
Jasa safe deposit box	4.787	4.010	Safe deposit box fees
Komisi dari bank garansi	1.221	3.781	Commissions from bank guarantees
Lain-lain	4.407	3.167	Others
Total	1.917.372	1.675.332	Total
Beban provisi dan komisi	(9.890)	(11.888)	Fees and commissions expense
Pendapatan provisi dan komisi - neto	1.907.482	1.663.444	Fees and commissions income - net

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30. BEBAN CADANGAN KERUGIAN PENURUNAN NILAI ASET KEUANGAN DAN ASET NON-KEUANGAN - NETO

Akun ini merupakan penambahan cadangan kerugian penurunan nilai selama tahun berakhir pada tanggal 31 Desember 2018 dan 2017 atas:

30. PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND NON-FINANCIAL ASSETS - NET

This account represents additional provision for impairment losses incurred during the years ended December 31, 2018 and 2017 on:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
	2018	2017	
Aset keuangan			Financial assets
Kredit yang diberikan (Catatan 11k)	370.220	851.078	Loans (Note 11k)
Aset non-keuangan			Non-financial assets
Agunan yang diambil alih (Catatan 14b)	69	28	Foreclosed assets (Note 14b)
Total	370.289	851.106	Total

31. BEBAN UMUM DAN ADMINISTRASI

Beban umum dan administrasi terdiri dari:

31. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
	2018	2017	
Beban usaha kartu kredit	685.815	817.119	Credit card business expenses
Penyusutan aset tetap (Catatan 13)	219.620	218.092	Depreciation of fixed assets (Note 13)
Outsource	208.705	178.539	Outsource
Komunikasi	124.290	106.879	Communication
Sewa	94.232	95.341	Rent
Iklan dan promosi	92.025	84.453	Advertising and promotions
Pemeliharaan dan perbaikan	79.928	69.991	Repairs and maintenance
Listrik dan air	59.086	60.655	Electricity and water
Pendidikan dan pelatihan	55.951	53.939	Education and training
Transportasi	53.357	58.738	Transportation
Pungutan oleh Otoritas Jasa Keuangan	42.329	32.767	Levies by the Financial Service Authority
Perlengkapan kantor	29.922	59.638	Office supplies
Perjalanan dinas	20.642	18.191	Travelling
Pajak dan perizinan	19.648	22.473	Taxes and licenses
Iuran ATM Bersama	18.941	18.767	ATM Bersama contribution
Asuransi	14.719	19.181	Insurance
Bank koresponden	11.462	10.604	Correspondence bank
Lain-lain	111.843	96.184	Others
Total	1.942.515	2.021.551	Total

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32. BEBAN GAJI DAN TUNJANGAN LAINNYA

Beban gaji dan tunjangan lainnya terdiri dari:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Gaji dan upah	1.001.438	951.967
Tunjangan makan dan transportasi	75.713	76.344
Asuransi (Catatan 38)		
Pihak berelasi	26.661	24.487
Pihak ketiga	57.166	54.360
Liabilitas imbalan pasca-kerja (Catatan 35)	21.834	19.471
Lain-lain	72.301	69.883
Total	1.255.113	1.196.512

Remunerasi yang telah diberikan kepada Manajemen kunci (Direksi dan Dewan Komisaris) (Catatan 38) dan Komite Audit Bank adalah sebagai berikut:

32. SALARY EXPENSES AND OTHER ALLOWANCES

Salary expenses and other allowances consist of:

Salaries and wages
Transportation and meal allowance
Insurance (Note 38)
Related parties
Third parties
Post-employment benefits liability
(Note 35)
Others
Total

Remuneration incurred for the Key management (Directors and Board of Commissioner) (Note 38) and Bank's Audit Committee are as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31, 2018			
	Jumlah kepala/ Headcount	Remunerasi/ Remuneration	Tunjangan dan fasilitas lainnya/Other allowance and benefits	Total
Manajemen kunci (catatan 38):				
Direksi	8	51.019	263	51.282
Dewan Komisaris	6	30.629	222	30.851
Sub - total manajemen kunci	14	81.648	485	82.133
Komite Audit	2	629	29	658
Total	16	82.277	514	82.791

Key management (notes 38):
Directors
Board of Commissioners
Sub - total key management
Audit Committee
Total

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31, 2017			
	Jumlah kepala/ Headcount	Remunerasi/ Remuneration	Tunjangan dan fasilitas lainnya/Other allowance and benefits	Total
Manajemen kunci (catatan 38):				
Direksi	7	45.359	237	45.596
Dewan Komisaris	5	20.132	104	20.236
Sub - total manajemen kunci	12	65.491	341	65.832
Komite Audit	2	546	28	574
Total	14	66.037	369	66.406

Key management (notes 38):
Directors
Board of Commissioners
Sub - total key management
Audit Committee
Total

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33. PENDAPATAN (BEBAN) NON-OPERASIONAL

Akun ini terdiri dari:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Pendapatan non-operasional	73.930	84.303
Beban non-operasional	(24.842)	(39.229)
Total	49.088	45.074

33. NON-OPERATING INCOME (EXPENSES)

This account consists of:

Non-operating income
Non-operating expenses
Total

34. KOMITMEN DAN KONTINJENSI

	31 Desember/December 31	
	2018	2017
Komitmen		
Tagihan Komitmen		
Pembelian spot dan derivatif yang masih berjalan	3.445.332	1.830.344
Liabilitas Komitmen		
SKBDN yang masih berjalan	(20.486)	-
L/C tidak dapat dibatalkan yang masih berjalan		
Pihak Berelasi (Catatan 38)	(15.823)	(1.194)
Pihak ketiga	(68.218)	(31.682)
Penjualan spot dan derivatif yang masih berjalan	(3.072.177)	(2.834.383)
Total Liabilitas Komitmen - neto	268.628	(1.036.915)
Kontinjensi		
Tagihan Kontinjensi		
Pendapatan bunga dalam penyelesaian	175.351	126.217
Liabilitas Kontinjensi		
Bank garansi		
Pihak berelasi (Catatan 38)	(149.423)	(165.690)
Pihak ketiga	(368.336)	(385.102)
Total Liabilitas Kontinjensi - neto	(342.408)	(424.575)
Liabilitas komitmen dan kontinjensi - neto	(73.780)	(1.461.490)

Commitments
Commitment Receivables
Outstanding spot and derivatives purchased
Commitment Liabilities
Outstanding SKBDN
Outstanding irrevocable L/C Related Parties (Note 38)
Third parties
Outstanding spot and derivatives sold
Total Commitment Liabilities - net

Contingencies
Contingent Receivables
Interest income on non-performing loans
Contingent Liabilities
Bank guarantees
Related parties (Note 38)
Third parties
Total Contingent Liabilities - net
Commitments and contingent liabilities - net

Jumlah fasilitas kredit (*uncommitted*) Bank kepada nasabah yang belum digunakan pada tanggal 31 Desember 2018 dan 2017 adalah masing-masing sebesar Rp33.648.236 dan Rp23.829.063.

The Bank's unused loan facilities (*uncommitted*) granted to customers as of December 31, 2018 and 2017 amounted to Rp33,648,236 and Rp23,829,063, respectively.

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35. LIABILITAS IMBALAN PASCA-KERJA

Bank mencatat liabilitas imbalan pasti atas imbalan pasca-kerja (*post-employment benefit*) berdasarkan perhitungan aktuaria yang dilakukan oleh aktuaris independen, PT Lastika Dipa, berdasarkan laporannya masing-masing pada tanggal 30 Januari 2019 dan 15 Januari 2018 untuk tahun 2018 dan 2017. Liabilitas imbalan pasti atas imbalan pasca-kerja (*post-employment benefit*) tersebut dihitung dengan menggunakan metode "Projected Unit Credit" dan asumsi-asumsi signifikan sebagai berikut:

	31 Desember/December 31		
	2018	2017	
Tingkat diskonto	9,11%	7,20%	Annual discount rate
Tingkat kenaikan upah (gaji)	5,00%	5,00%	Annual wages (salary) increase
Usia pensiun	55 tahun/years	55 tahun/years	Pension age
Tingkat kematian	Tabel TMI-3-2011/ TMI-3-2011 table	Tabel TMI-3-2011/ TMI-3-2011 table	Mortality rate

Beban yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain adalah sebagai berikut:

Expenses recognized in the statement of profit or loss and other comprehensive income were as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
	2018	2017	
Beban jasa kini	18.659	25.981	Current service cost
Beban bunga	13.546	14.552	Interest expense
Keuntungan atas kurtailmen	(10.371)	(21.062)	Curtailment gain
Total (Catatan 32)	21.834	19.471	Total (Note 32)

Rekonsiliasi perubahan liabilitas selama tahun berjalan yang diakui di laporan posisi keuangan adalah sebagai berikut:

The movements of estimated post-employment benefit liability in the statements of financial position were as follows:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31		
	2018	2017	
Liabilitas pada awal tahun	267.070	262.599	Liability at beginning of year
Penambahan tahun berjalan (Catatan 32)	21.834	19.471	Addition during the year (Note 32)
Pembayaran selama tahun berjalan	(55.684)	(43.052)	Payment during the year
Jumlah yang diakui di penghasilan komprehensif lainnya	40.882	28.052	Total amount recognized in other comprehensive income
Liabilitas pada akhir tahun	274.102	267.070	Liability at end of year

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35. LIABILITAS IMBALAN PASCA-KERJA

Mutasi nilai kini liabilitas imbalan kerja adalah sebagai berikut:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Saldo pada awal tahun	267.070	262.599
Beban jasa kini	18.659	25.981
Beban bunga	13.546	14.552
Kurtailmen dan penyelesaian	(10.371)	(21.062)
Manfaat yang dibayarkan	(55.684)	(43.052)
Kerugian/(keuntungan) pada kewajiban aktuarial		
Asumsi Demografi	-	(148)
Asumsi Keuangan	(7.637)	(1.577)
Experience Adjustment	48.519	29.777
Saldo pada akhir tahun	274.102	267.070

Mutasi keuntungan (kerugian) aktuarial yang diakui sebagai penghasilan komprehensif lain, bruto pajak tangguhan:

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Saldo awal, 1 Januari	77.356	105.408
Kerugian aktuarial yang diakui sebagai penghasilan komprehensif lain	(40.882)	(28.052)
Saldo akhir	36.474	77.356

Tabel berikut menunjukkan sensitivitas atas kemungkinan perubahan tingkat diskonto dan tingkat kenaikan gaji sebesar 1%, dengan variabel lain dianggap tetap, terhadap nilai kini kewajiban imbalan kerja karyawan:

	31 Desember/December 31, 2018			
	Tingkat diskonto/ Discount rate		Tingkat kenaikan gaji/ Salary increment rate	
	Kenaikan/ Increase	Penurunan/ Decrease	Kenaikan/ Increase	Penurunan/ Decrease
Dampak pada agregat biaya jasa kini	(970)	1.065	932	(858)
Dampak pada nilai kini kewajiban imbalan kerja karyawan	(14.245)	15.650	13.685	(12.603)
	31 Desember/December 31, 2017			
	Tingkat diskonto/ Discount rate		Tingkat kenaikan gaji/ Salary increment rate	
	Kenaikan/ Increase	Penurunan/ Decrease	Kenaikan/ Increase	Penurunan/ Decrease
Dampak pada agregat biaya jasa kini	(1.555)	1.756	1.745	(1.572)
Dampak pada nilai kini kewajiban imbalan kerja karyawan	(14.008)	15.627	15.585	(14.207)

35. POST-EMPLOYMENT BENEFITS LIABILITY

The movements in the present value of liabilities for employee benefits were as follows:

Balance at beginning of year
 Current service cost
 Interest cost
 Curtailment and settlement
 Benefit paid
 Actuarial (gains)/losses on obligation
 Demographic Assumption
 Financial Assumption
 Experienced Adjustment
 Balance at end of year

The movements in the balance of actuarial gain (loss) charged to other comprehensive income, gross deferred tax:

Beginning balance, January 1
 Actuarial losses charged to other comprehensive income
 Ending balance

The following table demonstrates the sensitivity to a reasonably possible change in discount rates and salary increment rate amounted 1%, with all other variables held constant, of the present value of employee benefits obligation:

Effect on the aggregate current service cost
 Effect on present value of employee benefit obligation

Effect on the aggregate current service cost
 Effect on present value of employee benefit obligation

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35. LIABILITAS IMBALAN PASCA-KERJA (lanjutan)

Analisis jatuh tempo yang diharapkan dari manfaat pensiun yang tidak terdiskonto untuk Entitas pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	31 Desember/Year Ended December 31	
	2018	2017
Dalam waktu 12 bulan berikutnya	67.650	56.761
Antara 1 dan 2 tahun	29.238	34.664
Antara 2 dan 5 tahun	127.528	114.376
Di atas 5 tahun	3.207.546	2.598.729
Total	3.431.962	2.804.530

Durasi rata-rata tertimbang dari nilai kini liabilitas imbalan kerja karyawan di akhir periode pelaporan pada tanggal 31 Desember 2018 dan 2017 adalah 17,74 tahun dan 17,62 tahun.

36. LABA PER SAHAM DASAR

Laba per saham dihitung dengan membagi laba tahun berjalan yang tersedia bagi pemegang saham dengan rata-rata tertimbang jumlah saham biasa yang beredar pada tahun bersangkutan.

	Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31	
	2018	2017
Laba tahun berjalan kepada pemegang saham	1.599.347	1.300.043
Rata-rata tertimbang jumlah saham biasa yang beredar	6.963.775.206	6.963.775.206
Laba per saham dasar (nilai penuh)	230	187

35. POST-EMPLOYMENT BENEFITS LIABILITY (continued)

Expected maturity analysis of undiscounted pension benefit for the entity as of December 31, 2018 and 2017 were as follows:

	31 Desember/Year Ended December 31	
	2018	2017
Within the next 12 months	67.650	56.761
Between 1 and 2 years	29.238	34.664
Between 2 and 5 years	127.528	114.376
Beyond 5 years	3.207.546	2.598.729
Total	3.431.962	2.804.530

The weighted average duration of the present value of liabilities for employee benefits at the end of the reporting period as of December 31, 2018 and 2017 were 17.74 years and 17.62 years, respectively.

36. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the income for the year attributable to shareholders by the weighted average number of outstanding common shares during the year.

Income for the year attributable to shareholders
Weighted average number of outstanding common shares
Basic earnings per share (full amount)

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37. SEGMENT OPERASI

Bank menganalisa segmen secara geografis dimana manajemen menelaah laporan internal manajemen secara bulanan untuk masing-masing area. Berikut adalah ringkasan yang menjelaskan tiap-tiap area geografis Bank:

- Kantor Pusat terdiri dari *Treasury, Card Center* dan unit-unit fungsional dimana didalamnya termasuk aset, liabilitas, pendapatan dan beban yang tidak dapat dialokasikan.
- Wilayah Jakarta terdiri dari seluruh kantor cabang dan kantor cabang pembantu di Jabodetabek dan provinsi Banten.
- Wilayah Bandung terdiri dari seluruh kantor cabang dan kantor cabang pembantu di propinsi Jawa Barat.
- Wilayah Medan terdiri dari seluruh kantor cabang dan kantor cabang pembantu di Sumatera dan Batam.
- Wilayah Semarang terdiri dari seluruh kantor cabang dan kantor cabang pembantu di propinsi Jawa Tengah.
- Wilayah Surabaya terdiri dari seluruh kantor cabang dan kantor cabang pembantu di propinsi Jawa Timur, Bali dan Nusa Tenggara.
- Wilayah Makassar terdiri dari seluruh kantor cabang dan kantor cabang pembantu di Sulawesi, Maluku dan Papua.
- Wilayah Banjarmasin terdiri dari seluruh kantor cabang dan kantor cabang pembantu di Kalimantan.

Kinerja diukur berdasarkan laba segmen sebelum pajak penghasilan, seperti yang disajikan di dalam laporan internal manajemen yang ditelaah oleh manajemen Bank. Informasi mengenai hasil dari tiap area geografis disajikan di bawah ini:

37. OPERATING SEGMENT

The Bank performs geographical segment analysis whereby management reviews monthly management internal report for each area. The following summary describes each of the Bank's geographical area :

- Head Office consists of *Treasury, Card Center* and other functional divisions, including assets, liabilities, incomes and expenses that cannot be allocated.
- Region Jakarta consists of all branches and sub-branches in Jabodetabek and Banten province.
- Region Bandung consists of all branches and sub-branches in West Java.
- Region Medan consists of all branches and sub-branches in Sumatera and Batam.
- Region Semarang consists of all branches and sub-branches in Central Java.
- Region Surabaya consists of all branches and sub-branches in East Java, Bali and Nusa Tenggara.
- Region Makassar consists of all branches and sub-branches in Sulawesi, Maluku and Papua.
- Region Banjarmasin consists of all branches and sub-branches in Kalimantan.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the management of the Bank. Information regarding the results of each geographical area is included:

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37. SEGMENT OPERASI (lanjutan)

37. OPERATING SEGMENT (continued)

Tahun yang Berakhir pada tanggal 31 Desember/Year ended December 31, 2018												
Keterangan	Kantor Pusat/ Head Office	Wilayah Jakarta/ Region Jakarta	Wilayah Bandung/ Region Bandung	Wilayah Medan/ Region Medan	Wilayah Semarang/ Region Semarang	Wilayah Surabaya/ Region Surabaya	Wilayah Makassar/ Region Makassar	Wilayah Banjarmasin/ Region Banjarmasin	Total Segmen/ Total Segment	Eliminasi/ Elimination	Total	Description
Pendapatan eksternal:												External revenue:
Pendapatan bunga bersih	5.743.416	(1.387.492)	(130.072)	(249.703)	62.994	(313.652)	(126.801)	(84.853)	3.513.837	-	3.513.837	Net interest income
Provisi dan komisi bersih	1.660.466	106.484	21.841	22.147	22.079	34.101	21.907	18.457	1.907.482	-	1.907.482	Net fees and commissions
Keuntungan penjualan efek-efek - neto	28.268	7.221	626	779	1.564	2.107	42	291	40.898	-	40.898	Gain on sale of securities - net
Pendapatan operasional lainnya	17.776	25.910	4.150	2.182	3.898	4.263	1.119	333	59.631	-	59.631	Other operating income
Pendapatan antar-segmen	2.446.828	2.336.708	264.532	426.906	161.143	585.558	292.119	253.086	6.766.880	(6.766.880)	-	Inter-segment revenue
Beban antar-segmen	(6.225.361)	(205.274)	(31.246)	(33.386)	(112.284)	(66.626)	(39.380)	(53.323)	(6.766.880)	6.766.880	-	Inter-segment expenses
Total pendapatan segmen	3.671.393	883.557	129.831	168.925	139.394	245.751	149.006	133.991	5.521.848	-	5.521.848	Total segment revenue
Beban operasional lainnya	(2.590.882)	(331.290)	(103.672)	(115.095)	(97.633)	(136.153)	(113.400)	(80.790)	(3.568.915)	-	(3.568.915)	Other operating expenses
Laba operasi	1.080.511	552.267	26.159	53.830	41.761	109.598	35.606	53.201	1.952.933	-	1.952.933	Operating income
Pendapatan non-operasional	38.643	3.116	622	1.535	1.626	1.159	1.637	750	49.088	-	49.088	Non-operating income
Total pendapatan segmen sebelum pajak	1.119.154	555.383	26.781	55.365	43.387	110.757	37.243	53.951	2.002.021	-	2.002.021	Reportable segment profit before tax
Aset segmen	72.622.917	35.309.000	3.593.603	6.317.021	3.258.009	8.384.090	4.375.603	3.794.504	137.654.747	(53.892.801)	83.761.946	Reportable segment assets
Liabilitas segmen	(60.103.391)	(34.656.677)	(3.526.557)	(6.211.886)	(3.172.934)	(8.218.756)	(4.278.566)	(3.703.307)	(123.872.074)	53.892.801	(69.979.273)	Reportable segment liabilities

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37. SEGMENT OPERASI (lanjutan)

37. OPERATING SEGMENT (continued)

Tahun yang Berakhir pada tanggal 31 Desember/Year ended December 31, 2017												
Keterangan	Kantor Pusat/ Head Office	Wilayah Jakarta/ Region Jakarta	Wilayah Bandung/ Region Bandung	Wilayah Medan/ Region Medan	Wilayah Semarang/ Region Semarang	Wilayah Surabaya/ Region Surabaya	Wilayah Makassar/ Region Makassar	Wilayah Banjarmasin/ Region Banjarmasin	Total Segmen/ Total Segment	Eliminasi/ Elimination	Total	Description
Pendapatan eksternal:												External revenue:
Pendapatan bunga bersih	5.226.953	(1.035.375)	(114.490)	(202.461)	49.081	(230.963)	(97.844)	(86.295)	3.508.606	-	3.508.606	Net interest income
Provisi dan komisi bersih	1.490.474	73.115	16.593	17.723	11.681	23.557	14.885	15.416	1.663.444	-	1.663.444	Net fees and commissions
Keuntungan penjualan efek-efek - neto	453.299	922	-	493	31	144	25	53	454.967	-	454.967	Gain on sale of securities - net
Pendapatan operasional lainnya	(30.355)	30.548	13.997	6.205	4.705	8.664	9.850	5.233	48.847	-	48.847	Other operating income
Pendapatan antar-segmen	2.062.677	1.972.784	268.731	383.806	149.907	506.542	298.327	243.333	5.886.107	(5.886.107)	-	Inter-segment revenue
Beban antar-segmen	(5.384.179)	(193.279)	(36.402)	(30.837)	(87.504)	(61.207)	(52.471)	(40.228)	(5.886.107)	5.886.107	-	Inter-segment expenses
Total pendapatan segmen	3.818.869	848.715	148.429	174.929	127.901	246.737	172.772	137.512	5.675.864	-	5.675.864	Total segment revenue
Beban operasional lainnya	(2.772.377)	(447.777)	(124.598)	(153.408)	(103.586)	(182.253)	(170.287)	(117.493)	(4.071.779)	-	(4.071.779)	Other operating expenses
Laba operasi	1.046.492	400.938	23.831	21.521	24.315	64.484	2.485	20.019	1.604.085	-	1.604.085	Operating income
Pendapatan non-operasional	28.782	4.804	374	1.615	2.099	3.010	3.740	650	45.074	-	45.074	Non-operating income
Total pendapatan segmen sebelum pajak	1.075.274	405.742	24.205	23.136	26.414	67.494	6.225	20.669	1.649.159	-	1.649.159	Reportable segment profit before tax
Aset segmen	70.882.521	34.943.751	4.470.948	5.966.028	2.362.061	7.926.611	4.079.531	3.349.430	133.980.881	(51.683.871)	82.297.010	Reportable segment assets
Liabilitas segmen	(58.380.802)	(34.542.918)	(4.448.191)	(5.944.592)	(2.335.801)	(7.860.122)	(4.074.964)	(3.328.875)	(120.916.265)	51.683.871	(69.232.394)	Reportable segment liabilities

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37. SEGMENT OPERASI (lanjutan)

Eliminasi transaksi antar segmen usaha timbul karena pelaporan segmen internal Bank mengambil informasi segmen berdasarkan setiap wilayah independen yang mungkin mencakup transaksi antar segmen usaha seperti pinjaman ke segmen usaha yang lain.

37. OPERATING SEGMENT (continued)

The elimination of intersegment transactions arose because the Bank's internal segment reporting captures segment information based on each independent regions which may include intersegment transaction such as borrowings to another segment.

38. TRANSAKSI DENGAN PIHAK BERELASI

Rincian transaksi signifikan dengan pihak berelasi, kecuali yang menyangkut rahasia Bank, adalah sebagai berikut:

38. TRANSACTIONS WITH RELATED PARTIES

The details of significant transactions with related parties, except for transactions that are subject to the Bank's confidentiality policy, were as follows:

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31, 2018			
Jenis	Total	Persentase (%)/ Percentage (%)	Type
Giro pada bank lain (Catatan 6):			Current accounts with other banks (Note 6):
PT Bank Pembangunan Daerah Sulawesi Utara	100	0,00012%	PT Bank Pembangunan Daerah Sulawesi Utara
PT Bank Pembangunan Daerah Sulawesi Tengah	5	0,00001%	PT Bank Pembangunan Daerah Sulawesi Tengah
Total giro pada bank lain	105	0,00013%	Total current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain (Catatan 7):			Placement with Bank Indonesia and other banks (Note 7):
PT Bank Pembangunan Daerah Sulawesi Tengah	200.000	0,24%	PT Bank Pembangunan Daerah Sulawesi Tengah
Kredit yang diberikan (Catatan 11f):			Loans (Note 11f):
PT Duta Visual Nusantara TV 7	124.519	0,149%	PT Duta Visual Nusantara TV 7
PT Trans Fashion Indonesia	30.382	0,036%	PT Trans Fashion Indonesia
PT Kaltim Hijau Makmur	2.049	0,002%	PT Kaltim Hijau Makmur
PT Kutai Agro Lestari	1.751	0,002%	PT Kutai Agro Lestari
PT Trans Coffee	4.525	0,005%	PT Trans Coffee
PT Mega Auto Finance	6.566	0,008%	PT Mega Auto Finance
PT Bank Mega Syariah	18.293	0,022%	PT Bank Mega Syariah
Direksi dan karyawan kunci di atas Rp1 miliar	13.514	0,016%	Directors and key employees above Rp1 billion
Lain-lain di bawah Rp1 miliar	119.298	0,142%	Others - below Rp1 billion
Total kredit yang diberikan	320.897	0,383%	Total loans
Tagihan Akseptasi (Catatan 12):			Acceptances Receivable (Note 12):
PT Trans Retail Indonesia	604	0,0007%	PT Trans Retail Indonesia
PT Trans Living	116	0,0001%	PT Trans Living
Total tagihan akseptasi	720	0,0008%	Total acceptances receivable
Aset lain-lain (Catatan 14):			Other assets (Note 14):
PT Duta Visual Nusantara TV 7	2.357	0,003%	PT Duta Visual Nusantara TV 7
PT Para Bandung Propertindo	3.647	0,004%	PT Para Bandung Propertindo
Lain-lain di bawah Rp 1 miliar	1.964	0,002%	Others - below Rp1 billion
Total Aset lain-lain	7.968	0,009%	Total Other assets

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38. TRANSAKSI DENGAN PIHAK BERELASI
(lanjutan)

Rincian transaksi signifikan dengan pihak berelasi, kecuali yang menyangkut rahasia Bank, adalah sebagai berikut: (lanjutan)

38. TRANSACTIONS WITH RELATED PARTIES
(continued)

The details of significant transactions with related parties, except for transactions that are subject to the Bank's confidentiality policy, were as follows: (continued)

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31, 2018			
Jenis	Total	Persentase (%)/ Percentage (%)	Type
Giro (Catatan 16)	2.258.451	3,23%	Current accounts (Note 16)
Tabungan (Catatan 17)	111.576	0,16%	Saving deposits (Note 17)
Deposito berjangka (Catatan 18)	860.213	1,23%	Time deposits (Note 18)
Simpanan dari bank lain (Catatan 19)	1.781	0,003%	Deposits from other banks (Note 19)
Beban yang masih harus dibayar dan liabilitas lain-lain (Catatan 23)	3.043	0,004%	Accrued expenses and other liabilities (Note 23)
Pendapatan bunga	59.590	0,88%	Interest income
Beban bunga	81.156	2,49%	Interest expenses
Beban asuransi kesehatan karyawan (Catatan 32):			Employees health insurance expenses (Note 32):
PT Asuransi Umum Mega	25.204	2,01%	PT Asuransi Umum Mega
PT PFI Mega Life Insurance	1.457	0,12%	PT PFI Mega Life Insurance
Total beban asuransi kesehatan karyawan	26.661	2,13%	Total employees health insurance
Beban Iklan (Catatan 31):			Advertising expenses (Note 31):
PT Televisi Transformasi Indonesia	64.955	3,34%	PT Televisi Transformasi Indonesia
PT Duta Visual Nusantara TV 7	10.948	0,56%	PT Duta Visual Nusantara TV 7
PT Trans News Corpora	1.399	0,07%	PT Trans News Corpora
PT Trans Digital Media	1.536	0,08%	PT Trans Digital Media
Total Beban iklan	78.838	4,05%	Total Advertising expenses
Pendapatan sewa (Catatan 14a):			Rent income (Note 14a):
PT Duta Visual Nusantara TV 7	7.484	10,12%	PT Duta Visual Nusantara TV 7
PT Asuransi Umum Mega	2.202	2,98%	PT Asuransi Umum Mega
PT Mega Capital Sekuritas	1.908	2,58%	PT Mega Capital Sekuritas
PT Para Bandung Propertindo	1.625	2,20%	PT Para Bandung Propertindo
PT Bank Mega Syariah	1.849	2,50%	PT Bank Mega Syariah
Lain-lain di bawah Rp1 miliar	2.264	3,06%	Others - below Rp1 billion
Total pendapatan sewa	17.332	23,44%	Total rent income
Liabilitas kontinjensi - neto (Catatan 34):			Contingent liabilities - net (Note 34):
PT Trans Fashion Indonesia	119.626	-	PT Trans Fashion Indonesia
PT Televisi Transformasi Indonesia	24.446	-	PT Televisi Transformasi Indonesia
PT Alfa Retailindo	5.115	-	PT Alfa Retailindo
Lain-lain di bawah Rp1 miliar	236	-	Others - below Rp1 billion
Total liabilitas kontinjensi	149.423	-	Total contingent liabilities

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38. TRANSAKSI DENGAN PIHAK BERELASI
(lanjutan)

Rincian transaksi signifikan dengan pihak berelasi, kecuali yang menyangkut rahasia Bank, adalah sebagai berikut: (lanjutan)

38. TRANSACTIONS WITH RELATED PARTIES
(continued)

The details of significant transactions with related parties, except for transactions that are subject to the Bank's confidentiality policy, were as follows: (continued)

