



# **Our** Mutual Growth

**2017**

ANNUAL INTEGRATED REPORT

# About the Annual Integrated Report\*

This Annual Integrated Report is a comprehensive report that discloses information and company performance from economy, social and environment aspects. The making of the Report has met the Indonesian regulations for Listed Company and Banking, ASEAN Corporate Governance, Global Reporting Initiative (GRI-G4) with core option and Financial Service Sector Supplement.

Every year, the Bank creates the Annual Report and this is the Bank's second year of using Annual Integrated Report format which the first one was released on March 8, 2017. The Report embodies the period January 1, 2017 until December 31, 2017. In this report, there is no restatement which was caused by the organization changes. (G4-22)(G4-28)(G4-29)(G4-30).

## Theme Explanation

# Our Mutual Growth

As the fourth oldest Bank in Indonesia with total assets reached more than Rp153.8 trillion at the end of 2017, Bank OCBC NISP has been growing rapidly buoyed by a qualified Human Capital and a reliable Information Technology.

With the new tagline “With You”, Bank OCBC NISP has committed to keep growing together with the community continuously by providing various innovative products and services for always being the solution of the people’s needs.

In 2017, by carrying the theme of “Our Mutual Growth”, Bank OCBC NISP would like to prove its commitment to grow together with the customers in particular and the community in general as well as continuing a positive business growth through a number of business targets both in terms of operational and financial.



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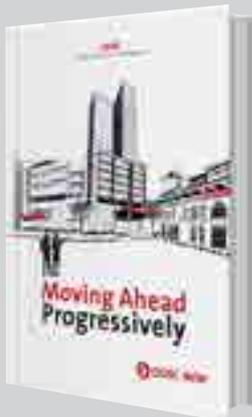
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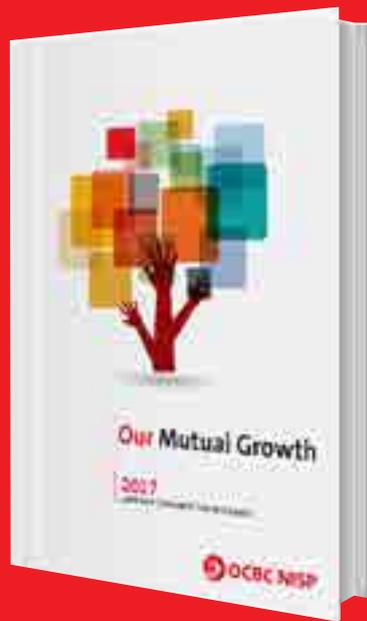
# Sustainable Commitment Through Theme



**2016**

## **Moving Ahead Progressively**

Bank OCBC NISP remain steadfast in its commitment to continue its strategic work programs. As such, the Bank has implemented programs since last year in an aimed establishing competitive advantages in the banking sector.



**2017**

## **Our Mutual Growth**

In 2017, by introducing the new tagline "With You" and Annual Report's theme "Our Mutual Growth", Bank OCBC NISP would like to demonstrate its commitment to keep growing together with the customers in particular, and community in general as well as to continue a positive business growth through a number of achievements of business target realization.



**2013**

## **72 Years of Dedication in Serving Customers**

Giving contribution to the country's development and develop resources to drive economic growth.



**2014**

## **Pursuing Strong Sustainable Growth**

Bank OCBC NISP continuously improve the quality in overall so as the achieve sustainable growth.



**2015**

## **75 Years of Sustainable Growth by Creating Values**

Bank OCBC NISP continuously focus on building strong and meaningful partnership with our stakeholders to create values for sustainable growth.

# 01

## PERFORMANCE HIGHLIGHTS

### Operational Highlights and Performance Achievement 2017



The **9<sup>th</sup>**  
largest Bank  
in terms of Assets



**338**  
Offices throughout  
Indonesia



**6,477**  
Total  
Employees



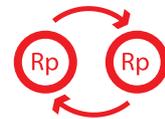
Rp **153.8** T

Total  
Assets



Rp **106.3** T

Total Gross  
Loans



Rp **113.4** T

Total Third Party  
Fund



Rp **7.6** T

Operating  
Income



Rp **2.2** T

Net  
Income



Rp **21.8** T

Total  
Equity

# Financial Highlights [G4-EC1]

In million Rupiah, except earnings per share

Description	2017	2016	2015	2014	2013
-------------	------	------	------	------	------

## Statement of Financial Position

Total Assets	153,773,957	138,196,341	120,480,402	103,111,114	97,510,106
Total Earning Assets	142,761,899	127,530,027	110,685,337	94,438,269	88,475,342
Loans - Gross	106,349,408	93,362,639	85,879,019	68,363,239	63,967,113
Loans - Net	102,189,794	90,247,652	84,040,768	66,933,612	62,706,614
Deposits from Customers	113,440,672	103,559,959	87,280,244	72,805,057	68,936,691
Current Accounts	26,137,974	24,511,895	22,506,230	14,025,069	15,990,872
Savings Accounts	17,580,916	16,289,473	13,646,077	11,250,140	10,839,009
Time Deposits	69,721,782	62,758,591	51,127,937	47,529,848	42,106,810
Borrowings	-	-	2,757,000	2,477,000	2,434,000
Total Liabilities	131,989,603	118,689,765	104,069,055	88,167,748	83,970,261
Equity	21,784,354	19,506,576	16,411,347	14,943,366	13,539,845

## Statement of Profit or Loss and Other Comprehensive Income

Net Interest Income	6,039,255	5,393,287	4,418,917	3,744,698	3,139,288
Other Operating Income	1,512,518	1,415,506	854,463	743,261	879,030
Total Operating Income	7,551,773	6,808,793	5,273,380	4,487,959	4,018,318
Allowance for Impairment Losses on Financial Assets and Others	1,311,683	1,315,656	454,307	221,335	259,104
Other Operating Expenses	3,362,563	3,150,676	2,818,186	2,489,916	2,215,374
Income from Operations	2,877,527	2,342,461	2,000,887	1,776,708	1,543,840
Income Before Tax	2,877,654	2,351,102	2,001,461	1,776,712	1,529,716
Net Income	2,175,824	1,789,900	1,500,835	1,332,182	1,142,721
Income/(Expenses) Comprehensive for The Year, Net of Tax	101,954	1,305,329	(32,854)	71,339	(48,235)
Total Comprehensive Income for The Year, Net of Tax	2,277,778	3,095,229	1,467,981	1,403,521	1,094,486
Profit Attributable to:					
Owners	2,175,824	1,789,900	1,500,835	1,332,182	1,142,721
Non-Controlling Interests	-	-	-	-	-
Comprehensive Income Attributable to:					
Owners	2,277,778	3,095,229	1,467,981	1,403,521	1,094,486
Non-Controlling Interests	-	-	-	-	-
Earnings per Share (Full Amount)	189.65	156.01	130.82	116.12	128.89

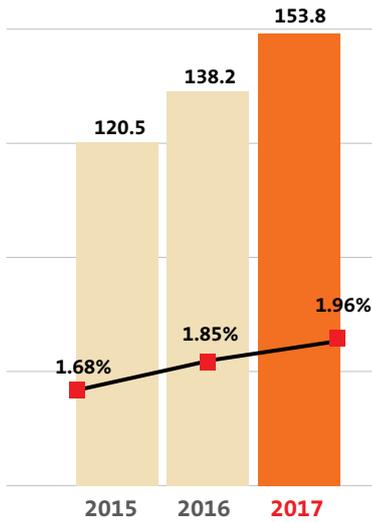
Description	2017	2016	2015	2014	2013
<b>Financial Ratios, Compliance and Others</b>					
<b>Financial Ratios</b>					
Capital Adequacy Ratio (CAR)	17.51%	18.28%	17.32%	18.74%	19.28%
Non Performing Loan (NPL) Gross	1.79%	1.88%	1.30%	1.34%	0.73%
Non Performing Loan (NPL) Net	0.72%	0.77%	0.78%	0.80%	0.35%
Return on Assets (ROA)	1.96%	1.85%	1.68%	1.79%	1.81%
Return on Equity (ROE)	10.66%	9.85%	9.60%	9.68%	11.87%
Net Interest Margin (NIM)	4.47%	4.62%	4.07%	4.15%	4.11%
Operating Expenses to Operating Income Ratio (BOPO)	77.07%	79.84%	80.14%	79.46%	78.03%
Loan to Deposit Ratio (LDR)	93.42%	89.86%	98.05%	93.59%	92.49%
Loan to Funding Ratio (LFR)	91.24%	88.20%	95.36%	-	-
Current Account & Saving Account (CASA)	38.54%	39.40%	41.42%	34.72%	38.92%
Liquidity Coverage Ratio (LCR)	153.84%	166.91%	163.47%	-	-
<b>Compliance Ratios</b>					
Percentage Breach of Legal Lending Limit					
Related Parties	-	-	-	-	-
Non Related Parties	-	-	-	-	-
Percentage Excess of Legal Lending Limit					
Related Parties	-	-	-	-	-
Non Related Parties	-	-	-	-	-
Minimum Reserve Requirement					
Primary Statutory Reserve (Rupiah)	6.51%	6.56%	7.55%	8.13%	8.14%
Secondary Statutory Reserve (Rupiah)	22.44%	21.75%	12.56%	30.68%	26.93%
Statutory Reserves - Foreign Currency	8.01%	8.26%	8.02%	8.30%	8.44%
Net Open Position (NOP)	3.50%	1.22%	1.04%	0.95%	0.40%
<b>Others</b>					
Net Income to Income From Operations Ratio	28.81%	26.29%	28.46%	29.68%	28.44%
Liabilities to Equity Ratio	605.89%	608.46%	634.13%	590.01%	620.17%
Liabilities to Assets Ratio	85.83%	85.88%	86.38%	85.51%	86.11%
<b>Other Main Indicator</b>					
Total Employees	6,477	6,796	6,922	6,654	6,735
Total Office Network	338	340	339	337	339
Total ATMs	758	763	759	759	752
Issued and fully paid - Rp million (11,472,648,486 shares)	1,434,081	1,434,081	1,434,081	1,434,081	1,434,081

## Notes:

1. Banking industry does not use Current Ratio calculation.
2. Bank OCBC NISP did not invest in associated companies in 2013 - 2017.
3. Total Cost of Fund (%) is stated on page 94 of this Annual Integrated Report.

**Total Assets & Return On Assets (ROA)**

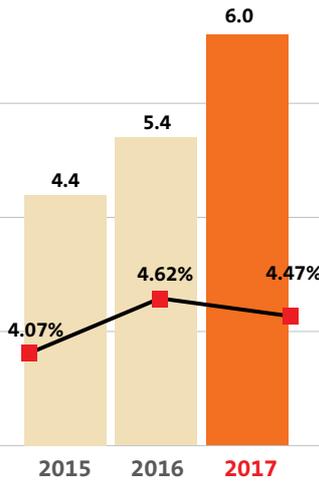
Rp trillion, except %



■ Total Assets  
■ Return On Assets (ROA)

**Net Interest Income & Net Interest Margin (NIM)**

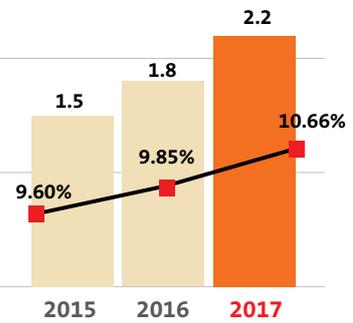
Rp trillion, except %



■ Net Interest Income  
■ Net Interest Margin (NIM)

**Net Income & Return On Equity (ROE)**

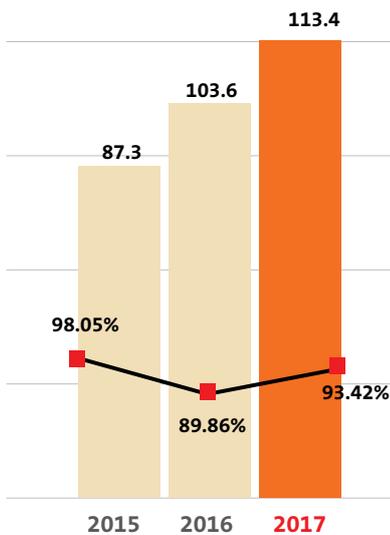
Rp trillion, except %



■ Net Income  
■ Return On Equity (ROE)

**Third Party Deposits & Loan to Deposit Ratio (LDR)**

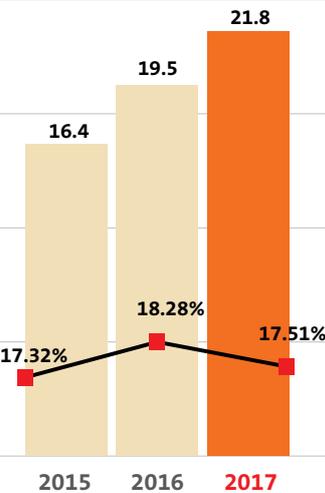
Rp trillion, except %



■ Third Party Deposits  
■ Loan to Deposit Ratio (LDR)

**Total Equity & Capital Adequacy Ratio (CAR)**

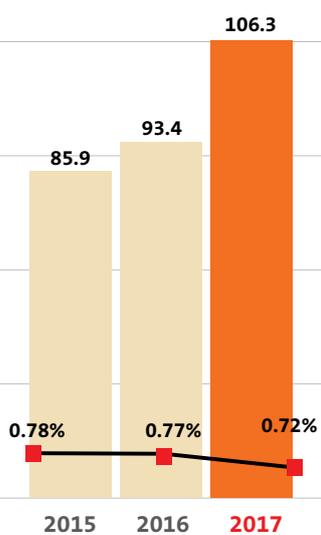
Rp trillion, except %



■ Total Equity  
■ Capital Adequacy Ratio (CAR)

**Loan – Gross & Non Performing Loan (NPL) – Net**

Rp trillion, except %



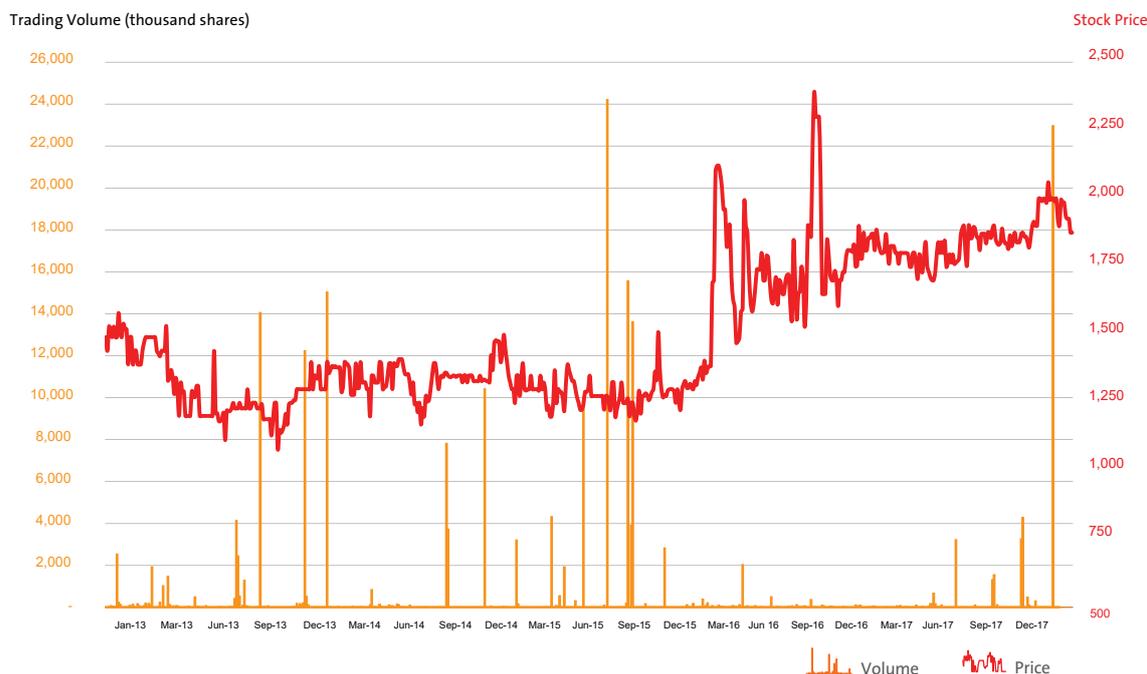
■ Loan – Gross  
■ Non Performing Loan (NPL) – Net

# Stock Highlights

## Share Price Highest, Lowest & Closing, Trading Volume, Market Capitalization and Outstanding Shares

	Year	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Highest (Rp)	2017	1,900	1,840	1,900	2,320
	2016	1,325	1,510	2,120	2,750
Lowest (Rp)	2017	1,605	1,700	1,750	1,800
	2016	1,185	1,210	1,300	1,530
Closing (Rp)	2017	1,870	1,800	1,865	1,875
	2016	1,185	1,225	1,675	2,070
Trading Volume (thousand shares)	2017	627	1,470	6,372	31,357
	2016	57,504	3,006	3,538	1,241
Market Capitalization (Rp)	2017	21,239,250,589,920	20,444,198,428,800	21,182,461,149,840	21,296,040,030,000
	2016	13,459,097,298,960	13,913,412,819,600	19,024,462,426,800	23,510,828,193,120
Total Outstanding Shares	2017	11,472,648,486	11,472,648,486	11,472,648,486	11,472,648,486
	2016	11,472,648,486	11,472,648,486	11,472,648,486	11,472,648,486

## Graph of Closing Price and Trading Volume for the last 5 Years



## Dividend Summary

Description	2003	2002	2000
Net Income (Rp)	176,745,526,506	92,364,173,665	60,290,000,756
Total Shares	4,133,979,422	4,052,921,001	1,215,876,301
Cash Dividend per Share (Rp)	10	1	15
Cash Dividend (Rp)	41,339,794,220	4,052,921,002	18,238,144,515
Stock Dividend (Rp)	-	16,211,684,008	-
Total Dividend (Rp)	41,339,794,220	20,264,605,010	18,238,144,515
Dividend to Net Income (%)	23.39	21.94	30.25

2004 - 2016: No dividend distributed as shareholders agreed to reinvest all profit for business development

# Significant Events 2017



**January**

In order to broaden the financial inclusion in Eastern Indonesia, Bank OCBC NISP opened an office in Kupang, East Nusa Tenggara. The inauguration ceremony was held by Vice Governor of NTT – Drs. Benny Alexander Litelnoni, S.H.,M.Si and was attended by local regulators.