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31, 2018			
Jenis	Total	Persentase (%)/ Percentage (%)	Type
Liabilitas komitmen - neto (Catatan 34):			Commitment liabilities - net (Note 34):
PT Trans Retail Indonesia	9.496	-	PT Trans Retail Indonesia
PT Alfa Retailindo	6.327	-	PT Alfa Retailindo
Total liabilitas komitmen	15.823	-	Total commitment liabilities
Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31, 2017			
Jenis	Total	Persentase (%)/ Percentage (%)	Type
Giro pada bank lain (Catatan 6):			Current accounts with other banks (Note 6):
PT Bank Pembangunan Daerah Sulawesi Utara	1.499	0,0018%	PT Bank Pembangunan Daerah Sulawesi Utara
PT Bank Pembangunan Daerah Sulawesi Tengah	4.254	0,0052%	PT Bank Pembangunan Daerah Sulawesi Tengah
Total giro pada bank lain	5.753	0,0070%	Total current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain (Catatan 7):			Placement with Bank Indonesia and other banks (Note 7):
PT Bank Mega Syariah	67.000	0,08%	PT Bank Mega Syariah
Efek-efek (Catatan 8):			Securities (Note 8):
PT Garuda Indonesia (Persero) Tbk	303.963	0,37%	PT Garuda Indonesia (Persero) Tbk
Tagihan Derivatif (Catatan 10):			Derivatives Receivable (Note 12):
PT Indonusa Telemedia	9	0,00001%	PT Indonusa Telemedia
Kredit yang diberikan (Catatan 11f):			Loans (Note 11f):
PT Duta Visual Nusantara TV 7	124.821	0,152%	PT Duta Visual Nusantara TV 7
PT Trans fashion Indonesia	60.573	0,074%	PT Trans fashion Indonesia
PT Kaltim Hijau Makmur	3.681	0,004%	PT Kaltim Hijau Makmur
PT Kutai Agro Lestari	3.239	0,004%	PT Kutai Agro Lestari
PT Trans Coffee	4.052	0,005%	PT Trans Coffee
PT Mega Capital Sekuritas	1.340	0,002%	PT Mega Capital Sekuritas
PT Mega Finance	9.828	0,012%	PT Mega Finance
PT Mega Auto Finance	12.989	0,016%	PT Mega Auto Finance
PT Mega Central Finance	5.616	0,007%	PT Mega Central Finance
PT Bank Mega Syariah	10.092	0,012%	PT Bank Mega Syariah
Direksi dan karyawan kunci di atas Rp1 miliar	15.786	0,019%	Directors and key employees above Rp1 billion
Lain-lain di bawah Rp1 miliar	115.340	0,140%	Others - below Rp1 billion
Total kredit yang diberikan	367.357	0,447%	Total loans
Tagihan Akseptasi (Catatan 12):			Acceptances Receivable (Note 12):
PT Trans Retail Indonesia	2.378	0,0029%	PT Trans Retail Indonesia

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38. TRANSAKSI DENGAN PIHAK BERELASI
(lanjutan)

Rincian transaksi signifikan dengan pihak berelasi, kecuali yang menyangkut rahasia Bank, adalah sebagai berikut: (lanjutan)

38. TRANSACTIONS WITH RELATED PARTIES
(continued)

The details of significant transactions with related parties, except for transactions that are subject to the Bank's confidentiality policy, were as follows: (continued)

Tahun yang Berakhir pada tanggal 31 Desember/Year Ended December 31, 2017					
Jenis	Total	Persentase (%)/ Percentage (%)	Type		
Aset lain-lain (Catatan 14):			Other assets (Note 14):		
PT Duta Visual Nusantara TV 7	3.252	0,004%	PT Duta Visual Nusantara TV 7		
PT Para Bandung Propertindo	2.476	0,003%	PT Para Bandung Propertindo		
Lain-lain di bawah Rp 1 miliar	1.383	0,002%	Others - below Rp1 billion		
Total Aset lain-lain	7.111	0,009%	Total Other assets		
Giro (Catatan 16)	1.928.351	2,79%	Current accounts (Note 16)		
Tabungan (Catatan 17)	57.250	0,08%	Saving deposits (Note 17)		
Deposito berjangka (Catatan 18)	638.808	0,92%	Time deposits (Note 18)		
Simpanan dari bank lain (Catatan 19)	3.557	0,005%	Deposits from other banks (Note 19)		
Beban yang masih harus dibayar dan liabilitas lain-lain (Catatan 23)	3.968	0,006%	Accrued expenses and other liabilities (Note 23)		
Pendapatan bunga	41.721	0,65%	Interest income		
Beban bunga	88.340	3,06%	Interest expenses		
Beban asuransi kesehatan karyawan (Catatan 32):			Employees health insurance expenses (Note 32):		
PT Asuransi Umum Mega	24.197	2,02%	PT Asuransi Umum Mega		
PT PFI Mega Life Insurance	290	0,02%	PT PFI Mega Life Insurance		
Total beban asuransi kesehatan karyawan	24.487	2,04%	Total employees health insurance		
Beban Iklan (Catatan 31):			Advertising expenses (Note 31):		
PT Televisi Transformasi Indonesia	46.432	2,30%	PT Televisi Transformasi Indonesia		
PT Duta Visual Nusantara TV 7	9.363	0,46%	PT Duta Visual Nusantara TV 7		
PT Trans News Corpora	2.782	0,14%	PT Trans News Corpora		
Lain-lain di bawah Rp 1 miliar	1.012	0,05%	Others - below Rp1 billion		
Total Beban iklan	59.589	2,95%	Total Advertising expenses		
Pendapatan sewa (Catatan 14a):			Rent income (Note 14a):		
PT Duta Visual Nusantara TV 7	7.438	8,82%	PT Duta Visual Nusantara TV 7		
PT Asuransi Umum Mega	2.202	2,61%	PT Asuransi Umum Mega		
PT Mega Capital Sekuritas	2.108	2,50%	PT Mega Capital Sekuritas		
PT Para Bandung Propertindo	1.550	1,84%	PT Para Bandung Propertindo		
PT Bank Mega Syariah	1.513	1,79%	PT Bank Mega Syariah		
PT Asuransi Jiwa Mega Indonesia	1.088	1,29%	PT Asuransi Jiwa Mega Indonesia		
Lain-lain di bawah Rp1 miliar	1.254	1,49%	Others - below Rp1 billion		
Total pendapatan sewa	17.153	20,34%	Total rent income		
Liabilitas kontinjensi - neto (Catatan 34):			Contingent liabilities - net (Note 34):		
PT Trans Fashion Indonesia	125.421	-	PT Trans Fashion Indonesia		
PT Televisi Transformasi Indonesia	23.165	-	PT Televisi Transformasi Indonesia		
PT Trans Living Indonesia	10.176	-	PT Trans Living Indonesia		
PT Metropolitan Retailmart	6.191	-	PT Metropolitan Retailmart		
Lain-lain di bawah Rp1 miliar	737	-	Others - below Rp1 billion		
Total liabilitas kontinjensi	165.690	-	Total contingent liabilities		
Liabilitas komitmen - neto (Catatan 34):			Commitment liabilities - net (Note 34):		
PT Trans Retail Indonesia	1.194	-	PT Trans Retail Indonesia		

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38. TRANSAKSI DENGAN PIHAK BERELASI
(lanjutan)

Manajemen Bank berkeyakinan tidak terdapat transaksi dengan pihak berelasi yang mengandung benturan kepentingan sebagaimana diatur dalam Peraturan BAPEPAM-LK No. IX.E.1 tentang Benturan Kepentingan Transaksi Tertentu.

Keterangan:

- a. Persentase dari giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, efek-efek, derivatif, kredit yang diberikan, tagihan akseptasi dan aset lain-lain dihitung terhadap jumlah aset pada masing-masing tanggal laporan posisi keuangan.
- b. Persentase dari giro, tabungan, deposito berjangka, simpanan dari bank lain, beban yang masih harus dibayar dan liabilitas lain-lain dihitung terhadap jumlah liabilitas pada masing-masing tanggal laporan posisi keuangan.
- c. Persentase dari pendapatan bunga dihitung terhadap jumlah pendapatan bunga untuk masing-masing tahun yang bersangkutan.
- d. Persentase dari beban bunga dihitung terhadap jumlah beban bunga dan pembiayaan lainnya untuk masing-masing tahun yang bersangkutan.
- e. Persentase dari beban asuransi kesehatan karyawan dihitung terhadap jumlah beban karyawan untuk masing-masing tahun yang bersangkutan.
- f. Persentase dari pendapatan sewa dihitung terhadap jumlah pendapatan bukan operasional untuk masing-masing tahun yang bersangkutan.
- g. Persentase dari beban iklan dihitung terhadap jumlah beban umum dan administrasi untuk masing-masing tahun yang bersangkutan.

38. TRANSACTIONS WITH RELATED PARTIES
(continued)

The Bank's management believed that there were no related parties transactions which give rise to conflict of interest as defined in BAPEPAM-LK Regulation No. IX.E.1 regarding Conflict of Interest on Certain Transactions.

Description:

- a. *Percentages of current account with other banks, placement with Bank Indonesia and other banks, securities, derivative, loans, acceptance receivable and other assets are computed based on total consolidated assets at each statements of financial position date.*
- b. *Percentages of demand deposits, saving deposits, time deposits, deposits from other banks, accrued expenses and other liabilities are computed based on total liabilities at each statements of financial position date.*
- c. *Percentages of interest income are computed based on total interest income for each related year.*
- d. *Percentages of interest expenses are computed based on total interest expenses and other financing charges for each related year.*
- e. *Percentages of employee's health insurance expense are computed based on total personnel expenses for each related year.*
- f. *Percentages of rent income are computed based on total non-operating income for each related year.*
- g. *Percentages of advertising expense are computed based on total general and administrative expense for each related year.*

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38. TRANSAKSI DENGAN PIHAK BERELASI
(lanjutan)

Sifat hubungan dengan pihak berelasi:

- **Hubungan kepemilikan/pemegang saham yang sama**
 - PT Televisi Transformasi Indonesia
 - PT Duta Visual Nusantara TV 7
 - PT Para Bandung Propertindo
 - PT Mega Capital Sekuritas (dahulu PT Mega Capital Indonesia)
 - PT Bank Mega Syariah
 - PT Asuransi Umum Mega
 - PT Mega Corpora
 - PT Trans Property
 - PT Trans Corpora
 - PT CT Corpora
 - PT Batam Indah Investindo
 - PT Trans Coffee
 - PT Mega Central Finance
 - PT Anta Express Tour & Travel Service Tbk
 - PT Trans Airways
 - PT Trans Media Corpora
 - PT Trans Rekan Media
 - PT Trans Entertainment
 - PT Trans Fashion Indonesia (dahulu PT Trans Mahagaya)
 - PT Trans Lifestyle
 - PT Para Inti Energy
 - PT Para Energy Investindo
 - PT Trans Kalla Makassar
 - PT Trans Studio
 - PT Trans Ice
 - PT Mega Auto Finance
 - PT Para Bali Propertindo
 - PT Mega Indah Propertindo
 - PT CT Agro
 - PT Kaltim CT Agro
 - PT Kalbar CT Agro
 - PT Kalteng CT Agro
 - PT Metropolitan Retailmart
 - PT Mega Finance
 - PT Mega Asset Management
 - PT PFI Mega Life Insurance (dahulu PT Asuransi Jiwa Mega Indonesia)
 - PT Perkebunan Indonesia Lestari
 - PT Perkebunan Inti Indonesia
 - PT Vaya Tour
 - PT Trans Digital Media (dahulu PT Agranet Multicitra Siberkom)
 - PT Trans Mart
 - PT Trans Grosir Indonesia
 - PT Trans Retail Indonesia (dahulu PT Carrefour Indonesia)
 - PT Bank Pembangunan Daerah Sulawesi Utara

38. TRANSACTIONS WITH RELATED PARTIES
(continued)

The nature of relationship with related parties:

- **Related due to the same ownership/ shareholders**
 - PT Televisi Transformasi Indonesia
 - PT Duta Visual Nusantara TV 7
 - PT Para Bandung Propertindo
 - PT Mega Capital Sekuritas (formerly PT Mega Capital Indonesia)
 - PT Bank Mega Syariah
 - PT Asuransi Umum Mega
 - PT Mega Corpora
 - PT Trans Property
 - PT Trans Corpora
 - PT CT Corpora
 - PT Batam Indah Investindo
 - PT Trans Coffee
 - PT Mega Central Finance
 - PT Anta Express Tour & Travel Service Tbk
 - PT Trans Airways
 - PT Trans Media Corpora
 - PT Trans Rekan Media
 - PT Trans Entertainment
 - PT Trans Fashion Indonesia (formerly PT Trans Mahagaya)
 - PT Trans Lifestyle
 - PT Para Inti Energy
 - PT Para Energy Investindo
 - PT Trans Kalla Makassar
 - PT Trans Studio
 - PT Trans Ice
 - PT Mega Auto Finance
 - PT Para Bali Propertindo
 - PT Mega Indah Propertindo
 - PT CT Agro
 - PT Kaltim CT Agro
 - PT Kalbar CT Agro
 - PT Kalteng CT Agro
 - PT Metropolitan Retailmart
 - PT Mega Finance
 - PT Mega Asset Management
 - PT PFI Mega Life Insurance (formerly PT Asuransi Jiwa Mega Indonesia)
 - PT Perkebunan Indonesia Lestari
 - PT Perkebunan Inti Indonesia
 - PT Vaya Tour
 - PT Trans Digital Media (formerly PT Agranet Multicitra Siberkom)
 - PT Trans Mart
 - PT Trans Grosir Indonesia
 - PT Trans Retail Indonesia (formerly PT Carrefour Indonesia)
 - PT Bank Pembangunan Daerah Sulawesi Utara

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38. TRANSAKSI DENGAN PIHAK BERELASI
(lanjutan)

Sifat hubungan dengan pihak berelasi: (lanjutan)

- **Hubungan kepemilikan/pemegang saham yang sama (lanjutan)**
 - PT Arah Tumata
 - PT Dian Abdi Nusa
 - PT Wahana Kutai Kencana
 - PT Trans Estate
 - PT Trans Studio Balikpapan
 - PT Trans Studio Jakarta
 - PT Trans Studio Manado
 - PT Mega Indah Realty Development
 - PT Rekreasindo Nusantara
 - PT Bank Pembangunan Daerah Sulawesi Tengah
 - PT Mitra Kalimantan Utama
 - PT Sekata Prima Nusa
 - PT Trans Oto Internasional
 - PT Kaltim Hijau Makmur
 - PT Lembah Sawit Subur
 - PT Mahakam Hijau Makmur
 - PT Trans E Produksi
 - PT Indonusa Telemedia
 - PT Trans News Corpora
 - PT Detik Ini Juga
 - PT Tama Komunika Persada
 - PT Detik TV Indonesia
 - PT Trans Burger
 - PT Alfa Retailindo
 - PT Trans Rekreasindo
 - PT Trans Ritel Properti
 - PT Trans Distributor
 - PT Trans Importir
 - PT Trans Indo Distributor
 - PT Trans Indo Treding
 - PT Trans Indo Importir
 - PT Trans Living Indonesia (dahulu PT Transindo Digital Distribusi)
 - PT Transindo Digital Ritel
 - PT Trans Event
 - PT Kutai Agro Lestari
 - PT Trans Kalla Makassar
 - PT Garuda Indonesia (Persero) Tbk
 - PT Katingan Agro Resources
 - PT CT Agro Sukabumi
 - PT CT Global Resources
 - PT Lembah Sawit Subur 2
 - PT Lembah Sawit Subur 3
 - PT Trans Visi Media
 - PT Mega Capital Investama

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38. TRANSACTIONS WITH RELATED PARTIES
(continued)

The nature of relationship with related parties:
(continued)

- **Related due to the same ownership/ shareholders (continued)**
 - PT Arah Tumata
 - PT Dian Abdi Nusa
 - PT Wahana Kutai Kencana
 - PT Trans Estate
 - PT Trans Studio Balikpapan
 - PT Trans Studio Jakarta
 - PT Trans Studio Manado
 - PT Mega Indah Realty Development
 - PT Rekreasindo Nusantara
 - PT Bank Pembangunan Daerah Sulawesi Tengah
 - PT Mitra Kalimantan Utama
 - PT Sekata Prima Nusa
 - PT Trans Oto Internasional
 - PT Kaltim Hijau Makmur
 - PT Lembah Sawit Subur
 - PT Mahakam Hijau Makmur
 - PT Trans E Produksi
 - PT Indonusa Telemedia
 - PT Trans News Corpora
 - PT Detik Ini Juga
 - PT Tama Komunika Persada
 - PT Detik TV Indonesia
 - PT Trans Burger
 - PT Alfa Retailindo
 - PT Trans Rekreasindo
 - PT Trans Ritel Properti
 - PT Trans Distributor
 - PT Trans Importir
 - PT Trans Indo Distributor
 - PT Trans Indo Treding
 - PT Trans Indo Importir
 - PT Trans Living Indonesia (formerly PT Transindo Digital Distribusi)
 - PT Transindo Digital Ritel
 - PT Trans Event
 - PT Kutai Agro Lestari
 - PT Trans Studio Makassar
 - PT Garuda Indonesia (Persero) Tbk
 - PT Katingan Agro Resources
 - PT CT Agro Sukabumi
 - PT CT Global Resources
 - PT Lembah Sawit Subur 2
 - PT Lembah Sawit Subur 3
 - PT Trans Visi Media
 - PT Mega Capital Investama

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38. TRANSAKSI DENGAN PIHAK BERELASI
(lanjutan)

- **Hubungan kepemilikan/pemegang saham yang sama (lanjutan)**

- PT Metro Outlet Indonesia
- PT Trans F&B
- PT Trans Retail
- PT Trans Studio Semarang
- PT Trans Fashion
- PT Trans Properti Indonesia
- PT Trans Studio BSD
- PT CT Corp Infrastruktur Indonesia
- PT Trans Cibubur Property
- PT Trans Realty Development
- PT Citra Bangun Sarana
- PT Karya Tumbuh Bersama Indo
- PT Trans Food Oriental
- PT Trans Media Sosial
- PT Trans Berita Bisnis
- PT Trans Rasa Oriental
- PT Trans Rasa Nippon
- PT Trans Rasa Bali
- PT Trans Pizza Resto
- PT Manajemen Data Corpora

- **Hubungan keluarga dekat pengendali**

PT Para Duta Bangsa

- **Hubungan pemegang saham pengendali terakhir**

Pada tahun 2017, Bank membayar imbalan atas jasa yang diberikan oleh pemegang saham pengendali terakhir yaitu Bapak Chairul Tanjung sebagai narasumber Bank untuk memberikan saran dan informasi mengenai kondisi perekonomian, keuangan dan perbankan baik dalam skala nasional maupun internasional kepada manajemen Bank. Atas jasa yang diberikan tersebut Bank membayar sebesar Rp6.294 yang dibukukan sebagai bagian dari beban gaji dan tunjangan lainnya.

- **Manajemen Kunci**

Dalam menjalankan usahanya, Bank telah memberikan remunerasi, tunjangan, dan fasilitas lainnya kepada Direksi dan Dewan Komisaris yang dibukukan sebagai bagian dari beban gaji dan tunjangan lainnya (catatan 32)

38. TRANSACTIONS WITH RELATED PARTIES
(continued)

- **Related due to the same ownership/ shareholders (continued)**

- PT Metro Outlet Indonesia
- PT Trans F&B
- PT Trans Retail
- PT Trans Studio Semarang
- PT Trans Fashion
- PT Trans Properti Indonesia
- PT Trans Studio BSD
- PT CT Corp Infrastruktur Indonesia
- PT Trans Cibubur Property
- PT Trans Realty Development
- PT Citra Bangun Sarana
- PT Karya Tumbuh Bersama Indo
- PT Trans Food Oriental
- PT Trans Media Sosial
- PT Trans Berita Bisnis
- PT Trans Rasa Oriental
- PT Trans Rasa Nippon
- PT Trans Rasa Bali
- PT Trans Pizza Resto
- PT Manajemen Data Corpora

- **Related to close family member of controller**

PT Para Duta Bangsa

- **Related to the ultimate shareholders**

In 2017, Bank pays benefit for services given by ultimate shareholder, Mr. Chairul Tanjung as Bank's resource person to give advices and information related to economic, finance, and banking condition in national and international scale to Bank's management. For the services given, Bank paid Rp6,294, which were booked as part of salary expenses and other allowances.

- **Key Management**

In the ordinary course of its business, the Bank has given remuneration, other allowances and benefits to Directors and Board of Commissioners which were booked as part of salary expenses and other allowances (notes 32).

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39. MASALAH HUKUM

Antara April 2009 sampai dengan Juli 2010, telah terjadi pembobolan dana PT Elnusa Tbk sebesar Rp111.000 dan antara September 2010 sampai dengan April 2011 terjadi pembobolan dana Pemkab Batubara sebesar Rp80.000 dengan melibatkan oknum Bank maupun oknum PT Elnusa Tbk dan Pemkab Batubara serta pihak-pihak lainnya.

Terhadap kejadian tersebut telah menimbulkan kasus-kasus sebagai berikut :

1. PT Elnusa Tbk

a. Kasus Tindak Pidana Korupsi

Dalam perkara tindak pidana korupsi pihak Kejaksaan, berdasarkan hasil penyidikannya, mengindikasikan adanya korupsi dana PT Elnusa Tbk di Bank yang melibatkan oknum dari PT Elnusa Tbk sendiri. Berdasarkan hasil pemeriksaan di tingkat Pengadilan Negeri, Pengadilan Tinggi dan di tingkat Kasasi terbukti bahwa kasus ini adalah merupakan tindak pidana korupsi. Kasus ini telah diproses hingga tingkat Mahkamah Agung R.I. yang artinya terhadap perkara tersebut telah mempunyai kekuatan tetap dan mengikat (*final and binding*) dan karenanya pihak Kejaksaan wajib untuk segera melaksanakan (eksekusi) terhadap keputusan tersebut.

Keputusan tersebut diputuskan pada tanggal 29 Agustus 2012 melalui Rapat Permusyawaratan Mahkamah Agung R.I., dimana Mahkamah Agung telah memutuskan dan menyatakan Para Terdakwa bersalah melakukan perbuatan melawan hukum berupa tindak pidana korupsi dan wajib untuk mengembalikan dana (yang di korupsinya) kepada Negara cq PT Elnusa Tbk.

Atas putusan tersebut Kejaksaan Negeri selaku pihak eksekutor/pelaksana eksekusi, wajib menjalankan proses eksekusi terhadap seluruh barang atau harta kekayaan yang telah disita oleh pengadilan untuk kemudian dilakukan pelelangan dan hasilnya masing-masing akan diserahkan kepada negara cq PT Elnusa Tbk. Apabila harta kekayaan yang disita ternyata tidak mencukupi untuk mengembalikan dana PT Elnusa Tbk yang dikorupsi, maka pihak Kejaksaan akan melakukan perampasan dan penyitaan terhadap seluruh harta kekayaan para terdakwa/terpidana guna mengembalikan dana yang dikorupsinya tersebut kepada Negara cq PT Elnusa Tbk.

39. LEGAL MATTERS

Between April 2009 and July 2010, there was a fraud case of fund belong to PT Elnusa Tbk of Rp111,000 and between September 2010 to April 2011, there was also a fraud case of the fund belong to Batubara district government of Rp80,000 involving officers of the Bank and also persons of PT Elnusa Tbk and Batubara district government as well as other related parties.

The incident has led to the following cases:

1. PT Elnusa Tbk

a. The Corruption Case

In the criminal corruption case, the Indonesian attorney, based on its investigation indicated that there is a fund corruption occurred in Bank, involving the individual from PT Elnusa Tbk itself. Based on the investigation at Indonesian District Court, High Court and Court of Cassation, it was proved that this current case is indeed a corruption. This case has been processed up to Indonesia Supreme Court of Justice, which means this case has a fixed and binding power and because of that, the attorney must execute the final verdict regarding the case.

The verdict was decided on August 29, 2012 through the Consultative Meeting of Indonesia Supreme Court of Justice whereby the court decided and verdict all the defendants as guilty of violating the law on corruption and were required to return all the money to the state and PT Elnusa Tbk.

Based on the verdict of district attorneys as the executor of the verdict, they must exercise the execution process to all the material and money that had been confiscated by court to be auctioned whereby the result would be returned to the state and PT Elnusa Tbk. If the confiscated material is not enough to cover the corruption amount that need to be returned to PT Elnusa Tbk, the court will seize and confiscate all the property that are owned by the defendant in order to return the fund that has been corrupted to the state and PT Elnusa Tbk.

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39. MASALAH HUKUM (lanjutan)

Terhadap kejadian tersebut telah menimbulkan kasus-kasus sebagai berikut : (lanjutan)

1. PT Elnusa Tbk (lanjutan)

a. Kasus Tindak Pidana Korupsi (lanjutan)

Bahwa kemudian salah satu terdakwa dalam kasus Tipikor yakni Santun Nainggolan, telah mengajukan upaya hukum Peninjauan Kembali kepada Mahkamah Agung R.I. terhadap putusan kasasi dalam perkara Tipikor tersebut, Mahkamah Agung R.I. pada tanggal 6 Januari 2016 telah memutuskan Menolak Permohonan Peninjauan Kembali dari Santun Nainggolan.

Sampai dengan tanggal penyelesaian laporan keuangan ini, tidak terdapat informasi baru terkait kasus tindak pidana korupsi ini.

b. Kasus Perdata

Bank telah menjadi pihak tergugat dalam kasus perdata yang diajukan oleh PT Elnusa Tbk (pihak penggugat), dimana penggugat mengajukan gugatan perbuatan melawan hukum terhadap Bank karena adanya pemalsuan sertifikat deposito berjangka dengan gugatan material sebesar Rp111.000. Pada tanggal 22 Maret 2012. Majelis Hakim Pengadilan Negeri Jakarta Selatan mengabulkan sebagian gugatan penggugat dan menghukum Bank untuk mengembalikan dana milik penggugat beserta sejumlah bunga tertentu.

Terkait dengan keputusan Pengadilan Negeri Jakarta Selatan tersebut, Bank telah mengajukan upaya hukum hingga peninjauan kembali ke Mahkamah Agung R.I. yang berakhir dengan penolakan dan guna mempertahankan haknya, Bank pada tanggal 19 September 2016 telah mengajukan gugatan perlawanan melalui Pengadilan Negeri Jakarta Selatan atas permohonan eksekusi yang diajukan oleh PT Elnusa Tbk yang dilanjutkan dengan pengajuan banding ke Pengadilan Tinggi Jakarta, dimana memori banding tersebut diterima pada tanggal 8 Desember 2017. Hingga saat ini proses peradilan masih berjalan dalam tahap pemeriksaan di tingkat banding di Pengadilan Tinggi DKI Jakarta.

39. LEGAL MATTERS (continued)

*The Incident has led to the following cases:
(continued)*

1. *PT Elnusa Tbk (continued)*

a. *The Corruption Case (continued)*

Later, one of the defendant in Tipikor case, namely Santun Nainggolan, had submitted a legal effort of Judicial Review to Indonesia Supreme Court of Justice in response to the Cassation's decision in the Tipikor case, Indonesia Supreme Court of Justice on January 6, 2016 decided to declined the appeal of Judicial Review from Santun Nainggolan.

Until the completion date of these financial statements, there is no information update regarding this corruption case.

b. Civil Case

The Bank had been the defendant of the civil case against PT Elnusa Tbk (the plaintiff), in which the plaintiff filed a case against law towards the Bank due to an indication of certification of deposit forgery amounting to Rp111,000. On March 22, 2012, the South Jakarta District Court of Justice granted the plaintiff charges and obligated the Bank to return the plaintiff's fund plus a certain amount of interest.

In relation to the decision of the South Jakarta District Court, the Bank filed a legal appeal up to judicial review to the Indonesia Supreme Court which resulted in rejection of the judicial review submitted by the Bank and to protect its right, the Bank, on September 19, 2016 had filed a tierce opposition through South Jakarta District Court against execution appeal filed by PT Elnusa Tbk which has been followed by an appeal to the Jakarta High Court, in which an appeal were received at December 8, 2017. Until now, the judicial process is on the stage examination at appeal level in Jakarta High Court.

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39. MASALAH HUKUM (lanjutan)

Terhadap kejadian tersebut telah menimbulkan kasus-kasus sebagai berikut : (lanjutan)

1. PT Elnusa Tbk (lanjutan)

b. Kasus Perdata (lanjutan)

Pada tanggal 10 Mei 2017, melalui surat nomor W10-U3/1882/Hk.02/5/2017 Hal Penundaan Lelang, Ketua Pengadilan Negeri Jakarta Selatan telah menunda pelaksanaan (eksekusi) lelang (hingga pemberitahuan lebih lanjut dari Pengadilan Negeri Jakarta Selatan) dikarenakan masih adanya perkara perlawanan yang masih berjalan dan adanya upaya perdamaian yang sedang berlangsung.

Bahwa Mahkamah Agung dalam putusannya terhadap perkara tipikor menyatakan bahwa para terpidana dinyatakan bersalah telah melakukan perbuatan melanggar hukum berupa tindak pidana korupsi dan karenanya masing-masing pelaku dihukum penjara sesuai dengan tingkat perbuatannya dan pada saat yang bersamaan para terpidana wajib untuk mengembalikan dan membayar ganti rugi/denda kepada Negara cq. PT Elnusa Tbk. Dilain pihak dalam perkara gugatan perdata yang diajukan PT Elnusa Tbk, Bank dinyatakan telah melakukan perbuatan melanggar hukum dan wajib untuk membayar kepada PT Elnusa Tbk sebesar Rp111.000.

Bahwa Pengadilan Negeri Jakarta Selatan beberapa waktu yang lalu telah mengumumkan akan melakukan lelang terhadap obyek sita jaminan, akan tetapi kemudian sebelum lelang dilaksanakan, Ketua Pengadilan Negeri Jakarta Selatan mengeluarkan Penetapan menunda eksekusi lelang, antara lain dengan alasan masih berjalannya proses Gugatan Perlawanan sebagaimana diuraikan diatas hingga selesai atau kedua belah pihak melakukan perdamaian atas kasus tersebut.

2. Pemkab Batubara, Sumatera Utara

a. Kasus Tindak Pidana Korupsi

Serupa dengan kasus tindak pidana korupsi PT Elnusa Tbk, Pusat Pelaporan dan Analisis Transaksi Keuangan ("PPATK") melaporkan indikasi tindak pidana korupsi dana Pemerintah Kabupaten Batu Bara sebesar Rp80.000 dengan modus serupa dengan kasus pembobolan dana PT Elnusa Tbk.

39. LEGAL MATTERS (continued)

The Incident has led to the following cases: (continued)

1. *PT Elnusa Tbk (continued)*

b. Civil Case (continued)

On May 10, 2017, through letter No. W10-U3 / 1882 / Hk.02 / 5/2017 The Postponed Auction, the Head of South Jakarta District Court has postponed the execution of the auction (until further notice from the South Jakarta District Court) due to the ongoing tierce opposition and peaceful settlement effort.

The Supreme Court, in its decision towards the corruption case decided that the defendants were found guilty of committing unlawful action of corruption and because of that, each of the defendants will be sentenced to imprisonment which terms was parallel to level of action taken. At the same time, all the defendants must return and pay compensations to the state and PT Elnusa Tbk. While in the civil case submitted by PT Elnusa Tbk, the Bank is found guilty of committing unlawful action and is required to pay the fine of Rp111,000 to PT Elnusa Tbk.

That some time ago, the South Jakarta District Court has announced that it will conduct an auction against the object of confiscation; but then before the auction is held, the Head of South Jakarta District Court issued a Stipulation to postpone the execution of the auction, until the settlement of the ongoing process of Resistance Lawsuit, as described above, or peaceful settlement from both parties.

2. *Pemkab Batubara, North Sumatera*

a. *The Corruption Case*

Similar to the corruption case of PT Elnusa Tbk, Indonesian Financial Transaction Reports and Analysis Center identified there was an corruption indication of government fund in Batubara district government amounting to Rp80,000, this was similar to the case of embezzlement to PT Elnusa Tbk.

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39. MASALAH HUKUM (lanjutan)

Terhadap kejadian tersebut telah menimbulkan kasus-kasus sebagai berikut : (lanjutan)

2. Pemkab Batubara, Sumatera Utara (lanjutan)

a. Kasus Tindak Pidana Korupsi (lanjutan)

Kasus ini telah selesai diproses di Mahkamah Agung R.I. dengan putusan kasasi terakhir dibacakan pada tanggal 23 Oktober 2012 yang artinya terhadap perkara tersebut telah mempunyai kekuatan tetap dan mengikat (*final and binding*) dan karenanya pihak Kejaksaan wajib untuk segera melaksanakan (eksekusi) terhadap seluruh pelaku (kecuali terhadap Itma Hari Basuki yang masih dalam proses di Pengadilan Tinggi) yang telah dinyatakan bersalah melakukan perbuatan melawan hukum berupa tindak pidana korupsi dan/atau Tindak Pidana Pencucian Uang terhadap dana Pemkab Batu Bara dan diperintahkan untuk mengembalikan dana yang dikorupsi kepada Pemkab Batubara.

b. Kasus Perdata

Pada awal Februari 2015, pihak Pemkab Batubara telah mengajukan gugatan perdata kepada Bank, dengan alasan Perbuatan Melanggar Hukum atas bobolnya dana Pemkab Batubara sebesar Rp80.000. Terhadap perkara tersebut pada tanggal 13 Oktober 2015, Majelis Hakim Pengadilan Negeri Jakarta Selatan telah membacakan putusannya yang pada intinya menyatakan "Gugatan Penggugat dalam hal ini Pemkab Batubara Tidak Dapat Diterima atau *Niet Ontvankelijk Verklaard*". Terhadap putusan dimaksud, Pemkab Batubara pada tanggal 13 Oktober 2015 telah mengajukan upaya banding ke Pengadilan Tinggi Jakarta, dimana dalam putusannya Pengadilan Tinggi DKI telah menguatkan Putusan Pengadilan Negeri Jakarta Selatan, dan menyatakan gugatan Pemkab Batubara dinyatakan Tidak Dapat Diterima atau *Niet Ontvankelijk Verklaard*.

39. LEGAL MATTERS (continued)

*The Incident has led to the following cases:
(continued)*

2. Pemkab Batubara, North Sumatera (continued)

a. The Corruption Case (continued)

This case had been complete in Indonesia Supreme Court of Justice. The final Cassation's decision was read on October 23, 2012, which meant that the case had legally binding decision. Therefore, the court shall execute all the verdict of the case in which all defendant (except for Itma Hari Basuki who is in the process of supreme court) have been found guilty of doing unlawful action in the form of corruption and money laundering of Batubara district government's funds. They were obligated by the court to return all the corruption fund to Batubara district government.

b. Civil Case

*At the beginning of February 2015, Batubara district government had filed a lawsuit to the Bank, with a reason of unlawful acts on misuse of funds of Batubara district government amounting to Rp80,000. With respect to this case, on October 13, 2015 the judges of South Jakarta District Court has announced the decisions that mainly stated "the defendant lawsuit in this case Batubara district government can not be accepted or *Niet Ontvankelijk Verklaard*". Toward this decision, Batubara district government, on October 13, 2015, had submitted an appeal to Jakarta Court, in which the High Court of Jakarta upheld the decision of South Jakarta District Court, and stated that lawsuit of Batubara district government unacceptable or *Niet Ontvankelijk Verklaard*.*

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39. MASALAH HUKUM (lanjutan)

Terhadap kejadian tersebut telah menimbulkan kasus-kasus sebagai berikut : (lanjutan)

2. Pemkab Batubara, Sumatera Utara (lanjutan)

b. Kasus Perdata (lanjutan)

Atas putusan Pengadilan Tinggi Jakarta tersebut, Pemkab Batubara telah mengajukan upaya hukum kasasi ke Mahkamah Agung R.I. dengan register nomor 1954 K/PDT/2017. Sesuai dengan surat Pemberitahuan Isi Putusan Mahkamah Agung R.I. yang Bank terima pada Selasa tanggal 10 Juli 2018 dari Pengadilan Negeri Jakarta Selatan, Majelis Hakim Mahkamah Agung R.I. yang mengadili perkara tersebut memutuskan, mengadili:

1. Menolak permohonan kasasi Pemerintahan Kabupaten Batu Bara (Propinsi Sumatera Utara selaku Pemohon Kasasi/Pembanding);
2. Menghukum Pemohon Kasasi / Pembanding untuk membayar biaya perkara dalam semua tingkat pengadilan dan dalam tingkat kasasi ini sejumlah Rp500.000,00 (lima ratus ribu rupiah).

Dokumen salinan putusan kasasi atas perkara tersebut telah kami terima pada tanggal 8 Agustus 2018. Dengan ditolaknya permohonan kasasi tersebut maka perkara tersebut sudah *inkracht van gewijsde* atau *final and binding*.

Dari kedua kasus tindak pidana korupsi tersebut, baik Mahkamah Agung R.I. dalam kasus PT Elnusa Tbk maupun dalam kasus Pemkab Batu Bara, tidak menyebutkan Bank bertanggung jawab untuk mengembalikan baik dana PT Elnusa Tbk maupun Pemkab Batubara yang dibobol oleh pelaku yang telah dihukum tersebut.

Sehubungan dengan kasus-kasus di atas, Bank memenuhi permintaan dari Bank Indonesia antara lain untuk membentuk dana cadangan dalam escrow account sebesar Rp191.000 sampai kedua sengketa tersebut diselesaikan dan berkekuatan hukum tetap.

Bank telah memenuhi permintaan Bank Indonesia dan, setelah berkomunikasi dengan Bank Indonesia, memblokir penggunaan beberapa Sertifikat Deposito Bank Indonesia di Bank Indonesia sebesar Rp191.000.

39. LEGAL MATTERS (continued)

*The Incident has led to the following cases:
(continued)*

2. *Pemkab Batubara, North Sumatera (continued)*

b. *Civil Case (continued)*

Based on the decision of the Jakarta High Court, the Batubara district government has filed a cassation appeal with register number 1954 K / PDT / 2017. In accordance with the Notification Letter of the Decision of the Republic of Indonesia's Supreme Court which the Bank received on Tuesday, July 10, 2018, which was obtained from the South Jakarta District Court, the Panel of Judges of the Republic of Indonesia's Supreme Court. who judged the case decided, adjudicating:

1. *Reject the cassation request of Batubara district government (North Sumatera Province as the Applicant for cassation/the Appellant);*
2. *Punish the Applicant of Republic of Indonesia's cassation/the Appellant to pay court fees at all levels of the court and for this appeal amounting to Rp.500,000.00 (five hundred thousand rupiahs).*

*The copy of the decision in regards to this case has been obtained by the Bank on 8 August 2018. Rejection of the cassation appeal resulted the case is has been *inkracht van gewijsde* or legally binding.*

From these two corruption cases, the Indonesia Supreme Court, in the case of PT Elnusa Tbk and as well as in the case of Batubara district government, did not mentioned the Bank to be held responsible for returning the funds to PT Elnusa Tbk and Batubara district government's which were compromised by the defendant who have been convicted.

In relation to the cases above, the Bank has received a request from Bank Indonesia to, among others, create an escrow account amounting to Rp191,000 until the disputes are settled and legally binding.

The Bank has complied with Bank Indonesia's request and, after communication, Bank Indonesia blocked the use of certain Bank Indonesia Deposits Certificate amounting to Rp191,000.

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39. MASALAH HUKUM (lanjutan)

Berdasarkan hasil putusan pengadilan pada dua kasus Tipikor di atas, Bank berkeyakinan bahwa, berdasarkan yurisprudensi dari kasus-kasus serupa, tuntutan perdata terhadap Bank tidak berdasar, sehingga kerugian yang mesti ditanggung oleh Bank yang belum dapat ditentukan pada saat ini tidak akan memiliki dampak yang pervasif terhadap hasil operasi, posisi keuangan atau likuiditas Bank.

39. LEGAL MATTERS (continued)

With respects to the court's decision of those criminal corruption cases above, the Bank believed, that on the basis of jurisprudences of the similar case, such claim on the civil case will have no basis and therefore will not result to a significant impact on the operations, financials or liquidity of the Bank.

40. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING

- a. Posisi aset (sebelum dikurangi dengan cadangan kerugian penurunan nilai) dan liabilitas moneter dalam mata uang asing adalah sebagai berikut:

40. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

- a. Asset position (before deducting the allowance for impairment losses) and liabilities denominated in foreign currencies are as follows:

		31 Desember/December 31			
		2018	2017		
Aset				Assets	
Kas (Catatan 4)	116.359	248.511		Cash (Note 4)	
Giro pada Bank Indonesia (Catatan 5)	592.456	563.459		Current accounts with Bank Indonesia (Note 5)	
Giro pada bank lain (Catatan 6)	204.379	216.838		Current accounts with other banks (Note 6)	
Penempatan pada Bank Indonesia dan bank lain (Catatan 7)	284.724	143.137		Placements with Bank Indonesia and other banks (Note 7)	
Efek-efek (Catatan 8)	497.139	1.401.591		Securities (Note 8)	
Tagihan derivatif (Catatan 10)	106.182	16.685		Derivatives receivable (Note 10)	
Kredit yang diberikan (Catatan 11)	4.906.808	4.583.157		Loans (Note 11)	
Tagihan akseptasi (Catatan 12)	376.948	204.665		Acceptances receivable (Note 12)	
Aset lain-lain (Catatan 14)	36.854	54.794		Other assets (Note 14)	
Total	7.121.849	7.432.837		Total	
Liabilitas				Liabilities	
Liabilitas segera (Catatan 15)	14.396	34.270		Obligations due immediately (Note 15)	
Simpanan dari nasabah (Catatan 16, 17 dan 18)	6.809.266	5.939.867		Deposit from customers (Notes 16, 17 and 18)	
Simpanan dari bank lain (Catatan 19)	129.544	68.234		Deposits from other banks (Note 19)	
Liabilitas derivatif (Catatan 10)	85.530	8.397		Derivatives payable (Note 10)	
Utang akseptasi (Catatan 12)	376.948	204.665		Acceptances payable (Note 12)	
Pinjaman yang diterima (Catatan 22)	-	135.675		Fund borrowings (Note 22)	
Beban yang masih harus dibayar dan liabilitas lain-lain (Catatan 23)	71.740	30.461		Accrued expenses and other liabilities (Note 23)	
Total	7.487.424	6.421.569		Total	
Posisi aset - neto	(365.575)	1.011.268		Asset position - net	

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40. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING (lanjutan)

Posisi Devisa Neto ("PDN") Bank adalah sebagai berikut:

31 Desember/December 31, 2018					
	Mata uang asing (dalam nilai penuh)/ Foreign currencies (in full amount)		Ekuivalen Rupiah/Equivalent in Rupiah		Posisi Devisa Neto/ Net Open Position
	Aset/ Assets	Liabilitas/ Liabilities	Aset/ Assets	Liabilitas/ Liabilities	
Dolar Amerika Serikat	672.360.797	673.331.077	9.668.548	9.682.501	13.953
Yen Jepang	153.694.117	185.720.609	20.076	24.259	4.183
Dolar Singapura	24.965.410	25.256.059	263.508	266.575	3.067
Euro Eropa	6.951.965	7.132.946	114.295	117.270	2.975
Dolar Hong Kong	526.197	968.528	966	1.778	812
Dolar Selandia Baru	224.161	297.375	2.165	2.872	707
Poundsterling Inggris	2.216.090	2.251.906	40.580	41.236	656
Yuan China	12.380.808	12.574.208	25.883	26.287	404
Franc Swiss	71.878	91.267	1.049	1.332	283
Dolar Australia	30.499.183	30.500.751	309.943	309.959	16
			10.447.013	10.474.069	27.056
Total Modal Tier I dan Tier II bulan Desember 2018, setelah dikurangi dengan modal pengurang					12.619.668
Rasio PDN					0,21%

United States Dollar
Japanese Yen
Singapore Dollar
European Euro
Hong Kong Dollar
New Zealand Dollar
Great Britain Poundsterling
Chinese Yuan
Swiss Franc
Australian Dollar

Total Tier I and Tier II Capital of
December 2018 net of capital
deduction
NOP Ratio

31 Desember/December 31, 2017					
	Mata uang asing (dalam nilai penuh)/ Foreign currencies (in full amount)		Ekuivalen Rupiah/Equivalent in Rupiah		Posisi Devisa Neto/ Net Open Position
	Aset/ Assets	Liabilitas/ Liabilities	Aset/ Assets	Liabilitas/ Liabilities	
Dolar Amerika Serikat	632.002.402	632.718.981	8.574.692	8.584.415	9.723
Yen Jepang	529.474.946	552.128.456	63.813	66.542	2.729
Dolar Singapura	15.735.259	15.792.185	159.785	160.363	578
Poundsterling Inggris	972.875	996.780	17.828	18.267	439
Yuan China	206.556	17.056	430	35	395
Euro Eropa	7.583.619	7.604.173	123.130	123.463	333
Dolar Selandia Baru	2.475.142	2.500.483	23.886	24.131	245
Franc Swiss	25.283	15.745	351	219	132
Dolar Australia	24.716.200	24.728.141	261.848	261.975	127
Dolar Hong Kong	4.638.057	4.691.253	8.053	8.145	92
			9.233.816	9.247.555	14.793
Total Modal Tier I dan Tier II bulan Desember 2017, setelah dikurangi dengan modal pengurang					12.072.553
Rasio PDN					0,12%

United States Dollar
Japanese Yen
Singapore Dollar
Great Britain Poundsterling
Chinese Yuan
European Euro
New Zealand Dollar
Swiss Franc
Australian Dollar
Hong Kong Dollar

Total Tier I and Tier II Capital of
December 2017 net of capital
deduction
NOP Ratio

Berdasarkan peraturan BI mengenai PDN sebagaimana telah direvisi melalui Peraturan BI No. 6/20/PBI/2004 pada tanggal 15 Juli 2004, yang terakhir diperbaharui dengan Peraturan BI No. 12/10/PBI/2010 tanggal 1 Juli 2010, PDN bank setinggi-tingginya adalah 20% dari modal. PDN merupakan jumlah absolut dari selisih antara aset dan liabilitas dalam mata uang asing, baik yang terdapat di laporan posisi keuangan maupun rekening administratif. PDN Bank pada tanggal 31 Desember 2018 dan 2017 telah memenuhi ketentuan BI.

In accordance with BI regulation concerning NOP as amended by BI Regulation No. 6/20/PBI/2004 on 15 July 2004 and as further amended by BI Regulation No. 12/10/PBI/2010 dated 1 July 2010, the maximum NOP of banks should be at the most 20% of capital. NOP represents an absolute amount arising from the differences between the assets and liabilities in foreign currencies in the statements of financial position and administrative accounts. The NOP of the Bank as of December 31, 2018 and 2017 is in compliance with BI regulations.

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41. KEGIATAN WALI AMANAT

Bank memperoleh izin untuk menyelenggarakan kegiatan usaha sebagai wali amanat dari BAPEPAM-LK berdasarkan surat keputusan No. 20/STTD-WA/PM/2000 pada tanggal 2 Agustus 2000. Jasa-jasa yang dilakukan oleh Bank sebagai wali amanat adalah sebagai berikut:

- a. Mewakili kepentingan pemegang obligasi baik di dalam dan di luar pengadilan dalam melakukan tindakan hukum yang berkaitan dengan kepentingan pemegang obligasi;
- b. Menyampaikan informasi lengkap secara terbuka mengenai kualifikasinya sebagai Wali Amanat dalam prospektus;
- c. Memberikan laporan kepada Otoritas Jasa Keuangan, Bursa Efek dan pemegang obligasi baik secara langsung atau melalui Bursa Efek dalam hal emiten telah cidera janji atau terjadi keadaan yang dapat membahayakan kepentingan pemegang obligasi;
- d. Melakukan pengawasan atau pemantauan secara berkala mengenai perkembangan pengelolaan usaha emiten berdasarkan laporan keuangan atau laporan lainnya;
- e. Memberikan nasehat yang diperlukan emiten sehubungan dengan perjanjian perwalianamanat.

Pada tahun yang berakhir 31 Desember 2018, Bank bertindak sebagai Wali Amanat atas 108 emisi obligasi, 155 emisi *Medium-Term Notes* dan 14 emisi sukuk sedangkan pada tahun yang berakhir 31 Desember 2017, Bank bertindak sebagai Wali Amanat atas 114 emisi obligasi, 98 emisi *Medium-Term Notes* dan 10 emisi sukuk. Jumlah nilai obligasi yang diterbitkan adalah sebesar Rp127.970.513 dan USD120.000 sampai dengan 31 Desember 2018 dan sebesar Rp133.196.363 dan USD95.000 sampai dengan 31 Desember 2017.

42. KEGIATAN JASA KUSTODIAN

Bank dapat bertindak sebagai Bank Kustodian berdasarkan surat izin dari Badan Pengawas Pasar Modal dan Lembaga Keuangan No. KEP-01/PM/Kstd/2001 tanggal 18 Januari 2001.

41. TRUSTEESHIP ACTIVITIES

The Bank was granted with the license to conduct trusteeship activity from BAPEPAM-LK based on the decision letter No. 20/STTD-WA/PM/2000 dated August 2, 2000. The services provided by the Bank as a trustee are as follows:

- a. Represents the bondholders in any court and outside the court on any legal actions that related to the bondholders' interest;*
- b. Submits complete information concerning its qualification as Trustee in the prospectus;*
- c. Directly reports to Financial Services Authority, Stock Exchange and to the bondholders, directly or through Stock Exchange when the issuer has not complied with the agreement or any condition that will be disadvantageous to the bondholders;*
- d. Perform periodic monitoring or supervision on the development of the issuer's business based on financial reports or others reports;*
- e. Provides necessary advisory services to issuer in connection with the trusteeship agreement.*

For the year ended December 31, 2018, the Bank acted as Trustee for 108 bonds issuance, 155 Medium-Term Notes Issuance and 14 sukuk Issuance while for the year ended December 31, 2017, the Bank acted as Trustee for 114 bonds issuance, 98 Medium-Term Notes Issuance and 10 sukuk. The total value of the bonds issued amounted to Rp127,970,513 and USD120,000 up to December 31, 2018 and Rp133,196,363 and USD95,000 up to December 31, 2017.

42. CUSTODIAN SERVICES ACTIVITIES

The Bank is allowed to provide custodian services based on the license from the Capital Market Supervisory Agency and Financial Institution based on the letter No. KEP-01/PM/Kstd/2001 dated January 18, 2001.

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42. KEGIATAN JASA KUSTODIAN (lanjutan)

Jasa-jasa kustodian yang diberikan Bank terdiri dari:

- Kustodian Umum meliputi:
 - *Safekeeping* (penyimpanan dan pengadministrasian efek-efek)
 - *Settlement & transaction handling* (penanganan dan penyelesaian transaksi penjualan/pembelian efek-efek)
 - *Corporate action* (pengurusan hak-hak nasabah sehubungan dengan kepemilikan efek-efek nasabah)
 - *Proxy* (mewakili nasabah dalam Rapat Umum Pemegang Saham berdasarkan surat kuasa)
 - Pelaporan
- Kustodian Reksa Dana meliputi:
 - *Unit Registry* (pencatatan dan pengadministrasian unit reksa dana)
 - *Fund Accounting* (penitipan kolektif, pengadministrasian portofolio Reksa Dana dan penghitungan Nilai Aset Bersih)
 - Pelaporan
 - Penyimpanan efek-efek lain sesuai peraturan yang berlaku.

Pada tanggal 31 Desember 2018 dan 2017, nilai portofolio dalam administrasi kustodian Bank masing-masing sebesar Rp65.489.439 dan Rp54.437.237.

43. PENGUKURAN NILAI WAJAR

Tabel berikut menyajikan perbandingan antara nilai tercatat dan nilai wajar dari semua aset dan liabilitas keuangan disajikan per kategori dari instrumen keuangan. Nilai wajar yang diungkapkan adalah berdasarkan informasi relevan yang tersedia pada tanggal 31 Desember 2018 dan 2017, dan tidak diperbaharui untuk mencerminkan perubahan dalam kondisi pasar yang telah terjadi setelah tanggal ini.

	31 Desember/December 31			
	2018		2017	
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value
Aset Keuangan				
Kas	998.453	998.453	1.037.227	1.037.227
Nilai wajar melalui laba rugi				
Efek-efek	175.754	175.754	243.375	243.375
Tagihan derivatif	106.182	106.182	16.685	16.685
	281.936	281.936	260.060	260.060

Financial Assets
 Cash
 Fair value through
 profit or loss
 Securities
 Derivatives receivable

42. CUSTODIAN SERVICES ACTIVITIES (continued)

The custodian services provided by the Bank are as follows:

- General Custody encompasses:
 - *Safekeeping* (storage and administration of securities)
 - *Settlement & transaction handling* (handling and settlement of the transaction of sales/purchases securities)
 - *Corporate action* (handling customer's rights in relation with the ownership of securities)
 - *Proxy* (as a customer representative at the General Meeting of Shareholders based on powers of attorney)
 - Reporting
- Mutual Fund Custody encompasses:
 - *Registry Unit* (registration and administration of mutual fund unit)
 - *Fund Accounting* (collective custody, mutual fund administration and portfolio Net Asset Value calculation)
 - Reporting
 - The storage of other securities in compliance with the prevailing regulations.

As of December 31, 2018 and 2017, the value of the portfolio under administration of the Bank's custodian amounted to Rp65,489,439 and Rp54,437,237, respectively.

43. FAIR VALUE MEASUREMENTS

The next table summarises the comparison between the carrying amounts and fair values of all financial assets and liabilities presented per category of financial instruments. The fair values disclosed are based on relevant information available as of December 31, 2018 and 2017, and not updated to reflect changes in market conditions which have occurred after this date.

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43. PENGUKURAN NILAI WAJAR (lanjutan)

Tabel berikut menyajikan perbandingan antara nilai tercatat dan nilai wajar dari semua aset dan liabilitas keuangan disajikan per kategori dari instrumen keuangan. Nilai wajar yang diungkapkan adalah berdasarkan informasi relevan yang tersedia pada tanggal 31 Desember 2018 dan 2017, dan tidak diperbaharui untuk mencerminkan perubahan dalam kondisi pasar yang telah terjadi setelah tanggal ini. (lanjutan)

43. FAIR VALUE MEASUREMENTS (continued)

The next table summarises the comparison between the carrying amounts and fair values of all financial assets and liabilities presented per category of financial instruments. The fair values disclosed are based on relevant information available as of December 31, 2018 and 2017, and not updated to reflect changes in market conditions which have occurred after this date. (continued)

		31 Desember/December 31					
		2018		2017			
		Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value		
Aset Keuangan (lanjutan)						Financial Assets (continued)	
Dimiliki hingga jatuh tempo						Held to maturity	
Efek-efek	4.415.101		4.411.409	3.197.272	3.197.272	Securities	
Tersedia untuk dijual						Available-for-sale	
Efek-efek	18.215.140		18.215.140	19.114.418	19.114.418	Securities	
Pinjaman dan piutang						Loans and receivables	
Giro pada						Current accounts with	
Bank Indonesia	3.857.831		3.857.831	4.797.271	4.797.271	Bank Indonesia	
Giro pada bank lain	285.137		285.137	224.737	224.737	Current accounts with	
Penempatan pada Bank						other banks	
Indonesia dan bank lain	2.889.675		2.889.675	7.169.691	7.169.691	Placements with Bank	
Efek-efek						Indonesia and other banks	
yang dibeli dengan janji						Securities purchased under	
dijual kembali	2.002.987		2.002.987	3.523.293	3.523.293	agreement to resell	
Kredit yang diberikan	41.905.659		41.136.034	34.748.506	34.298.985	Loans	
Tagihan akseptasi	702.418		702.418	607.277	607.277	Acceptances receivable	
Aset lain-lain - neto ^{*)}	826.929		826.929	1.002.987	1.002.987	Other assets - net ^{*)}	
		52.470.636	51.701.011	52.073.762	51.624.241		
Total		76.381.266	75.607.949	75.682.739	75.233.218	Total	
Liabilitas Keuangan						Financial Liabilities	
Nilai wajar melalui						Fair value through	
laba rugi						profit or loss	
Liabilitas derivatif	85.530		85.530	8.397	8.397	Derivatives payable	
Diukur pada biaya						Measured at	
perolehan diamortisasi						amortized cost	
Liabilitas segera	458.216		458.216	666.973	666.973	Obligations due immediately	
Simpanan nasabah						Deposits from customers	
Giro	6.718.204		6.718.204	7.932.885	7.932.885	Current accounts	
Tabungan	11.799.080		11.799.080	10.927.297	10.927.297	Savings deposits	
Deposito berjangka	42.217.514		42.217.514	42.422.689	42.422.689	Time deposits	
Simpanan dari bank lain						Deposits from other banks	
Call money	1.824.420		1.824.420	947.837	947.837	Call money	
Giro	428.294		428.294	478.606	478.606	Current accounts	
Tabungan	150.775		150.775	184.807	184.807	Savings deposits	
Deposito berjangka	398.288		398.288	391.643	391.643	Time deposits	
Utang akseptasi	702.418		702.418	607.277	607.277	Acceptances payable	
Efek-efek yang dijual dengan						Securities sold under	
janji dibeli kembali	4.589.369		4.589.369	4.025.569	4.025.569	repurchased agreements	
Pinjaman yang diterima	-		-	135.675	135.675	Fund borrowings	
Beban yang masih harus						Accrued expenses	
dibayar dan liabilitas						and other liabilities ^{**)}	
lain-lain ^{**)}	225.766		225.766	162.976	162.976		
		69.512.344	69.512.344	68.884.234	68.884.234		
Total		69.597.874	69.597.874	68.892.631	68.892.631	Total	

*) Aset lain-lain - neto terdiri dari bunga yang masih akan diterima, setoran jaminan, piutang sewa, tagihan penjualan surat berharga dan aset yang diblokir

**) Beban yang masih harus dibayar dan liabilitas lain-lain terdiri dari utang bunga dan setoran jaminan.

*) Other assets - net consist of interest receivables, security deposits, rent receivables, sale of securities receivables and restricted assets

**) Accrued expenses and other liabilities consist of interest payables and security deposits.

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43. PENGUKURAN NILAI WAJAR (lanjutan)

Berikut metode dan asumsi yang digunakan untuk perkiraan nilai wajar:

Nilai wajar aset dan liabilitas keuangan tertentu selain derivatif dan kredit yang diberikan mendekati nilai tercatat karena instrumen keuangan tersebut memiliki jangka waktu jatuh tempo yang singkat dan/atau suku bunganya sering ditinjau ulang.

Nilai wajar tagihan dan liabilitas derivatif dihitung berdasarkan metodologi yang dijelaskan dalam Catatan 2j dan 10.

Nilai wajar dari kredit yang diberikan dinilai menggunakan diskonto arus kas berdasarkan tingkat suku bunga pasar terkini.

Bank menggunakan hirarki berikut untuk menentukan dan mengungkapkan nilai wajar dari aset dan liabilitas:

- Level 1 : harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik.
- Level 2 : input selain harga kuotasian yang termasuk dalam Level 1 yang dapat diobservasi untuk aset dan liabilitas baik secara langsung (misalnya harga) atau secara tidak langsung;
- Level 3 : input untuk aset dan liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Tabel di bawah ini menunjukkan aset dan liabilitas yang diukur pada nilai wajar yang dikelompokkan berdasarkan hirarki nilai wajar:

43. FAIR VALUE MEASUREMENTS (continued)

The following methods and assumptions are used to estimate the fair value:

Fair values of certain financial assets and liabilities other than derivatives and loans are approximately the same with their carrying amounts due to the short-term maturities of these financial instruments and/or repriced frequently.

The fair value of derivatives receivable and payable are calculated based on methodology as disclosed in Notes 2j and 10.

The fair value of loans are determined by discounting cash flows using current market interest rate.

The Bank adopts the following hierarchy for determining and disclosing the fair value of assets and liabilities:

- Level 1 : quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (example, price) or indirectly;
- Level 3 : inputs for the asset and liability that are not based on observable market data (unobservable inputs).