**February**

Bank OCBC NISP launched Voyage Credit Card for high affluent customers (business owner, professional, and executive), with premium concierge facility, especially for travel and lifestyle.



**March**

To commemorate International Women's Day, Bank OCBC NISP in cooperation with OCBC Group presented "Mural Collage Showcase" by collecting several inspirational story of women figure who give great contributions to the life and community.



**April**

Bank OCBC NISP held One Wealth Event with the theme of "Go Inside Get Insight", aiming at delivering added value to maximize investments of customers and wide community after Tax Amnesty, with, Luhut Binsar Panjaitan, Coordinating Minister for Maritime Affairs appeared as Key Note Speaker.



**May**

Bank OCBC NISP strengthened its position as one of the leading wealth management service provider in Indonesia by introducing Private Banking service to provide comprehensive and thorough financial solution for high networth customers.



**June**

The grand opening of Danau Sunter branch. Bank OCBC NISP relocated Sunter Podomoro branch to Danau Sunter in order to provide a better service and deliver "ONE STOP SOLUTION" service for all customer segments.



**July**

Bank OCBC NISP received 5 awards from Asian Banking & Finance Banking at Retail Banking Magazine and Wholesale Banking Award in Singapore.



**August**

Bank OCBC NISP launched “2017 Poin Seru” Program, which aim to enhance daily banking activities such as savings, payment and purchase via internet or mobile banking, debit card transactions, and purchase of wealth management products such as Bancassurance and Online Mutual Fund.



**September**

OCBC NISP Service Award – Awarding the employees and branch offices that succeeded in delivering the best services to customers.



**October**

Conducted Career Fair to deliver thorough information on the existing functions at Bank OCBC NISP to employees and college students of selected Universities as the Bank's commitment to meet the employees' need in preparation of their career development.



**November**

Extraordinary General Meeting of Shareholders (EGMS) was held on November 1, 2017 appointed Betti S. Alisjahbana as Independent Commissioner with effective date after receiving FSA approval until the closed of Annual GMS in 2020.



**December**

Bank OCBC NISP was named as The Most Trusted at Corporate Governance Award based on CGPI (Corporate Governance Perception Index) from IICG (Indonesian Institute for Corporate Governance).

# Controlling Shareholder's Profile



## CONTROLLING SHAREHOLDER'S PROFILE: OCBC BANK

Since 2005, OCBC Overseas Investment Pte. Ltd. as a subsidiary of Oversea-Chinese Banking Corporation Limited (OCBC Bank) has become the majority shareholders, with ownership per end of 2017 at 85.1%. Since then, OCBC Bank as the controlling shareholder has constantly provides strong support to Bank OCBC NISP.

OCBC Bank is the longest established Singapore bank, formed in 1932 through the merger of three local banks, the oldest of which was founded in 1912. It is the second largest financial services group in Singapore by assets, with total assets of S\$455 billion as of December 31, 2017. OCBC Bank is listed on the SGX-ST, and is one of the largest listed companies in Singapore by market capitalisation. Its market capitalisation was close to S\$52 billion as of December 31, 2017, based on the closing price of its ordinary shares. OCBC Bank is one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, financial and wealth management services specialist, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services. OCBC Bank employs more than 29,000 staff globally, has banking operations in 18 countries and regions including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Macao, Taiwan, Thailand, South Korea, Japan, Australia, the United Kingdom, and the United States. OCBC Bank's key markets are Singapore, Malaysia, Indonesia, and Greater China. As of December 31, 2017, OCBC Bank had a global network of over 600 branches and representative offices, including more than 50 branches in Singapore, over 40 branches in Malaysia, 338 branches and offices in Indonesia, and more than 100 branches and offices in Hong Kong, China and Macao under OCBC Wing Hang.

OCBC Bank's other financial services, such as insurance, private banking, asset management and stockbroking, are conducted mainly through its subsidiaries. Its 87.90%-owned insurance subsidiary, Great Eastern Holdings Limited, which is listed on the SGX-ST, is the oldest and most established life insurance group in Singapore and Malaysia. Great Eastern Holdings' asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia. Private banking services are provided by wholly-owned subsidiary Bank of Singapore had assets under management of US\$99 billion as of December 31, 2017.

## SUPPORT FOR BANK OCBC NISP

OCBC Bank continues to support Bank OCBC NISP in broadening its individual banking propositions including expanding affluent segments as well as through sharing of expertise in all fronts, including such areas as product management, marketing, branding, channel delivery, risk management, audit, information technology and operational platforms and processes, while improving operational excellence.

Several milestones have been achieved over the years through the close collaboration between OCBC Bank and Bank OCBC NISP, including: speedy remittances between Singapore and Indonesia aside from a joint ATM link-up in Singapore and Indonesia; rollout of a comprehensive consumer wealth management platform, including collaboration with PT OCBC Sekuritas Indonesia and Great Eastern Life; launch of Private Banking, Premier Banking services and credit card products; the launch of a local version of OCBC Bank's award winning Velocity@ocbc cash management platform at Bank OCBC NISP and adoption of OCBC Bank's successful business model for small emerging enterprises with an emphasis on efficient processes and simple, quick and convenient products and services. To help nurture a service excellence culture, OCBC Bank has also rolled out its customer engagement and quality training programs to Bank OCBC NISP staff. Various staff of Bank OCBC NISP have also benefited from the staff attachment program at OCBC Bank. OCBC Bank also lends support and guidance through its representation on Bank OCBC NISP's Board of Commissioners (Samuel Nag Tsien - CEO and Lai Teck Poh - Director).

## Letter from Group CEO OCBC Bank



Through a balance and sustainable strategy executed consistently, total assets and third party fund of Bank OCBC NISP grew higher than the average industry.

Samuel Nag Tsien  
Group CEO OCBC Bank - Singapore

### DEAR ESTEEMED SHAREHOLDERS,

I am very delighted to share with you that Bank OCBC NISP delivered another successive year of record net profit in 2017. This was achieved through the consistent execution of its balanced and sustainable growth strategy. Total assets and third party funds both grew at a rate higher than the industry average, while the Bank continued to maintain its strong liquidity position, robust capital ratios and healthy asset quality. Disciplined risk management practices have also reaffirmed Bank OCBC NISP's sound financial standing, as evidenced by its AAA corporate ratings from Fitch Ratings Indonesia and Pefindo, which are the highest credit ratings awarded to companies in Indonesia.

A distinguishing hallmark of Bank OCBC NISP is its commitment to sustainable business practices. This was evidenced by the several well-regarded awards it received in recognition of its dedication to upholding the highest standards of corporate governance. It is also gratifying to see Bank OCBC NISP's extensive Corporate Social Responsibility activities benefiting society in many areas of education, social community and environment.

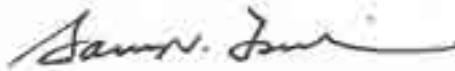
The very strong culture of collaboration between OCBC Group and Bank OCBC NISP was maintained through the ongoing sharing of expertise, market knowledge and leveraging of capabilities in areas of branding and marketing, product development, audit, risk management, information technology and operations. For example, synergistic values were harnessed when the wealth management footprint was expanded in Indonesia, following the launch of onshore private banking services, which marked a significant milestone for both OCBC Group and Bank OCBC NISP.

2017 was a momentous year for OCBC Group as we celebrated the 85<sup>th</sup> anniversary of OCBC's incorporation in 1932. We are proud of our reputation as a trusted financial institution which is built on prudence, integrity and trustworthiness. I am also pleased to report that OCBC Group achieved a very strong set of earnings in 2017, of which our net profit after tax crossed the S\$4 billion mark for the first time to reach S\$4.15 billion. Our robust performance was driven by sustained growth momentum across the Group's three business pillars of banking, wealth management and insurance. Together with Bank OCBC NISP, all our major banking and insurance subsidiaries reported increased earnings during the year. The Group's loan growth was broad-based, and fee income and insurance income both grew strongly. We also prudently set aside sufficient allowances for loans and further strengthened our capital, liquidity and funding positions.

Looking forward, sentiments in the region have been raised by strong economic indicators and improved business confidence, which have propelled renewed optimism in our key markets. OCBC Group will continue to deliver sustainable growth across our diversified business lines and invest in our franchise, while remaining vigilant to geopolitical events and financial market volatilities.

I would also like to take the opportunity to extend my sincere appreciation to Bank OCBC NISP's respected customers and shareholders for your unfailing trust and support. My heartfelt thanks also go to the Board of Commissioners, Board of Directors, management and employees of Bank OCBC NISP, for your dedicated efforts in making this a remarkable year of performance.

Sincerely yours,



**SAMUEL NAGTSIEN**

Group CEO OCBC Bank - Singapore

# Report of the Board of Commissioners



Although the economic conditions were very challenging over the past few years, Bank OCBC NISP managed to keep the asset quality very well so that the Bank can still grow dynamically and continuously.

**Pramukti Surjandaja**  
President Commissioner

## DEAR RESPECTED SHAREHOLDERS,

The Indonesian GDP growth was relatively stable compared to other regional countries in 2017, buoyed by supportive global economics and a stronger domestic condition as a result of economic structural reformation which was ongoing and gradually commenced to give positive impact.

The investment growth rose to the highest level for the past three years, mainly affected by the increase of investment performance, both building and non-building investment. The performance of building investment increased in accordance with the construction development of private sector and the government's infrastructure projects. The growth performance of non-building investment remained high along with the high and positive commodity prices, although the growth of consumption sector was relatively flat which was possible due to the adjustments related to the economic reformation which will take much time to realize the impact.

On national banking sector, despite the pressure such as the increase in non performing loan, the banking industry remained healthy with capital ratio far above the requirement. The credit distribution and third party fund growth also remained positive, mainly driven by the optimism of a better economic condition in 2017 over the previous year as well as the interest rate reduction along with the monetary policy ease.

## ASSESSMENT ON BANK AND BOARD OF DIRECTORS PERFORMANCE

The Board of Commissioners has performed its oversight duties and provided advice to the Board of Directors, to ensure that Bank's operational activities have been carried out in accordance with the approved business plan and the enforcement of effective and sound corporate governance practices at all levels of the organization. The Board of Commissioners performed its duties, among others, through formal, informal and periodic joint meetings of the Board of Commissioners with the Board of Directors and through the empowerment of various committees supporting the Board of Commissioners, such as Audit Committee, Risk Monitoring Committee, Remuneration and Nomination Committee, and Integrated Governance Committee that allowed the Board of Commissioners to direct, oversee and evaluate the Bank's strategic initiatives and policies, including to ensure that the Board of Directors has taken followed up actions on the audit findings and recommendation of internal audit, public accountant, supervision results of Financial Services Authority (FSA) and other supervisory authorities.

Based on the oversight results during 2017, the Board of Commissioners is of the view that the Board of Directors has carried out the business plan strategies very well. The Board of Commissioners expresses an appreciation to the Board of Directors that has consistently achieved a healthy growth and sustainable performance. Such growth and performance were relatively better compared to peer banks amidst the challenging condition.

Bank OCBC NISP has successfully recorded a net income of Rp2.2 trillion, a 22% increase from the previous year or reaching out 101% of set target. ROA and ROE ratios stood at 2.0% and 10.7%, respectively, higher than previous year's ROA and ROE of 1.8% and 9.8%, respectively.

At the end of 2017, total assets stood at Rp153.8 trillion or grew by 11% over the end of 2016. In distributing the credit, Bank OCBC NISP has carried out well its intermediary functions as can be seen in the realization of credit distribution of Rp106.3 trillion at the end of 2017 or rose by 14% from the previous year. Gross Non-Performing Loan Ratio was maintained at 1.8%, much lower than the NPL Ratio of banking industry at 2.6%.

By the end of 2017, the third-party funds reached Rp113.4 trillion or grew by 10% from the previous year.

The healthy level of the Bank's capital was still well maintained as reflected in CAR ratio of 17.5% at the end of 2017, higher than minimum requirement of CAR ratio set by the regulator.

## OVERSIGHT ON STRATEGY IMPLEMENTATION

Bank OCBC NISP's strategic priorities in 2017 includes the following by:

1. Strengthening the Bank's business model.
2. Continuing transformation in various fields, among others to keep improving productivity and effectiveness of customer services.
3. Improving capacity and capability, both in the field of human capital as well as operational and technology.
4. Executing three lines of defense effectively.
5. Strengthening brand.
6. Optimizing synergy with OCBC Group.

The above-mentioned strategies have been well executed, so as in 2017 Bank OCBC NISP successfully demonstrated a healthy growth supported by a well-maintained credit quality.

## ACTIVITIES OF THE BOARD OF COMMISSIONERS AND THE COMMITTEES UNDER THE BOARD OF COMMISSIONERS

During 2017, the committees under the Board of Commissioners have performed well. The Audit Committee, Risk Monitoring Committee, Remuneration and Nomination Committee, and Integrated Governance Committee have monitored and overseen the development of Bank OCBC NISP including the Board of Directors' performance, among others to ensure the compliance at each level of organization with the prevailing rules and regulations as well as the implementation of GCG.

The Audit Committee has supported the Board of Commissioners through an effective review and supervision on the aspects of

transparency, accountability and compliance. These were done among others by ensuring the implementation of financial reporting in accordance with the applicable accounting standards, conducting review and evaluation to ensure an independent and objective process of internal and external audit, monitoring the adequacy of internal control system as well as a sound corporate governance practices.

The Risk Monitoring Committee has significantly contributed, among others, through the review of and provide recommendation on risk management policies, the monitoring of the proper implementation of duties of an independent risk management unit and provide recommendation on relevant matters requiring the attention of the Board of Commissioners.

The Nomination and Remuneration Committee has delivered a strong contribution by providing input and recommendation on remuneration policies, nomination, performance evaluation, and the enforcement of a proper remuneration system in accordance with the prevailing regulation as well as performing the job function well in terms of nominations.

In performing the financial conglomeration and the Bank's role as Main Entity, Integrated Governance Committee has contributed to support the Board of Commissioners of Main Entity in evaluating and providing recommendation on the implementation of integrated governance, among others, through the assessment of the adequacy of integrated internal control and the adequacy of the implementation of integrated compliance function.

The oversight duties of the Board of Commissioners on the Board of Directors' duties and responsibilities were conducted in accordance through formal, informal and periodic joint meetings with the Board of Directors. At the joint meetings, the Board of Commissioners directed, supervised and evaluated the implementation of the Bank's strategic policies and initiatives.

In addition to periodic meeting, the Board of Commissioners also held additional meetings with Board of Directors to discuss on going strategic issues. To obtain information about the implementation of corporate governance and the current condition at the branch level, the Board of Commissioners conducted site visit to branch offices and held an interactive discussion with the local employees and customers.

## EVALUATION ON THE IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

It is recognized that the oversight on GCG implementation plays a critical role to achieve a sustainable growth and performance, so the Board of Commissioners' oversight on the GCG implementation has carried out through committees under the Board of Commissioners by using a holistic and strategic approach. Each committee, within

its scope of duties, provided significant contribution for the quality improvement of GCG implementation. Accordingly, through the empowerment of its committees, the primary focus of Board of Commissioners' attention has been directed toward the effective and sound practices of GCG underpinned by the GCG principles.