The table below show the assets and liabilities measured at fair value grouped according to the fair value hierarchy:

31 Desember/December 31, 2018					
	Nilai tercatat/ Carrying value	Nilai wajar/Fair value			
		Tingkat/ Level 1	Tingkat/ Level 2	Tingkat/ Level 3	
Aset yang diukur pada nilai wajar					Assets measured at fair value
Efek-efek					
yang diperdagangkan	175.754	175.754	-	-	Trading securities
Tagihan derivatif	106.182	-	106.182	-	Derivatives receivable
Efek-efek tersedia untuk dijual	18.215.140	18.215.140	-	-	Securities available-for-sale
Total aset yang diukur pada nilai wajar	18.497.076	18.390.894	106.182	-	Total assets measured at fair value
Aset yang nilai wajarnya diungkapkan					Assets for which fair value are disclosed
Kredit yang diberikan	41.905.659	-	40.843.837	292.197	Loans
Agunan yang diambil alih	748.535	-	-	748.535	Foreclosed assets
Aset tetap	5.839.477	-	-	5.839.477	Fixed Assets
Efek-efek dimiliki hingga jatuh tempo	4.415.101	4.411.409	-	-	Securities held-to maturity
Total aset yang nilai wajarnya diungkapkan	52.908.772	4.411.409	40.843.837	6.880.209	Total assets for which fair value are disclosed
Liabilitas yang diukur pada nilai wajar					Liabilities measured at fair value
Liabilitas derivatif	85.530	-	85.530	-	Derivatives payable
Total liabilitas yang diukur pada nilai wajar	85.530	-	85.530	-	Total liabilities measured at fair value

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43. PENGUKURAN NILAI WAJAR (lanjutan)

Tabel di bawah ini menunjukkan aset dan liabilitas yang diukur pada nilai wajar yang dikelompokkan berdasarkan hirarki nilai wajar: (lanjutan)

31 Desember/December 31, 2017				
	Nilai tercatat/ Carrying value	Nilai wajar/Fair value		
		Tingkat/ Level 1	Tingkat/ Level 2	Tingkat/ Level 3
Aset yang diukur pada nilai wajar				
Efek-efek yang diperdagangkan	243.375	243.375	-	-
Tagihan derivatif	16.685	-	16.685	-
Efek-efek tersedia untuk dijual	19.114.418	19.114.418	-	-
Total aset yang diukur pada nilai wajar	19.374.478	19.357.793	16.685	-
Aset yang nilai wajarnya diungkapkan				
Kredit yang diberikan	34.748.506	-	34.148.158	150.827
Agunan yang diambil alih	639.184	-	-	639.184
Aset tetap	5.321.769	-	-	5.321.769
Efek-efek dimiliki hingga jatuh tempo	3.197.272	3.197.272	-	-
Total aset yang nilai wajarnya diungkapkan	43.906.731	3.197.272	34.148.158	6.111.780
Liabilitas yang diukur pada nilai wajar				
Liabilitas derivatif	8.397	-	8.397	-
Total liabilitas yang diukur pada nilai wajar	8.397	-	8.397	-

Nilai wajar dari tanah dan bangunan dihitung dengan menggunakan pendekatan perbandingan pasar, pendekatan pendapatan, dan pendekatan biaya yang dihasilkan oleh aset.

Tidak terdapat perpindahan antar tingkat selama tahun berjalan.

43. FAIR VALUE MEASUREMENTS (continued)

The table below show the assets and liabilities measured at fair value grouped according to the fair value hierarchy: (continued)

Assets measured at fair value
Trading securities
Derivatives receivable
Securities available-for-sale
Total assets measured at fair value
Assets for which fair value are disclosed
Loans
Foreclosed assets
Fixed Assets
Securities held-to maturity
Total assets for which fair value are disclosed
Liabilities measured at fair value
Derivatives payable
Total liabilities measured at fair value

Fair values of land and buildings are calculated using the comparable market approach, income approach and cost approach.

There were no transfer between level during the year.

44. MANAJEMEN RISIKO KEUANGAN

a. Pendahuluan dan Gambaran Umum

Bank mengimplementasikan kebijakan manajemen risiko sesuai dengan Peraturan Otoritas Jasa Keuangan Nomor 18/POJK.03/2016 tentang Penerapan Manajemen Risiko Bagi Bank Umum.

Bertolak dari ketentuan tersebut serta kebutuhan internal Bank, maka Bank Mega telah melaksanakan manajemen risiko sesuai dengan cakupan aktivitasnya. Guna menyempurnakan pelaksanaan manajemen risiko, Bank Mega selalu mengembangkan tools yang digunakan, mengevaluasi dan memperbaiki setiap kelemahan pada proses, maupun terhadap pengembangan sumber daya manusia sebagai kunci implementasi tersebut. Hal ini penting dilakukan mengingat faktor risiko yang memiliki sifat dinamis mengikuti perkembangan praktek bisnis perbankan itu sendiri.

44. FINANCIAL RISK MANAGEMENT

a. Introduction and Overviews

The Bank implements risk management policy in accordance with Indonesia Financial Services Authority No. 18 / POJK.03 / 2016 on "Application of Risk Management for Commercial Bank".

Starting from these regulated policy as well as internal requirement, Bank Mega has implemented risk management in accordance with the scope of their activities. In order to enhance the implementation of risk management, Bank Mega always develop tools that are used, evaluate and correct any weakness in the process, and the development of human resources as the key to the implementation. It is important considering that risk factors inline with the the dynamic nature of the development on the banking business practice itself.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Pendahuluan dan Gambaran Umum (lanjutan)

Upaya perbaikan implementasi manajemen risiko tersebut difokuskan pada lima hal utama, yaitu Identifikasi, Pengukuran, Pengawasan, Pengendalian, dan Pelaporan.

Bank memiliki eksposur terhadap risiko-risiko instrumen keuangan sebagai berikut:

- Risiko Kredit
- Risiko Pasar
- Risiko Likuiditas
- Risiko Operasional

b. Kerangka Manajemen Risiko

Manajemen risiko Bank dikendalikan oleh Direktorat Risiko dengan didukung oleh unit kerja dibawahnya. Ada 7 (tujuh) Unit Kerja pendukung Direktorat Risiko, yaitu:

- *Operational Risk Management*
- *Credit Risk Management*
- *Market, Liquidity, & Integrated Risk Management*
- *National Credit Review, Restructure & Control*
- *National Credit Appraisal*
- *Credit Collection & Remedial*
- *Credit Asset Recovery*

Manajemen telah membentuk komite-komite yang membantu Dewan Komisaris dan Direksi dalam manajemen risiko, yaitu:

- Komite Pemantau Risiko
- Komite Audit
- Komite Remunerasi dan Nominasi
- Komite Manajemen Risiko
- Komite Manajemen Risiko Terintegrasi
- Komite Produk
- Komite Kredit
- Komite Kebijakan Perkreditan
- Komite Teknologi Informasi
- Komite Aset dan Liabilitas ("ALCO")
- Komite Sumber Daya Manusia
- Komite Restrukturisasi Kredit
- Komite Manajemen Krisis

44. FINANCIAL RISK MANAGEMENT (continued)

a. *Introduction and Overviews (continued)*

The effort of improving the implementation of risk management is focused on five main points, namely Identification, Measurement, Monitoring, Control, and Reporting.

The Bank has exposure to the following risks from financial instruments:

- *Credit Risk*
- *Market Risk*
- *Liquidity Risk*
- *Operational Risk*

b. *Risk Management Framework*

Risk management of the Bank is under the control of Risk Directorate. There are 7 (seven) Units under Risk Directorate:

- *Operational Risk Management*
- *Credit Risk Management*
- *Market, Liquidity, & Integrated Risk Management*
- *National Credit Review, Restructure & Control*
- *National Credit Appraisal*
- *Credit Collection & Remedial*
- *Credit Asset Recovery*

The management has established committees which are responsible to assist Board of Commissioners and Directors for managing the Bank's risk management, that are:

- *Risk Oversight Committee*
- *Audit Committee*
- *Remuneration and Nomination Committee*
- *Risk Management Committee*
- *Integration Risk Management Committee*
- *Product Committee*
- *Credit Committee*
- *Credit Policy Committee*
- *Information Technology Committee*
- *Asset and Liability Committee ("ALCO")*
- *Human Resources Committee*
- *Credit Restructuring Committee*
- *Crisis Management Committee*

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Kerangka Manajemen Risiko (lanjutan)

Komite-komite ini bertanggungjawab untuk mengembangkan dan memantau kebijakan manajemen risiko Bank pada masing-masing area. Komite-komite tersebut melaporkan aktivitas mereka secara berkala kepada Dewan Komisaris dan Direksi.

Kebijakan manajemen risiko Bank dibentuk untuk mengidentifikasi dan menganalisa risiko-risiko yang dihadapi Bank, untuk menentukan batasan dan pengendalian risiko yang sesuai dan untuk mengawasi risiko yang sesuai dan kepatuhan terhadap batasan yang telah ditetapkan. Kebijakan dan sistem manajemen risiko dikaji secara berkala untuk mencerminkan perubahan pada kondisi pasar, produk dan jasa yang ditawarkan. Bank melalui pelatihan serta standar dan prosedur pengelolaan, berusaha untuk mengembangkan lingkungan pengendalian yang teratur dan konstruktif, dimana seluruh karyawan memahami peran dan tanggung jawab mereka.

Bank menerapkan pengelolaan risiko yang efektif, dimana praktek-praktek yang sehat melekat pada sistem utama dan proses bisnis yang ada di Bank yang memungkinkan pengelolaan manajemen risiko oleh masing-masing satuan bisnis karena pengelolaan risiko adalah tanggung jawab dari semua pegawai pada semua level di organisasi. Bank juga menerapkan budaya kesadaran yang kuat dan proaktif atas risiko, yang merupakan dasar untuk mencapai manajemen risiko yang konsisten dan efektif.

Unit Kerja Independen telah dibentuk untuk melakukan evaluasi, pemantauan dan pelaporan berbagai risiko secara independen. Unit kerja tersebut dirancang untuk berfungsi secara independen dari unit bisnis.

44. FINANCIAL RISK MANAGEMENT (continued)

b. Risk Management Framework (continued)

These committees are responsible for developing and monitoring the Bank's risk management policy in their specified areas. All committees report regularly to the Board of Commissioners and Directors.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

Effective risk management is adopted, hence, the sound practices are embedded in the Bank's core systems and business processes, thus allowing self-management of risk by respective business units, in which risk management is a responsibility of all employees at all levels in the organizational hierarchy. The Bank also adopts a strong and proactive risk awareness mindset, which is fundamental in attaining consistent and effective risk management.

Independent Working Units have been formed to facilitate independent evaluation, various risks monitoring and reporting. These divisions are designed to function independently of the business units.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Kerangka Manajemen Risiko (lanjutan)

Unit Kerja *Operational Risk Management*, Unit Kerja *Credit Risk Management*, Unit Kerja *Market Liquidity & Integrated Risk Management*, Unit Kerja *National Credit Review, Restructure & Control*, Unit Kerja *National Credit Appraisal*, Unit Kerja *Compliance & Good Corporate Governance*, Unit Kerja *Banking Fraud*, Unit Kerja *Anti Money Laundering*, Unit Kerja *Corporate Legal*, Unit Kerja *Contact Center*, Unit Kerja *Operations Control* (sub unit *Network Operations Control* dan *Head Office Operations Control*) bertugas untuk melakukan identifikasi, mengkaji dan mengawasi semua risiko utama Bank sesuai dengan kebijakan dan prosedur manajemen risiko yang telah ditetapkan. Fungsi pengendalian risiko terletak pada Satuan Kerja Audit Internal.

Beberapa kebijakan internal yang terkait manajemen risiko yang ditinjau atau diterbitkan Bank sampai dengan 2018 antara lain sebagai berikut:

- Kebijakan Manajemen Risiko Strategik
- Kebijakan Manajemen Risiko Hukum
- Kebijakan Manajemen Risiko Reputasi
- Kebijakan Manajemen Risiko Kepatuhan
- Kebijakan Manajemen Risiko Kredit
- Kebijakan Manajemen Risiko Pasar
- Kebijakan Manajemen Risiko Likuiditas
- Kebijakan Manajemen Risiko Operasional
- Kebijakan Manajemen Risiko Terintegrasi
- Penunjukan Sekretariat dan Satuan Kerja Komite Manajemen Risiko Terintegrasi
- Pedoman Kerja Laporan ATMR Kredit - *Standardized Approach*
- Pedoman Kerja Perhitungan *Interest Rate Risk in Banking Book (IRRBB)*
- Perubahan Pertama Kebijakan Perhitungan BMPK untuk Transaksi Derivatif
- Komite Manajemen Risiko
- Komite Manajemen Risiko Terintegrasi
- Komite Kebijakan Perkreditan Bank Mega
- Ketentuan Pengelolaan Portfolio Kredit

44. FINANCIAL RISK MANAGEMENT (continued)

b. *Risk Management Framework (continued)*

Operational Risk Management Unit, National Credit Control Unit, Credit Risk Management Unit, Market Liquidity & Integrated Risk Management Unit, National Credit Review Restructure & Control Unit, National Credit Appraisal Unit, Compliance & Good Corporate Governance Unit, Banking Fraud Unit, Anti Money Laundering Unit, Corporate Legal Unit, Consumer Banking Network Unit (Customer Care Sub Unit), Centralized Transactional Operations Unit (Network Operational Control Sub Unit) are in charge of identifying, assessing and monitoring all of the Bank's main risks in accordance with well-defined risk management policies and procedures. Risk control functions are handled by Internal Audit.

Several internal risk management policies which have been released or reviewed up to 2018 are as follows:

- *Strategic Risk Management Policy*
- *Legal Risk Management Policy*
- *Reputational Risk Management Policy*
- *Compliance Risk Management Policy*
- *Credit Risk Management Policy*
- *Market Risk Management Policy*
- *Liquidity Risk Management Policy*
- *Operational Risk Management Policy*
- *Integrated Risk Management Policy*
- *Secretariat and Integrated Risk Management Committee*
- *Credit Risk Weighted Assets Calculation Guidelines - Standardized Approach*
- *Guidelines of Interest Rate Risk in Banking Book (IRRBB)*
- *First Amendment of BMPK Calculation Policy for Derivative Transactions*
- *Risk Management Committee*
- *Integrated Risk Management Committee*
- *Credit Policy Committee of Bank Mega*
- *Credit Portfolio Management Policy*

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Kerangka Manajemen Risiko (lanjutan)

Beberapa kebijakan internal yang terkait manajemen risiko yang ditinjau atau diterbitkan Bank sampai dengan 2018 antara lain sebagai berikut: (lanjutan)

- Kebijakan dan Prosedur Operasional *Control Self Assessment*
- Ketentuan Pengelolaan Risiko Kredit
- Pedoman Perhitungan ATMR Risiko Operasional berdasarkan Pendekatan Indikator Dasar (PID)
- Pedoman Kerja *Stress Test*
- Pedoman Kerja ATMR Pasar
- Pedoman Kerja Profil Risiko PT Bank Mega Tbk
- Ketentuan Penggunaan Batas Wewenang Memutus Kredit Pejabat Bank Mega
- Kebijakan Kewajiban Penyediaan Modal Minimum (KPMM) sesuai Profil Risiko
- Kebijakan Manajemen Permodalan Terintegrasi
- Kebijakan Rekonsiliasi Transaksi Intra-Grup Mega Corpora
- *Risk Statement, Risk Appetite, Risk Tolerance, dan Risk Culture* PT Bank Mega Tbk.
- Kebijakan Pembentukan dan Tata Tertib *Risk Council* Kartu Kredit.
- Limit Pembiayaan Berdasarkan Sektor Ekonomi.
- Kebijakan *Risk Limit* Bank Mega
- Kebijakan *Risk Limit Terintegrasi*
- Kebijakan Komite Kredit Bank Mega
- Kewenangan Penandatanganan Perjanjian Kredit
- Kebijakan Penggunaan *Scoring Process* Kartu Kredit
- Penetapan *Cut Off Application Scores dan Credit Limit Assignment*
- Kebijakan *Risk Tolerance* dan Persyaratan Kartu Kredit, serta Kewenangan Persetujuannya
- Kebijakan Persyaratan dan Proses Aplikasi Personal Loan (Mega Cash Line)
- Buku Pedoman Penurunan Nilai Kredit
- Kebijakan Hapus Buku & Hapus Tagih Kredit
- Kebijakan Penyelamatan dan Penyelesaian Kredit Bermasalah
- Kebijakan Komite dan Restrukturisasi Kredit
- Kewenangan Pejabat di Bidang Perkreditan
- Kebijakan *Tools Trigger and Action* untuk *Risk Limit* Kredit

44. FINANCIAL RISK MANAGEMENT (continued)

b. *Risk Management Framework (continued)*

Several internal risk management policies which have been released or reviewed up to 2018 are as follows: (continued)

- *Policy and Operational Procedures for Control Self Assessment*
- *Credit Risk Management Policy*
- *Guidelines of Operational Risk RWA calculation based on the Basic Indicator Approach (BIA)*
- *Guidelines of Stress Testing*
- *Guidelines of Market ATMR*
- *Guidelines of Profiling Risk Profile of PT Bank Mega Tbk*
- *Limit Authority on Credit Approval Usage Policy*
- *Minimum Capital Adequacy Ratio (CAR) in accordance Risk Profile Policy*
- *Integrated Capital Management Policy*
- *Mega Corpora Intra-Group Transaction Reconciliation Policy*
- *Risk Statement, Risk Appetite, Risk Tolerance, and Risk Culture of PT Bank Mega Tbk.*
- *Credit Card Risk Council Formation Policy and Code of Conduct*
- *Financing Limits based on Economic Sectors.*
- *Risk Limit Policy of Bank Mega*
- *Integrated Risk Limit Policy*
- *Credit Committee Policy of Bank Mega*
- *Credit Signing Agreement Authority*
- *Credit Card Scoring Process Policy*
- *Cut Off Application Scores and Credit Limit Assignment Stipulation*
- *Risk Tolerance Policy and Credit Card Requirements and its Approval Authority*
- *Requirements and Processes for Personal Loan Applications Policy*
- *Impairment of Credit Portfolio Guidelines*
- *Credit Policy on Write-Off & Hair Cut*
- *Recovery and Settlement of Non-Performing Loan Policy*
- *Credit Committee and Restructuring Policy*
- *Officials' Authority in Credit Sector*
- *Trigger and Action for Credit Risk Limit*

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Kerangka Manajemen Risiko (lanjutan)

Beberapa kebijakan internal yang terkait manajemen risiko yang ditinjau atau diterbitkan Bank sampai dengan 2018 antara lain sebagai berikut: (lanjutan)

- Kebijakan Segmentasi Kredit
- Pedoman Program Anti Pencucian Uang (APU) Pencegahan Pendanaan Terorisme (PPT)
- Kebijakan Komite Produk dan Proses Penerbitan Produk atau Aktivitas Baru
- Kebijakan *Stress Test* Terintegrasi
- Pembentukan Tim Validasi Model dalam Satuan Kerja Manajemen Risiko
- Pedoman Kerja Market, Liquidity & Integrated Risk Management (MIRG)
- Pedoman Kerja *Operational Risk Management* (ORMG)
- Pedoman Kerja Credit Risk Management (CRMG)
- Ketentuan *Risk Control Self Assessment* (RCSA)
- Penunjukkan *Directorate Operational Risk Management* (DORM)
- Buku Kebijakan Perkreditan Bank Mega
- Kebijakan Manajemen Risiko Kredit
- Kebijakan Penyusunan Rencana Darurat (*Contingency Plan*) dalam Kondisi Terburuk (*Worst Case Scenario*)
- *Business Continuity Management*
- Kebijakan Rencana Aksi (*Recovery Plan*)
- Pembentukan Tim Penyusun Dokumen Rencana Aksi (*Recovery Plan*)

Sebagian besar kebijakan tersebut merupakan hasil review dari kebijakan yang telah ada. Upaya review dilakukan untuk menyempurnakan kebijakan dikarenakan adanya perubahan dari peraturan Bank Indonesia & Otoritas Jasa Keuangan ("OJK").

Secara umum, pelaksanaan manajemen risiko selama tahun 2018 difokuskan pada hal-hal berikut:

- Peningkatkan kesadaran dan kompetensi sumber daya manusia
- Pengembangan peran Satuan Kerja Manajemen Risiko (SKMR)
- Peningkatan intensitas pengendalian dan pengawasan indikator yang terkait dengan upaya perbaikan Profil Risiko Bank dalam PTKB

44. FINANCIAL RISK MANAGEMENT (continued)

b. Risk Management Framework (continued)

Several internal risk management policies which have been released or reviewed up to 2018 are as follows: (continued)

- Credit Segmentation Policy
- Anti Money Laundering and Counter-Terrorism Financing Program Guideline
- Product Committee and Process of Publishing New Products or Activities Policy
- Integrated Stress Test Policy
- Establishment of Model Validation Team in Risk Management Work Unit
- Guidelines of Market, Liquidity and Integrated Risk Management (MIRG)
- Operational Risk Management (ORMG) Guideline
- Guidelines of Credit Risk Management (CRMG)
- Risk Control Self Assessment (RCSA)
- Appointment of Directorate Operational Risk Management (DORM)
- Bank Mega Credit Policy
- Credit Risk Management Policy
- Contingency Plan Forming in Worst Case Scenario Policy
- Business Continuity Management
- Recovery Plan Policy
- Establishment of Recovery Plan Document Drafting Team

Most of the policies are the result of reviewed version of the existing policies. The reviews are performed due to changes in Bank Indonesia & Financial Services Authority ("OJK") regulations.

In general, the implementation of risk management in 2018 was focused in:

- Increasing awareness and competencies of human resources
- Developing the roles of Risk Management unit
- Increase in the intensity of monitoring and control of indicators associated with efforts to improve Bank's Risk Profile in RBBR

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Kredit

Prinsip yang diterapkan oleh Bank untuk menjalankan aktivitas manajemen risiko kredit didasarkan pada kebijakan risiko kredit yang mencakup persyaratan peraturan Bank Indonesia, Otoritas Jasa Keuangan dan kebijakan-kebijakan internal. Kebijakan internal direvisi secara berkala agar sejalan dengan perkembangan terkini peraturan, lingkungan bisnis dan perubahan-perubahan yang terjadi karena pertumbuhan bisnis Bank dan kondisi ekonomi global.

Secara umum, kebijakan internal kredit Bank bersifat pemberian kredit dalam bentuk *secured loan* atau kredit yang berbasis agunan. Sistem pemeringkatan internal Bank untuk segmen korporasi dan komersial akan menghasilkan peringkat risiko setiap debitur dan fasilitas yang diberikan. Setiap peringkat risiko mencerminkan risiko gagal bayar (*default*) dari peminjam, sedangkan peringkat risiko pada level fasilitas akan dipengaruhi juga oleh ketersediaan agunan dan/atau faktor mitigasi risiko kredit lainnya.

Manajemen risiko kredit difokuskan pada persiapan infrastruktur untuk mendukung strategi bisnis Bank, yang mencakup aspek-aspek berikut:

- Pengawasan aktif Dewan Komisaris dan Direksi
- Kecukupan kebijakan, prosedur, dan penetapan limit
- Kecukupan dan kualitas sumber daya manusia
- Kecukupan modal risiko kredit dengan standardized approach
- Pengukuran risiko kredit terhadap risiko inheren dan sistem pengendalian risiko berupa profil risiko kredit komposit
- Pengukuran tingkat risiko debitur dengan menggunakan rating dan scoring.
- Pemantauan komposisi dan kondisi setiap debitur atau counterparty pada seluruh portfolio bank.
- Pemantauan eksposur risiko kredit secara berkala dan terus menerus serta membuat laporan terkait perkembangan dan penyebab risiko kredit secara berkala ke Komite Manajemen Risiko dan Direksi
- Batas wewenang pemutusan kredit
- Sistem pengendalian internal yang menyeluruh

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk

The principle by which the Bank conducts their credit risk management activities is governed by credit risk policy that incorporates Bank Indonesia's regulatory requirements as well as internal policies. Internal policies are revised periodically in accordance with changes in the regulatory requirements, business environment and changes resulting from the Bank's business growth and global economic condition.

In general, the Bank's credit policy follows lending in the form of secured lending or collateral-based loans. The Bank's internal grading system for corporate and commercial segments will generate risk grades for each specific borrower level as well as facility level. Each risk grade reflects borrower's risk of default while facility level grades are also affected by the availability of collateral and/or other credit risk mitigation.

Credit risk management focused on the preparation of infrastructures to support the Bank's strategic business, which covers the following aspects:

- Active supervision of the Board of Commissioners and Board of Directors
- The adequacy of policies, procedures and limits
- The adequacy and quality of human resources
- The adequacy of credit risk capital with a standardized approach
- Measurement of credit risk to inherent risk and the risk control system in the form of a composite credit risk profile
- Measurement of the risk level of debtors by using rating and scoring.
- Monitoring the composition and condition of each debtor or counterparty in all bank portfolios.
- Monitoring credit risk exposures regularly and making reports related to the development and causes of credit risk regularly to the Risk Management Committee and Directors
- Credit determination limits
- Comprehensive internal control system

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Kredit (lanjutan)

Di samping itu, Bank telah siap untuk menerapkan pengukuran risiko kredit Basel II dengan menggunakan pendekatan standar. Namun demikian, persiapan infrastruktur dan pembangunan database untuk penerapan Basel II dengan pendekatan Internal Rating tetap terus dilakukan.

Bank telah menerapkan PSAK No. 50/55 dalam perhitungan Cadangan Kerugian Penurunan Nilai (CKPN). Metode penurunan nilai ini digunakan untuk menghitung CKPN fasilitas kredit yang terkait dengan *significant loan dan non-significant loan*. Minimum kriteria yang termasuk dalam kategori *significant loan* dan *non-significant loan* mengacu kepada Pedoman Penurunan Nilai Kredit Bank Mega.

Metodologi perhitungan CKPN dikelompokkan ke dalam 2 (dua) kategori: Kolektif dan Individual. Perhitungan CKPN Kolektif dihitung dengan menggunakan beberapa parameter, yaitu *Probability of Default (PD)*, *Loss Given Default (LGD)*, dan *Carrying Amount (CA)* sebagai proksi atas *Exposure at Default (EAD)*. PD dihitung dengan 2 (dua) pendekatan statistik yaitu *Roll Rate Analysis* untuk segmen retail (Usaha Kecil, MOJF, Konsumer, Kartu Kredit) dan *Migration Analysis* untuk segmen Korporasi dan Komersial. Perhitungan PD dan LGD menggunakan data historis.

Perhitungan CKPN Individual dilakukan dengan mengacu kepada ketentuan akuntansi dan Pedoman Penurunan Nilai Kredit Bank Mega.

Bank juga melakukan pengukuran dan pelaporan secara periodik ke Otoritas Jasa Keuangan (OJK) dalam pengelolaan risiko kredit berdasarkan parameter risiko kredit pada Penilaian Tingkat Kesehatan Bank (PTKB) dengan menggunakan pendekatan risiko (*Risk-based Bank Rating/RBBR*) yang terdiri dari 2 bagian, yaitu:

1. Risiko Inheren

- Komposisi portofolio aset dan tingkat konsentrasi kredit
- Kualitas penyediaan dana dan kecukupan pencadangan
- Strategi penyediaan dana dan sumber timbulnya penyediaan dana
- Faktor eksternal

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

Moreover, the Bank is ready to implement Basel II risk measurement using standardized approach. However, the preparation of infrastructures and databases for Basel II implementation using Internal Rating-based approach are still in progress.

Bank has implemented SFAS No. 50/55 in calculating Allowance for Impairment Losses (CKPN). This method of impairment is used to calculate CKPN for credit facility related to significant loan and non-significant loan. The minimum criteria included in the significant loan and non-significant loan category refers to the Guidelines for Bank Mega Credit Impairment.

Calculation method of allowance for impairment losses is categorized into 2 (two) categories: collective and individual. Collective impairment is calculated using certain parameters, such as: Probability of Default (PD), Loss Given Default (LGD) and Carrying Amount (CA) as a proxy on Exposure at Default (EAD). PD is calculated by 2 (two) statistical approaches: Roll Rate Analysis for retail segment (Small Enterprises, MOJF, Consumer, Credit Card) and Migration Analysis for Corporate and Commercial segments. PD and LGD are calculated using historical data.

Calculation of Individual CKPN is performed based on accounting policies as well as the Guidelines for Bank Mega Credit Impairment.

The Bank also measures and reports periodically to Financial Services Authority (OJK) in terms of credit risk management based on the credit risk parameters of Assessment of Bank Soundness Level (PTKB) using Risk-based Bank Rating (RBBR) which consist of 2 (two) categories:

1. Inherent Risks

- Asset portfolio compositions and level of credit concentration
- Funding procurement quality and provision adequacy
- Funding procurement strategy and resources
- External factors

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Kredit (lanjutan)

Bank juga melakukan pengukuran dan pelaporan secara periodik ke Otoritas Jasa Keuangan (OJK) dalam pengelolaan risiko kredit berdasarkan parameter risiko kredit pada Penilaian Tingkat Kesehatan Bank (PTKB) dengan menggunakan pendekatan risiko (*Risk-based Bank Rating/RBBR*) yang terdiri dari 2 bagian, yaitu: (lanjutan)

2. Kualitas Penerapan Manajemen Risiko Kredit

- Tata kelola risiko kredit
- Kerangka manajemen risiko kredit
- Proses manajemen risiko kredit, sistem informasi, dan sumber daya manusia
- Sistem pengendalian risiko kredit

(i) Eksposur Maksimum terhadap Risiko Kredit

Untuk aset keuangan yang diakui pada laporan posisi keuangan, eksposur maksimum atas risiko kredit setara dengan nilai tercatatnya.

Dalam penerbitan bank garansi dan *letters of credit* yang tidak dapat dibatalkan, eksposur maksimum atas risiko kredit adalah nilai maksimum yang harus dibayarkan oleh Bank dalam hal timbul kewajiban atas penerbitan bank garansi dan *letters of credit* yang tidak dapat dibatalkan. Untuk komitmen kredit, eksposur maksimum atas risiko kredit adalah sebesar jumlah fasilitas yang belum ditarik dari fasilitas kredit yang telah disepakati (*committed*) yang diberikan kepada nasabah.

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

The Bank also measures and reports periodically to Financial Services Authority (OJK) in terms of credit risk management based on the credit risk parameters of Assessment of Bank Soundness Level (PTKB) using Risk-based Bank Rating (RBBR) which consist of 2 (two) categories: (continued)

2. Credit Risk Management Implementation Quality

- Credit risk governance
- Credit risk management frameworks
- Credit risk management process, information system, and human resources
- Credit risk control system

(i) Maximum Exposure to Credit Risk

An analysis of the maximum exposure to credit risk considering the financial effect of collateral and other credit enhancement.

For guarantees and irrevocable letters of credit issued, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the guarantees and irrevocable letters of credit issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn committed credit facilities granted to customers.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Kredit (lanjutan)

(i) Eksposur Maksimum terhadap Risiko Kredit (lanjutan)

Tabel berikut menyajikan eksposur maksimum risiko kredit Bank atas instrumen keuangan pada laporan posisi keuangan dan rekening administratif tanpa memperhitungkan agunan kredit atau jaminan kredit lainnya.

Uraian	31 Desember/December 31	
	2018	2017
Posisi keuangan:		
Giro pada Bank Indonesia	3.857.831	4.797.271
Giro pada bank lain	285.137	224.737
Penempatan pada Bank Indonesia dan bank lain	2.889.675	7.169.691
Efek-efek	22.805.995	22.555.065
Efek-efek yang dibeli dengan janji dijual kembali	2.002.987	3.523.293
Tagihan derivatif	106.182	16.685
Kredit yang diberikan	42.252.702	35.222.577
Tagihan akseptasi	702.418	607.277
Aset lain - lain *)	826.929	1.002.987
Rekening administratif:		
Bank garansi	517.759	550.792
SKBDN	20.486	-
L/C tidak dapat dibatalkan yang masih berjalan	84.041	32.876
Total	76.352.142	75.703.251

*) Aset lain-lain - neto terdiri dari bunga yang masih akan diterima, setoran jaminan, piutang sewa, tagihan penjualan surat berharga dan aset yang diblokir

(ii) Analisis Risiko Konsentrasi Kredit

Tabel di bawah ini menunjukkan *net maximum exposure* (setelah memperhitungkan agunan) atas risiko kredit untuk efek-efek yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2018 dan 2017:

	Eksposur maksimum/ Maximum exposure	Agunan/ Collateral	Eksposur - neto/ Net exposure
2018			
Efek - efek yang dibeli dengan janji dijual kembali	2.002.987	2.004.326	-
2017			
Efek - efek yang dibeli dengan janji dijual kembali	3.523.293	3.525.572	-

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

(i) Maximum Exposure to Credit Risk (continued)

The following table presents the Bank's maximum exposure to credit risk of its financial instruments on the statements of financial position and administrative accounts without taking into account of any collateral held or other credit enhancement.

Description	31 Desember/December 31	
	2018	2017
Financial position:		
Current accounts with Bank Indonesia	3.857.831	4.797.271
Current accounts with other banks	285.137	224.737
Placements with Bank Indonesia and other banks	2.889.675	7.169.691
Securities	22.805.995	22.555.065
Securities purchase under agreement to resell	2.002.987	3.523.293
Derivatives receivables	106.182	16.685
Loans	42.252.702	35.222.577
Acceptances receivable	702.418	607.277
Other assets *)	826.929	1.002.987
Administrative accounts:		
Bank guarantees	517.759	550.792
SKBDN	20.486	-
Outstanding Irrevocable L/C issued	84.041	32.876
Total	76.352.142	75.703.251

*) Other assets - net consist of interest receivables, security deposits, rent receivables, sale of securities receivables and restricted assets

(ii) Concentration of Credit Risk Analysis

The table below shows the *net maximum exposure (after considering collateral)* to credit risk of securities purchased under agreement to resell as of December 31, 2018 and 2017:

	Eksposur maksimum/ Maximum exposure	Agunan/ Collateral	Eksposur - neto/ Net exposure
2018			
Securities purchased under agreement to resell	2.002.987	2.004.326	-
2017			
Securities purchased under agreement to resell	3.523.293	3.525.572	-

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Kredit (lanjutan)

(ii) Analisis Risiko Konsentrasi Kredit
(lanjutan)

Untuk kredit yang diberikan, Bank menggunakan agunan untuk meminimalkan risiko kredit. Berdasarkan klasifikasi, kredit Bank dapat dibedakan menjadi dua kelompok besar, yaitu:

1. *Secured loans*
2. *Unsecured loans*

Untuk *Secured loans*, Bank menetapkan jenis dan nilai agunan yang dijamin sesuai skema kredit. Jenis dari agunan terdiri dari:

- a. *Physical collateral*, antara lain tanah, bangunan dan BPKB kendaraan motor.
- b. *Cash collateral*, antara lain simpanan (tabungan, giro dan deposito berjangka, emas), *financial collateral* (surat berharga).
- c. Lainnya antara lain garansi dan lembaga penjamin.

Apabila terjadi *default* (gagal bayar), Bank akan menggunakan agunan tersebut sebagai pilihan terakhir untuk pemenuhan kewajiban *counterparty*.

Unsecured loans terdiri dari *fully unsecured loans* dan *partially secured loans* seperti kredit untuk karyawan golongan berpenghasilan tetap dan kredit konsumen lainnya. Dalam pembayaran kewajibannya, *partially secured loans* umumnya dilakukan melalui pemotongan penghasilan secara otomatis.

Dengan demikian, meskipun kredit tersebut termasuk dalam kategori *unsecured loans* namun tingkat risiko dari *partially secured loans* tidak sebesar nilai tercatat kredit. Sedangkan untuk *fully unsecured loans*, tingkat risiko adalah sebesar nilai tercatat kredit.

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

(ii) Concentration of Credit Risk Analysis
(continued)

For the loans and receivables, Bank uses the collateral to minimize the credit risk. Loans and receivables in Bank are classified into two major category:

1. *Secured loans*
2. *Unsecured loans*

For secured loans, Bank determined the type and value of collateral according to the loan scheme. Types of collateral are as follows:

- a. *Physical collateral*, such as land, buildings and proof of vehicle ownership.
- b. *Cash collateral*, such as deposits (savings, current accounts, time deposit, gold) *financial collateral* (securities).
- c. Others, such as guarantees, government guarantees and guarantee institution.

In times of default, Bank will use the collateral as the last resort in recovering its investment.

Unsecured loans consist of *fully unsecured loans* and *partially secured loans* such as loans for fixed income employees, and other consumer loans. In their obligations payment, *partially secured loans* are generally made through automatic payroll deduction.

Although it is included in the *unsecured loans* category, the risk level of *partially secured loans* is lower than the carrying value. As for *fully unsecured loan*, the risk level is equal to the carrying value.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko Kredit (lanjutan)

(ii) Analisis Risiko Konsentrasi Kredit
(lanjutan)

Proses penentuan peringkat kredit Bank membedakan eksposur untuk menentukan eksposur mana yang memiliki faktor risiko lebih besar dan tingkat kerugian potensial yang lebih tinggi. Peringkat kredit setiap debitur ditelaah secara berkala dan perubahannya diimplementasikan secepatnya. Peringkat kredit yang diterapkan atas setiap debitur juga mempertimbangkan kualitas kredit dari debitur tersebut yang telah ditentukan oleh bank-bank lain.

Peringkat kredit Bank sesuai dengan peringkat kredit dari Bank Indonesia sebagaimana diatur dalam peraturan Bank Indonesia dan Otoritas Jasa Keuangan (OJK) yang berlaku.

Risiko konsentrasi kredit dapat terjadi bila sejumlah nasabah bergerak di bidang usaha yang sejenis, atau memiliki kegiatan usaha berada di dalam wilayah geografis yang sama, atau memiliki karakteristik yang serupa yang dapat menyebabkan kemampuan nasabah untuk memenuhi kewajiban atas perjanjian kredit sama-sama terpengaruh oleh perubahan ekonomi ataupun kondisi lainnya.

Bank mendorong adanya diversifikasi portofolio kreditnya pada berbagai wilayah geografis, industri dan produk kredit sebagai upaya untuk meminimalisasi risiko kredit. Bank sudah memiliki limit pembiayaan dan alat pengukuran limit pembiayaan berdasarkan sektor ekonomi untuk seluruh segmen kredit.

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

(ii) Concentration of Credit Risk Analysis
(continued)

The Bank's credit rating determination processes differentiate exposures in order to highlight those with greater risk factors and higher potential severity of loss. The credit rating for each debtor is reviewed regularly and any amendments are implemented promptly. The credit rating applied for each debtor also considered credit quality of the respective debtor as determined by other banks.

The Bank's credit rating follows Bank Indonesia's credit rating as stipulated in the prevailing Bank Indonesia and Financial Services Authority (FSA) regulations.

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The Bank encourages the diversification of its credit portfolio among a variety of geographical area, industries, and credit product in order to minimize the credit risk. The Bank already has a lending limit based on economic sectors for all credit segments.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Risiko Kredit (lanjutan)

c. Credit Risk (continued)

Konsentrasi risiko kredit berdasarkan jenis debitur:

Credit risk concentration by counterparty:

31 Desember/December 31, 2018

	Giro pada Bank Indonesia dan bank lain/ <i>Current accounts with Bank Indonesia and other banks</i>	Penempatan pada Bank Indonesia dan bank lain/ <i>Placements with Bank Indonesia and other banks</i>	Efek-efek/ <i>Securities</i>	Efek-efek yang dibeli dengan janji dijual kembali/ <i>Securities purchase under agreement to resell</i>	Tagihan derivatif/ <i>Derivative receivable</i>	Tagihan akseptasi/ <i>Acceptances receivable</i>	Kredit yang diberikan/ <i>Loans</i>	Aset lain-lain *)/ <i>Other assets *)</i>	Komitmen dan kontinjensi/ <i>Commitments and contingencies</i>	Total	
Korporasi	-	-	5.144.483	-	-	702.418	15.427.802	156.127	523.413	21.954.243	Corporate
Pemerintah dan Bank Indonesia	3.857.831	149.951	13.032.124	-	-	-	3.036.540	421.929	-	20.498.375	Government and Bank Indonesia
Bank	285.137	2.739.724	4.629.388	2.002.987	8.949	-	1.419.009	99.709	-	11.184.903	Banks
Ritel	-	-	-	-	97.233	-	22.369.351	149.164	98.873	22.714.621	Retail
Total	4.142.968	2.889.675	22.805.995	2.002.987	106.182	702.418	42.252.702	826.929	622.286	76.352.142	Total

*) Aset lain-lain - neto terdiri dari bunga yang masih akan diterima, setoran jaminan, piutang sewa, tagihan penjualan surat berharga dan aset yang diblokir

*) Other assets - net consist of interest receivables, security deposits, rent receivables, sale of securities receivables and restricted assets

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Risiko Kredit (lanjutan)

c. Credit Risk (continued)

Konsentrasi risiko kredit berdasarkan jenis debitur: (lanjutan)

Credit risk concentration by counterparty: (continued)

31 Desember/December 31, 2017

	Giro pada Bank Indonesia dan bank lain/ <i>Current accounts with Bank Indonesia and other banks</i>	Penempatan pada Bank Indonesia dan bank lain/ <i>Placements with Bank Indonesia and other banks</i>	Efek-efek/ <i>Securities</i>	Efek-efek yang dibeli dengan janji dijual kembali/ <i>Securities purchase under agreement to resell</i>	Tagihan derivatif/ <i>Derivative receivable</i>	Tagihan akseptasi/ <i>Acceptances receivable</i>	Kredit yang diberikan/ <i>Loans</i>	Aset lain-lain *)/ <i>Other assets *)</i>	Komitmen dan kontinjensi/ <i>Commitments and contingencies</i>	Total	
Korporasi	-	-	5.007.135	-	4.518	607.277	13.012.712	202.040	480.609	19.314.291	Corporate
Pemerintah dan Bank Indonesia	4.797.271	2.549.554	13.426.528	-	-	-	2.657.249	311.338	-	23.741.940	Government and Bank Indonesia
Bank	224.737	4.620.137	4.121.209	3.523.293	8.505	-	619.476	289.621	-	13.406.978	Banks
Ritel	-	-	193	-	3.662	-	18.933.140	199.988	103.059	19.240.042	Retail
Total	5.022.008	7.169.691	22.555.065	3.523.293	16.685	607.277	35.222.577	1.002.987	583.668	75.703.251	Total

*) Aset lain-lain - neto terdiri dari bunga yang masih akan diterima, setoran jaminan, piutang sewa dan aset yang diblokir

*) Other assets - net consist of interest receivables, security deposits, rent receivables and restricted assets

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Risiko Kredit (lanjutan)

c. Credit Risk (continued)

(iii) Informasi mengenai aset keuangan yang mengalami penurunan nilai dan tidak mengalami penurunan nilai

(iii) Information about impaired and not impaired financial assets

1. Efek-efek

1. Securities

31 Desember/December 31, 2018

	Tidak mengalami penurunan nilai/ Not Impaired	Mengalami penurunan nilai/ Impaired	Total
Sertifikat Deposito			
Bank Indonesia	410.716	-	410.716
Obligasi korporasi	9.440.062	-	9.440.062
Obligasi Republik Indonesia	273.076	-	273.076
Obligasi Pemerintah Indonesia	12.339.057	-	12.339.057
Negotiable Certificate of Deposit	333.809	-	333.809
Obligasi Ritel Indonesia	9.275	-	9.275
Total	22.805.995	-	22.805.995

Deposits Certificates of
Bank Indonesia
Corporate bonds
Republic of Indonesia bonds
Indonesia government bonds
Negotiable Certificate of Deposit
Indonesian Retail bonds

Total

31 Desember/December 31, 2017

	Tidak mengalami penurunan nilai/ Not Impaired	Mengalami penurunan nilai/ Impaired	Total
Sertifikat Deposito			
Bank Indonesia	4.503.108	-	4.503.108
Obligasi korporasi	8.509.220	-	8.509.220
Obligasi Republik Indonesia	1.056.667	-	1.056.667
Obligasi Pemerintah Indonesia	5.092.221	-	5.092.221
Surat perbendaharaan Negara	2.355.657	-	2.355.657
Negotiable Certificate of Deposit	619.124	-	619.124
Obligasi Ritel Indonesia	418.875	-	418.875
Wesel SKBDN	193	-	193
Total	22.555.065	-	22.555.065

Deposits Certificates of
Bank Indonesia
Corporate bonds
Republic of Indonesia bonds
Indonesia government bonds
Treasury bills
Negotiable Certificate of Deposit
Indonesian Retail bonds
SKBDN bills

Total

2. Kredit yang diberikan

2. Loans

Pada tanggal 31 Desember 2018 dan 2017, aset keuangan ini mengalami penurunan nilai secara individual maupun kolektif sesuai ketentuan dalam PSAK No. 55 dan Peraturan Bank Indonesia.

As of December 31, 2018 and 2017, these financial assets are impaired either individually or collectively in accordance with SFAS No. 55 and Bank Indonesia regulations.

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c. Risiko Kredit (lanjutan)

(iii) Informasi mengenai aset keuangan yang mengalami penurunan nilai dan tidak mengalami penurunan nilai (lanjutan)

2. Kredit yang diberikan (lanjutan)

Ikhtisar kredit yang diberikan pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

(iii) Information about impaired and not impaired financial assets (continued)

2. Loans (continued)

Loans as of December 31, 2018 and 2017, are summarized as follows:

31 Desember/December 31, 2018					
Tidak mengalami penurunan nilai/ Not impaired	Mengalami penurunan nilai/ Impaired		Total		
	Individual/ Individual	Kolektif/ Collective			
Korporasi	18.313.833	150.509	-	18.464.342	Corporate
Komersial	4.917.979	63.125	24.176	5.005.280	Commercial
Usaha Kecil	267.282	-	18.210	285.492	Small Enterprises
Konsumsi	625.719	9.434	5.315	640.468	Consumer
Pembiayaan Bersama	9.938.776	103.931	113.699	10.156.406	Joint Financing
Kartu Kredit	7.523.999	-	187.717	7.711.716	Credit Card
Total	41.587.588	326.999	349.117	42.263.704	Total
Pendapatan bunga yang ditangguhkan	(10.284)	-	(718)	(11.002)	Unearned interest income
Cadangan kerugian penurunan nilai	(206.751)	(34.626)	(105.666)	(347.043)	Allowance for impairment losses
Neto	41.370.553	292.373	242.733	41.905.659	Net
31 Desember/December 31, 2017					
Tidak mengalami penurunan nilai/ Not impaired	Mengalami penurunan nilai/ Impaired		Total		
	Individual/ Individual	Kolektif/ Collective			
Korporasi	15.525.665	140.534	3.763	15.669.962	Corporate
Komersial	4.485.860	27.790	21.670	4.535.320	Commercial
Usaha Kecil	495.107	-	20.000	515.107	Small Enterprises
Konsumsi	792.584	9.434	16.212	818.230	Consumer
Pembiayaan Bersama	5.122.687	-	202.326	5.325.013	Joint Financing
Kartu Kredit	8.107.735	-	266.447	8.374.182	Credit Card
Total	34.529.638	177.758	530.418	35.237.814	Total
Pendapatan bunga yang ditangguhkan	(14.585)	-	(652)	(15.237)	Unearned interest income
Cadangan kerugian penurunan nilai	(261.282)	(26.931)	(185.858)	(474.071)	Allowance for impairment losses
Neto	34.253.771	150.827	343.908	34.748.506	Net

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c. Risiko Kredit (lanjutan)

(iii) Informasi mengenai aset keuangan yang mengalami penurunan nilai dan tidak mengalami penurunan nilai (lanjutan)

Mutasi cadangan kerugian penurunan nilai berdasarkan jenis kredit yang diberikan pada tanggal 31 Desember 2018 dan 2017:

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

(iii) Information about impaired and not impaired financial assets (continued)

Movement of allowance for impairment losses by type of loans as of December 31, 2018 and 2017:

Tahun yang Berakhir pada tanggal 31 Desember 2018/ Year Ended December 31, 2018								
	Korporasi/ Corporate	Komersial/ Commercial	Usaha Kecil/ Small Enterprises	Konsumsi/ Consumer	Pembiayaan Bersama/ Joint Financing	Kartu Kredit/ Credit Card	Total	
Saldo per 31 Desember 2017	70.655	32.725	6.299	10.234	17.277	336.881	474.071	Balance as of December 31, 2017
Penambahan penyisihan selama tahun berjalan (Catatan 11)	13.728	4.883	(5.934)	111	41.442	315.990	370.220	Additional provision during the year (Note 11)
Penerimaan kembali kredit yang telah dihapusbukukan	-	37.590	33.309	11.259	51	320.445	402.654	Recoveries of previously written-off loans
Penghapusbukuan selama tahun berjalan	(26.888)	(33.730)	(30.371)	(15.049)	(20.422)	(774.336)	(900.796)	Write-off during the year Foreign exchange differences
Selisih penjabaran kurs	868	(465)	-	491	-	-	894	
Saldo per 31 Desember 2018	58.363	41.003	3.303	7.046	38.348	198.980	347.043	Balance as of December 31, 2018
Cadangan kerugian penurunan nilai Individu	3.957	5.968	-	3.643	21.058	-	34.626	Allowance for impairment losses Individual
Kolektif	54.406	35.035	3.303	3.403	17.290	198.980	312.417	collective
Total	58.363	41.003	3.303	7.046	38.348	198.980	347.043	Total
Tahun yang Berakhir pada tanggal 31 Desember 2017/ Year Ended December 31, 2017								
	Korporasi/ Corporate	Komersial/ Commercial	Usaha Kecil/ Small Enterprises	Konsumsi/ Consumer	Pembiayaan Bersama/ Joint Financing	Kartu Kredit/ Credit Card	Total	
Saldo per 31 Desember 2016	38.645	44.496	12.734	15.129	11.982	376.296	499.282	Balance as of December 31, 2016
Penambahan penyisihan selama tahun berjalan (Catatan 11)	31.888	141.065	40.075	34.670	14.271	589.109	851.078	Additional provision during the year (Note 11)
Penerimaan kembali kredit yang telah dihapusbukukan	-	26.032	47.368	9.321	-	266.597	349.318	Recoveries of previously written-off loans
Penghapusbukuan selama tahun berjalan	-	(178.898)	(93.878)	(48.886)	(8.976)	(895.121)	(1.225.759)	Write-off during the year Foreign exchange differences
Selisih penjabaran kurs	122	30	-	-	-	-	152	
Saldo per 31 Desember 2017	70.655	32.725	6.299	10.234	17.277	336.881	474.071	Balance as of December 31, 2017
Cadangan kerugian penurunan nilai Individu	22.618	1.123	-	3.190	-	-	26.931	Allowance for impairment losses Individual
Kolektif	48.037	31.602	6.299	7.044	17.277	336.881	447.140	collective
Total	70.655	32.725	6.299	10.234	17.277	336.881	474.071	Total

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c. Risiko Kredit (lanjutan)

- (iv) Tabel dibawah menunjukkan kualitas kredit per jenis aset keuangan yang belum jatuh tempo dan tidak mengalami penurunan nilai (sebelum pendapatan bunga yang ditangguhkan dan cadangan kerugian penurunan nilai):

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

- (iv) The table below shows credit quality per class of financial assets that are neither past due nor impaired (gross of unearned interest income and allowance for impairment losses):

31 Desember/Desember 31, 2018						
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>neither past due nor impaired</i>	Jatuh tempo dan tidak mengalami penurunan nilai/ <i>Past-due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Total		
	Tingkat tinggi/ <i>High Grade</i>	Tingkat standar/ <i>Standard grade</i>				
Nilai wajar melalui laba rugi						<i>Fair value through profit or loss</i>
Efek-efek	175.754	-	-	175.754		<i>Securities</i>
Tagihan derivatif	106.182	-	-	106.182		<i>Derivatives receivables</i>
Tersedia untuk dijual						<i>Available-for-sale</i>
Efek-efek	18.215.140	-	-	18.215.140		<i>Securities</i>
Dimiliki hingga jatuh tempo						<i>Held to maturity</i>
Efek-efek	4.415.101	-	-	4.415.101		<i>Securities</i>
Kredit yang diberikan dan piutang						<i>Loans and receivables</i>
Giro pada Bank Indonesia	3.857.831	-	-	3.857.831		<i>Current accounts with Bank Indonesia</i>
Giro pada bank lain	285.137	-	-	285.137		<i>Current accounts with other banks</i>
Penempatan pada Bank Indonesia dan bank lain	2.889.675	-	-	2.889.675		<i>Placements with Bank Indonesia and other banks</i>
Efek-efek yang dibeli dengan janji dijual kembali	2.002.987	-	-	2.002.987		<i>Securities purchased under agreement to resell</i>
Kredit yang diberikan						<i>Loans</i>
Korporasi	16.664.952	715.622	933.259	18.464.342		<i>Corporate</i>
Komersil	4.565.504	229.262	123.213	5.005.280		<i>Commercial</i>
Usaha Kecil	29.863	105.069	132.350	285.492		<i>Small Enterprises</i>
Konsumsi	477.282	111.054	37.383	640.468		<i>Consumer</i>
Pembiayaan bersama	8.158.971	4.155	1.775.650	10.156.406		<i>Joint Financing</i>
Kartu Kredit	7.183.618	-	340.381	7.711.716		<i>Credit Card</i>
Aset lain-lain*)	746.114	8.401	72.414	826.929		<i>Other assets*)</i>
Total	69.774.111	1.173.563	3.414.650	676.116	75.038.440	Total

*) Aset lain-lain - neto terdiri dari bunga yang masih akan diterima, setoran jaminan, piutang sewa, tagihan penjualan surat berharga dan aset yang diblokir

*) Other assets - net consist of interest receivables, security deposits, rent receivables, sale of securities receivables and restricted assets

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c. Risiko Kredit (lanjutan)

- (iv) Tabel dibawah menunjukkan kualitas kredit per jenis aset keuangan yang belum jatuh tempo dan tidak mengalami penurunan nilai (sebelum pendapatan bunga yang ditangguhkan dan cadangan kerugian penurunan nilai): (lanjutan)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

- (iv) The table below shows credit quality per class of financial assets (gross of unearned interest income and allowance for impairment losses) that are neither past due nor impaired: (continued)

31 Desember/Desember 31, 2017						
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>neither past due nor impaired</i>		Jatuh tempo dan tidak mengalami penurunan nilai/ <i>Past-due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Total	
	Tingkat tinggi/ <i>High Grade</i>	Tingkat standar/ <i>Standard grade</i>				
Nilai wajar melalui laba rugi						<i>Fair value through profit or loss</i>
Efek-efek	243.375	-	-	-	243.375	<i>Securities</i>
Tagihan derivatif	16.685	-	-	-	16.685	<i>Derivatives receivables</i>
Tersedia untuk dijual						<i>Available-for-sale</i>
Efek-efek	19.114.418	-	-	-	19.114.418	<i>Securities</i>
Dimiliki hingga jatuh tempo						<i>Held to maturity</i>
Efek-efek	3.197.272	-	-	-	3.197.272	<i>Securities</i>
Kredit yang diberikan dan piutang						<i>Loans and receivables</i>
						<i>Current accounts with</i>
Giro pada Bank Indonesia	4.797.271	-	-	-	4.797.271	<i>Bank Indonesia</i>
						<i>Current accounts</i>
Giro pada bank lain	224.737	-	-	-	224.737	<i>with other banks</i>
Penempatan pada Bank Indonesia dan bank lain	7.169.691	-	-	-	7.169.691	<i>Placements with Bank Indonesia and other banks</i>
Efek-efek yang dibeli dengan janji dijual kembali	3.523.293	-	-	-	3.523.293	<i>Securities purchased under agreement to resell</i>
Kredit yang diberikan						<i>Loans</i>
Korporasi	14.441.380	72.210	1.012.075	144.297	15.669.962	<i>Corporate</i>
Komersil	4.009.814	321.770	154.276	49.460	4.535.320	<i>Commercial</i>
Usaha Kecil	70.744	203.927	220.436	20.000	515.107	<i>Small Enterprises</i>
Konsumsi	574.001	164.931	53.652	25.646	818.230	<i>Consumer</i>
Pembiayaan bersama	3.991.470	4.992	1.126.225	202.326	5.325.013	<i>Joint Financing</i>
Kartu Kredit	7.641.198	-	466.537	266.447	8.374.182	<i>Credit Card</i>
Aset lain-lain*)	939.926	7.808	55.253	-	1.002.987	<i>Other assets*)</i>
Total	69.955.275	775.638	3.088.454	708.176	74.527.543	Total

*) Aset lain-lain - neto terdiri dari bunga yang masih akan diterima, setoran jaminan, piutang sewa dan aset yang diblokir

*) Other assets - net consist of interest receivables, security deposits, rent receivables and restricted assets

Kualitas kredit didefinisikan sebagai berikut:

The credit quality are defined as follows:

Tingkat tinggi

High grade

- (a) Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain yaitu giro atau penempatan pada institusi Pemerintah, transaksi dengan bank yang memiliki reputasi baik dengan tingkat kemungkinan gagal bayar atas kewajiban yang rendah.

- (a) Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with the Government institution, transaction with reputable banks with low probability of insolvency.

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c. Risiko Kredit (lanjutan)

Kualitas kredit didefinisikan sebagai berikut:
(lanjutan)

Tingkat tinggi (lanjutan)

- (b) Kredit yang diberikan, bunga yang masih akan diterima, dan tagihan kepada pihak ketiga yaitu debitur dengan riwayat pembayaran yang sangat baik dan tidak pernah menunggak sepanjang jangka waktu kredit; debitur dengan tingkat stabilitas dan keragaman yang tinggi memiliki akses setiap saat untuk memperoleh pendanaan dalam jumlah besar dari pasar terbuka; memiliki kemampuan membayar yang kuat dan rasio-rasio neraca yang konservatif.
- (c) Efek-efek yaitu efek-efek yang dikeluarkan oleh Pemerintah, efek-efek dan obligasi yang termasuk dalam *investment grade* dengan rating minimal BBB- (Pefindo) atau Baa3 (Moody's).

Tingkat standar

- (a) Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain yaitu giro atau penempatan pada bank lokal yang tidak terdaftar di bursa.
- (b) Kredit yang diberikan, bunga yang masih akan diterima, dan tagihan kepada pihak ketiga yaitu debitur dengan riwayat pembayaran yang baik dan tidak pernah menunggak 90 hari atau lebih; memiliki akses terbatas ke pasar modal atau ke pasar keuangan lainnya; tingkat pendapatan dan kinerja keseluruhan tidak stabil; memiliki kemampuan membayar yang cukup.
- (c) Efek-efek yaitu efek-efek yang dikeluarkan oleh Pemerintah, efek-efek dan obligasi dengan rating antara idBB+ sampai dengan idB (Pefindo) atau Ba1 sampai dengan B2 (Moody's).

44. FINANCIAL RISK MANAGEMENT (continued)

c. Credit Risk (continued)

The credit quality are defined as follows:
(continued)

High grade (continued)

- (b) Loans, interest receivables and third party receivables are borrowers with very satisfactory track record of loan repayment and whose accounts did not turn past due during the term of the loan; borrowers with high degree of stability and diversity; has access to raise substantial amounts of funds through public market any time; very strong debt service capability and has conservative balance sheet ratios.
- (c) Securities are securities issued by Government, investment grade securities and bonds with a rating of at least BBB- (Pefindo) or Baa3 (Moody's).

Standard grade

- (a) Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with the local banks not listed in the stock exchange.
- (b) Loans, interests receivables and third party receivables are borrowers who have an average track record of loan repayment and whose account did not turn past due for 90 days and over; has limited access to public capital markets or to alternative financial market; volatility of earnings and overall performance; debt service capability is adequate.
- (c) Securities are securities issued by Government, investment grade securities and bonds with a rating between idBB+ to idB (Pefindo) or Ba1 to B2 (Moody's).

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

44. FINANCIAL RISK MANAGEMENT (continued)

c. Risiko Kredit (lanjutan)

c. Credit Risk (continued)

(v) Analisis umur kredit yang jatuh tempo tetapi tidak mengalami penurunan nilai pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

(v) The aging analysis of past due but not impaired loans as of December 31, 2018 and 2017 are as follows:

31 Desember/December 31, 2018					
	Kurang dari 30 hari/ Less than 30 days	31 sampai 60 hari/ 31 to 60 days	61 sampai 90 hari/ 61 to 90 days	Total	
Korporasi	-	-	933.259	933.259	Corporate
Komersial	22.968	11.542	88.703	123.213	Commercial
Usaha Kecil	22.160	23.666	86.524	132.350	Small Enterprises
Konsumsi	11.929	8.806	16.648	37.383	Consumer
Pembiayaan bersama	283.199	399.902	1.092.549	1.775.650	Joint Financing
Kartu Kredit	340.381	-	-	340.381	Credit Card
Total	680.637	443.916	2.217.683	3.342.236	Total

31 Desember/December 31, 2017					
	Kurang dari 30 hari/ Less than 30 days	31 sampai 60 hari/ 31 to 60 days	61 sampai 90 hari/ 61 to 90 days	Total	
Korporasi	846.701	55.568	109.806	1.012.075	Corporate
Komersial	35.440	71.454	47.382	154.276	Commercial
Usaha Kecil	40.444	45.310	134.682	220.436	Small Enterprises
Konsumsi	19.993	14.258	19.401	53.652	Consumer
Pembiayaan bersama	249.958	298.985	577.282	1.126.225	Joint Financing
Kartu Kredit	466.537	-	-	466.537	Credit Card
Total	1.659.073	485.575	888.553	3.033.201	Total

Konsentrasi kredit yang diberikan berdasarkan jenis kredit dan sektor ekonomi diungkapkan pada Catatan 11, sedangkan konsentrasi kredit yang diberikan berdasarkan wilayah geografis diungkapkan pada Catatan 37.