The Bank has conducted self-assessment on GCG implementation for the period of January-June 2017 and July-December 2017 in accordance with Circular Letter of No. 13/SEOJK.03/2017 dated 17 March 2017 on the Implementation of Governance for Commercial Banks. The assessment result indicated composite score of 1 with a "Very Good" predicate, reflecting that the Bank Management has well-implemented GCG. This implies an adequate compliance with Governance principles, despite a few insignificant weaknesses were noted which have been immediately improved by the Management.

To implement Risk Management for Commercial Banks in accordance with Financial Services Authority Regulation No. 18/POJK.03/2016 on Implementation of Risk Management for Commercial Banks and Circular Letter No. 34/SEOJK.03/2016 on Implementation of Risk Management for Commercial Banks, Bank OCBC NISP has conducted assessment and reported the composite risk profile based on Risk Based Bank Rating (RBBR) approach to the Financial Services Authority.

On the oversight on internal control system, risk management and governance, the Board of Commissioners paid enormous attention, through the Audit Committee and Risk Monitoring Committee, to constantly carry out the monitoring on regular basis to ensure that the Board of Directors has taken follow up actions to address each of the audit findings and recommendation from internal audit, public accountant, Financial Services Authority and other supervisory authorities as well as monitoring to ensure that risk management implementation is in compliance with risk policies, risk appetite and risk tolerance.

#### OVERVIEW ON THE IMPLEMENTATION OF WHISTLEBLOWING SYSTEM (WBS)

Whistleblowing is a facility to report an abuse of authorities, fraud or violation of code of conducts done by the employees that may disserve the Company. The Bank develops a whistleblowing program to encourage employees from low level to top level to report the infringements without feeling insecure. The whistleblowing report then will be processed by the authorized unit. The Board of Commissioners is really concerned about the implementation of the Bank's whistleblowing program. The role of the Board of Commissioners has been seen by the direction and support in socialization to constantly strengthen the existing whistleblowing channel. The Board of Commissioners is in the opinion that the whistleblowing program has been better carried out which can be seen from the increase of the usage.

#### CHANGES TO THE COMPOSITION OF THE BOARD OF COMMISSIONERS

We would like to express our deepest appreciation and gratitude to Roy A. Karaoglan who had served the Bank for more than 13 years as Independent Commissioner and retired due to maximum age limit. His very high dedication and contributions were really tremendous and meaningful to the Bank.

Based on the approval of Annual General Meeting of Shareholders dated 30 March 2017 and Extraordinary General Meeting of Shareholders dated 1 November 2017, as well as FSA approval, the Bank has appointed Hardi Juganda as Independent Commissioner effective as of 27 November 2017 and Betti S. Alisjahbana as Independent Commissioner effective as of 7 December 2017.

Therefore, the composition of the Board of Commissioners is as follows:

- President Commissioner : Pramukti Surjaudaja
- Deputy President Commissioner : Peter Eko Sutioso (Independent)
- Commissioner : Samuel Nag Tsien
- Commissioner : Lai Teck Poh (Dua Teck Poh)
- Independent Commissioner : Jusuf Halim
- Independent Commissioner : Kwan Chiew Choi
- Independent Commissioner : Hardi Juganda
- Independent Commissioner : Betti S. Alisjahbana

#### BUSINESS PROSPECT IN 2018

In general, a favorable external environment, healthy fundamental and structural reformation progress supports the Indonesian economic development in 2018.

The economic growth is expected to rise above 5%, sustained by the combination of both an increasing export and investment performance.

The export growth is expected to remain robust in 2018, driven by a strong external demand in line with a rapid global economic growth and global trade rebounds.

The investment acceleration in line with the recovered commodity prices, the increase of investor trust buoyed by Investment Grade climb and the decline in commercial credit interest rate.

Private consumption is also expected to increase in line with a moderate inflation, stable currency, stronger consumers' trust and low consumer credit interest rate. In this case, inflation is expected to increase within the 4% range, with the assumption of no extreme weather that will disrupt food production.

The banking industry will be improved in operation environment and assets quality, primarily advocated by economic growth, pro-business macroeconomic policy and commodity prices improvement.

With the improved business condition, a safe banking capital adequacy ratio in Indonesia, and the highest net interest margin among the Emerging Markets, giving a robust buffer to muffle the assets quality reduction. The funding and liquidity in banking system are expected to be stable in favor of credit expansion.

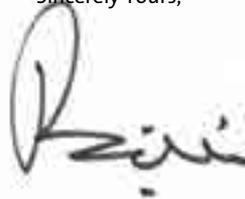
However, we constantly encourage the Board of Directors to promote the prudence principles to execute strategy priority in the following year, albeit the pressure of non-performing loan in national banking industry is expected to keep going down.

### APPRECIATION

We would like to take this opportunity to extend our gratitude and deepest appreciation for the support and trust from our customers, shareholders, and Bank OCBC NISP's family, Bank Indonesia, and Financial Services Authority as well as other stakeholders which have given their trust, support, and dedication so that Bank OCBC NISP may continue to grow sustainably.

We expect that Bank OCBC NISP may grow sustainably to become the world class bank of choice, reliable and keeps supporting the progress of economic development in Indonesia.

Sincerely Yours,



**PRAMUKTI SURJAUDAJA**  
President Commissioner

# Report of the Board of Directors [G4-1]



Bank OCBC NISP has succeeded in obtaining a total net income of Rp2.2 trillion in 2017. Total assets of Bank OCBC NISP grew by 11% to Rp153.8 trillion. Those achievements assigned Bank OCBC NISP as the ninth largest national bank by total assets with a market share of 2.1%.

**Parwati Surjaudaja**  
President Director

## DEAR VALUED SHAREHOLDERS,

The growth of Gross Domestic Product in 2017 reached 5.1%, driven by the investment mainly in infrastructure, transportation and energy which were supported by monetary policy, deregulation as well as the increase in export and import performance due to the increase in commodity prices and the improvement of regional trading.

The inflation rate was also maintained along with the low increase of food prices due to supportive weather condition as well as the government's efforts to solve the problems on regional supply. The Rupiah currency was relatively stable, and gave minimum impact to the volatility price at the market. The positive trade balance also supported the improvement on payment balance.

Particularly in banking industry, the stability of financial system was also intact. Although the asset quality of banking industry remains a concern due to the economic slow down for the past few years, the low loan to GDP ratio and adequate banking industry capital level, have limited the systemic risk to macroeconomics. The risk for corporate credit denominated in foreign currencies was also reduced in line with the implementation of regulations that required hedging on foreign currency exposure.

## STRATEGIC POLICY

Bank OCBC NISP has successfully recorded positive performances in 2017, by formulating the strategic priorities such as:

1. Strengthening the Bank's business model and improving customer experience in all service channels.
2. Continuing the transformation in the field of human capital (people), process and technology.
3. Enhancing the capacities and capabilities, including by integrating infrastructure of Operation & IT to develop competitive excellence.
4. Executing three lines of defense effectively.
5. Strengthening the brand identity and harmonizing the internal and external communications.
6. Optimizing synergy with OCBC Group through best practice sharing and capability transfer including rolling out the Private Banking.

## COMPARISON OF ACHIEVEMENTS AGAINST TARGETS

The financial performance in 2017 indicated that Bank OCBC NISP continued to grow sustainably amidst of the global and domestic challenges. The Bank's strategy has enabled the Bank to improve the market share in Total Assets, Loans and Third Party Fund.

Bank OCBC NISP has succeeded to continuously post encouraging results and achieved 2017 business target as reflected in net income of Rp2.2 trillion in 2017 or rose by 22%. Total assets grew by 11% to Rp153.8 trillion. These achievements allowed the Bank to become the ninth largest national bank by total assets with market share of 2.1%.

Total gross loans which represented 69% of total assets also grew by 14% to Rp106.3 trillion, exceeding the average growth of the industry, which was supported by strong growth in Small Medium Enterprise and corporate segments, which resulted in the loan market share to approximately become 2.2% compared to 2.1% in the previous year. The good quality of assets was continuously maintained with gross non-performing loan ratio of 1.8% over the average industry of 2.6%.

From the funding side, total third party funds reached Rp113.4 trillion at the end of 2017, a growth of 10% over the previous year and translated to a market share of 2.1%. To diversify the source of fund, the Bank also managed to obtain medium term funding through the issuance of Sustainable Bond II Phase 2 and 3 with total value of Rp3.8 trillion for the tenure of 370 days until 3 years.

The total equity which was amounted to Rp21.8 trillion and the capital adequacy ratio which stood at 17.5% at the end of 2017 will support the business development in the future. In addition, as one of the Domestic Systematically Important Bank, Bank OCBC NISP has gained additional commitment from controlling shareholders on Recovery Plan in the form of long term capital support as needed.

With its solid fundamental, Bank OCBC NISP has maintained corporate rating “AAA” with stable outlook from reputable rating institutions, Fitch Ratings and Pefindo, also named as one of the Banks with highest credit rating in Indonesia in 2017.

Aligned with the journey, the Bank has made adjustment for the future Bank’s brand line, namely “**Bank OCBC NISP – With You**”. It is more than a tagline, it is a commitment of Bank OCBC NISP to constantly work side-by-side with customers as well as being a reliable companion.

Bank OCBC NISP earned numerous awards for its achievements during 2017, among others:

- Retail Banking and Wholesale Banking Award 2017 by Asian Banking & Finance Magazine, Singapore for the following categories:
  - Indonesia SME Bank of the Year
  - Indonesia International Retail Bank of the Year
  - Credit Card Initiatives of the Year
  - Indonesia Domestic Technology and Operations Bank of the Year
  - Indonesia Foreign Exchange Bank of the Year
- Indonesia Country Awards Program 2017 by The Asian Banker Magazine, Singapore, for the following categories:
  - Best SME Bank of The Year
  - Best Corporate Payment Project
- Best Performing Bank for BUKU III category at the Bisnis Indonesia Financial Award by Bisnis Indonesia.
- The Best Sharia Business Unit and The Best Bank in Retail Banking Services at the Indonesia Banking Award 2017 by Tempo Magazine.

## THE COMPANY’S CHALLENGES AND ITS SOLUTIONS

Amidst the challenging economic condition coupled with the tight competition in banking industry, the Bank has continued the business growth in line to the target, with good credit quality, 1.8% gross NPL at the end of 2017. The Bank has successfully implemented strategies that support a healthy and sustainable growth by holding on a prudent banking principle.

## BUSINESS PROSPECTS ANALYSIS

By 2018, the GDP growth is expected to reach around 5.4%. The improved Consumer Confidence Index and revenues are expected to accelerate growth of domestic consumption.

The combination of monetary policy and reformation of the government policy is expected to promote the growth of private sector. Public investment is expected to remain robust, in accordance with the government priority to build the infrastructures.

Deceleration of the economic growth in China, as the main trading partners, will restrain the export growth rate. However, the reformation of facilitating export and the efforts of boosting competitiveness are expected to compensate the slow down risk.

The inflation rate is expected to remain within the target range of Bank Indonesia. The regional geopolitics tension may affect the trust and regional trade condition which may impact the Rupiah currency, hence possibly drives more stringent monetary policy to muffle the inflation.

With the assumption of stable social, political and security condition, national banking is expected to grow 10%-12%. Bank OCBC NISP is targeting a 10%-15% growth while keeping on prudent banking principle as well as aligning with the direction of loan growth from the Regulator.

## ENHANCEMENT OF CORPORATE GOVERNANCE IMPLEMENTATION

Good Corporate Governance (GCG) is a key foundation of sustainable growth. Bank OCBC NISP has constantly made improvements, among others by upgrading the culture of compliance and risk concerns.

We are proud of being continuously committed to implement GCG to maintain the stakeholders’ trust and to build reputation and credibility of positive brand image. For which we have been recognized as:

- “The Most Trusted Company” for 6 (six) consecutive years at Corporate Governance Perception Index Award by Indonesian Institute for Corporate Governance (IICG).

- Top 50 Public Listed Companies for 4 (four) consecutive years and The Best Responsibilities of The Board for 4 (four) consecutive years based on ASEAN Corporate Governance Scorecard by Indonesian Institute for Corporate Directorship (IICD).
- Best Governed & Most Transparent Company based on The Global CSR Summit & Awards 2017 from The Pinnacle Group International.

### CORPORATE SOCIAL RESPONSIBILITY

In order to grow harmoniously and sustainably along with entire stakeholders, Bank OCBC NISP realizes its concern on social and environment through Corporate Social Responsibility activities focusing on education, social community and environment.

Moreover, the CSR programs of Bank OCBC NISP in the future will be developed and integrated into the Bank's strategy in order to enhance the scale of visible benefits from the long term CSR programs.

CSR program in education was conducted through Financial Literacy Socialization Program as a participation in "National Financial Inclusion Movement" held by Financial Services Authority (OJK) which teamed up with Karya Salemba Empat (KSE) in providing scholarships for state university students.

In social area, CSR programs aim at assisting the improvement of community welfare, among others renovation of public amenities in Kupang such as "Tanaka" futsal field and Taman Nostalgia basketball court, located in Futululi, Kelapa Lima – Kupang as well as working closely with Sharia Business Unit to organize "Mudik Asyik 2017".

### 2018 INITIATIVES

Bank OCBC NISP will continue to focus on achieving the vision and mission as well as the 2018 targets by formulating the designated strategy priority as follow:

1. Continue strengthening the business model of the Bank and optimizing internal synergy to improve customer satisfaction.
2. Optimizing synergy with OCBC Group through strategic collaboration and sharing best practices.
3. Continuing the transformation including Network, IT & Operation and Services.
4. Strengthening new brand platform and harmonizing internal and external communications.
5. Executing the three lines of defense effectively.

### CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS (IF ANY)

In 2017, there were no changes to the composition of the Board of Directors.

### APPRECIATION

To conclude, I would like to extend my profound gratitude and appreciation to all customers, shareholders, Board of Commissioners, Board of Directors, employees and Regulators for their full support and trust in Bank OCBC NISP throughout 2017.

We remain optimistic that discipline and harmonious synergy with the stakeholders will lead Bank OCBC NISP to constantly become a world class Bank of choice which delivers positive contribution to the society.

Sincerely Yours,



**PARWATI SURJAUDAJA**  
President Director

## Statement of the Board of Directors Regarding Responsibility for the 2017 Annual Integrated Report of PT Bank OCBC NISP Tbk

We, the undersigned, hereby declare that all information in the Annual Integrated Report of PT Bank OCBC NISP Tbk for the year 2017 have been presented in their entirety, and that we assume full responsibility for the accuracy of the contents of such Annual Integrated Report. This statement is duly made in all integrity.

Jakarta, 5 March 2018

### Board of Directors



**PARWATI SURJAUDAJA**  
President Director



**YOGADHARMA RATNAPALASARI**  
Managing Director



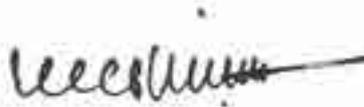
**RAMA PRANATA KUSUMAPUTRA**  
Managing Director



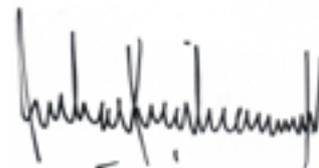
**EMILYA TIAHJADI**  
Managing Director



**HARTATI**  
Managing Director



**MARTIN WIDJAJA**  
Managing Director



**ANDRAE KRISHNAWAN W.**  
Managing Director



**JOHANNES HUSIN**  
Managing Director



**LOW SEH KIAT**  
Managing Director



**JOSEPH CHAN FOOK ONN**  
Managing Director

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Jakarta, 5 March 2018

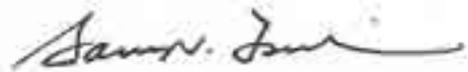
### Board of Commissioners



**PRAMUKTI SURJAUDAJA**  
President Commissioner



**PETER EKO SUTIOSO**  
Deputy President Commissioner  
(Independent Commissioner)



**SAMUEL NAG TSIEN**  
Commissioner



**JUSUF HALIM**  
Independent Commissioner



**LAI TECK POH (DUA TECK POH)**  
Commissioner



**KWAN CHIEW CHOI**  
Independent Commissioner



**BETTI S. ALISJAHBANA**  
Independent Commissioner



**HARDI JUGANDA**  
Independent Commissioner

# 03 COMPANY PROFILE



OCBC NISP

As the fourth oldest Bank in Indonesia and the ninth largest national Bank in terms of total assets with 2.1% market share, Bank OCBC NISP is committed to constantly grow and flourish with Customers and community, as well as endeavor to be the solution for each of your financial resolutions.