The concentration of loans by type of loans and economic sector is disclosed in Note 11, while the concentration of loans by geographic region is disclosed in Note 37.

Dari tabel konsentrasi risiko kredit berdasarkan jenis debitur, konsentrasi risiko kredit naik terutama pada segmen korporasi dan pembiayaan lainnya, sementara itu konsentrasi kredit pada segmen ritel lainnya seperti kartu kredit, konsumen dan usaha kecil justru mengalami penurunan.

As shown in table credit risk concentration by counterparty, concentration of credit risk is increased specifically in corporate and joint financing, meanwhile risk concentration in other retail segment such as credit card, consumer and small enterprises are decreased.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

d. Risiko Pasar

Risiko pasar adalah risiko perubahan harga pasar, seperti tingkat suku bunga, nilai tukar mata uang asing, dan *credit spreads* (tidak berhubungan dengan peringkat kredit pemberi kredit) akan mempengaruhi pendapatan Bank atau nilai instrumen keuangan yang dimiliki. Tujuan pengelolaan risiko pasar adalah untuk mengelola dan mengendalikan eksposur risiko pasar dalam batasan parameter yang dapat diterima dengan mengoptimalkan tingkat pengembalian.

Bank menggunakan kertas kerja internal dan sistem dalam melakukan proses pengawasan pergerakan pasar. Dengan berbagai perangkat dan sistem tersebut, Bank dapat mengukur dan mengawasi sensitivitas risiko pasar untuk nilai tukar dan suku bunga, baik untuk portofolio *trading book* dan *banking book*, sehingga risiko yang mungkin muncul dapat dimitigasi dan tidak mempengaruhi permodalan Bank secara signifikan.

Sesuai dengan implementasi Basel II, Bank menggunakan pendekatan standar dalam perhitungan alokasi modal untuk mencakup risiko pasar. Bank memiliki eksposur nilai tukar akibat adanya transaksi dalam mata uang asing dan volatilitas yang melekat pada instrumen finansial terkait nilai tukar. Bank memonitor risiko nilai tukar berdasarkan limit Posisi Devisa Neto agregat secara harian berdasarkan ketentuan Bank Indonesia.

Kategori utama dari risiko pasar adalah:

(i) Risiko nilai tukar

Bank memiliki eksposur nilai tukar akibat adanya transaksi dalam mata uang asing dan volatilitas yang melekat pada opsi nilai tukar. Bank memonitor risiko konsentrasi yang terjadi untuk setiap nilai tukar mata uang asing sehubungan dengan penjabaran mata uang asing terhadap Rupiah.

44. FINANCIAL RISK MANAGEMENT (continued)

d. Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and credit spreads (not relating to changes in the obligor's/ issuer's credit standing) will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return of risk.

The Bank is using internal working papers, tools and systems to monitor market indicator movements. The tools and systems enable the Bank to identify, measure, and monitor sensitivity of market risks on exchange rates and interest rates, both for trading book and banking book portfolios. Hence, risks that might arise can be mitigated and does not significantly affect the Bank's capital.

In accordance with the implementation of Basel II, the Bank currently uses standardized approach to calculate its capital charge for market risk. The Bank is exposed to foreign exchange currency risk through transactions in foreign currencies and implied volatilities on foreign exchange options. The Bank monitors exchange rate base on Net Open Position (NOP) limits in aggregate every and daily in accordance with Bank Indonesia regulation.

The primary categories of market risk are:

(i) Foreign exchange risk

The Bank is exposed to foreign exchange currency risk through transactions in foreign currencies and implied volatilities on foreign exchange options. The Bank monitors any concentration risk in relation to any individual currency with regard to the translation of foreign currencies into Rupiah.

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d. Risiko Pasar (lanjutan)

Kategori utama dari risiko pasar adalah:
(lanjutan)

(i) Risiko nilai tukar (lanjutan)

Posisi Devisa Neto ("PDN") Bank dihitung berdasarkan Peraturan Bank Indonesia yang berlaku. Sesuai dengan peraturan, Bank harus memenuhi ketentuan PDN keseluruhan dan untuk laporan posisi keuangan setinggi-tingginya 20% dari jumlah modal. Secara internal Bank juga telah menerapkan ketentuan limit PDN terhadap jumlah modal sebesar 10%.

Posisi Devisa Neto ("PDN") Bank dapat dilihat pada Catatan 40.

Bank telah memiliki Aplikasi Manajemen Risiko Pasar untuk mendukung proses Manajemen Risiko Pasar dalam rangka pengelolaan Risiko Pasar. Pengukuran Risiko Pasar terdiri dari *trading book* dan *banking book*. Pengukuran Risiko Pasar pada *trading book* untuk nilai tukar dan suku bunga dihitung dengan perhitungan Kewajiban Penyediaan Modal Minimum menggunakan Metode Standar secara bulanan sebagaimana diatur dalam ketentuan Bank Indonesia. Bank juga telah mengimplementasikan regulasi Bank Indonesia terbaru mengenai perhitungan risiko suku bunga spesifik yang dibobot berdasarkan kategori portofolio dan *rating* surat berharga. Pengukuran Risiko Pasar dari sisi suku bunga pada *banking book* menggunakan *IRRBB (Interest Rate Risk In Banking Book)* secara bulanan yang disesuaikan dengan *Consultative Paper* Bank Indonesia tahun 2010. Risiko Suku Bunga dilihat berdasarkan perspektif yaitu *Economic Value*, *Earnings (NII)*, dan pengukuran *Gap Ratio*. Pengukuran Risiko Pasar dari sisi nilai tukar pada *banking book* melalui perhitungan Posisi Devisa Neto (PDN) secara harian dan bulanan sesuai ketentuan Bank Indonesia.

44. FINANCIAL RISK MANAGEMENT (continued)

d. Market Risk (continued)

The primary categories of market risk are:
(continued)

(i) Foreign exchange risk (continued)

The Bank's net foreign exchange position ("NOP") was calculated based on Bank Indonesia's prevailing regulations. In accordance with the regulations, the Banks are required to maintain its aggregate and statements of financial position NOP at the maximum of 20% of its capital. Internally, the Bank established a requirement for NOP at the maximum of 10% of its capital.

The Bank's Net Open Position ("NOP") can be seen in Note 40.

The Bank has Market Risk Management Application to support the implementation of Market Risk Management process in order to manage market risk. The Market Risk Measurement consists of the trading book and banking book. The market risk measurement in the trading book for exchange rates and interest rates is calculated with Capital Adequacy Ratio using the Standard Method on a monthly basis in accordance with Bank Indonesia regulation. The Bank has implemented Bank Indonesia regulations for the calculation of the specific interest rate risk weighted by category and rating securities portfolio. The market risk measurement for interest rate in banking book uses monthly *IRRBB (Interest Rate Risk In Banking Book)* in accordance with Consultative Paper of Bank Indonesia year 2010. Interest rate risk can be seen based on *Economic Value*, *Earnings (NII)*, and measurement of *Gap Ratio*. The market risk measurement for foreign exchange risk in banking book is through calculation of daily and monthly Net Open Position (NOP) in accordance with Bank Indonesia regulation.

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d. Risiko Pasar (lanjutan)

(i) Risiko nilai tukar (lanjutan)

Proses pengendalian Risiko Pasar melalui penetapan dan kaji ulang limit Risiko Pasar dilakukan secara periodik. Limit - limit tersebut meliputi:

- a. Limit Risiko Pasar pada *trading book*
(i) Limit Nominal Transaksi
(ii) Limit Nominal *Open Position*
(iii) Limit *Counterparty*

Limit ditetapkan pada masing-masing *desk* (*Forex Desk, Money Market Desk, dan Capital Market Desk*).

- b. Limit Risiko Pasar pada *banking book*
(i) *Gap Ratio* - Total

- c. Limit Risiko Pasar Nilai Tukar

- (i) Limit Posisi Devisa Neto (PDN) internal sebesar setinggi - tingginya 10% dari jumlah modal.

- d. Bank juga melakukan pengukuran dan pelaporan secara periodik ke Bank Indonesia dalam pengelolaan risiko pasar berdasarkan parameter risiko pasar pada Penilaian Tingkat Kesehatan Bank (PTKB) dengan menggunakan pendekatan risiko (*Risk-based Bank Rating/RBBR*) yang terdiri dari 2 bagian, yaitu:

1. Risiko Inheren

- a) Volume dan Komposisi Portofolio

- b) Kerugian Potensial (*Potential loss*) Risiko Suku Bunga dalam *Banking Book* (*Interest Rate Risk in Banking Book - IRRBB*)

- c) Strategi dan Kebijakan Bisnis

- Strategi *Trading*
- Strategi Bisnis terkait Suku Bunga pada *Banking Book*

44. FINANCIAL RISK MANAGEMENT (continued)

d. Market Risk (continued)

(i) Foreign exchange risk (continued)

Market Risk limit as a part of risk controlling process is set and reviewed periodically. The Market Risk limits are as follows:

- a. Market Risk limits on trading book
(i) Transaction Nominal Limit
(ii) Open Position Nominal Limit
(iii) Counterparty Limit

Those limits are performed for each trading desk (*Forex, Money Market, and Capital Market*).

- b. Market Risk limits on banking book:
(i) *Gap Ratio* - Total

- c. The Market Risk limits for exchange rate:

- (i) Net Open Position (NOP) limits at the maximum of 10% of the Bank's capital.

- d. Bank also conduct measurement and reporting periodically to Bank Indonesia in managing market risk based on the market risk parameters in Bank Soundness Assessment (BSA) using risk approach (*Risk-based Bank Rating/RBBR*), consisting of 2 parts:

1. Inherent Risk

- a) Volume and Composition Portfolio

- b) Potential loss Interest Rate Risk in Banking Book - IRRBB

- c) Strategies and Business Policies

- Trading Strategies
- Business strategies on Interest Rate in Banking Book

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d. Risiko Pasar (lanjutan)

(i) Risiko nilai tukar (lanjutan)

2. Kualitas Penerapan Manajemen Risiko

- a) Tata kelola risiko
- b) Kerangka manajemen risiko
- c) Proses manajemen risiko, sistem informasi dan sumber daya manusia
- d) Sistem pengendalian risiko

Pemantauan dan pelaporan Risiko Pasar berupa laporan perkembangan eksposur *trading book*, *exceed limit*, laporan PDN, profil risiko pasar, suku bunga *banking book*, kepada Manajemen secara berkala (laporan harian, laporan mingguan dan laporan bulanan), atau melalui KMR (Komite Manajemen Risiko) dan ALCO (Asset & Liability Committee).

Sensitivitas risiko pasar digunakan untuk menunjukkan seberapa besar modal yang dibutuhkan untuk meng-cover *potential loss* risiko pasar yang mungkin terjadi. Analisa sensitivitas Risiko Pasar yang dilakukan untuk mengukur dan mengawasi nilai tukar dan suku bunga pada portofolio *trading book*. Sensitivitas risiko pasar mencakup:

Excess modal Bank

Perhitungan excess modal Bank dilakukan dengan menghitung modal bank secara total dan mengurangnya dengan 11,875% dari total ATMR (Kredit + Pasar + Operasional). Excess modal ini yang kemudian dibagi terhadap masing-masing risiko pasar nilai tukar dan suku bunga untuk melihat berapa besar kemampuan *coverage* modal Bank (diluar *regulatory requirement*) apabila terjadi kerugian sebesar risiko yang telah dihitung.

44. FINANCIAL RISK MANAGEMENT (continued)

d. Market Risk (continued)

(i) Foreign exchange risk (continued)

2. Risk Management Quality

- a) Risk governance
- b) Risk management framework
- c) Risk management process, information systems and human resources
- d) Risk control system

Market Risk monitoring and reporting are trading book exposures reports, exceed limit, NOP report, market risk profile, interest rate in banking book to Management periodically (daily, weekly, and monthly reports) or through Risk Management Committee (RMC) and ALCO (Asset & Liability Committee).

Sensitivity of market risk is used to indicate how much capital needed to cover the potential loss of market risk that may occur. It is done to measure and monitor exchange rate and interest rate on trading book portfolio. It consists of:

The Bank's excess capital

The calculation of the Bank's excess capital is conducted by calculating the Bank's total capital and reduce with 11.875% of the total risk weighted assets (RWA) (Credit + Market + Operational). Then excess capital is divided by the respective exchange market risk and interest rate risk to measure the Bank's capital-coverage-ability (exclude regulatory requirement) in case of loss of risk that has been calculated.

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d. Risiko Pasar (lanjutan)

(i) Risiko nilai tukar (lanjutan)

Tabel dibawah ini menunjukkan excess modal Bank (tidak diaudit):

	Total Modal/ Total Capital	11,875%*Total ATMR/ 11,875%*Total RWA	Excess Modal/ Excess Capital
2018 - Desember	12.619.668	6.577.050	6.042.618

Sensitivitas Risiko Pasar Nilai Tukar

Sensitivitas risiko nilai tukar dihitung dengan menggunakan rasio excess modal Bank terhadap risiko nilai tukar melalui PDN Bank.

Tabel dibawah ini menunjukkan sensitivitas risiko pasar nilai tukar Bank (tidak diaudit):

	Excess Modal/ Excess Capital	PDN/ NOP	sensitivitas Risiko Nilai Tukar/ Sensitivity of Market Risk in Exchange Rate
2018 - Desember	6.042.618	27.056	2.165

Simulasi penguatan dan pelemahan nilai tukar USD/IDR sebesar 100bps pada posisi 31 Desember 2018 adalah sebagai berikut (tidak diaudit):

Periode Akhir Bulan Desember 2018 End of December 2018 Period				
Kurs USD/IDR				
Total PDN	14.380,00	14.380,00+100bps	14.380,00-100bps	Total NOP
Rupiah Indonesia IDR	27.056	27.246	26.869	IDR Indonesia Rupiah

(ii) Risiko Tingkat Suku Bunga

Kegiatan Bank berhubungan dengan risiko fluktuasi suku bunga dari aset dan liabilitas bersuku bunga karena jatuh tempo atau dinilai kembali (*reprice*) pada waktu yang berbeda dan jumlah yang berbeda. Untuk aset dan liabilitas dengan tingkat suku bunga mengambang, Bank juga terekspos pada risiko basis, yaitu perbedaan karakteristik *repricing* dari berbagai indeks tingkat suku bunga mengambang seperti tingkat suku bunga tabungan, tingkat suku bunga SBI, tingkat suku bunga LIBOR dan lainnya. Aktivitas pengelolaan risiko bertujuan untuk mengoptimalkan pendapatan bunga bersih, dengan memperhatikan tingkat suku bunga pasar dan strategi bisnis Bank.

44. FINANCIAL RISK MANAGEMENT (continued)

d. Market Risk (continued)

(i) Foreign exchange risk (continued)

The table below shows the Bank's excess capital (unaudited):

Sensitivity of Market Risk in Interest Rate

Sensitivity of exchange rate risk is calculated using the bank's excess capital ratio against exchange rate risk through NOP Bank.

The table below shows the Bank's sensitivity of market risk in exchange rate (unaudited):

The simulation of strengthening and weakening USD/IDR exchange rate by 100bps at December 31, 2018 is as follows (unaudited):

(ii) Interest Rate Risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities matured or repriced at different times or in different amounts. In the case of floating rate assets and liabilities, the Bank is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, such as the savings rate, SBI, LIBOR and different types of interest. Risk management activities are aimed at optimizing net interest income, taking into account market interest rate and the Bank's business strategies.

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d. Risiko Pasar (lanjutan)

(ii) Risiko Tingkat Suku Bunga (lanjutan)

Sensitivitas Risiko Pasar Suku Bunga

Sensitivitas risiko suku bunga pada *trading book* yang dihitung dengan menggunakan rasio *excess modal* Bank terhadap risiko suku bunga (umum dan spesifik).

Tabel dibawah ini menunjukkan sensitivitas risiko pasar suku bunga Bank: (tidak diaudit)

Periode Akhir Bulan Desember 2018 End of Month December 2018 Period			
	Excess Modal/ Excess Capital	Risiko Suku Bunga/ Interest Rate Risk	Sensitivitas Risiko Suku Bunga/ Sensitivity of Market Risk in Interest Rate
2018 – Desember	6.042.618	7.099	851

Sensitivitas risiko suku bunga pada *banking book* menggunakan pendekatan *IRRBB (Interest Rate Risk in Banking Book) perspective earnings* dengan melihat *gap ratio* yang dihasilkan secara agregat.

Simulasi kenaikan dan penurunan suku bunga 100 bps pada perhitungan *IRRBB* posisi akhir tahun 2018 adalah sebagai berikut: (tidak diaudit)

Tahun yang Berakhir pada tanggal 31 Desember 2018/ Year Ended December 31, 2018			
Eksposur Risiko Suku Bunga/ Interest Rate Risk Exposure			
Peningkatan/Penurunan Dalam Perspektif Earnings/ Increasing/Decreasing in Perspective Earnings			
Tipe Mata Uang	Kenaikan Suku Bunga 100 bps (<i>parallel shift</i>)/ Increasing interest rates 100 bps (<i>parallel shift</i>)	Penurunan Suku Bunga 100 bps (<i>parallel shift</i>)/ Decreasing interest rates 100 bps (<i>parallel shift</i>)	Type Of Currencies
Rupiah	-306	306	Rupiah
Valas	-27	27	Valas
Total	-333	333	Total

44. FINANCIAL RISK MANAGEMENT (continued)

d. Market Risk (continued)

(ii) Interest Rate Risk (continued)

Sensitivity of Market Risk in Interest Rate

Sensitivity of interest rate risk in *trading book* is calculated using the Bank's *excess capital ratio* against interest rate risk (general and specific).

The table below shows the Bank's sensitivity of market risk in interest rate: (unaudited)

Sensitivity of interest rate risk in *banking book* using *IRRBB approach (Interest Rate Risk in Banking Book) perspective earnings* though *gap ratio* in aggregate.

Simulation of increase and decrease in interest rates by 100 bps based on *IRRBB* calculation at the end of 2018 is as follows: (unaudited)

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d. Risiko Pasar (lanjutan)

(ii) Risiko Tingkat Suku Bunga (lanjutan)

Simulasi kenaikan dan penurunan suku bunga 100 bps pada perhitungan IRRBB Exposure Surat Berharga AFS posisi 31 Desember 2018 adalah sebagai berikut: (tidak diaudit)

Tahun yang Berakhir pada tanggal 31 Desember 2018/ Year Ended December 31, 2018				
Eksposur Risiko Suku Bunga Surat Berharga AFS/ Interest Rate Risk AFS Securities Exposure				
Peningkatan/Penurunan Dalam Perspektif Earnings/ Increasing/Decreasing in Perspective Earnings				
Tipe Mata Uang	Penurunan Suku Bunga 100 bps (paralel shift)/ Decreasing interest rates 100 bps (paralel shift)			Type Of Currencies
	Kenaikan Suku Bunga 100 bps (paralel shift)/ Increasing interest rates 100 bps (paralel shift)			
Rupiah	12.973		-12.973	Rupiah
Valas	494		494	Valas
Total	13.467		-13.467	Total

Pengelolaan risiko aset-liabilitas dilakukan berdasarkan tingkat sensitivitas Bank terhadap perubahan suku bunga. Secara umum, Bank memiliki sensitivitas yang lebih tinggi dalam portofolio liabilitas karena aset berbunga memiliki durasi yang lebih panjang dan lebih jarang dinilai kembali (*repriced*) dibandingkan dengan liabilitas berbunga mengambang. Artinya, dengan kondisi suku bunga yang cenderung meningkat, margin yang dihasilkan akan mengecil akibat adanya *repricing* dalam liabilitas.

Meskipun demikian, pengaruhnya secara aktual bergantung pada banyak faktor, termasuk apakah terjadi pembayaran kembali yang lebih cepat atau lebih lama dari tanggal kontraktualnya dan variasi dari sensitivitas suku bunga dalam periode *repricing* dan antar mata uang.

44. FINANCIAL RISK MANAGEMENT (continued)

d. Market Risk (continued)

(ii) Interest Rate Risk (continued)

Simulation of increase and decrease in interest rates by 100 bps based on IRRBB AFS Securities Exposure calculation at December 31, 2018 is as follows: (unaudited)

Assets-liabilities risk management activities are conducted in the context of the Bank's sensitivity to interest rate changes. In general, the Bank liability is sensitive because its interest-earning assets have longer duration and reprice less frequently than interest-bearing liabilities. This means that in rising interest rate environments, margin earned will narrow as liabilities repriced.

However, the actual effect will depend on a number of factors, including the extent to which repayments are made earlier or later than the contractual dates and variations in interest rate sensitivity within repricing periods and among currencies.

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44. FINANCIAL RISK MANAGEMENT (continued)

d. Risiko Pasar (lanjutan)

d. Market Risk (continued)

(ii) Risiko Tingkat Suku Bunga (lanjutan)

(ii) Interest Rate Risk (continued)

Tabel berikut ini menyajikan portofolio *banking book* pada nilai tercatatnya (sebelum cadangan kerugian penurunan nilai), yang dikategorikan berdasarkan mana yang lebih awal antara tanggal *repricing* atau tanggal jatuh tempo kontraktual:

The table below summarizes the banking book portfolios at their carrying amounts (before allowance for impairment losses), categorized by the earlier of contractual repricing or maturity dates:

31 Desember/December 31, 2018

	Total	Instrumen bunga variabel/ Floating rate instruments		Instrumen bunga tetap/Fixed rate instruments				
		Kurang dari 3 bulan/ Less than 3 months	3 bulan- 1 tahun/ 3 months- 1 year	Kurang dari 3 bulan/ Less than 3 months	3 bulan- 1 tahun/ 3 months- 1 year	1-2 tahun/ 1-2 years	Lebih dari 2 tahun/ More than 2 years	
Penempatan pada Bank Indonesia dan bank lain	2.889.675	-	-	2.289.675	600.000	-	-	Placements with Bank Indonesia and other banks
Efek-efek	18.215.140	-	-	561.413	994.638	4.592.029	12.067.060	Securities
Efek-efek yang dibeli dengan janji dijual kembali	2.002.987	-	-	2.002.987	-	-	-	Securities purchased under agreement to resell
Kredit yang diberikan	42.263.704	7.732.240	741.582	212.911	1.300.620	1.981.546	30.294.805	Loans
Aset lain-lain	202.374	-	-	202.374	-	-	-	Other assets
Total	65.573.880	7.732.240	741.582	5.269.360	2.895.258	6.573.575	42.361.865	Total
Simpanan dari nasabah	(60.734.798)	(18.517.284)	-	(40.545.413)	(1.672.101)	-	-	Deposits from customers
Simpanan dari bank lain	(2.801.777)	(579.069)	-	(2.213.458)	(9.250)	-	-	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	(4.589.369)	-	-	(4.589.369)	-	-	-	Securities sold under repurchased agreement
Total	(68.125.944)	(19.096.353)	-	(47.348.240)	(1.681.351)	-	-	Total
Neto	(2.552.064)	(11.364.113)	741.582	(42.078.880)	1.213.907	6.573.575	42.361.865	Net

31 Desember/December 31, 2017

	Total	Instrumen bunga variabel/ Floating rate instruments		Instrumen bunga tetap/Fixed rate instruments				
		Kurang dari 3 bulan/ Less than 3 months	3 bulan- 1 tahun/ 3 months- 1 year	Kurang dari 3 bulan/ Less than 3 months	3 bulan- 1 tahun/ 3 months- 1 year	1-2 tahun/ 1-2 years	Lebih dari 2 tahun/ More than 2 years	
Penempatan pada Bank Indonesia dan bank lain	7.169.691	-	-	7.169.691	-	-	-	Placements with Bank Indonesia and other banks
Efek-efek	19.114.418	-	-	7.665.761	2.354.186	4.600.896	4.493.575	Securities
Efek-efek yang dibeli dengan janji dijual kembali	3.523.293	-	-	3.523.293	-	-	-	Securities purchased under agreement to resell
Kredit yang diberikan	35.237.814	27.238.153	841.810	184.097	1.156.293	1.350.380	4.467.081	Loans
Aset lain-lain	523.533	-	-	332.533	191.000	-	-	Other assets
Total	65.568.749	27.238.153	841.810	18.875.375	3.701.479	5.951.276	8.960.656	Total
Simpanan dari nasabah	(61.282.871)	(18.860.182)	-	(40.721.756)	(1.700.933)	-	-	Deposits from customers
Simpanan dari bank lain	(2.002.893)	(663.413)	-	(1.334.780)	(4.700)	-	-	Deposits from other banks
Efek-efek yang dijual dengan janji dibeli kembali	(4.025.569)	-	-	(4.025.569)	-	-	-	Securities sold under repurchased agreement
Pinjaman yang diterima	(135.675)	-	-	(135.675)	-	-	-	Fund borrowings
Total	(67.447.008)	(19.523.595)	-	(46.217.780)	(1.705.633)	-	-	Total
Neto	(1.878.259)	7.714.558	841.810	(27.342.405)	1.995.846	5.951.276	8.960.656	Net

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

d. Risiko Pasar (lanjutan)

(ii) Risiko Tingkat Suku Bunga (lanjutan)

Tabel dibawah merupakan ikhtisar dari
rata-rata suku bunga efektif untuk setiap
instrumen keuangan:

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December 31	
	2018	2017
Aset		
Rupiah		
Penempatan pada Bank		
Indonesia dan bank lain	6,06%	5,56%
Efek-efek		
Obligasi Pemerintah	6,36%	7,17%
Obligasi korporasi	8,39%	9,68%
Sertifikat Bank Indonesia	-	6,07%
Sertifikat deposito		
Bank Indonesia	5,05%	5,66%
Kredit yang diberikan		
Kredit Usaha Kecil	17,10%	17,50%
Kartu kredit	19,81%	22,32%
Kredit lainnya	10,57%	11,28%
Mata uang asing		
Penempatan pada Bank		
Indonesia dan bank lain	1,81%	1,07%
Efek-efek		
Obligasi Pemerintah	4,12%	5,13%
Obligasi korporasi	6,11%	5,40%
Kredit yang diberikan	9,09%	9,28%
Liabilitas		
Rupiah		
Simpanan dari nasabah		
Giro	2,81%	2,46%
Tabungan	2,05%	2,17%
Deposito berjangka	6,45%	6,68%
Simpanan dari bank lain		
Call money	4,97%	4,50%
Giro	4,78%	4,50%
Tabungan	3,76%	3,94%
Deposito berjangka	6,20%	5,98%
Mata uang asing		
Simpanan dari nasabah		
Giro	0,30%	0,26%
Tabungan	0,23%	0,22%
Deposito berjangka	1,55%	1,14%
Simpanan dari bank lain		
Call money	1,97%	0,98%

Pengelolaan dari risiko suku bunga terhadap
interest rate gap limits dilengkapi dengan
pemantauan sensitivitas terhadap aset dan
liabilitas keuangan Bank. Sensitivitas diukur
dengan menggunakan metode *Repricing*. Hasil
dari perhitungan *repricing* ini menunjukkan
bahwa aset dan liabilitas keuangan bank
sensitif terhadap perubahan suku bunga.

44. FINANCIAL RISK MANAGEMENT (continued)

d. Market Risk (continued)

(ii) Interest Rate Risk (continued)

The table below summarize the weighted
average effective interest rates for each
financial instrument:

Assets	
Rupiah	
Placement with Bank	
Indonesia and other banks	
Securities	
Government bonds	
Corporate bonds	
Certificate of Bank Indonesia	
Deposit Certificate of	
Bank Indonesia	
Loans	
Small Enterprises loans	
Credit card	
Other loans	
Foreign currencies	
Placement with Bank	
Indonesia and other banks	
Securities	
Government bonds	
Corporate bonds	
Loans	
Liabilities	
Rupiah	
Deposits from customers	
Current accounts	
Saving deposits	
Time deposits	
Deposits from other banks	
Interbank call money	
Current accounts	
Saving deposits	
Time deposits	
Foreign currencies	
Deposits from customers	
Current account	
Saving deposits	
Time deposits	
Deposits from other banks	
Call money	

The management of interest rate risk against
interest rate gap limits is supplemented by
monitoring the sensitivity of the Bank's financial
assets and liabilities. Sensitivity is measured
using *Repricing Method*. Calculation of
Repricing demonstrated sensitivity between
Bank's financial assets and liabilities toward
interest rate changes.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

e. Risiko Likuiditas

Risiko likuiditas adalah risiko yang disebabkan oleh ketidakmampuan Bank dalam memenuhi kewajiban yang telah jatuh tempo dan menutup posisi di pasar. Risiko likuiditas merupakan risiko yang terpenting pada bank umum dan perlu dikelola secara berkesinambungan.

Sebagai bagian dari manajemen risiko likuiditas, Bank telah menyusun alat ukur likuiditas berupa penyusunan Proyeksi Arus Kas dan Profil Jatuh Tempo untuk mengelola likuiditas bank secara harian.

Selain itu, pengelolaan aset dan liabilitas Bank dilakukan melalui rapat ALCO yang dilaksanakan setiap 1 (satu) bulan sekali. Pembahasan difokuskan pada penyesuaian strategi jangka pendek dan jangka panjang Bank dengan kondisi perekonomian nasional, terutama penyesuaian kondisi likuiditas Bank.

Bank menyusun kebijakan pengelolaan risiko likuiditas yang memaparkan tanggung jawab, pengelolaan dan pendekatan strategis yang diambil untuk menjamin ketersediaan likuiditas yang cukup untuk memenuhi kewajiban bank secara kontraktual maupun yang disyaratkan oleh regulator.

Selain itu, dengan telah dikeluarkannya Peraturan Otoritas Jasa Keuangan No. 42/POJK.03/2015 tanggal 23 Desember 2015 tentang Kewajiban Pemenuhan Rasio Kecukupan Likuiditas (*Liquidity Coverage Ratio*) Bagi Bank Umum dan Peraturan Otoritas Jasa Keuangan No.32/POJK.03/2016 tentang Perubahan atas Peraturan Otoritas Jasa Keuangan No.6/POJK.03/2015 tentang Transparansi dan Publikasi Laporan Bank. Sejak 30 September 2016 Bank telah menyampaikan laporan LCR individual secara bulanan ke Otoritas Jasa Keuangan dan mempublikasikan laporan LCR triwulanan individual pada situs web Bank. LCR Bank (individual) sejak bulan Juni 2016 selalu terjaga di atas batas minimum rasio LCR sesuai tahapan pemenuhan LCR. Berdasarkan perhitungan, LCR rata-rata harian pada periode Desember 2018 yaitu sebesar 139%.

44. FINANCIAL RISK MANAGEMENT (continued)

e. Liquidity Risk

Liquidity risk is the risk caused by the Bank's inability to meet its obligation associated with financial liabilities at due date and cover position created from market. Liquidity risk is the most important risk for commercial bank and as such needs to be managed on an on-going basis.

As part of liquidity risk management, the Bank has developed liquidity measurement tools such as preparation of Cash Flow Projection and Maturity Profile to manage its daily liquidity.

Moreover, monitoring over the Bank's assets and liabilities is addressed through ALCO meeting held once in every month. The meeting focuses on aligning short-term and long-term strategy of the Bank with national economic conditions, especially the adjustments to the Bank's liquidity conditions.

The Bank's liquidity management policy defines the responsibilities, management and strategic approach to be taken to ensure that sufficient liquidity is maintained to meet the Bank's contractual or regulatory obligations.

Furthermore, with the issuance of Regulation of the Financial Services Authority No.42/POJK.03 / 2015 dated December 23, 2015 concerning the Obligation of Liquidity Coverage Ratio for Commercial Banks and the Regulation of the Financial Services Authority No.32/POJK.03/2016 concerning Amendment to the Rules of the Financial Services Authority No.6/POJK.03/ 2015 on Transparency and Publication of Bank Reports. From September 30, 2016 Bank has submitted LCR (individual) reports on a monthly basis to the Financial Services Authority and publishes quarterly LCR reports (individual) on the Bank's website. Based on the calculation, the Company's LCR (individually) since June 2016 is always maintained above the minimum LCR ratio according to the LCR compliance stage. Based on the calculation, average ratio LCR period December 2018 that is 139%.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

e. Risiko Likuiditas (lanjutan)

Adapun POJK Nomor 50/POJK.03/2017 tentang Kewajiban Pemenuhan Rasio Pendanaan Stabil Bersih (*Net Stable Funding Ratio*) Bagi Bank Umum, Bank menyampaikan laporan NSFR secara triwulanan (individual) ke Otoritas Jasa Keuangan dan mempublikasikan laporan NSFR triwulanan (individual) pada situs web Bank. Berdasarkan perhitungan, NSFR Bank periode Desember-2018 sebesar 106%, berada diatas minimum NSFR yaitu 100%.

Eksposur terhadap risiko likuiditas

Bank bergantung pada simpanan dari nasabah dan simpanan dari bank lain sebagai sumber pendanaan utama yang memiliki masa jatuh tempo yang pendek dan sebagian besar dapat ditarik sewaktu-waktu. Pendanaan dengan jangka waktu yang pendek tersebut meningkatkan risiko likuiditas Bank; oleh karena itu, Bank secara aktif mengelola risiko tersebut dengan memberikan tingkat suku bunga yang bersaing dan secara terus-menerus memantau pergerakan pasar.

Pengelolaan risiko likuiditas mencakup antara lain pemeliharaan cadangan likuiditas yang optimal, penetapan strategi pendanaan serta memelihara akses pasar yang mencukupi. Likuiditas Bank saat ini diukur melalui posisi Aset Likuid Primer dan Aset Likuid Sekunder untuk memenuhi kebutuhan likuiditas, baik penarikan dana tidak terduga maupun ekspansi aset. Bank memelihara Aset Likuid Primer dalam bentuk kas, Giro Wajib Minimum (GWM) di Bank Indonesia, Penempatan di Bank Indonesia, efek-efek kategori tersedia untuk dijual atau diperdagangkan, dan seluruh efek-efek pemerintah kategori tersedia untuk dijual atau diperdagangkan yang memiliki sisa jatuh waktu kurang atau sama dengan 1 tahun.

44. FINANCIAL RISK MANAGEMENT (continued)

e. *Liquidity Risk (continued)*

The regulation of the Financial Services Authority No.50/POJK.03 / 2017 concerning the Obligation of Net Stable Funding Ratio for Commercial Banks. Bank has submitted NSFR report on quarterly (individual) to Financial Services Authority and published NSFR report to bank's website. Based on the calculation, the Company's NSFR (individually) period December-2018 that is 106%, above the minimum NSFR that is 100%.

Exposure to liquidity risk

The Bank relies on deposits from customers and deposits from other banks as its primary sources of funding which generally have shorter maturities and a large proportion of them are repayable on demand. The short-term nature of these deposits increases the Bank's liquidity risk; therefore, the Bank actively manages this risk through maintaining competitive pricing and constant monitoring of market trends.

Liquidity risk management covers, among others, the maintenance of optimum liquidity reserve, determination of funding strategy and maintaining an adequate access to the market. The Bank's current liquidity is measured through its Primary and Secondary Liquid Assets to fulfill its liquidity needs in order to satisfy unexpected withdrawals or expansion of assets. The Bank maintains its primary liquid assets through cash, the minimum reserve requirements imposed by Bank Indonesia, placements with Bank Indonesia, securities classified as available-for-sale or trading, government securities classified as available-for-sale or trading which have remaining maturities less or equal to 1 year.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

e. Risiko Likuiditas (lanjutan)

Selain itu, dengan telah dikeluarkannya Peraturan Otoritas Jasa Keuangan No. 42/POJK.03/2015 tanggal 23 Desember 2015 tentang Kewajiban Pemenuhan Rasio Kecukupan Likuiditas (*Liquidity Coverage Ratio*) Bagi Bank Umum dan Peraturan Otoritas Jasa Keuangan No.32/POJK.03/2016 tentang Perubahan atas Peraturan Otoritas Jasa Keuangan No.6/POJK.03/2015 tentang Transparansi dan Publikasi Laporan Bank. Sejak 30 September 2016 Bank telah menyampaikan laporan LCR individual secara bulanan ke Otoritas Jasa Keuangan dan mempublikasikan laporan LCR triwulanan individual pada situs web Bank. Berdasarkan perhitungan, LCR Bank individual sejak bulan Juni 2016 selalu terjaga di atas batas minimum rasio LCR sesuai tahapan pemenuhan LCR, yaitu di atas batas minimum sebesar 90% pada 31 Desember 2018.

Bank juga melakukan pengukuran dan pelaporan secara periodik ke Bank Indonesia mengenai pengelolaan risiko likuiditas mengacu kepada parameter risiko likuiditas dalam Penilaian Tingkat Kesehatan Bank (PTKB) dengan menggunakan pendekatan risiko (*Risk-based Bank Rating/RBBR*) yang terdiri dari 2 bagian, yaitu:

1. Risiko Inheren

- a) Komposisi dari aset, liabilitas, dan transaksi rekening administratif
- b) Konsentrasi dari aset dan liabilitas
- c) Kerentanan pada kebutuhan pendanaan

44. FINANCIAL RISK MANAGEMENT (continued)

e. *Liquidity Risk (continued)*

Furthermore, with the issuance of Regulation of the Financial Services Authority No.42/POJK.03 / 2015 dated December 23, 2015 concerning the Obligation of Liquidity Coverage Ratio for Commercial Banks and the Regulation of the Financial Services Authority no.32/POJK.03/2016 concerning Amendment to the Rules of the Financial Services Authority No.6/POJK.03/ 2015 on Transparency and Publication of Bank Reports. From September 30, 2016 Bank has submitted individual LCR reports on a monthly basis to the Financial Services Authority and publishes quarterly individual LCR reports on the Bank's website. Based on the calculation, the Company's individual LCR since June 2016 is always maintained above the minimum LCR ratio according to the LCR compliance stage, which is above the 90% minimum limit in December 31, 2018.

Bank also conducts measurement and reporting to the Bank Indonesia periodically on liquidity risk management based on liquidity risk parameters Bank Soundness Assessment (BSA) using risk approach (*Risk-based Bank Ratings/RBBR*) which consists of 2 parts:

1. *Inherent Risk*

- a) *Composition of assets, liabilities, and administrative account transactions*
- b) *Concentration of assets and liabilities*
- c) *Vulnerability of funding needs*

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

e. Risiko Likuiditas (lanjutan)

Bank juga melakukan pengukuran dan pelaporan secara periodik ke Bank Indonesia mengenai pengelolaan risiko likuiditas mengacu kepada parameter risiko likuiditas dalam Penilaian Tingkat Kesehatan Bank (PTKB) dengan menggunakan pendekatan risiko (*Risk-based Bank Rating/RBBR*) yang terdiri dari 2 bagian, yaitu: (lanjutan)

1. Risiko Inheren (lanjutan)

d) Akses pada sumber-sumber pendanaan

2. Kualitas Penerapan Manajemen Risiko

a) Tata kelola risiko likuiditas

b) Kerangka manajemen risiko likuiditas

c) Proses manajemen risiko likuiditas, sistem informasi dan sumber daya manusia

d) Sistem pengendalian risiko likuiditas

Salah satu pengukuran yang digunakan Bank untuk mengelola risiko likuiditas adalah melalui rasio dari perbandingan antara aset likuid dengan total simpanan dari nasabah. Pada akhir tahun 2018 dan 2017, rasio dari aset likuid dibandingkan dengan total simpanan dari nasabah yang dilaporkan masing-masing adalah sebesar 48,47% dan 60,22%.

	31 Desember/December 31	
	2018	2017
Kas dan setara kas	7.841.812	17.332.034
Efek-efek investasi selain yang diklasifikasikan sebagai kas dan setara kas	24.398.266	21.575.250
Simpanan dari bank lain	(2.801.777)	(2.002.893)
	29.438.301	36.904.391
Simpanan dari nasabah	60.734.798	61.282.871
Rasio aset likuid terhadap simpanan dari nasabah	48,47%	60,22%

44. FINANCIAL RISK MANAGEMENT (continued)

e. Liquidity Risk (continued)

Bank also conducts measurement and reporting to the Bank Indonesia periodically on liquidity risk management based on liquidity risk parameters Bank Soundness Assessment (BSA) using risk approach (Risk-based Bank Ratings/RBBR) which consists of 2 parts: (continued)

1. Inherent Risk (continued)

d) Access to funding resources

2. Risk Management Quality

a) Liquidity Risk governance

b) Liquidity Risk management framework

c) Liquidity Risk management process, information systems and human resources

d) Liquidity Risk control system

One key measurement used by the Bank for managing liquidity risk is the ratio of liquid assets to total funding from customers. As of the end of 2018 and 2017, the reported ratio of liquid assets to total funding from customers were 48.47% and 60.22%.

Cash and cash equivalents
Securities, excluding items
classified as cash and
cash equivalents
Deposits from other banks

Deposits from customers

Ratio of liquid assets to deposits from
customers

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

e. Risiko Likuiditas (lanjutan)

Analisis perbedaan jatuh tempo aset dan liabilitas keuangan

Tabel di bawah ini menyajikan analisis jatuh tempo nilai tercatat dari aset keuangan (sebelum pendapatan bunga yang ditangguhkan dan cadangan kerugian penurunan nilai) dan liabilitas keuangan Bank pada tanggal 31 Desember 2018 dan 2017, berdasarkan jangka waktu yang tersisa sampai tanggal jatuh tempo kontraktual:

31 Desember/December 31, 2018							
	Nilai tercatat/ Carrying Value	Tidak mempunyai tanggal jatuh tempo/No contractual maturity	Kurang dari 1 bulan/ Less than 1 month	1-3 bulan/ 1-3 months	<3-12 bulan/ <3-12 months	< 12-60 bulan/ < 12-60 months	Lebih dari 60 bulan/ More than 60 months
ASET							
Kas	998.453	998.453	-	-	-	-	-
Giro pada Bank Indonesia	3.857.831	3.857.831	-	-	-	-	-
Giro pada bank lain	285.137	285.137	-	-	-	-	-
Penempatan pada Bank Indonesia dan bank lain	2.889.675	-	2.289.675	-	600.000	-	-
Efek-efek	22.805.995	-	299.290	262.987	996.503	18.310.750	2.936.465
Efek-efek yang dibeli dengan janji dijual kembali	2.002.987	-	2.002.987	-	-	-	-
Tagihan derivatif	106.182	-	106.182	-	-	-	-
Kredit yang diberikan - bruto	42.263.704	-	8.388.221	2.000.077	8.085.214	15.051.531	8.738.661
Tagihan akseptasi	702.418	-	532.597	132.860	36.961	-	-
Aset lain-lain *)	826.929	212.330	614.599	-	-	-	-
Total	76.739.311	5.353.751	14.233.551	2.395.924	9.718.678	33.362.281	11.675.126
Liabilitas segera	(458.216)	-	(458.216)	-	-	-	-
Simpanan dari nasabah	(60.734.798)	(17.981.908)	(32.079.333)	(8.505.902)	(1.770.914)	(302.913)	(93.828)
Simpanan dari bank lain	(2.801.777)	(579.069)	(2.187.208)	(26.250)	(9.250)	-	-
Liabilitas derivatif	(85.530)	-	(85.530)	-	-	-	-
Utang akseptasi	(702.418)	-	(532.597)	(132.860)	(36.961)	-	-
Efek-efek yang dijual dengan janji dibeli kembali	(4.589.369)	-	(4.589.369)	-	-	-	-
Beban yang masih harus dibayar dan liabilitas lain-lain**)	(255.766)	-	(255.766)	-	-	-	-
Total	(69.627.874)	(18.560.977)	(40.188.019)	(8.665.012)	(1.817.125)	(302.913)	(93.828)
Neto	7.111.437	(13.207.226)	(25.954.468)	(6.269.088)	7.901.553	33.059.368	11.581.298

*) Aset lain-lain - neto terdiri dari bunga yang masih akan diterima, setoran jaminan, piutang sewa, dan aset yang diblokir

**) Beban yang masih harus dibayar dan liabilitas lain-lain terdiri dari utang bunga dan setoran jaminan

44. FINANCIAL RISK MANAGEMENT (continued)

e. Liquidity Risk (continued)

Maturity gap analysis of financial assets and liabilities

The table below shows an analysis of maturities of the carrying amount of financial assets (before unearned interest income and allowance for impairment losses) and financial liabilities of the Bank as of December 31, 2018 and 2017, based on remaining term to contractual maturity:

ASSETS	
Cash	
Current accounts with Bank Indonesia	
Current accounts with other banks	
Placements with Bank Indonesia and other banks	
Securities	
Securities purchase under resell agreement	
Derivatives receivables	
Loans - gross	
Acceptances receivable	
Other assets *)	
Total	
Obligations due immediately	
Deposits from customers	
Deposits from other banks	
Derivatives payable	
Acceptances payable	
Securities sold under repurchased agreements	
Accrued expenses and other liabilities**)	
Total	
Net	

*) Other assets - net consist of interest receivables, security deposits, rent receivables, and restricted assets

**) Accrued expenses and other liabilities consist of interest payable and security deposits

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

e. Risiko Likuiditas (lanjutan)

Analisis perbedaan jatuh tempo aset dan liabilitas keuangan (lanjutan)

Tabel di bawah ini menyajikan analisis jatuh tempo nilai tercatat dari aset keuangan (sebelum pendapatan bunga yang ditangguhkan dan cadangan kerugian penurunan nilai) dan liabilitas keuangan Bank pada tanggal 31 Desember 2018 dan 2017, berdasarkan jangka waktu yang tersisa sampai tanggal jatuh tempo kontraktual: (lanjutan)

44. FINANCIAL RISK MANAGEMENT (continued)

e. Liquidity Risk (continued)

Maturity gap analysis of financial assets and liabilities (continued)

The table below shows an analysis of maturities of the carrying amount of financial assets (before unearned interest income and allowance for impairment losses) and financial liabilities of the Bank as of December 31, 2018 and 2017, based on remaining term to contractual maturity: (continued)

31 Desember/December 31, 2017							
	Nilai tercatat/ Carrying Value	Tidak mempunyai tanggal jatuh tempo/No contractual maturity	Kurang dari 1 bulan/ Less than 1 month	1-3 bulan/ 1-3 months	<3-12 bulan/ <3-12 months	< 12-60 bulan/ < 12-60 months	Lebih dari 60 bulan/ More than 60 months
ASET							
Kas	1.037.227	1.037.227	-	-	-	-	-
Giro pada Bank Indonesia	4.797.271	4.797.271	-	-	-	-	-
Giro pada bank lain	224.737	224.737	-	-	-	-	-
Penempatan pada Bank Indonesia dan bank lain	7.169.691	-	6.769.691	-	400.000	-	-
Efek-efek	22.555.065	-	2.493.632	5.174.634	2.636.228	10.950.083	1.300.488
Efek-efek yang dibeli dengan janji dijual kembali	3.523.293	-	3.523.293	-	-	-	-
Tagihan derivatif	16.685	-	16.685	-	-	-	-
Kredit yang diberikan - bruto	35.237.814	-	9.470.286	2.509.871	6.956.732	8.358.517	7.942.408
Tagihan akseptasi	607.277	-	211.767	181.686	213.824	-	-
Aset lain-lain *)	1.002.987	211.769	791.218	-	-	-	-
Total	76.172.047	6.271.004	23.276.572	7.866.191	10.206.784	19.308.600	9.242.896
LIABILITAS							
Liabilitas segera	(666.973)	-	(666.973)	-	-	-	-
Simpanan dari nasabah	(61.282.871)	(18.382.283)	(31.398.658)	(9.349.567)	(1.795.831)	(251.950)	(104.582)
Simpanan dari bank lain	(2.002.893)	(663.413)	(1.317.580)	(17.200)	(4.700)	-	-
Liabilitas derivatif	(8.397)	-	(8.397)	-	-	-	-
Utang akseptasi	(607.277)	-	(211.767)	(181.686)	(213.824)	-	-
Efek-efek yang dijual dengan janji dibeli kembali	(4.025.569)	-	(4.025.569)	-	-	-	-
Pinjaman yang diterima	(135.675)	-	(135.675)	-	-	-	-
Beban yang masih harus dibayar dan liabilitas lain-lain**)	(162.976)	-	(162.976)	-	-	-	-
Total	(68.892.631)	(19.045.696)	(37.927.595)	(9.548.453)	(2.014.355)	(251.950)	(104.582)
Neto	7.279.416	(12.774.692)	(14.651.023)	(1.682.262)	8.192.429	19.056.650	9.138.314

*) Aset lain-lain - neto terdiri dari bunga yang masih akan diterima, setoran jaminan, piutang sewa, dan aset yang diblokir

**) Beban yang masih harus dibayar dan liabilitas lain-lain terdiri dari utang bunga dan setoran jaminan

*) Other assets - net consist of interest receivables, security deposits, rent receivables, and restricted assets

**) Accrued expenses and other liabilities consist of interest payable and security deposits

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

e. Risiko Likuiditas (lanjutan)

Analisis perbedaan jatuh tempo aset dan
liabilitas keuangan (lanjutan)

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan berdasarkan pada *undiscounted cash flows* (tidak diaudit).

44. FINANCIAL RISK MANAGEMENT (continued)

e. *Liquidity Risk (continued)*

Maturity gap analysis of financial assets and
liabilities (continued)

The table below shows the remaining contractual maturities of financial liabilities based on *undiscounted cash flows* (unaudited).

31 Desember/December 31, 2018							
Total	Tidak mempunyai tanggal jatuh tempo/No contractual maturity	Kurang dari 1 bulan/less than 1 month	1-3 bulan/1-3 months	<3-12 bulan/<3-12 months	< 12-60 bulan/< 12-60 months	Lebih dari 60 bulan/More than 60 months	
LIABILITAS							
Liabilitas segera	458.216	-	458.216	-	-	-	LIABILITIES
Simpanan dari nasabah	61.141.946	17.981.908	32.336.290	8.606.931	1.819.705	303.284	Obligations due immediately
Simpanan dari bank lain	2.806.137	579.069	2.190.870	26.620	9.578	-	Deposits from customers
Efek-efek yang dijual dengan janji dibeli kembali	4.589.369	-	4.589.369	-	-	-	Deposits from other banks
Liabilitas derivatif	85.530	-	85.530	-	-	-	Securities sold under repurchased agreements
Utang akseptasi	702.418	-	532.597	132.860	36.961	-	Derivatives payable
Beban yang masih harus dibayar dan liabilitas lain-lain**)	68.068	-	68.068	-	-	-	Acceptances payables
							Accrued expenses and other liabilities**)
Total	69.851.684	18.560.977	40.260.940	8.766.411	1.866.244	303.284	Total

***) Beban yang masih harus dibayar dan liabilitas lain-lain terdiri dari setoran jaminan

Accrued expenses and other liabilities consist of security deposits

31 Desember/December 31, 2017							
Total	Tidak mempunyai tanggal jatuh tempo/No contractual maturity	Kurang dari 1 bulan/less than 1 month	1-3 bulan/1-3 months	<3-12 bulan/<3-12 months	< 12-60 bulan/< 12-60 months	Lebih dari 60 bulan/More than 60 months	
LIABILITAS							
Liabilitas segera	666.973	-	666.973	-	-	-	LIABILITIES
Simpanan dari nasabah	61.628.516	18.382.283	31.600.102	9.448.265	1.836.795	256.489	Obligations due immediately
Simpanan dari bank lain	2.006.888	663.413	1.321.187	17.401	4.887	-	Deposits from customers
Efek-efek yang dijual dengan janji dibeli kembali	4.025.569	-	4.025.569	-	-	-	Deposits from other banks
Liabilitas derivatif	8.397	-	8.397	-	-	-	Securities sold under repurchased agreements
Utang akseptasi	607.277	-	248.787	155.889	202.601	-	Derivatives payable
Pinjaman yang diterima	135.860	-	135.860	-	-	-	Acceptances payables
Beban yang masih harus dibayar dan liabilitas lain-lain**)	36.826	-	36.826	-	-	-	Fund borrowings
							Accrued expenses and other liabilities**)
Total	69.116.306	19.045.696	38.043.701	9.621.555	2.044.283	256.489	Total

***) Beban yang masih harus dibayar dan liabilitas lain-lain terdiri dari setoran jaminan

Accrued expenses and other liabilities consist of security deposits

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

f. Risiko Operasional

Bank terus melakukan penyempurnaan terhadap pelaksanaan manajemen risiko operasional, dengan meningkatkan kewaspadaan dari seluruh pegawai atas risiko dan menyempurnakan kebijakan dan prosedur operasi bank. Upaya-upaya tersebut dilakukan untuk memitigasi risiko inheren serta meningkatkan sistem pengendalian khususnya terhadap risiko operasional. Peningkatan kewaspadaan dari seluruh pegawai dilakukan melalui berbagai media baik poster, buletin maupun sosialisasi secara langsung.

Bank telah mengembangkan *OPRIST* (*Operational Risk Online Test*) yakni tes *online* kepada pegawai kantor cabang. Tujuannya adalah untuk mengukur penguasaan dan pemahaman terhadap Kebijakan & Prosedur serta Pengetahuan Produk. *OPRIST* dilakukan secara rutin setahun 2 kali.

OPRIST juga akan dilakukan secara tematik, yakni tema yang akan menjadi materi tes dipilih sesuai dengan fokus risiko operasional di kantor cabang yang dianggap risikonya tinggi. Selain itu, Bank juga mengembangkan E-Learning dengan modul Operational Risk Management. E-Learning Operational Risk Management tersebut diikuti oleh seluruh pegawai Bank.

Di sisi lain, untuk mengantisipasi risiko operasional sebagai dampak dari gangguan yang ekstrim, seperti kebakaran, bencana banjir, gempa bumi, Bank telah memiliki *Disaster Recovery Center* ("DRC") yang selalu dilakukan uji coba secara periodik untuk memastikan kesiapan DRC tersebut. Pengembangan DRC ini merupakan salah satu tindakan penting dalam rangka menjamin kesinambungan operasional Bank apabila terjadi gangguan infrastruktur pada data center di Kantor Pusat.

44. FINANCIAL RISK MANAGEMENT (continued)

f. Operational Risk

The Bank continued to improve its operational risk management implementation by increasing employee's risk awareness and improving the policies and procedures for banking operations. These efforts are aimed to mitigate inherent risk as well as to improve control system particularly for the Bank's operational risks. Increasing risk awareness from all employees through various media both posters, bulletins, and direct socialization.

Bank has developed OPRIST (Operational Risk Online Test), which is an online test made for branch employees. Its aim is to measure the employees' mastery and understanding towards the policy and procedure, and product knowledge. OPRIST will be applied on a regular basis, twice a year.

OPRIST will also be carried out thematically, by which the theme that is going to be tested is chosen based on the focus of branch operational risk which is deemed to be high. Thereafter, E-Learning has been developed about Operational Risk Management. E-Learning is attended by all employees.

On the other hand, to anticipate operational risk arising from extreme disruption, such as fire, flood, earthquake, the Bank has established a Disaster Recovery Center ("DRC"), which is periodically tested to ensure its readiness. The development of DRC is an important action to assure the continuity of the Bank's operations if the infrastructure of the data center at Head Office is disrupted.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

f. Risiko Operasional (lanjutan)

Untuk melengkapi hal-hal tersebut diatas, Bank telah menyusun Kebijakan *Business Continuity Management (BCM)* yang secara komprehensif menangani berbagai gangguan/bencana akibat perbuatan manusia dan/atau alam, misalkan kebakaran, gempa bumi, banjir, demonstrasi, dan lain-lain. Kebijakan ini disusun untuk menjamin kegiatan operasional bisnis dan sumber daya kritikal Bank tetap dapat berfungsi walaupun terjadi gangguan/bencana atau membangun resiliensi (ketahanan) dan kemampuan untuk memberi respon secara efektif terhadap suatu kondisi bencana guna melindungi kepentingan para *stakeholders*, reputasi dan nama baik perusahaan.

Bank telah mengimplementasikan *Risk Event Database (RED)* secara efektif, yakni alat yang digunakan untuk mencatat kejadian risiko operasional serta untuk mengelola *loss event & near miss* untuk perhatian manajemen. *RED* juga digunakan untuk keperluan persiapan perhitungan *Operational Risk Capital Charge* berdasarkan metode *Advanced Measurement Approach*. *RED* juga dikembangkan menjadi bagian dari pengembangan *ORMS* secara keseluruhan.

Bank mengembangkan *Operational Risk Management System (ORMS)* dalam rangka penyempurnaan tools yang telah ada. *ORMS* memiliki tiga modul yakni *RCSA (Risk Control Self Assessment)*, *RED (Risk Event Database)* dan *KRI (Key Risk Indicator)*.

RCSA di digunakan untuk membantu *Risk owner* dalam melakukan proses manajemen risiko operasional yang mencakup identifikasi dan pengukuran risiko operasional secara prediktif. Sedangkan *RED* merupakan *tools* yang berfungsi sebagai *database* peristiwa risiko, yang digunakan untuk data pembelajaran Bank. Selanjutnya *KRI* adalah alat bantu yang memberikan informasi secara dini mengenai gejala maupun risiko yang trennya menunjukkan peningkatan.

44. FINANCIAL RISK MANAGEMENT (continued)

f. Operational Risk (continued)

To complete this activity, Bank has developed *Business Continuity Management Policy* which comprehensively address various disorders/disasters by man and/or nature, eg fire, earthquake, flood, demonstrations, and others. This policy was developed to ensure that business operations and critical resource bank can still function despite the disruption / disaster or build resilience (resilience) and the ability to respond effectively to a disaster situation in order to protect the interests of the stakeholders, reputation and the company's name.

The Bank has implemented *Risk Event Database (RED)* effectively. *RED* is a tool to maintain and record operational risk events as well as to manage any "loss events and near miss" for management attention. Furthermore, *RED* is used as preparation for assessment on *Operational Risk Capital Charge* according to *Advanced Measurement Approach* method. Furthermore, *RED* is used as preparation for assessment on *Operational Risk Capital Charge* according to *Advanced Measurement Approach* method.

Bank developed *Operational Risk Management System (ORMS)* in order to perfect the existing tools. *ORMS* has three moduls, namely *RCSA (Risk Control Self Assessment)*, *RED (Risk Event Database)* and *KRI (Key Risk Indicator)*.

RCSA is used to help risk owner to manage operational risks which include identification and to measure operational risk predictively. While *RED* is used as a database of risk events, which is used for Bank's learning data. Next, *KRI* is a helping tool which gives earlier information regarding symptoms and risks which have inclining trend.

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44. MANAJEMEN RISIKO KEUANGAN (lanjutan)

f. Risiko Operasional (lanjutan)

Selanjutnya, Komite Produk yang dibentuk telah dioptimalkan fungsinya, yakni selain mengidentifikasi dan memitigasi risiko yang melekat pada produk dan aktivitas baru, juga melakukan evaluasi terhadap kinerja produk-produk yang telah diluncurkan.

Guna memudahkan langkah-langkah mitigasi risiko produk oleh unit-unit kerja yang terkait, Bank telah menyusun pedoman pengelolaan risiko untuk produk-produk tertentu, antara lain *bancassurance* dan reksa dana.

Bank juga melakukan pengukuran dan pelaporan secara periodik ke Bank Indonesia mengenai pengelolaan risiko operasional mengacu kepada parameter risiko operasional dalam Penilaian Tingkat Kesehatan Bank (PTKB) dengan menggunakan pendekatan risiko (*Risk-based Bank Rating/RBBR*) yang terdiri dari 2 bagian, yaitu:

1. Risiko Inheren

- Karakteristik dan kompleksitas operasional Bank
- Sumber Daya Manusia
- Teknologi Informasi
- *Fraud*
- Kejadian Eksternal

2. Kualitas Penerapan Manajemen Risiko

- Pengawasan aktif komisaris dan direksi
- Kecukupan kebijakan
- Prosedur dan penetapan *limit*, kecukupan identifikasi, pengukuran, pemantauan dan sistem informasi manajemen operasional
- Sistem pengendalian intern yang komprehensif

45. PEMENUHAN KETENTUAN BATAS MAKSIMUM PEMBERIAN KREDIT ("BMPK")

Pada tanggal 31 Desember 2018 dan 2017, tidak terdapat pelanggaran BMPK oleh pihak terkait maupun tidak terkait.

Sesuai dengan peraturan yang berlaku, batas maksimum pemberian kredit kepada pihak tidak terkait harus tidak melebihi 20% dari modal Bank.

44. FINANCIAL RISK MANAGEMENT (continued)

f. Operational Risk (continued)

In addition, the Bank had optimized Product Committee's function to identify and mitigate risks which might be found in new products and services launched, and to evaluate performance of existing products.