# Company Data (G4-3) (G4-5) (G4-6) (G4-7) (G4-9) (G4-16) (G4-31)

<b>Company Name</b>	PT Bank OCBC NISP Tbk		
<b>Head Office</b>	Jln. Prof. Dr. Satrio Kav. 25, Jakarta 12940 - Indonesia Tel: (021) 255 33 888, Fax: (021) 579 44 000		
<b>Country of Operation</b>	Republic of Indonesia		
<b>Structure of Stock Ownership</b>	OCBC Overseas Investment Pte. Ltd		85.08%
	Public		14.92%
	Total		100.00%
<b>Legal Entity</b>	Limited Liability Company		
<b>Scale of the Company in 2017</b>	Number of Employees:		6,477 person
	Number of Head Office:		1
	Number of Branch Offices:		46
	Number of Supporting Branch Offices:		249
	Number of Cash Offices:		24
	Payment Point:		8
	Sharia Branch Offices:		10
	Total Net Income:		Rp2.2 T
	Total Liabilities:		Rp132.0 T
	Total Equity:		Rp21.8 T
	Number of Products and Services:		170
<b>Contact of the Company</b>	Call OCBC NISP:	1500 – 999	
	Email:	For Customers:	callcenter@ocbcnisp.com
		For Shareholders and Investors:	ir@ocbcnisp.com
		For Regulators:	corporate.secretary@ocbcnisp.com
		For Public:	corporate.communication@ocbcnisp.com
	Website:	www.ocbcnisp.com	
<b>Date of Establishment</b>	4 April 1941		
<b>Participation in Associations</b>	<ul style="list-style-type: none"> <li>Perbanas (Indonesian Banks Association)</li> <li>ICSA (Indonesian Corporate Secretary Association)</li> <li>AEI (Association of Indonesia Listed Companies)</li> </ul>		
<b>Legal Basis of Establishment</b>	Deed No.6 made before Notary TH. J. INDEWEY GERLINGS dated April 4, 1941 and ratified by Minister of Law and Human Rights.		

## The Company's Name and Logo Changes



**1941-1971**

Established under the name of NV Nederlandsch Indische Spaar En Deposito Bank (NISP).



**1972-1994**

- The abbreviation of NISP was changed to Nilai Inti Sari Penyimpan.
- In 1978, NISP was no longer an abbreviation, but became the Bank's name called NISP Bank.



**1994-2008**

Use new Logo along with share listing at the Stock Exchange



**2008–present**

Launched a new name called Bank OCBC NISP.

## Brief Profile of the Company

Bank OCBC NISP (previously known as Bank NISP) or further mentioned as “Bank” is the fourth oldest bank in Indonesia, established on April 4, 1941 in Bandung under the name of NV Nederlandsch Indische Spaar En Deposito Bank.

The existence of Bank OCBC NISP in Indonesia’s banking industry for more than 76 years is associated with the role of Karmaka Surjaudaja and Lelarati Lukman.

Karmaka Surjaudaja commenced to manage Bank as Director of Operational in 1963. Despite the Indonesia’s tempestuous economic condition at that time, the Bank has managed to grow and was able to overcome several crisis such as ‘sanering’ in 1965.

This success story has led the appointment of Karmaka Surjaudaja as the President Director from 1971 to 1997 and the President Commissioner in 1997 to 2008.

The success of Karmaka Surjaudaja was inspired by his wife, Lelarati Lukman, who has faithfully supported in managing the Bank. She served as a Commissioner from 1982 to 2011.

For more than 40 years of their remarkable dedication and sacrifice, Karmaka Surjaudaja and Lelarati Lukman were awarded the title of Chairman Emeritus and Commissioner Emeritus as well as Senior Advisor of Bank OCBC NISP in 2008. Since 2015, they were commended as Founding Chairman and Founding Chairwoman.

Although they are no longer holding the structural positions, but the foundation, values and culture which they had implemented has remained in the hearts of the entire family of the Bank.

Since its establishment, the Bank has been upholding prudence principle and focusing on serving the Small and Medium Enterprises (SME). In 1967, the Bank raised their status of operation from saving bank into commercial bank.

The raising status was supported by the success of the company to keep growing amid the unprecedented economic and political conditions at that time. In line with that achievement, the Bank has raised its status to a foreign exchange bank in 1990.

In order to anticipate the market’s wider transparency and competition, as well as to strengthen the capital structure, the Bank listed its shares on Indonesian Stock Exchange (formerly Jakarta Stock Exchange) in 1994. The action rendered the Bank as a public company.

The Bank’s Articles of Association were also amended several times, of which the latest was Deed No. 33 Dated April 9, 2015, made before Fathiah Helmi, SH, a Notary in Jakarta. The deed was recorded by the Directorate General of General Law Administration – Ministry of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0929451 dated May 5, 2015 which has been registered in the Company Register No. AHU-3500716.AH.01.11. of 2015 dated May 5, 2015.

In the late 1990s, Indonesia was hit by severe economic crisis, especially the banking industry. Nevertheless, the Bank successfully overcame the most critical condition called ‘the worst banking meltdown’ by the World Bank. Aside from its ability to survive with no support from the government recapitalization program, the Bank also became one of the pioneer banks which continuously able to run its intermediary function to provide loans during the crisis.

With the Bank’s quality and potential, Regent Pacific Private Equity (RPPE), a London based investment company, supported the Bank’s development by increasing its equity to almost twice through the issuance of Zero-Coupon Mandatory Exchangeable Notes to the founding shareholders.

The additional capital initiative enabled the Bank to record high growth without forfeiting the Bank’s positive quality and reputation. The Bank’s well-known reputation in the market and its promising growth had attracted attention from various international institutions, such as International Finance Corporation (IFC), part of the World Bank Group, which provided a long-term loan to the Bank in 1999 and became the Bank’s shareholder during 2001 – 2010.

In addition, since early 1990s, The Netherlands Development Finance Company (FMO) provided long-term loans to be distributed to Small and Medium Enterprises (SME) segment.

In 1997, OCBC Bank – Singapore selected Bank NISP to become a local partner in the establishment of Bank OCBC NISP (later renamed as OCBC Indonesia), subsequently became a shareholder in 2004. OCBC Bank – Singapore raised its shares through acquisitions and tender offer to become majority shareholder since 2005.



OCBC Bank - Singapore currently owns 85.1% stakes in the Bank. Supported by OCBC Bank - Singapore, the Bank successfully strengthened its infrastructure, including human capital, information technology, risk management, branch office network and internal audit.

In 2005, Bank OCBC NISP's Head Office was relocated to Jakarta which aimed at facilitating direct access to business center in Indonesia. In 2008, as part of its long-term strategies and to increase the brand as well as the support of the controlling shareholder, NISP Bank adopted a new name of "Bank OCBC NISP", followed by cultural reinforcement and basic policy implementation within the organization.



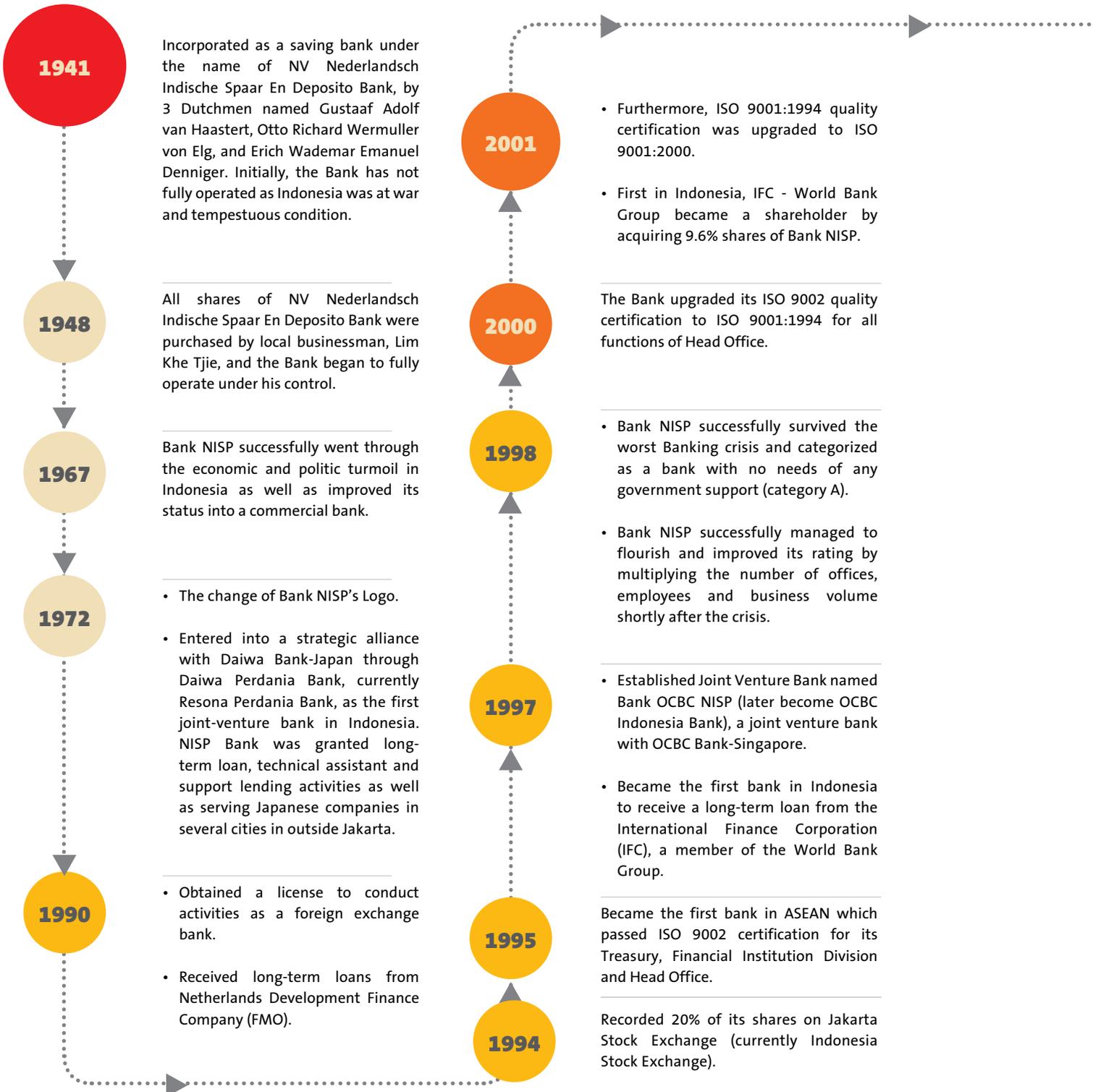
In 2011, the Bank entered a key milestone after OCBC Bank Singapore consolidated their business strategy in Indonesia by merging its subsidiaries, Bank OCBC Indonesia into Bank OCBC NISP.

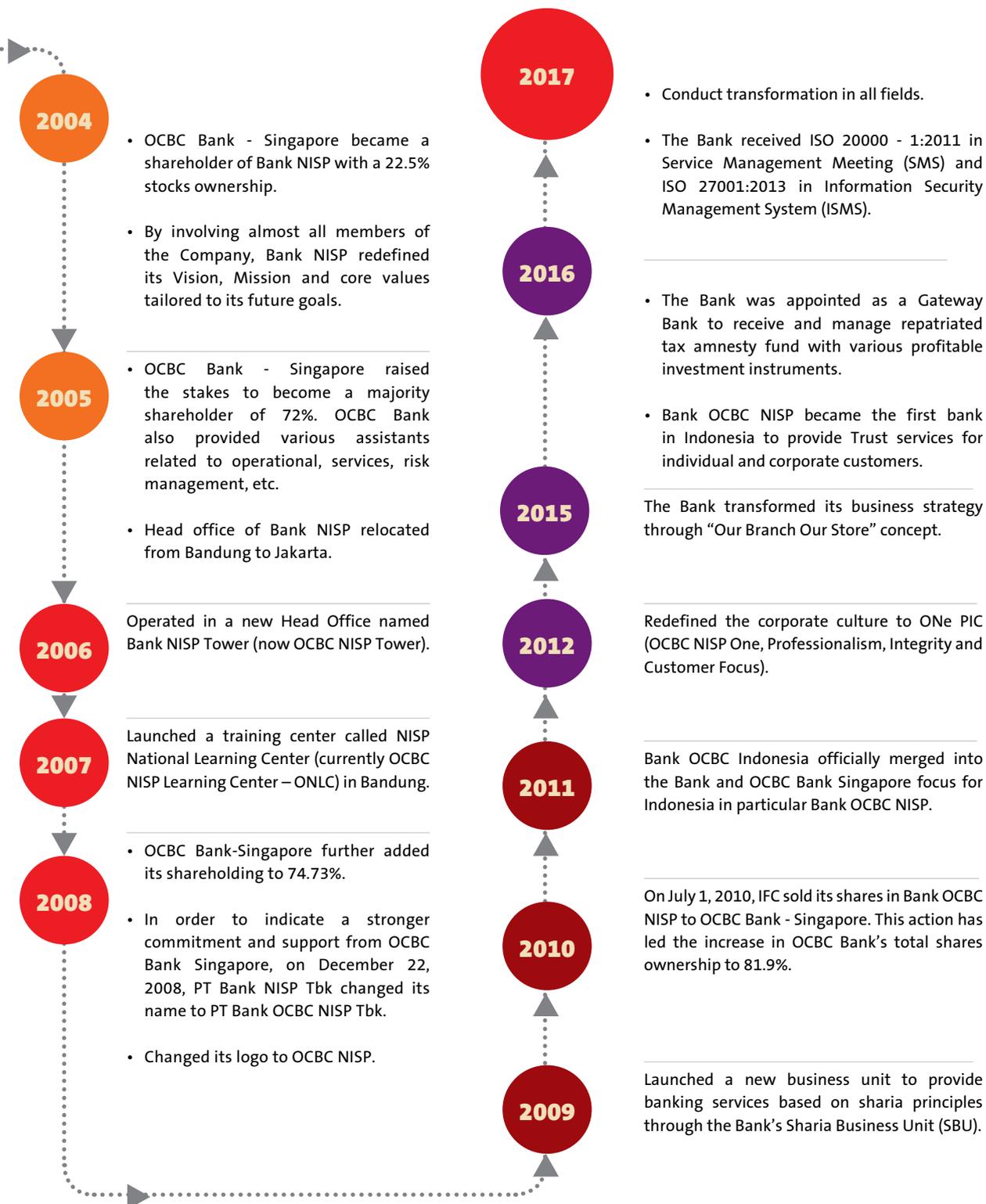
The merger has demonstrated a full commitment from OCBC Bank – Singapore as the majority shareholder, to focus on supporting Bank OCBC NISP. In order to strengthen the Bank's cultural foundation, in 2012, the Bank adapted its corporate culture with current circumstances and future possibilities. The new corporate culture named "ONE PIC", has served as a guideline for all employees' daily behaviour and work. ONE PIC is the abbreviation for Bank OCBC NISP One, Professionalism, Integrity and Customer Focus.

Furthermore, in line with market demand, the Bank has strengthened its products and services diversity by establishing Sharia Business Unit since October 12, 2009.

This culture is consistently applied to all levels within the Bank's organization, consisting of 6,477 employees. ONE PIC has also become a motivation for the employees to serve customers at 338 offices scattered in 61 cities throughout Indonesia.

# Milestone





# The Meaning of Bank OCBC NISP Logo and Brand



Bank OCBC NISP appears with a new tagline **“OCBC NISP With You”**. Beyond a tagline, With You is a commitment of Bank OCBC NISP to constantly walk side-by-side with the customers to turn out a reliable partner.

The Bank’s “With You” tagline is a visible form of Bank OCBC NISP’s **“Mutual Growth Driven By Knowledge”** brand essence. As the Bank which grows along with its customers, Bank OCBC NISP openly understands the aspiration of each customer and sincerely shares the knowledge to deliver the right solution for the customers’ improvement.

The new branding platform of Bank OCBC NISP was rolled out in September 2017, coupled with the “Anda + Kami Setuju Satu Tujuan” (You + We Agree One Purpose) thematic campaign, demonstrating a commitment of Bank OCBC NISP to constantly walk hand-in-hand with the customers towards one common purpose.

This campaign was followed by a series of “Anda + Kami Dua Karsa Satu Karya” (You + We Two Intentions One Creation) thematic campaign emphasized that Bank OCBC NISP understood and recognized the customers’ potential. Bank OCBC NISP constantly combines the expertise and knowledge of Bank OCBC NISP with customers’ potential which will deliver a masterpiece.

The series of thematic campaigns affirm the commitment of all parties at Bank OCBC NISP to build long-term relationship with customers based on the mutual growth driven by knowledge principle.

# Line of Business [G4-4]

## PERFORMED BUSINESS ACTIVITIES

Commercial Bank and the Bank that perform activities based on Sharia Principles.

## BUSINESS ACTIVITIES ACCORDING TO THE LATEST ARTICLES OF ASSOCIATION

According to the Deed of GMS Resolution of PT Bank OCBC NISP Tbk No. 33 dated April 9, 2015 Section 3, the purpose, objectives, and business activities:

1. Doing business both commercial banking including sharia principles-based banking activities in accordance with prevailing regulations and legislations.
2. To achieve such objectives, the Bank can perform the following activities:  
Main Business Activities:
  - 1) Mobilizing funds from the public in the form of deposits, including demand deposits, time deposits, certificate of deposit, savings and/or other equivalent form.
  - 2) Provide long-term or medium-term loans, or any other form in the banking industry.
  - 3) Issue notes.
  - 4) Purchase, sell or guarantee against its own risk and for the benefit of and at the instruction of its customers include:
    - a. Bills of exchange
    - b. Notes and other commercial paper
    - c. Treasury bills and government guarantees
    - d. Certificate of Bank Indonesia (SBI)
    - e. Bonds
    - f. Commercial paper with maturity date
    - g. Instruments of other securities with maturity date.
3. To support the main business activity, the Bank can conduct supporting activities such as:
  - 1) Provide a place to safe keep the goods and securities.
  - 2) Conduct custodian activities for the benefit of other party under a contract.
  - 3) Undertake trusteeship.
  - 4) Conduct equity participation in banks or other corporates in financial sector
  - 5) Act as founder and management of pension fund.
  - 6) Organize other businesses which are commonly performed by a commercial bank to the extent not against the prevailing laws and regulations.
- 5) Transfer money either for own behalf or for the benefit of customers.
- 6) Place funds in, borrow from or lend funds to other banks.
- 7) Accept payment for securities and setting account with or among third parties.
- 8) Place funds to other customers in the form of securities, both listed or not listed on the stock exchange.
- 9) Conduct business in factoring and credit cards
- 10) Publish credit documents in various forms and bank guarantees.
- 11) Conduct foreign exchange operations.

# Products and Services [G4-4]

## FUNDING PRODUCTS

1. Deposito
2. Deposito Devisa Hasil Ekspor
3. Deposito Nasabah Bisnis
4. Tanda 360 Plus
5. Taka
6. Tanda Premium
7. Tanda Junior
8. Tabunganku
9. Tanda Valas SGD
10. Sempel
11. Giro Umum
12. Giro Multi Currency
13. Rekening Dana Nasabah (RDN)
14. Business Smart
15. Business Signature

## BANCASSURANCE PRODUCTS

1. Asset Link
2. Critical Illness MaxGuard
3. Edu Pro
4. Entrepreneur
5. Great Employee Benefit
6. Great Optima Link
7. Great Optima Link 102
8. iULTIMATE
9. Legacy Protector
10. LiveSmart Protector
11. Manulife Lifestyle Protector
12. MaxPrestige Care
13. MaxPrestige Heritage
14. MaxPrestige Heritage Protector
15. MaxPrestige Saver
16. Personal Accident MaxGuard
17. Prima Link
18. Super Investlink Plan 101
19. WorldCare

## INVESTMENT PRODUCTS (Money Market Mutual Funds)

1. Aberdeen Indonesia Money Market Fund
2. Ashmore Dana Pasar Uang Nusantara
3. BNP Paribas Rupiah Plus
4. Schroder Dana Likuid

## INVESTMENT PRODUCTS (Fixed Income Mutual Funds)

1. Aberdeen Indonesia Bond Fund
2. Aberdeen Indonesia Government Bond Fund
3. Ashmore Dana Obligasi Nusantara
4. BNP Paribas Prima II
5. BNP Paribas Prima USD
6. BNP Paribas Prima Utama USD

7. Schroder Dana Mantap Plus II
8. Schroder USD Bond Fund
9. Schroder Dana Andalan II

## INVESTMENT PRODUCTS (Balanced Funds)

1. Aberdeen Indonesia Balanced Growth Fund
2. Batavia USD Balanced Asia
3. BNP Paribas Equitra
4. BNP Paribas Spektra
5. Schroder Dana Terpadu II
6. Schroder Syariah Balanced Fund

## INVESTMENT PRODUCTS (Equity Mutual Funds)

1. Aberdeen Indonesia Equity Fund
2. Aberdeen Syariah Asia Pacific Equity USD Fund
3. Ashmore Dana Progresif Nusantara
4. Ashmore Dana Ekuitas Negara
5. BNP Paribas Astro
6. BNP Paribas Ekuitas
7. BNP Paribas Infrastruktur Plus
8. BNP Paribas Pesona Syariah
9. BNP Paribas Pesona
10. BNP Paribas STAR
11. BNP Paribas Cakra Syariah USD
12. Manulife Dana Saham
13. Manulife Greater Indonesia Fund
14. Schroder Dana Prestasi Plus
15. Schroder 90 Plus Equity Fund
16. Schroder Dana Istimewa
17. Schroder Dana Prestasi
18. Schroder Global Sharia Equity Fund (USD)
19. BNP Paribas Solaris

## INVESTMENT PRODUCTS (Protected Funds)

1. Batavia Proteksi Cemerlang 30
2. Batavia Proteksi Cemerlang 32
3. Batavia Proteksi Cemerlang 51
4. Batavia Proteksi Cemerlang 61
5. Batavia Proteksi Cemerlang 62
6. Batavia Proteksi Cemerlang 68
7. Batavia Proteksi Cemerlang 76
8. Batavia Proteksi Cemerlang 81
9. Batavia Proteksi Cemerlang 89
10. Batavia Proteksi Cemerlang 90

## CREDIT CARD PRODUCTS

1. OCBC NISP Voyage Credit Card
2. OCBC NISP Platinum Credit Card
3. OCBC NISP Titanium Credit Card

**SHARIA BANKING**

1. Deposito iB
2. Giro Mudharabah iB
3. Giro Wadiah iB
4. KPKB iB
5. KPR MMQ iB
6. KPR Murabahah iB
7. SimPel iB
8. Tabungan Komunitas iB
9. Tabungan Mudharabah iB
10. Taka iB
11. Taka iB Insurance
12. Tanda iB
13. Tanda iB Valas
14. Tabunganku iB

**CONSUMER LOAN**

1. Mortgage Loan
2. Multipurpose Loan
3. Auto Loan
4. Individual Investment Loan
5. Cash Collateral Loan

**OCBC NISP PRIME SERVICE**

1. OCBC NISP Premier Banking
2. OCBC NISP Private Banking

**COMMERCIAL PRODUCTS**

1. Demand Loan
2. Fixed Loan
3. Investment Loan
4. Kredit Rekening Koran (KRK)

**FINANCING PROGRAM**

1. Construction and Infrastructure Project Financing
2. Commercial Transportation Vehicle Financing Program
3. Computer Project Financing Program
4. Heavy Equipment Financing Program
5. Oil and Gas Project Financing

**CASH MANAGEMENT PRODUCTS**

1. Bank Draft
2. Bulk Payment
3. Collection
4. eAlerts@ocbcnisp
5. eStatement
6. Pembayaran Pajak MPN G2
7. Layanan Pengambilan & Pengantaran Uang Tunai
8. Remittance
9. SKN Direct Debit
10. Virtual Account
11. Titipan Warkat

**TRADE FINANCE EXPORT – PRODUCTS**

1. Pre Shipment Financing (PSF)
2. Bill Purchase (BP)
3. Trade Receivables Financing (TRF)

**TRADE FINANCE EXPORT – SERVICES**

1. LC/SKBDN advising
2. LC confirmation
3. Outward Documentary Collection
4. Transferable LC

**TRADE FINANCE IMPORT – PRODUCTS**

1. LC/SKBDN Issuance
2. Trust Receipt (TR)
3. Trade Purchase Financing (TPF)
4. Usance Payable at Sight (UPAS)

**TRADE FINANCE IMPORT – SERVICES**

1. Inward Documentary Collection

**TRADE FINANCE GUARANTEE**

1. Bank Guarantee
2. Standby Letter of Credit (SBLC)
3. Demand Guarantee
4. Avalization
5. Shipping Guarantee

**OTHER TRADE FINANCE PRODUCTS**

1. Forfaiting
2. Banker Acceptance

**ELECTRONIC BANKING SERVICES**

1. ATM
2. Autopayment
3. CALL OCBC NISP
4. EDC OCBC NISP
5. Internet banking
6. Mobile Banking
7. SMS Banking
8. Velocity@ocbcnisp (*Internet banking untuk nasabah perusahaan*)

**TREASURY PRODUCTS  
(Foreign Exchange (FX) dan FX Derivative)**

1. FX Today
2. FX Tomorrow
3. FX Spot
4. FX Forward
5. FX Swap
6. FX Option
7. Extended Flexi Multi Currency Transaction Forward (Extended FMCT Forward)

**TREASURY PRODUCTS  
(Interest Rate Derivative)**

1. Interest Rate Swap
2. Cross Currency Swap

**TREASURY PRODUCTS  
(Debt Securities)**

1. Government Bonds
2. Corporate Bonds

**TREASURY PRODUCTS  
(Structured Product)**

1. Forward Linked Deposit (FLD)
2. Principal Protected Deposit - One Touch (PPD – OT)
3. Principal Protected Deposit - Double No Touch (PPD - DNT)
4. Dual Currency Return (DCR)
5. Dual Currency Return with Knock-In & Knock-Out (DCR KIKO)
6. Dual Currency Return with European Knock-In (DCR EKI)

# Office Network 2017 (G4-8)

The Bank OCBC NISP exists and serves the customers in 61 cities throughout Indonesia. The Bank is also a part of OCBC Bank, a banking group whose stability and strong financial are recognized. The OCBC Bank operates in 18 countries and the region, including Singapore, Malaysia, Indonesia, China, Hongkong, Macao, Taiwan, Thailand, South Korea, Japan, Australia, England, and United States of America.

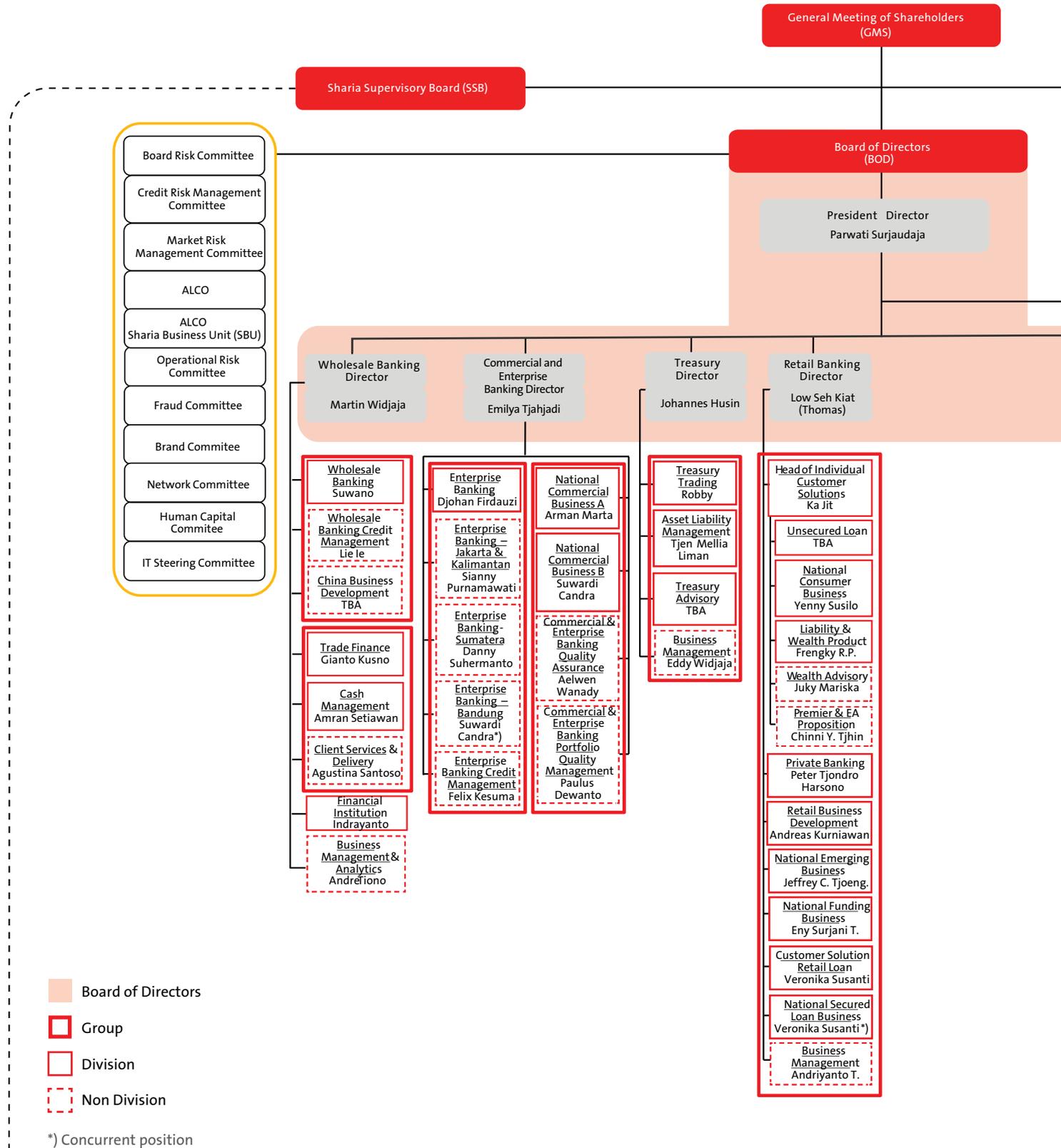


**338 Office Networks Including Sharia Branch in 61 Cities**

Jakarta, Bogor, Tangerang, Bekasi and Banten	150
West Java	60
Central Java	24
East Java	34
Bali, Lombok, Sumatera, Kalimantan, Sulawesi and Others	70



# Organizational Structure





# Vision, Mission, and Corporate Culture [G4-56]

## Vision

To be the Bank of choice with world-class standards recognized for its care and trustworthiness.

## Mission

Bank OCBC NISP conducts its business and work as an honorable corporate citizen and able to grow together continuously with the society in a sustainable manner by:

- Providing and developing innovative and high quality financial services that exceeding growing people’s expectations with optimum results.
- Developing and maintaining cooperation networks based on mutual trust.
- Creating a work environment that ensures the growth of professionalism and organizational renewal with a familial spirit.
- Building public trust through ethical, caring and prudent behaviors.

## Corporate Culture



### OCBC NISP One

Employees think and act for the same purpose by putting the interests of Bank OCBC NISP above the interests of groups and individuals.

### Professionalism

Employees are proud as a professional and always responsible for every action.

### Integrity

Employees consistently implement integrity in their actions and words.

### Customer Focus

Employees continue to focus on clients in every respect.

### Review of Vision and Mission by the Board of Commissioners and Board of Directors

The Board of Commissioners and the Board of Directors regularly review the Bank’s vision and mission which are constantly tailored to the business development and future plan of the Bank.

The Board of Commissioners and the Board of Directors have agreed that the Bank’s vision and mission are still relevant to the Bank’s condition and objectives. The achievement of vision and mission up to 2016 has been in accordance with the designated purpose and stages.

# Profile of the Board of Commissioners



## Board of Commissioners

From left to right:

Lai Teck Poh (Dua Teck Poh), Samuel Nag Tsien, Hardi Juganda, Peter Eko Sutioso, Betti S. Alisjahbana, Kwan Chiew Choi, Pramukti Surjaudaja, Jusuf Halim



**PRAMUKTI SURJAUDAJA**  
President Commissioner

Indonesian citizen, 55 years old.  
Domicile: Jakarta, Indonesia

President Commissioner of Bank OCBC NISP since December 16, 2008.

**Work Experience:**

- 1987–1989: Executive Trainee in Daiwa Bank (now Resona Bank) New York, London and Tokyo.
- 1989–1997: Director of Bank NISP.
- 1997–2000: Commissioner of Bank OCBC Indonesia.
- 1997–2008: President Director of Bank NISP.
- 2004–present: Non-Executive Director OCBC Bank.

**Organization:**

Currently, he holds various senior positions in business associations, universities and educational charities.

**Education:**

He attended Programs at leading universities, SESPIBI XVI (Bank Indonesia Top Management Training Program) and Scholarship program in International Relations of International University of Japan, Japan. He earned his MBA in Banking from Golden Gate University, USA (1987) and BSc in Banking and Finance from the San Francisco State University, USA (1985).

**He has been awarded the following:**

- Best CEO Award 2004 - SWA Magazine.
- Best CEO Award 2006 - Business Review Magazine.
- Most Prominent Banker Award 2006 – Investor Magazine.
- Outstanding Entrepreneur Awards 2008 - Asia Pacific Entrepreneurship.