In order to ease steps to mitigate product risks by related units, the Bank has developed risk management guidance for certain products, among others, *bancassurance* and mutual funds.

Bank also conducts measurement and reporting to the Bank Indonesia periodically on operational risk management based on operational risk parameters Bank Soundness Assessment (BSA) using risk approach (*Risk-based Bank Ratings/RBBR*) which consists of 2 parts:

1. Inherent Risk

- Characteristic and complexity of Bank's operational
- Human Resources
- Information Technology
- *Fraud*
- External Event

2. Risk Management Quality

- Active oversight of commissioners and directors
- Adequacy of policy
- Procedure and limit setting, adequacy of identification, measurement, monitoring and operational risk management information system
- Comprehensive internal control system

45. COMPLIANCE WITH LEGAL LENDING LIMIT ("LLL") REQUIREMENT

As of December 31, 2018 and 2017, there was no breach of LLL to both related and non-related parties.

Under the prevailing regulation, the maximum lending limit to non-related parties should not exceed 20% of the Bank's capital.

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**46. MANAJEMEN MODAL DAN RASIO LIABILITAS
PENYEDIAAN MODAL MINIMUM**

Tujuan manajemen permodalan Bank adalah untuk mempertahankan posisi modal yang kuat untuk mendukung pertumbuhan bisnis dan mempertahankan investor, deposan, pelanggan dan kepercayaan pasar. Dalam pengelolaan permodalan, Bank mempertimbangkan faktor-faktor seperti: pengembalian modal yang optimal pada pemegang saham, menjaga keseimbangan antara keuntungan yang lebih tinggi dengan *gearing ratio* serta keamanan yang diberikan oleh posisi modal yang sehat.

Sejak tahun 2007, Bank diwajibkan untuk memenuhi kerangka kerja Basel II dalam hal permodalan Bank dengan mengikuti *road map* implementasi Basel II di Indonesia yang dipimpin oleh Bank Indonesia.

Penerapan Bank atas risiko pasar, risiko kredit dan risiko operasional dalam permodalan adalah sebagai berikut:

- a. Risiko pasar
Sejak November 2007, Bank sudah menerapkan pendekatan standar untuk mengelola risiko pasar sesuai dengan Peraturan Bank Indonesia No. 9/13/PBI/2007 tanggal 1 November 2007 serta Surat Edaran Bank Indonesia No. 9/33/DPNP tanggal 18 Desember 2007 dan Surat Edaran Bank Indonesia No. 14/21/DPNP tanggal 18 Juli 2012.
- b. Risiko kredit
Risiko kredit dihitung berdasarkan Surat Edaran Bank Indonesia No. 13/6/DPNP tanggal 18 Februari 2011 dimana perhitungan Aset Tertimbang Menurut Risiko (ATMR) risiko kredit menggunakan Pendekatan Standar yang efektif berlaku tanggal 2 Januari 2012.
- c. Risiko operasional
Untuk pengelolaan risiko operasional Bank menerapkan pendekatan indikator dasar sesuai dengan Surat Edaran Bank Indonesia. Berdasarkan SE ini, beban modal untuk risiko operasional adalah sebesar 5%, 10% dan 15% dari rata-rata pendapatan kotor selama tiga tahun terakhir masing-masing efektif tanggal 1 Januari 2011, 1 Juli 2011 dan 1 Januari 2012.

Pada tahun 2012, Bank Indonesia melakukan revisi atas peraturan tersebut dan mengeluarkan Surat Edaran No. 14/37/DPNP tentang Kewajiban Penyediaan Modal Minimum sesuai dengan Profil Risiko dan Pemenuhan *Capital Equivalency Maintained Assets* (CEMA).

**46. CAPITAL MANAGEMENT AND MINIMUM
REQUIRED CAPITAL ADEQUACY RATIO (CAR)**

The Bank's capital management objectives is to maintain a strong capital position to support business growth and to sustain investor, depositor, customer and market confidence. In managing its capital, the Bank considers factors such as: an optimal providing capital rate of return to shareholders and maintaining a balance between high return gearing ratio and safety provided by a sound capital position.

Starting 2007, Bank is required to comply with Basel II framework in respect with regulatory capital following the Basel II implementation road map in Indonesia led by the Bank Indonesia.

Bank's implementation on market risk, credit risk and operational risk in capital is as follows:

- a. Market risk
Starting November 2007, the Bank had adopted standardized approach for market risk management according to Bank Indonesia Regulation No. 9/13/PBI/2007 dated November 1, 2007 as well as Bank Indonesia Circular Letter No. 9/33/DPNP dated December 18, 2007 and Bank Indonesia Circular Letter No. 14/21/DPNP dated July 18, 2012.
- b. Credit risk
Credit risk calculated according to Bank Indonesia Circular Letter No. 13/6/DPNP dated February 18, 2011 where the calculation of Risk Weighted Average (RWA) of credit risk using standard approach effective January 2, 2012.
- c. Operational risk
Operational risk management still uses basic indicator approach as per Bank Indonesia Circular Letter. Based on this Circular Letter, the capital charge for operational risk is at 5%, 10% and 15% of average gross income for the last three years which is effective on January 1, 2011, July 1, 2011 and January 1, 2012, respectively.

In 2012, Bank Indonesia revised such regulation and issued circular letter No. 14/37/DPNP regarding Capital Adequacy Ratio with Risk Profile and Capital Equivalency Maintained Assets (CEMA).

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46. MANAJEMEN MODAL DAN RASIO LIABILITAS
PENYEDIAAN MODAL MINIMUM (lanjutan)

c. Risiko operasional (lanjutan)

Bank wajib memiliki dan menerapkan proses perhitungan kecukupan modal secara internal atau *Internal Capital Adequacy Assessment Process (ICAAP)*. Komponen ICAAP paling kurang mencakup:

- a. Pengawasan Aktif Dewan Komisaris dan Direksi
- b. Penilaian Kecukupan Modal
- c. Pemantauan dan Pelaporan
- d. Pengendalian Internal

Bank juga wajib menyediakan modal minimum sesuai dengan profil risiko, sebagai berikut:

- a. 8% dari ATMR untuk Bank dengan profil risiko peringkat 1;
- b. 9% s.d kurang dari 10% dari ATMR untuk Bank dengan profil risiko peringkat 2;
- c. 10% s.d kurang dari 11% dari ATMR untuk Bank dengan profil risiko peringkat 3;
- d. 11% s.d 14% dari ATMR untuk Bank dengan profil risiko peringkat 4 atau peringkat 5.

Bank Indonesia menganalisis modal dalam dua tingkatan:

1. Modal Tier 1 terdiri dari modal saham biasa, agio saham, saldo laba, dan kepentingan non-pengendali setelah dikurangi aset tak berwujud dan penyesuaian lainnya sehubungan dengan item yang termasuk dalam modal tetapi diperlakukan secara berbeda untuk kepentingan kecukupan modal.
2. Modal Tier 2 terdiri dari pinjaman subordinasi yang memenuhi syarat dan cadangan umum (maksimum 1,25%).

46. CAPITAL MANAGEMENT AND MINIMUM
REQUIRED CAPITAL ADEQUACY RATIO (CAR)
(continued)

c. Operational risk (continued)

The Bank is obliged to have and apply the process of capital adequacy calculation internally or *Internal Capital Adequacy Assessment Process (ICAAP)*. The components of ICAAP:

- a. Active Supervision of Board of Commissioners and Board of Directors
- b. Capital Adequacy Assessment
- c. Monitoring and Reporting
- d. Internal control

Bank also provides the minimum capital required according to the risk profile, as follows:

- a. 8 % of the RWA for bank with a rating of 1 risk profile;
- b. 9% until less than 10% of the RWA for bank with a risk profile rating 2;
- c. 10% until less than 11% of the RWA for bank with a risk profile rating 3;
- d. 11% until 14% of RWA for bank with risk profile ratings of 4 or 5.

Bank Indonesia analyzed the capital into two tiers:

1. Tier 1 capital consists of ordinary share capital, share premium, retained earnings, and non-controlling interest after deduction for intangible assets and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
2. Tier 2 capital consist of qualifying subordinated loans and general allowance (maximum of 1.25%).

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46. MANAJEMEN MODAL DAN RASIO LIABILITAS
PENYEDIAAN MODAL MINIMUM (lanjutan)

Pada tanggal 31 Desember 2018 dan 2017 rasio Kewajiban Penyesuaian Modal Minimum (KPM) Bank dihitung berdasarkan POJK No. 34/POJK.03/2016 tanggal 22 September 2016 dan 2015 disusun berdasarkan PBI No. 14/18/PBI/2012 tanggal 28 November 2012 dan No. 15/12/PBI/2013 tanggal 12 Desember 2013 dengan perhitungan sebagai berikut:

	31 Desember/December 31	
	2018	2017
Bank		
Dengan memperhitungkan risiko kredit, resiko pasar dan risiko operasional		
- Aset Tertimbang Menurut Risiko	55.385.687	50.078.818
- Jumlah modal	12.619.668	12.072.553
- Rasio Kewajiban Penyediaan Modal Minimum	22,79%	24,11%

Berdasarkan POJK No.34/POJK.03/2016 tanggal 22 September 2016 tentang Kewajiban Penyediaan Modal Minimum, Bank wajib membentuk tambahan modal sebagai penyangga (*buffer*), sebagai berikut:

- Capital Conversation Buffer* adalah tambahan modal yang berfungsi sebagai penyangga (*buffer*) apabila terjadi kerugian pada periode krisis;
- Countercyclical Buffer* adalah tambahan modal yang berfungsi untuk mengantisipasi kerugian apabila terjadi pertumbuhan kredit perbankan yang berlebihan sehingga berpotensi mengganggu stabilitas sistem keuangan;
- Capital Surcharge* untuk *Domestic Systemically Important Bank (D-SIB)* adalah tambahan modal yang berfungsi untuk mengurangi dampak negatif terhadap stabilitas sistem keuangan dan perekonomian apabila terjadi kegagalan Bank yang berdampak sistemik melalui peningkatan kemampuan Bank dalam menyerap kerugian.

46. CAPITAL MANAGEMENT AND MINIMUM
REQUIRED CAPITAL ADEQUACY RATIO (CAR)
(continued)

As of December 31, 2018 and 2017, the Bank's Capital Adequacy Ratio (CAR) is computed in accordance with POJK No.34/POJK.03/2016 dated September 22, 2016 and 2015 is computed in accordance to BI regulation No.14/18/PBI/2012 dated November 28, 2012 and BI regulation No. 15/12/PBI/2013 dated December 12, 2013, as follows:

Bank	
With credit risk, market risk and operational risk	
Risk Weighted Average - Total capital -	
Capital Adequacy Ratio -	

Based on POJK No.34/POJK.03/2016 dated September 22, 2016 concerning Capital Adequacy Ratio, the Bank is required to establish additional capital as a buffer, as follows:

- Capital Conversation Buffer* is additional capital which serves as a buffer in the event of a loss in the period of crisis;
- Countercyclical Buffer* is additional capital which serves to anticipated losses in the event of excessive credit growth and thus potentially disrupt the stability of the financial system;
- Capital Surcharge* for *Domestic Systemically Important Banks (D-SIB)* is additional capital which serves to reduce the negative impact on the stability of the financial system and economy in the event of Bank failure is a systemic effect through an increase in the Bank's ability to absorb losses.

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46. MANAJEMEN MODAL DAN RASIO LIABILITAS
PENYEDIAAN MODAL MINIMUM (lanjutan)

Tambahan modal sebagai penyangga (*buffer*) yang wajib dibentuk oleh Bank adalah:

- a. *Capital Conversation Buffer* sebesar 2,5% dari ATMR untuk Bank yang tergolong dalam Bank Umum Kegiatan Usaha BUKU 3 dan BUKU 4 yang pemenuhannya secara bertahap:
 - 0,625% dari ATMR mulai 1 Januari 2016
 - 1,25% dari ATMR mulai 1 Januari 2017
 - 1,875% dari ATMR mulai 1 Januari 2018
 - 2,5% dari ATMR mulai 1 Januari 2019
- b. *Countercyclical Buffer* sebesar 0% (nol persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR bagi seluruh Bank.
- c. *Capital Surcharge* untuk *D-SIB* sebesar 1% (satu persen) sampai dengan 2,5% (dua koma lima persen) dari ATMR Bank yang berdampak sistemik.

Pemenuhan modal sebagai penyangga (*buffer*) harus dipenuhi dengan menggunakan komponen modal inti Utama (*Common Equity Tier 1*).

Berdasarkan PBI No. 17/22/PBI/2015 tanggal 23 Desember 2015 tentang Kewajiban Pembentukan *Countercyclical Buffer* (CCB) ditetapkan bahwa besaran CCB yang ditetapkan oleh Bank Indonesia untuk pertama kali, yaitu mulai 1 Januari 2016 adalah sebesar 0% dan berlaku untuk seluruh bank, baik bank umum konvensional dan bank umum syariah, termasuk kantor cabang dari bank yang berkedudukan di luar negeri.

Evaluasi terhadap besaran CCB akan dilakukan secara berkala, yaitu paling kurang 1 kali dalam 6 bulan. Dalam hal berdasarkan hasil evaluasi ditetapkan bahwa besaran CCB tidak berubah maka Bank Indonesia akan mengeluarkan pengumuman di website Bank Indonesia dan apabila ditetapkan ada perubahan, maka Bank Indonesia akan menerbitkan Surat Edaran mengenai perubahan tersebut.

Berdasarkan POJK No. 46/POJK.03/2015 tanggal 23 Desember 2015 tentang Penetapan *Systemically Important Bank* dan *Capital Surcharge*, ditetapkan bahwa Otoritas Jasa Keuangan berkoordinasi dengan Bank Indonesia akan menetapkan SIB dan *Capital Surcharge* untuk SIB. Bank yang ditetapkan sebagai SIB wajib membentuk *Capital Surcharge* untuk SIB.

46. CAPITAL MANAGEMENT AND MINIMUM
REQUIRED CAPITAL ADEQUACY RATIO (CAR)
(continued)

Additional capital as a buffer which shall be established by the Bank are:

- a. *Capital Conversation Buffer* amounted to 2.5% of RWA to the Bank classified to BUKU 3 and BUKU 4 whose fulfillment gradually:
 - 0.625% from RWA since 1 January 2016
 - 1.25% from RWA since 1 January 2017
 - 1.875% from RWA since 1 January 2018
 - 2.5% from RWA since 1 January 2019
- b. *Countercyclical Buffer* in the amount of 0% (zero percent) up to 2.5% (two coma five percent) from RWA for the whole Bank.
- c. *Capital Surcharge* for *D-SIB* in the amount of 1% (one percent) to 2.5% (two coma five percent) from RWA of Banks with systemic impact.

Fulfillment of capital as a buffer should be met by using components of Common Equity Tier 1.

Based on PBI No. 17/22/PBI/2015 dated December 23, 2015 concerning the Establishment of Countercyclical Buffer Obligation stipulated that the amount of CCB set by Bank Indonesia for the first time, starting January 1, 2016 amounted to 0% and apply to all banks, both conventional commercial bank and islamic banks, including branches of banks domiciled abroad.

The evaluation of the amount of CCB would be done regularly, ie at least 1 time within 6 months. In the case based on the evaluation determined that the magnitude of the CCB does not change then Bank Indonesia will issue an announcement on the website of Bank Indonesia and, if specified changes, then Bank Indonesia will issue a Circular Letter regarding the change.

According to POJK No. 46/POJK.03/2015 dated December 23, 2015 concerning the Stipulation of Systemically Important Banks and Capital Surcharge, established that the Financial Services Authority in coordination with Bank Indonesia will set SIB and Capital Surcharge for SIB. Banks are defined as SIB is required to establish Capital Surcharge for SIB.

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46. MANAJEMEN MODAL DAN RASIO LIABILITAS
PENYEDIAAN MODAL MINIMUM (lanjutan)

Penetapan SIB dan *Capital Surcharge* untuk SIB dilakukan secara semesteran setiap tahun pada:

- a. Bulan Maret dengan menggunakan data pada bulan Desember tahun sebelumnya; dan
- b. Bulan September dengan menggunakan data posisi bulan Juni tahun sebelumnya.

Otoritas Jasa Keuangan menetapkan *Capital Surcharge* untuk SIB dalam 5 kelompok *bucket*:

- a. 1% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 1;
- b. 1,5% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 2;
- c. 2% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 3;
- d. 2,5% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 4;
- e. 3,5% dari ATMR bagi SIB yang digolongkan dalam kelompok *bucket* 5.

Untuk pertama kali, OJK akan menetapkan SIB dalam 4 kelompok dimana pemenuhannya dilakukan secara bertahap:

1. SIB bagi kelompok (*bucket*) 1 sebesar:
 - a. 0,25% dari ATMR sejak tanggal 1 Januari 2016;
 - b. 0,5% dari ATMR sejak tanggal 1 Januari 2017;
 - c. 0,75% dari ATMR sejak tanggal 1 Januari 2018;
 - d. 1% dari ATMR sejak tanggal 1 Januari 2019;
2. SIB bagi kelompok (*bucket*) 2 sebesar:
 - a. 0,375% dari ATMR sejak tanggal 1 Januari 2016;
 - b. 0,75% dari ATMR sejak tanggal 1 Januari 2017;
 - c. 1,125% dari ATMR sejak tanggal 1 Januari 2018;
 - d. 1,5% dari ATMR sejak tanggal 1 Januari 2019.
3. SIB bagi kelompok (*bucket*) 3 sebesar:
 - a. 0,5% dari ATMR sejak tanggal 1 Januari 2016;
 - b. 1% dari ATMR sejak tanggal 1 Januari 2017;
 - c. 1,5% dari ATMR sejak tanggal 1 Januari 2018;
 - d. 2% dari ATMR sejak tanggal 1 Januari 2019.

46. CAPITAL MANAGEMENT AND MINIMUM
REQUIRED CAPITAL ADEQUACY RATIO (CAR)
(continued)

Determination of SIB and Capital Surcharge for SIB conducted biannually on:

- a. *March using data in December of the previous year; and*
- b. *September using data in June of the previous year.*

Financial Services Authority establish Capital Surcharge for SIB in 5 groups of bucket:

- a. *1% from RWA for SIB, which classified as bucket 1;*
- b. *1.5% from RWA for SIB, which classified as bucket 2;*
- c. *2% from RWA for SIB, which classified as bucket 3;*
- d. *2.5% from RWA for SIB, which classified as bucket 4;*
- e. *3.5% from RWA for SIB, which classified as bucket 5.*

For the first time, the FSA will set the SIB into 4 groups where fulfillment is done gradually:

1. *SIB for bucket 1 amounted to:*
 - a. *0.25% from RWA since January 1, 2016;*
 - b. *0.5% from RWA since January 1, 2017;*
 - c. *0.75% from RWA since January 1, 2018;*
 - d. *1% from RWA since January 1, 2019.*
2. *SIB for bucket 2 amounted to:*
 - a. *0.375% from RWA since January 1, 2016;*
 - b. *0.75% from RWA since January 1, 2017;*
 - c. *1.125% from RWA since January 1, 2018;*
 - d. *1.5% from RWA since January 1, 2019.*
3. *SIB for bucket 3 amounted to:*
 - a. *0.5% from RWA since January 1, 2016;*
 - b. *1% from RWA since January 1, 2017;*
 - c. *1.5% from RWA since January 1, 2018;*
 - d. *2% from RWA since January 1, 2019.*

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**46. MANAJEMEN MODAL DAN RASIO LIABILITAS
PENYEDIAAN MODAL MINIMUM (lanjutan)**

Untuk pertama kali, OJK akan menetapkan SIB dalam 4 kelompok dimana pemenuhannya dilakukan secara bertahap: (lanjutan)

4. SIB bagi kelompok (*bucket*) 4 sebesar:
 - a. 0,625% dari ATMR sejak tanggal 1 Januari 2016;
 - b. 1,25% dari ATMR sejak tanggal 1 Januari 2017;
 - c. 1,875% dari ATMR sejak tanggal 1 Januari 2018;
 - d. 2,5% dari ATMR sejak tanggal 1 Januari 2019.

Manajemen menggunakan rasio permodalan dengan tujuan untuk memonitor jumlah modal dan rasio modal tersebut mengikuti standar industri untuk mengukur kecukupan modal. Pendekatan Bank Indonesia atas pengukuran tersebut terutama berdasarkan pengawasan atas hubungan kebutuhan sumber modal (diukur sebesar 8% atas aset tertimbang menurut risiko) terhadap ketersediaan sumber modal.

Bank telah memenuhi ketentuan Bank Indonesia yang berlaku tentang Kewajiban Penyediaan Modal Minimum dan Perhitungan Aset Tertimbang Menurut Risiko.

**46. CAPITAL MANAGEMENT AND MINIMUM
REQUIRED CAPITAL ADEQUACY RATIO (CAR)
(continued)**

For the first time, the FSA will set the SIB into 4 groups where fulfillment is done gradually: (continued)

4. SIB for bucket 4 amounted to:
 - a. 0.625% from RWA since January 1, 2016;
 - b. 1.25% from RWA since January 1, 2017;
 - c. 1.875% from RWA since January 1, 2018;
 - d. 2.5% from RWA since January 1, 2019.

Management uses regulatory capital ratios in order to monitor its capital base, and these capital ratios follow the industry standards for measuring capital adequacy. Bank Indonesia's approach to such measurement is primarily based on monitoring the relationship of the capital resources requirement (measured as 8% of risk-weighted assets) to available capital resources.

The Bank has fulfilled Bank Indonesia's regulation regarding Capital Adequacy Ratio and Calculation of Risk-Weighted Assets.

47. TAMBAHAN INFORMASI ARUS KAS

Aktivitas investasi dan pendanaan yang tidak mempengaruhi arus kas:

31 Desember/December 31

	2018	2017
Reklasifikasi aset dalam penyelesaian ke aset tetap	10.772	52.771

Reclassification of construction in progress to fixed assets

Perubahan pada liabilitas yang timbul dari aktivitas pendanaan pada laporan arus kas adalah sebagai berikut:

47. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities not affecting cash flows:

Changes in liabilities arising from financing activities in the cash flow statement are as follows:

	1 Januari 2018/ January 1, 2018	Arus kas/ Cash flow	Non-arus kas	31 Desember 2018/ December 31, 2018	
			Selisih kurs/ Foreign exchange difference	Lainnya/ Others	
Pinjaman yang diterima	135.675	(143.800)	8.125	-	Fund borrowings
Total liabilitas dari aktivitas pendanaan	135.675	(143.800)	8.125	-	Total liabilities from financing activities

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48. PERNYATAAN STANDAR AKUNTANSI KEUANGAN YANG DIREVISI

Standar akuntansi dan interpretasi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK), tetapi belum berlaku efektif untuk laporan keuangan tahun berjalan diungkapkan di bawah ini. Perusahaan bermaksud untuk menerapkan standar tersebut, jika dipandang relevan, saat telah menjadi efektif.

- PSAK 71: Instrumen Keuangan, yang diadopsi dari IFRS 9, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan.

PSAK ini mengatur klasifikasi dan pengukuran instrumen keuangan berdasarkan karakteristik dari arus kas kontraktual dan model bisnis entitas; metode kerugian kredit ekspektasian untuk penurunan nilai yang menghasilkan informasi yang lebih tepat waktu, relevan dan dimengerti oleh pemakai laporan keuangan; akuntansi untuk lindung nilai yang merefleksikan manajemen risiko entitas lebih baik dengan memperkenalkan persyaratan yang lebih umum berdasarkan pertimbangan manajemen.

- PSAK 73: Sewa, yang diadopsi dari IFRS 16, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan untuk entitas yang juga telah menerapkan PSAK 72: Pendapatan dari Kontrak dengan Pelanggan.

PSAK ini menetapkan prinsip pengakuan, pengukuran, penyajian, dan pengungkapan atas sewa dengan memperkenalkan model akuntansi tunggal dengan mensyaratkan untuk mengakui aset hak-guna (right-of-use assets) dan liabilitas sewa. Terdapat 2 pengecualian opsional dalam pengakuan aset dan liabilitas sewa, yakni untuk: (i) sewa jangka-pendek dan (ii) sewa yang aset dasarnya (underlying assets) bernilai-rendah.

- Amandemen PSAK 71 - Instrumen Keuangan: Fitur Percepatan Pelunasan dengan Kompensasi Negatif, berlaku efektif 1 Januari 2020 dengan penerapan dini diperkenankan.

Amandemen ini mengatur bahwa aset keuangan dengan fitur percepatan pelunasan yang dapat menghasilkan kompensasi negatif memenuhi kualifikasi sebagai arus kas kontraktual yang berasal semata dari pembayaran pokok dan bunga dari jumlah pokok terutang.

48. REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS

The standards and interpretations that are issued by the Indonesian Financial Accounting Standards Board (DSAK), but not yet effective for current financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- PSAK 71: Financial Instruments, adopted from IFRS 9, effective January 1, 2020 with earlier application is permitted.

This PSAK provides for classification and measurement of financial instruments based on the characteristics of contractual cash flows and business model of the entity; expected credit loss impairment model that resulting information more timely, relevant and understandable to users of financial statements; accounting for hedging that reflect the entity's risk management better by introduce a more general requirements based on management's judgment.

- PSAK 73: Leases, adopted from IFRS 16, effective January 1, 2020 with earlier application is permitted, but not before an entity applies PSAK 72: Revenue from Contracts with Customers.

This PSAK establish the principles of recognition, measurement, presentation, and disclosure of the lease by introducing a single accounting model, with the requirement to recognize the right-of-use assets and liability of the lease; there are 2 optional exclusions in the recognition of the lease assets and liabilities: (i) short-term lease and (ii) lease with low-value underlying assets.

- Amendments to PSAK 71 - Financial Instruments: Prepayment Features with Negative Compensation, effective January 1, 2020 with earlier application is permitted.

This amendments provides that a financial asset with prepayment features that may result in negative compensation qualifies as a contractual cash flow derived solely from the principal and interest of the principal amount owed..

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- ISAK 33 - Transaksi Valuta Asing dan Imbalan di Muka, berlaku efektif 1 Januari 2019 dengan penerapan dini diperkenankan.

Amandemen ini mengklarifikasi penggunaan tanggal transaksi untuk menentukan kurs yang digunakan pada pengakuan awal aset, beban atau penghasilan terkait pada saat entitas telah menerima atau membayar imbalan di muka dalam valuta asing.

- ISAK 34 - Ketidakpastian dalam Perlakuan Pajak Penghasilan, berlaku efektif 1 Januari 2019 dengan penerapan dini diperkenankan.

Interpretasi ini merupakan interpretasi atas PSAK 46: Pajak Penghasilan yang bertujuan untuk mengklarifikasi dan memberikan panduan dalam merefleksikan ketidakpastian perlakuan pajak penghasilan dalam laporan keuangan.

- Amandemen PSAK 24 (2018) - Imbalan Kerja tentang Amendemen, kurtailmen, atau Penyelesaian Program, berlaku efektif 1 Januari 2019 dengan penerapan dini diperkenankan.

Amendemen ini memberikan panduan yang lebih jelas bagi entitas dalam mengakui biaya jasa lalu, keuntungan dan kerugian penyelesaian, biaya jasa kini dan bunga neto setelah adanya amendemen, kurtailmen, atau penyelesaian program karena menggunakan asumsi aktuarial terbaru (sebelumnya menggunakan asumsi aktuarial pada awal periode pelaporan tahunan). Selain itu, Amendemen PSAK 24 juga mengklarifikasi bagaimana persyaratan akuntansi untuk amendemen, kurtailmen, atau penyelesaian program dapat mempengaruhi persyaratan batas atas aset yang terlihat dari pengurangan surplus yang menyebabkan dampak batas atas aset berubah.

48. REVISED STATEMENTS OF FINANCIAL
ACCOUNTING STANDARDS (continued)

- ISAK 33 - Foreign currency Transaction and Advance Consideration, effective January 1, 2019 with earlier application is permitted.

This amendments clarify the use of the transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.

- ISAK 34 - Uncertainty over Income Tax Treatments, effective January 1, 2019 with earlier application is permitted.

This Interpretation which is the interpretation of PSAK 46: Income Taxes, clarifies and provides guidance to reflex the uncertainty of income tax treatments in the financial statements.

- Amendments to PSAK 24 (2018) - Employee Benefits on the Plan Amendment, Curtailment or Settlement, effective January 1, 2019 with early application is permitted.

This amendments provides clearer guidance for entities in recognizing past service costs, settlement gains and losses, current service costs and net interest after plan amendment, curtailment or settlement because they use the new actuarial assumptions (previously using actuary assumptions at the beginning of the period of annual report). In addition, Amendment to PSAK 24 also clarifies how the accounting requirements for plan amendment, curtailment or settlement can affect the upper limit of asset requirements which can be seen from the reduction in surplus which causes the impact of the asset's upper limit to change.

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- Penyesuaian 2018 PSAK 46 - Pajak Penghasilan, berlaku efektif 1 Januari 2019 dengan penerapan dini diperkenankan.

Penyesuaian ini menegaskan mengenai konsekuensi pajak penghasilan atas dividen (sebagaimana didefinisikan dalam PSAK 71: Instrumen Keuangan) timbul ketika entitas mengakui liabilitas untuk membayar dividen. Konsekuensi pajak penghasilan tersebut lebih terkait secara langsung dengan transaksi atau peristiwa masa lalu yang menghasilkan laba yang dapat didistribusikan daripada dengan distribusi kepada pemilik. Oleh karena itu, entitas mengakui konsekuensi pajak penghasilan tersebut dalam laba rugi, penghasilan komprehensif lain atau ekuitas sesuai dengan pengakuan awal entitas atas transaksi atau peristiwa masa lalu tersebut.

Perusahaan sedang mengevaluasi dampak dari standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan Perusahaan.

48. REVISED STATEMENTS OF FINANCIAL
ACCOUNTING STANDARDS (continued)

- 2018 Improvement to PSAK 46 - Income Taxes, effective January 1, 2019 with early application is permitted.

This improvement affirming the consequences of income tax on dividends (as defined in PSAK 71: Financial Instruments) arises when an entity recognizes liabilities to pay dividends. The consequences of the income tax are more directly related to past transactions or events that generate profits that can be distributed rather than distribution to the owner. Therefore, the entity recognizes the consequences of the income tax in profit or loss, other comprehensive income or equity in accordance with the entity's initial recognition of the past transaction or event.

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

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