**History of appointment as member of the Board of Commissioners:**

- Initial appointment: 2008
- Reappointment: 2011, 2014 and 2017



**PETER EKO SUTIOSO**  
Deputy President Commissioner (Independent Commissioner)

Indonesian citizen, 77 years old.  
Domicile: Bandung, Indonesia

Deputy President Commissioner of Bank OCBC NISP since November 24, 1998.

**Work Experience:**

- 1965: He started his career in Bank NISP.
- 1972–1997: Director of Bank NISP.
- 1997–1998: Commissioner of Bank NISP.

**Organization:**

He is active in Perbanas (Indonesian Banking Association) West Java as Chairman of Perbanas West Java (1983-1988) and Board member of BMPD West Java (1977-1990).

**Education:**

He completed his studies in Law from the University of Padjadjaran, Bandung (1965).

**History of Appointment as Member of the Board of Commissioners:**

- Initial Appointment: 1997
- Reappointment: 2000, 2003

**History of appointment as Independent Commissioner:**

- Initial appointment: 2006
- Reappointment: 2009 and 2012
- Reestablished tenure of Independent Commissioner: 2014
- Reappointment: 2017



**SAMUEL NAG TSIEN**  
Commissioner

British citizen, 63 years old.  
Domicile: Singapore

Commissioner of Bank OCBC NISP since December 12, 2012.

**Work Experience:**

- 1995–2006: President and Chief Executive Officer of Bank of America (Asia).
- 2006–2007: Director of the Board, President and Chief Executive Officer of China Construction Bank (Asia).
- 2014–present: Director of Mapletree Investments Pte Ltd.
- He is also Group Chief Executive Officer of OCBC Bank, Chairman of OCBC Wing Hang (China) Ltd., and served in the boards of major OCBC Group companies, including Great Eastern Holdings, OCBC Bank (Malaysia) Bhd, OCBC Wing Hang Bank, Ltd. and Bank of Singapore.

**Organization:**

The Vice Chairman of the Association of Banks in Singapore and The Institute of Banking and Finance, a member of the Monetary Authority of Singapore (MAS) Financial Centre Advisory Panel and a member of the MAS Payments Council.

**Education:**

He graduated with Honours from University of California, Los Angeles (UCLA) (1977) with a degree of Bachelor of Arts in Economics.

**History of appointment as Commissioner:**

- Initial appointment: 2012
- Reappointment: 2015



**JUSUF HALIM**  
Independent Commissioner

Indonesian citizen, 61 years old.  
Domicile: Jakarta, Indonesia

Independent Commissioner of Bank OCBC NISP since October 11, 2006.

**Work Experience:**

- 1994–1998: Chairman of Financial Accounting Standards Committee, the Indonesian Institute of Accountants.
- 2003–2007: Chairman of CPA Examination Board, the Indonesian Institute of Accountants.
- 2013–2016: Member of Honorary Board, the Indonesian Institute of Audit Committee.
- Previously as a Public Accountant for 23 years.

**Organization:**

- 1990–present: Lecturer at the Faculty of Economics and Business, University of Indonesia.
- 2014–present: Member of Advisory Board, the Institute of Indonesia Chartered Accountants.
- 2014–present: Member of Advisory Board, the Indonesian Tax Accountants Compartment.
- 2015–present: Member of Certification Board, the Indonesian Institute of Audit Committee.
- 2017–present: Member of Disciplinary Board-representing the accounting profession, State Audit Agency.

**Education:**

Earned PhD in Strategic Management from the University of Indonesia (2009), Master of Law from Pelita Harapan University (2003) and Bachelor of Accounting from the University of Indonesia (1982).

**History of appointment as Independent Commissioner:**

- Initial appointment: 2006
- Reappointment: 2009 and 2012
- Reestablished tenure of Independent Commissioner: 2014
- Reappointment: 2017



**LAI TECK POH (DUA TECK POH)**  
Commissioner

Singapore citizen, 73 years old.  
Domicile: Singapore

Commissioner of Bank OCBC NISP since August 29, 2008.

**Work Experience:**

- 1968–1986: Corporate relationship management with last position as Head of Corporate Account Management at Citibank N.A.
- 1986–1987: Managing Director/CEO at Citicorp Investment Bank (Singapore).
- 1988–2010: Head of Corporate Banking, Head of Information Technology & Central Operations and Head of Risk Management with last position as Head of Group Audit at OCBC Bank.
- 2010–present: Non-Executive Independent Director of OCBC Bank, OCBC Bank (Malaysia) Bhd, and AV Jennings Ltd.

**Education:**

Received Bachelor of Arts (Hons) from the University of Singapore in 1968. Participated in the Risk Management Training at INSEAD (2003), Executive Development Program in Cornell University, USA (1977), as well as various training programs in the areas of Risk Management, Accounting, GCG and Management.

**History of appointment as Independent Commissioner:**

- Initial appointment: 2008
- Reappointment: 2011, 2014 and 2017



**KWAN CHIEW CHOI**  
Independent Commissioner

Singapore citizen, 68 years old.  
Domicile: Singapore

Commissioner of Bank OCBC NISP since January 1, 2011.

**Work Experience:**

- 1973–1982: Loans Department Manager in Sumitomo Bank Ltd, Singapore Branch.
- 1983: General Manager in Hock Seng Hardware Pte Ltd.
- 1984–1987: Vice President of Corporate Banking in First National Bank of Chicago, Singapore Branch.
- 1987–2007: Last position as Senior Vice President & Head Credit Control and Approval in OCBC Bank.
- 2008–2010: Independent Commissioner in PT Bank OCBC Indonesia.

**Education:**

He graduated from University of Singapore with a degree of Bachelor of Social Science (Honours) (1971).

**History of appointment as Independent Commissioner:**

- Initial appointment: 2011
- Reestablished tenure of Independent Commissioner: 2014
- Reappointment: 2017



**HARDI JUGANDA**  
Independent Commissioner

Indonesian citizen, 59 years old.  
Domicile: Bandung, Indonesia

Independent Commissioner of Bank OCBC NISP since November 27, 2017.

**Work Experience:**

- 1985: Joined Bank NISP and handled various positions in various functions.
- 1991–1997: Head of Asia Afrika Bandung Branch, Bank NISP.
- 1997–2012: Director of Bank OCBC NISP.
- 17 July 2012–30 March 2017: Commissioner of Bank OCBC NISP.

**Education:**

He earned his Bachelor's degree in Law from University of Parahyangan, Bandung (1985). In 1989, participated in SESPIBANK (LPPI Banking Management Institute).

**History of appointment as Commissioner:**

- Initial appointment: 2012
- Reappointment: 2015

**History of appointment as Independent Commissioner:**

- Initial appointment: 2017



**BETTI S. ALISJAHBANA**  
Independent Commissioner

Indonesian Citizen, 57 years old.  
Domicile: Jakarta, Indonesia

Independent Commissioner of Bank OCBC NISP since December 7, 2017.

**Work Experience:**

- 1984 – 2008: IBM Indonesia and IBM ASEAN & South Asia with the last position as President Director of PT IBM Indonesia.
- 2008 – present: Founder, Owner & Consultant PT Quantum Business International.
- 2010–Jul 2017: Independent Commissioner of PT Sigma Cipta Caraka (Telkom Sigma.)
- 2012–Dec 2014: Independent Commissioner of PT Garuda Indonesia Tbk.
- 2014–present: Chairman of the Board of Trustees of Bandung Institute of Technology.
- 2015–present: Independent Commissioner of PT Anabatic Technologies Tbk.
- 2015–September 2017: Independent Commissioner of PT Bhinneka Mentari Dimensi.

**Education:**

She earned her Bachelor's degree in Architecture from the Bandung Institute of Technology (1984).

**History of appointment as Independent Commissioner:**

- Initial appointment: 2017

## Profile of the Board of Directors



### Board of Directors

From left to right:

Low Seh Kiat, Johannes Husin, Emilya Tjahjadi, Martin Widjaja, Parwati Surjaudaja, Andrae Krishnawan W., Hartati, Joseph Chan Fook Onn, Rama Pranata Kusumaputra, Yogadharna Ratnapalasari



**PARWATI SURJAUDAJA**  
President Director

Indonesian citizen, 53 years old.  
Domicile: Jakarta, Indonesia

President Director of Bank OCBC NISP since December 16, 2008.

**Work Experience:**

- 1987–1990: Senior Consultant at SGV Utomo/Arthur Andersen.
- 1990–1997: Managing Director at Bank NISP (handling various responsibilities including Human Resources, Financial and Planning).
- 1997–2008: Deputy President Director at Bank NISP.

**Organization:**

Board Member of Perbanas from 2012 to present and Board Member of Indonesian Bankers Association from 2011 to present.

**Education:**

SESPIBI XVII (Bank Indonesia Top Management Training Program), 1992. Executive Programs from Columbia University and Harvard University. She earned MBA (Accounting) from the San Francisco State University, USA (1987). BSc Cum Laude (Accounting and Finance) from the San Francisco State University, USA (1985).

**Awarded the following:**

- 99 Most Powerful Woman in Indonesia (2009 – 2013) – Globe Asia Magazine.
- One of the Best CEOs – Bisnis Indonesia Award 2015 – Bisnis Indonesia Newspaper.
- The Best CEO 2016 – Majalah SWA, Ipsos and Dunamis Organization Services.
- Indonesia 100 Business Woman of The Year – SWA Magazine (2016).
- Top 50 Asia's Power Business Woman from Forbes Asia Magazine (2016).

**History of appointment as President Director:**

- Initial appointment: 2008
- Reappointment: 2011, 2014 and 2017



**YOGADHARMA RATNAPALASARI**  
Managing Director

Indonesian citizen, 54 years old.  
Domicile: Jakarta, Indonesia

Managing Director of Bank OCBC NISP since October 27, 2003.

**Work Experience:**

- 1988–1997: Worked at Bank NISP and handled various positions and functions.
- 1997–2002: Assistant Director of Bank NISP.
- 2000–2003: Commissioner of PT NISP Sekuritas.

**Education:**

Master of Management from Bandung School of Management (1997) and a Bachelor's degree from the Faculty of Civil Engineering, University of Parahyangan, Bandung (1988).

**History of appointment as Director:**

- Initial appointment: 2003
- Reappointment: 2006, 2009, 2012 and 2015



**RAMA PRANATA KUSUMAPUTRA**  
Managing Director

Indonesian citizen, 52 years old.  
Domicile: Jakarta, Indonesia

Managing Director of Bank OCBC NISP since July 3, 2006.

**Work Experience:**

- Previously held numerous positions at Bank Bali for 11 years, with last position as General Manager.
- 2001: Joined Bank NISP as Regional Coordinator of Greater Jakarta.
- 2005: Assistant Director of Bank NISP.
- During his service as Director, he handled the fields of: Network, Commercial, Human Capital, General Affairs, Compliance, Corporate Communication and Corporate Secretary.

**Education:**

Bachelor of Economics from Catholic University of Atmajaya, Jakarta (1989).

**History of appointment as Director:**

- Initial appointment: 2006
- Reappointment: 2009, 2012 and 2015

**History of appointment as Director of Compliance since 2008**

Reappointment as Director in charge of Compliance: 2009, 2012, and 2015



**EMILYA TJAHJADI**  
Managing Director

Indonesian citizen, 49 years old.  
Domicile: Jakarta, Indonesia

Managing Director of Bank OCBC NISP since May 13, 2011.

**Work Experience:**

- 1991–1996: Senior Relationship Manager of Corporate Banking, Jakarta at Standard Chartered Group, Jakarta and Singapore.
- 1996–2002: Director of Corporate Banking at American Express Bank Ltd.
- 2003–2009: SVP and Head of Commercial Banking MME at HSBC Bank Ltd, Jakarta
- 2009–2010: Director of OCBC Indonesia Bank.

**Education:**

Bachelor of Science in Business Administration from the University of Southern California, Los Angeles, USA (1990).

**History of appointment as Director:**

- Initial appointment: 2011
- Reappointment: 2014 and 2017



**HARTATI**  
Managing Director (Independent Director)

Indonesian citizen, 51 years old.  
Domicile: Jakarta, Indonesia

- Managing Director (Independent Director) of Bank OCBC NISP since May 13, 2011.
- Independent Director of Bank OCBC NISP since April 7, 2014.

**Work Experience:**

- 1984–2001: Served in various positions at Bank Bali for 17 years, with last position as Financial Control Department Head (Vice President).
- 200 –2005: Accounting Group Head (Senior Vice President) at Bank Mandiri.
- 2005: Joined Bank OCBC NISP with last position as Chief Financial Officer.

**Education:**

Master of Management from Pelita Harapan University Jakarta (2004). Bachelor of Economics from University of Indonesia Jakarta (1995). Baccalaureate in Accounting from Accounting Academy Sjakhyakirti Palembang (1986).

**History of appointment as Director:**

- Initial appointment: 2011
- Reappointment: 2014 and 2017



**MARTIN WIDJAJA**  
Managing Director

Indonesian citizen, 45 years old.  
Domicile: Jakarta, Indonesia

Managing Director of Bank OCBC NISP since September 10, 2012.

**Work Experience:**

More than 20 years of experience in the banking industry, of which the last 12 years working at HSBC with last position as Senior Vice President & Head of International and Large Local Corporation (2010 – 2012).

**Education:**

Master of Business Administration (1996) and Bachelor of Science, Cum Laude (1995) from Chapman University, Orange, California, USA.

**History of appointment as Director:**

- Initial appointment: 2012
- Reappointment: 2015



**ANDRAE KRISHNAWAN W.**  
Managing Director

Indonesian citizen, 51 years old.  
Domicile: Jakarta, Indonesia

Managing Director of Bank OCBC NISP since July 29, 2013.

**Work Experience:**

More than 25 years of experience in the banking industry with last position as Regional Head of Bank International Indonesia. Joined Bank OCBC NISP since 2006 with last position as National Commercial Business Head.

**Education:**

Bachelor of Business Administration majoring Marketing & Management from ST Edward's University Texas, USA (1990).

**History of appointment as Director:**

- Initial appointment: 2013
- Reappointment: 2016



**JOHANNES HUSIN**  
Managing Director

Indonesian citizen, 44 years old.  
Domicile: Jakarta, Indonesia

Managing Director of Bank OCBC NISP since July 29, 2013.

**Work Experience:**

2011 : Joined Bank OCBC NISP with last position as Treasurer. Having experience in Treasury for more than 20 years with previous work experience at several local and foreign banks in Indonesia including Bank Dagang Nasional Indonesia., ABN Amro, Standard Chartered, Danamon, JP Morgan.

**Education:**

MBA degree from The University of Rhode Island (1996) and BSC in Economics from The University of Iowa (1995).

**History of appointment as Director:**

- Initial appointment: 2013
- Reappointment: 2016



**LOW SEH KIAT**  
Managing Director

Singaporean citizen, 53 years old.  
Domicile: Jakarta, Indonesia

Managing Director of Bank OCBC NISP since August 30, 2013.

**Work Experience:**

- 2005 – 2010: VP Business Head of Emerging Business OCBC Bank - Singapore.
- 2010 – 2013: Joined Bank OCBC NISP in 2010 with the last position as Director of National Emerging Business Head.

**Education:**

MBA Degree from Indiana State University, USA (1991).

**History of appointment as Director:**

- Initial appointment: 2013
- Reappointment: 2016



**JOSEPH CHAN FOOK ONN**  
Managing Director

Malaysian citizen, 54 years old.  
Domicile: Jakarta, Indonesia

Managing Director of Bank OCBC NISP since 7 April 2014.

**Work Experience:**

More than 26 years of experience in the banking industry including internal and external audit. Previously worked at OCBC Bank Singapore and Malaysia, with last position at OCBC Group Risk Management (2014).

**Education:**

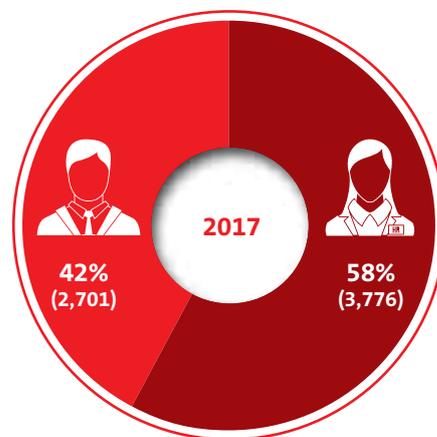
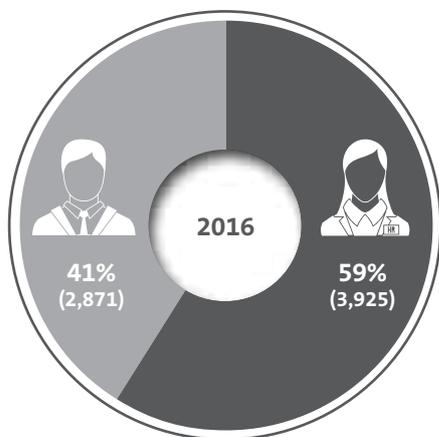
MBA from University of Southern Queensland, Australia (2013) and Bachelor of Business (Accounting) from Monash University, Australia (1994).

**History of appointment as Director:**

- Initial appointment: 2014
- Reappointment: 2017

# Composition of the Employees

Number of the Bank's Employees 2016–2017		
Description	2016	2017
Number of Employees	6,796	6,477



Further information on the composition of employees (2 years comparative) for each level of organization, education level, employment status, competencies development and cost of development/training for employee can be viewed on Management Discussion and Analysis, Sub-Chapter Supporting Business Overview, Human Capital segment on page 67–73.

# Composition of Shareholders

## 20 Largest Shareholders and the percentage of Ownership as of 31 December 2017\*

No.	Shareholders	Number of Shares	%
1	OCBC OVERSEAS INVESTMENTS PTE. LTD	9,760,695,612	85.08%
2	Udayawira Utama, PT	288,975,468	2.52%
3	HSBC-FUND SERVICES, CAM-GTF LTD	269,519,392	2.35%
4	BP2S LUXEMBOURG S/A ABERDEEN GLOBAL ASIAN SMALLER COMPANIES FUND	253,116,812	2.21%
5	Suryasono Sentosa, PT	207,256,301	1.81%
6	BP2S LONDON S/A ABERDEEN ASIAN SMALLER COMPANIES INVESTMENT TRUST PLC	148,373,583	1.29%
7	BNYMSANV RE BNYMIL RE FS INV ICVC - STEW	97,158,000	0.85%
8	HSBC-Fund Services, Raffles-Asia Investment Company	78,153,326	0.68%
9	BP2S LUXEMBOURG S/A ABERDEEN GLOBAL EMERGING MARKETS SMALLER COMPANIES FUND	65,891,543	0.57%
10	JPMCB NA RE-PACIFIC ASSETS TRUST PLC	59,999,100	0.52%
11	JPMCB NA AIF CLT RE-THE SCOTTISH ORIENTAL	51,713,700	0.45%
12	SSB AM4N S/A ABERDEEN EMERG MRKT SM CF	49,072,195	0.43%
13	BP2S SINGAPORE	42,343,133	0.37%
14	SSB DRQH S/A ABERDEEN INDONESIA FUND	31,230,884	0.27%
15	JPMCB NA AIF CLT RE - SCOTGEMS PLC	10,646,000	0.09%
16	JPMCB NA RE-WELLCOME TRUST	8,550,100	0.07%
17	RBC S/A DANSKE INVEST SICAV-GLOBAL EMERGING MARKETS	7,814,650	0.07%
18	DANSKE BK/CLIENTS, UCITSHOLMENS KANAL	4,646,175	0.04%
19	CACEIS BANK, LUXEMBOURG BRANCH	3,932,000	0.03%
20	Karmaka Surjaudaja	3,230,643	0.03%

\*) Including Shareholders with >5% and <5% ownership

## Stock Ownership of the Board of Commissioners and the Board of Directors

Shareholders	31 December 2016		31 December 2017	
	Number of Shares	%	Number of Shares	%
Board of Commissioners: Pramukti Surjaudaja	225,971	0.00%	225,971	0.00%
Board of Directors: Parwati Surjaudaja	1,483,210	0.01%	1,483,210	0.01%
Other Shareholders (below 5% ownership)	1,710,243,693	14.91%	1,710,243,693	14.91%

## Number of Shareholders and Their Percentage of Ownership Based on Institution/Individual and Local/Foreign

Shareholders	31 December 2016		31 December 2017	
	Number of Shareholders	%	Number of Shareholders	%
Ownership by Local Institutions	48	4.36%	53	4.38%
Ownership by Foreign Institutions	60	95.50%	56	95.48%
Ownership by Local Individual	647	0.14%	652	0.14%
Ownership by Foreign Individual	18	0.00%	18	0.00%
<b>Total</b>	<b>773</b>	<b>100.00%</b>	<b>779</b>	<b>100.00%</b>

# Chronology of Share Listing

No	Corporate Action	Ratio	Listing Date	Before Corporate Action		Additional Listed Shares
				Total Outstanding Shares	Stock Price (Rp)	
1	Initial Public Offering (IPO)	-	20 October 1994	-	-	62,500,000
2	1 <sup>st</sup> Stock Split	(1-for-1)	3 February 1997	62,500,000	155	62,500,000
3	1 <sup>st</sup> Bonus Stocks	(5-for-2)	28 February 1997	125,000,000	159	50,000,000
4	1 <sup>st</sup> Stock Dividend	(25-for-9)	4 December 1998	175,000,000	102	63,000,000
5	2 <sup>nd</sup> Bonus Stocks	(100-for-33)	4 December 1998	238,000,000	102	57,750,000
6	1 <sup>st</sup> Rights Issue	-	18 December 1998	295,750,000	81	253,471,865
7	2 <sup>nd</sup> Stock Split	(1-for-1)	4 November 1999	549,221,865	259	549,221,865
8	2 <sup>nd</sup> Rights Issue	-	18 January 2001	1,098,443,730	119	117,432,571
9	3 <sup>rd</sup> Rights Issue	-	2 July 2002	1,215,876,301	184	810,584,200
10	3 <sup>rd</sup> Stock Split	(1-for-1)	13 February 2003	2,026,460,501	186	2,026,460,501
11	2 <sup>nd</sup> Stock Dividend	(100-for-4)	7 October 2003	4,052,921,002	298	81,058,420
12	4 <sup>th</sup> Rights Issue	-	24 November 2005	4,133,979,422	786	801,992,008
13	5 <sup>th</sup> Rights Issue	-	8 May 2007	4,935,971,430	838	878,602,915
14	New Share issued in relation with Merger	-	3 January 2011	5,814,574,345	1,601	1,227,368,320
15	6 <sup>th</sup> Rights Issue	-	5 June 2012	7,041,942,665	1,242	1,506,975,730
16	7 <sup>th</sup> Rights Issue	-	13 November 2013	8,548,918,395	1,220	2,923,730,091

	After Corporate Action		Nominal Value (Rp)	Offering Price (Rp)	Stock Data			Stock Listing Exchange
	Total Outstanding Shares	Stock Price (Rp)			Financial Year End	Stock Price (Rp)	Total Outstanding Shares	
	62,500,000	133	1,000	3,100	31 December 1994	143	62,500,000	Indonesia Stock Exchange
	125,000,000	166	500	-	31 December 1997	89	175,000,000	Indonesia Stock Exchange
	175,000,000	156	500	-	31 December 1997	89	175,000,000	Indonesia Stock Exchange
	238,000,000	113	500	-	31 December 1998	81	549,221,865	Indonesia Stock Exchange
	295,750,000	113	500	-	31 December 1998	81	549,221,865	Indonesia Stock Exchange
	549,221,865	86	500	500	31 December 1998	81	549,221,865	Indonesia Stock Exchange
	1,098,443,730	302	250	-	31 December 1999	280	1,098,443,730	Indonesia Stock Exchange
	1,215,876,301	119	250	400	31 December 2001	90	1,215,876,301	Indonesia Stock Exchange
	2,026,460,501	184	250	405	31 December 2002	177	2,026,460,501	Indonesia Stock Exchange
	4,052,921,002	191	125	-	31 December 2003	344	4,133,979,422	Indonesia Stock Exchange
	4,133,979,422	294	125	-	31 December 2003	344	4,133,979,422	Indonesia Stock Exchange
	4,935,971,430	703	125	750	31 December 2005	712	4,935,971,430	Indonesia Stock Exchange
	5,814,574,345	838	125	800	31 December 2007	848	5,814,574,345	Indonesia Stock Exchange
	7,041,942,665	1,517	125	-	31 December 2011	1,017	7,041,942,665	Indonesia Stock Exchange
	8,548,918,395	1,193	125	1,000	31 December 2012	1,520	8,548,918,395	Indonesia Stock Exchange
	11,472,648,486	1,230	125	1,200	31 December 2013	1,230	11,472,648,486	Indonesia Stock Exchange

# Chronology of Issuance and Listing of Other Securities

## Chronology of Bank OCBC NISP Bonds Listing

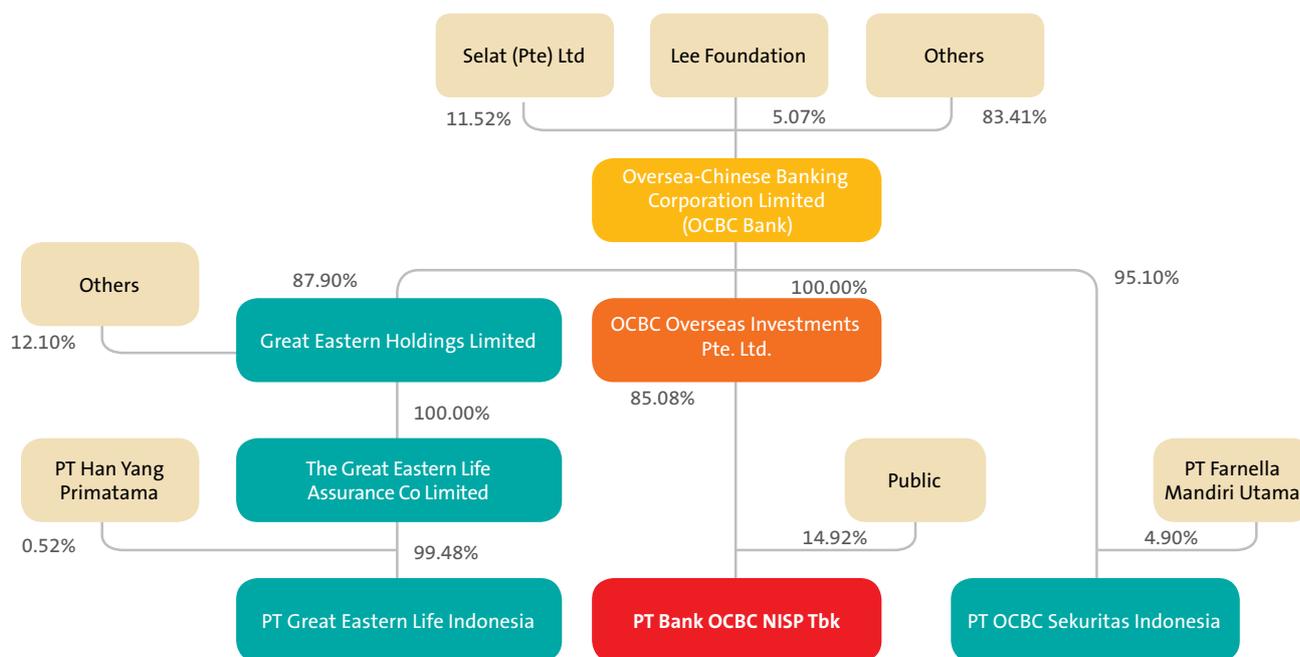
Bonds	Year of Issuance	Series	Nominal Amount	Interest Rate	Tenor	Effective Date	Maturity Date	Rating	Notes
Subordinated Bonds III Bank OCBC NISP 2010	2010	-	Rp880,000,000,000	11.35% per annum	7 years without Call Option	24 June 2010	30 June 2017	AA (idn) (PT Fitch Ratings Indonesia)	Repaid
Continuous Bonds I Phase II Bank OCBC NISP 2015 with Fixed Interest Rate	2015	A	Rp1,095,000,000,000	9.00% per annum	370 days	11 February 2013	20 February 2016	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Repaid
		B	Rp670,000,000,000	9.40% per annum	2 years	11 February 2013	10 February 2016	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Repaid
		C	Rp1,235,000,000,000	9.80% per annum	3 years	11 February 2013	10 February 2018	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Repaid*
Continuous Bonds II Phase I Bank OCBC NISP 2016 with Fixed Interest Rate	2016	A	Rp837,000,000,000	7.50% per annum	370 days	29 April 2016	21 May 2017	id AAA (PEFINDO)	Repaid
		B	Rp380,000,000,000	8.00% per annum	2 years	29 April 2016	11 May 2018	id AAA (PEFINDO)	Outstanding
		C	Rp783,000,000,000	8.25% per annum	3 years	29 April 2016	11 May 2019	id AAA (PEFINDO)	Outstanding
Continuous Bonds II Phase II Bank OCBC NISP 2017 with Fixed Interest Rate	2017	A	Rp1,248,000,000,000	6.75% per annum	370 days	29 April 2016	2 September 2018	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Outstanding
		B	Rp300,000,000,000	7.30% per annum	2 years	29 April 2016	22 August 2019	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Outstanding
		C	Rp454,000,000,000	7.70% per annum	3 years	29 April 2016	22 August 2020	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Outstanding
Continuous Bonds II Phase III Bank OCBC NISP 2017 with Fixed Interest Rate	2017	A	Rp975,000,000,000	6.15% per annum	370 days	29 April 2016	22 December 2018	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Outstanding
		B	Rp175,000,000,000	6.75% per annum	2 years	29 April 2016	12 December 2019	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Outstanding
		C	Rp609,000,000,000	7.20% per annum	3 years	29 April 2016	12 December 2020	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Outstanding

\* Repaid on February 10<sup>th</sup>, 2018

Fitch Ratings (As of 31 December 2017)	
Outlook	Stable
National - Long Term	AAA (idn)
Foreign Currency, Long Term Rp	BBB
Foreign Currency, Short Term Rp	F3
Local Currency, Long Term Rp	A-
Individual Rating	C/D
Support Rating	2
Viability Rating	bb
Public Offering of Continuous Bonds I & II Bank OCBC NISP	AAA (idn)

Pefindo (As of 31 December 2017)	
Outlook	Stable
Corporate Rating	idAAA
Public Offering of Continuous Bonds I & II Bank OCBC NISP	idAAA

# Company's Group Structure



Data as of December 31, 2017

## Affiliated Companies

Up to the end of 2017, the Bank had affiliate relations with 2 (two) companies due to the similar characteristics as a company which most of their shares held by OCBC Singapore, namely:

- PT Great Eastern Life Indonesia
- PT OCBC Sekuritas Indonesia

# Capital Market Supporting Institutions

## Public Accountant

**Public Accountant Tanudiredja,  
Wibisana, Rintis & Partners**  
(a member firm of Global Network PwC)  
Jl. HR. Rasuna Said Kav. X-7 No. 6  
Jakarta 12940 – Indonesia  
Telp : (62-21) 5211 2901  
Fax : (62-21) 5290 5555  
Website : [www.pwc.com/id](http://www.pwc.com/id)

## Notary

**Notaris Fathiah Helmi**  
Graha Irama – 6C Floor  
Jl. HR Rasuna Said Kav. 1 - 2 B1 X1  
Jakarta 12940 – Indonesia  
Telp : (62-21) 5290 7304, 5290 7306  
Fax : (62-21) 526 1136

## Rating Agencies

**PT Pemeringkat Efek Indonesia  
(Pefindo)**  
Panin Tower, Senayan City – 17<sup>th</sup> Floor  
Jl. Asia Afrika Lot 19  
Jakarta 10270 – Indonesia  
Telp : (62-21) 7278 2380  
Fax : (62-21) 7278 2370  
Website : [www.pefindo.com](http://www.pefindo.com)

**PT Fitch Ratings Indonesia**  
DBS Bank Tower 24<sup>th</sup> Floor, Suite 2403  
Jl. Prof Dr. Satrio Kav. 3-5  
Jakarta 12940–Indonesia  
Telp : (62-21) 2988 6800  
Fax : (62-21) 2988 6822  
Website : [www.fitchratings.co.id](http://www.fitchratings.co.id)

**Fitch Ratings Singapore Pte, Ltd**  
One Raffles Quay  
South Tower # 22-11  
Singapore 048583  
Telp : (65) 6796 7200  
Website : [www.fitchratings.com](http://www.fitchratings.com)

## Share Registrar

**PT Sirca Datapro Perdana**  
Jl. Johar No. 18, Menteng  
Jakarta 10340 – Indonesia  
Telp : (62-21) 314 0032, 390 0645  
Fax : (62-21) 390 0652, 390 0671  
Website : [www.sircadp.com](http://www.sircadp.com)

## Custodian

**PT Kustodian Sentral Efek Indonesia**  
Indonesia Stock Exchange Building  
Tower I – 5<sup>th</sup> Floor  
Jl. Jendral Sudirman Kav. 52–53  
Jakarta 12190  
Telp : (62-21) 5299 1099  
Fax : (62-21) 5299 1199  
Website: [www.ksei.co.id](http://www.ksei.co.id)

## Trustee

**PT Bank Mega Tbk**  
Menara Bank Mega – 16<sup>th</sup> Floor  
Kav. 12-14 A  
Jakarta 12790  
Telp : (62-21) 7917 5000  
Fax : (62-21) 799 0720  
Website : [www.bankmega.com](http://www.bankmega.com)

### Regular Service of Capital Market Supporting Institutions 2017

Supporting Institutions	Service	Fee in million Rp (including tax)	Period of Assignment
Public Accountant	Audit on Financial Statements as of December 31, 2017	3,932.5	2012 – 2017*
Legal Consultant	As the Capital Market Supporting Institution and Profession (Legal Consultant) for the Issuance of Continuous Bonds II of Bank OCBC NISP Phase II Year 2017 With Fixed Interest Rate	205	May–August 2017
	As the Capital Market Supporting Institution and Profession (Legal Consultant) for the Issuance of Continuous Bonds II of Bank OCBC NISP Phase III Year 2017 With Fixed Interest Rate	175	October–December 2017
Appraiser	Post-Employee Benefit	19	2011 – 2017*
Notary	As the Capital Market Supporting Institution and Profession (Notary) for the Issuance of Continuous Bonds II of Bank OCBC NISP Phase II Year 2017 With Fixed Interest Rate	66	May–August 2017
	Profession (Notary) for the Issuance of Continuous Bonds II of Bank OCBC NISP Phase III Year 2017 With Fixed Interest Rate	66	October–December 2017

\*Contract Period

# Awards and Certifications in 2017



## AWARDS

**1. MARCH 2017**

**Pertama di Indonesia Award**

OCBC NISP Voyage Credit Card as the First Metal Card in Indonesia from Tras and Co Research

**2. MAY 2017**

**Indonesia Green Award**

Category: Water Resource Rescue from La Tofi School of CSR

**3. JUNE 2017**

**Indonesia Sharia Finance Award**

Category: Special Mention for The Best Sharia Mortgage Scheme from Warta Ekonomi Magazine

**4. JUNE 2017**

**Banking Service Excellence**

Category: 1<sup>st</sup> Rank ATM – Syariah Business Unit from Infobank Magazine

**5. JUNE 2017**

**Digital Innovation Award**

Category: Commercial Bank Based on Business Activities III from Warta Ekonomi Magazine

**6. JULY 2017**

**Retail Banking Award**

Category: SME Bank of The Year - Indonesia from Asian Banking & Finance Magazine – Singapore

**7. JULY 2017**

**Retail Banking Award**

Category: International Retail Bank of The Year - Indonesia from Asian Banking & Finance Magazine – Singapore

**8. JULY 2017**

**Retail Banking Award**

Category: Credit Card Initiative of the Year –Indonesia from Asian Banking & Finance Magazine – Singapore

**9. JULY 2017**

**Wholesale Banking Award**

Category: Indonesia – Domestic Technology & Operation Bank of The Year from Asian Banking & Finance – Singapore

**10. JULY 2017**

**Wholesale Banking Award**

Category: Indonesia – Domestic Foreign Exchange Bank of The Year from Asian Banking & Finance Magazine – Singapore

**11. JULY 2017**

**Indonesia Country Award**

Category: Best SME Bank of The Year from Asian Banker Magazine – Singapore

**12. JULY 2017**

**Indonesia Country Award**

Category: Best Corporate Payment Project from Asian Banker Magazine – Singapore

**13. AUGUST 2017**

**Infobank Award**

Category: Titanium Trophy on Financial Performance "Best of The Best" 2002–2016 from Infobank Magazine – Indonesia



**14. SEPTEMBER 2017**

**Best eMark Award**  
 Category: Top 3 – Financial Institution - Bank  
 from SWA Magazine - Indonesia

**15. SEPTEMBER 2017**

**Bisnis Indonesia Financial Award**  
 Category: Best Performing Bank – Commercial Bank Based on Business Activities III (BUKU III)  
 from Bisnis Indonesia Daily

**16. SEPTEMBER 2017**

**Indonesia Banking Award**  
 Category: The Best Bank in Retail Banking Service  
 from Tempo Magazine - Indonesia

**17. OCTOBER 2017**

**Best of The Best Award**  
 Category: The Top 50 Companies for 2017  
 from Forbes Indonesia Magazine

**18. NOVEMBER 2017**

**Indonesia Best Banking Brand Award**  
 Category: Private Foreign Exchange National Bank  
 from Warta Ekonomi Magazine

**19. NOVEMBER 2017**

**Corporate Governance Award**  
 Category: The Best Responsibility of The Board  
 from Indonesia Institute for Corporate Directorship (IICD)

**20. NOVEMBER 2017**

**Corporate Governance Award**  
 Category: Top 50 Biggest market Capitalization Public Listed Companies based on ASEAN Corporate Governance Scorecard from Indonesia Institute for Corporate Directorship (IICD)

**21. DECEMBER 2017**

**Indonesia Corporate Reputation Award**  
 Category: Top 5 Corporate Reputation in Banking Sector with Core Capital Rp5-30 Trillion  
 from Warta Ekonomi magazine

**22. DECEMBER 2017**

**Corporate Governance Perception Index Award (CGPI Award)**  
 Category: Perusahaan Sangat Terpercaya  
 from Indonesia Institute for Corporate Governance (IICG)

**CERTIFICATIONS (G4-15)**

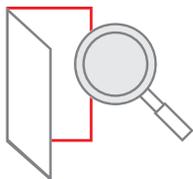
**23. ISO 20000-1:2011**

Certification in Information Technology Service Management Meeting (SMS)  
 Date of Certification : January 2017  
 Validity period : up to January 2020

**24. ISO 27001:2013**

Certification in Information Security Management System (ISMS).  
 Date of Certification : January 2017  
 Validity period : up to January 2019

## Name and Address of Subsidiaries and/or Branch Offices or Representative Offices

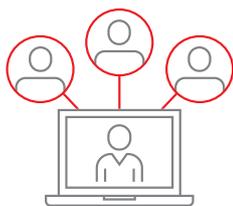


During 2017, the Bank has no Subsidiaries and/or Associated Entities, therefore there was no address of Subsidiaries and/or Associated Entities.

### List of Branch Offices

List and address of Branch Offices as mentioned in Chapter of Company Data on page 372.

## Information on the Company's Website



[www.ocbcnisp.com](http://www.ocbcnisp.com)

Since a long time ago, the Bank has owned website [www.ocbcnisp.com](http://www.ocbcnisp.com) that can be accessed at ease anytime by public. This website contains various informations on corporate as well as products and services. Other key information mentioned on the Bank's website, among others are:

- 1) Information of Shareholders up to beneficiary owner on the link [www.ocbcnisp.com](http://www.ocbcnisp.com) – About OCBC NISP – Investor Relations –Ownership – Structure of Group Shareholders
- 2) Code of Conduct, on the link: [www.ocbcnisp.com](http://www.ocbcnisp.com) – About OCBC NISP – Corporate Governance – Code of Conduct
- 3) General Meeting of Shareholders on the link [www.ocbcnisp.com](http://www.ocbcnisp.com) – About OCBC NISP – Corporate Governance – GMS
- 4) Annual Financial Report for the last 5 years, at [www.ocbcnisp.com](http://www.ocbcnisp.com) – About OCBC NISP – Investor Relation – Financial Information – Financial Reports
- 5) Profile of the Board of Commissioners, on the link: [www.ocbcnisp.com](http://www.ocbcnisp.com) – About OCBC NISP – Management – Board of Commissioners
- 6) Profile of the Board of Directors, on the link: [www.ocbcnisp.com](http://www.ocbcnisp.com) – About OCBC NISP – Management – Board of Directors
- 7) Board of Commissioners Charters , on the link: [www.ocbcnisp.com](http://www.ocbcnisp.com) – About OCBC NISP – Corporate Governance – Board of Commissioners and Board of Directors Charters
- 8) Committee Charters, on the link: [www.ocbcnisp.com](http://www.ocbcnisp.com) – About OCBC NISP – Corporate Governance – Committee Charters
- 9) Internal Audit Charter, on the link: [www.ocbcnisp.com](http://www.ocbcnisp.com) – About OCBC NISP – Corporate Governance – Corporate Governance Policies

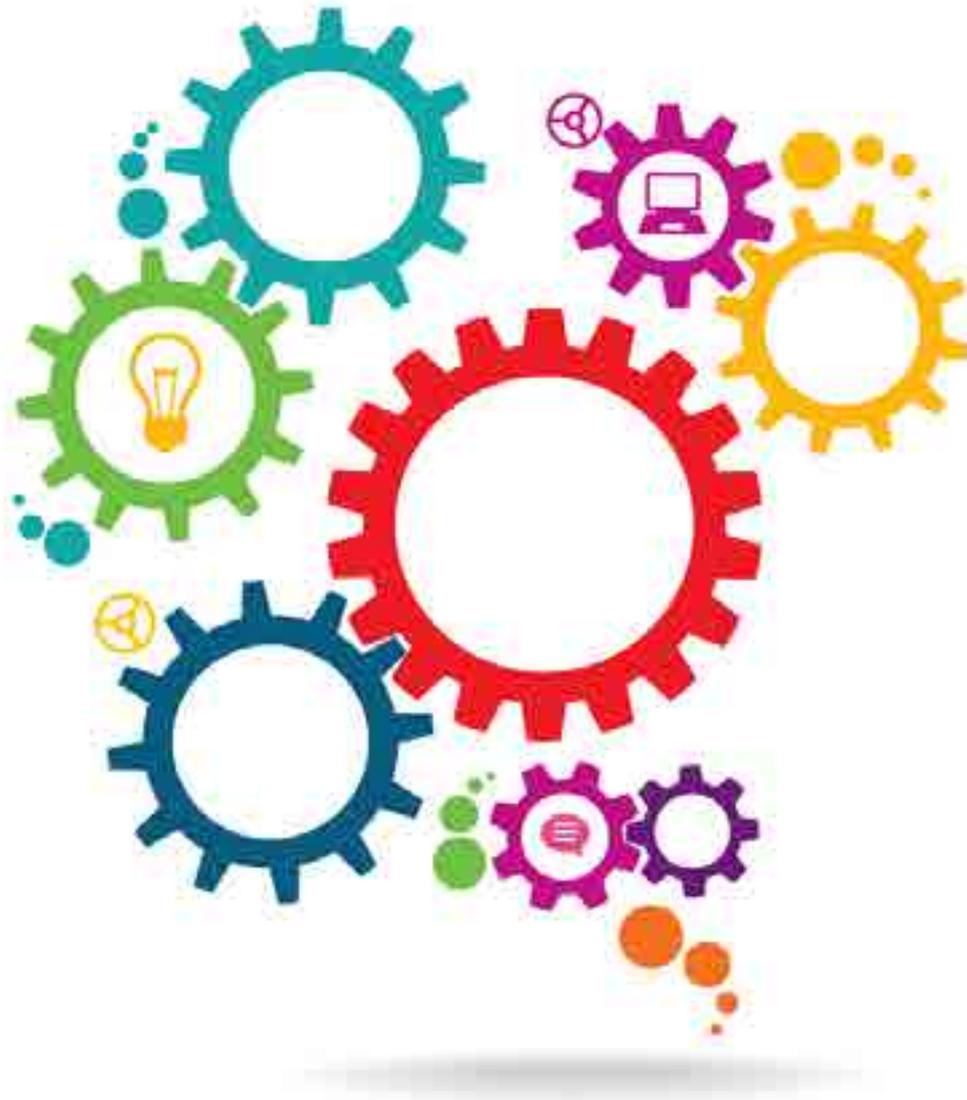
## Education and/or Trainings of the Board of Commissioners, Board of Directors, Committees, Corporate Secretary and Internal Audit Unit



More detail information on the education and trainings for the Board of Commissioners, Board of Directors, Committees, Corporate Secretary and Internal Audit Unit have been presented in Chapter of Corporate Governance on page 116-118.

# 04

## MANAGEMENT DISCUSSION AND ANALYSIS



The Bank has committed to improve the business performance both in terms of financial and operational. The Bank's sturdy fundamental has been proven by obtaining "AAA" rating with "stable" outlook from Fitch Ratings & Pefindo and as one of the Banks with highest credit rating in Indonesia in 2017.

# Business Review (G4-8)

Supported by a strong business fundamental in Banking industry as well as qualified human capital and a rapid growth of technology, the Bank constantly provides an integrated products and services as the best financial solution for all customers.

## RETAIL BANKING

Retail banking continues its business development focusing on sustainable improvement of current accounts, savings and time deposit as well as the increase of net interest income and fee-based income contribution.

### Saving Products

During 2017, Bank OCBC NISP conducted the following initiatives which succeeded to increase total Third Party Funds to Rp113.4 trillion or increased by 10% compared to Rp103.6 trillion in 2016. Those initiatives among others:

- Conducted campaign program of saving and deposit products as the main and flagship product to acquire new customers and carried on loyalty programs i.e. *Tanda Poin* and *Poin Seru*.
- Launched Multicurrency Savings (Tanda 360 Plus).
- Launched Tactical Program for Tanda 360 Plus, TAKA, and Deposit.

In the future, the Bank will gradually continue the development of Third Party Fund product growth strategy, among others by:

- Developing capabilities of Third Party Fund product with competitive cost structure as well as a simple and convenient account opening process.
- Developing saving products in parallel with features improvement and innovative products launching.
- Developing e-channel facility to simplify customers' transactions.
- Running the promotion and communication programs through conventional and digital media.

### Consumer Loan (Secured Loans)

Mortgage of Bank OCBC NISP reached 83% of total composition of consumer credit, succeeded to record growth of 7.5% to Rp11.2 trillion at the end of 2017 over the previous year of Rp10.5 trillion.

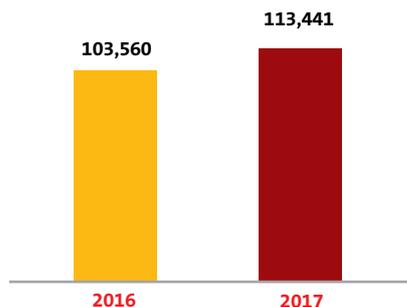
The 2017 results were achieved through various development strategies of consumer credit, among others:

- Continued the KPR Kendali product (mortgage product) with a competitive interest rate, duration and flexibility to withdraw cash, deposit and transactions across Bank OCBC NISP networks.
- Developed good relations with developers and property brokers by working closely to launch promotion packages.
- Developed collaboration with new developers and property agents.



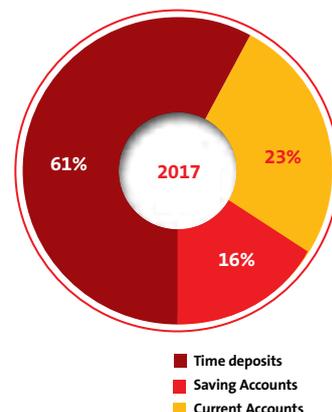
Third Party Fund

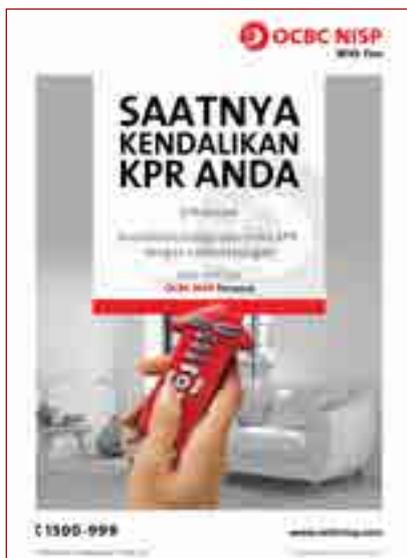
Rp billion



Composition of Third Party Fund

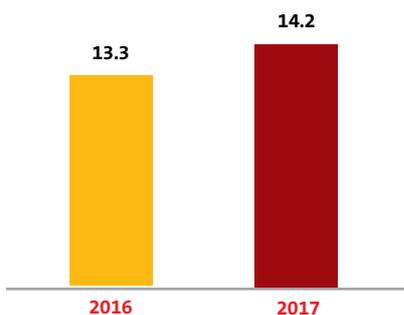
Percentage (%)





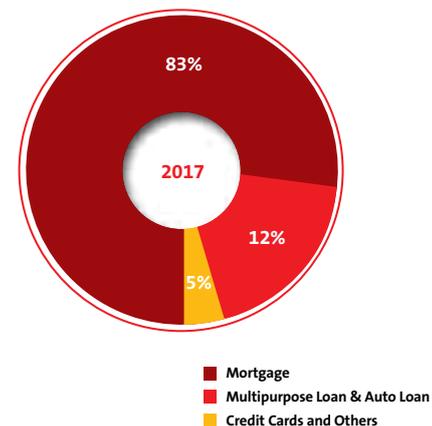
**Consumer Loan**

Rp trillion



**Composition of Consumer Loan**

Percentage (%)



In the future, Bank OCBC NISP will drive the growth of consumer credit by:

- Developing a wide variety of products, programs and services.
- Expanding referral and cross-selling programs with other banking products.
- Developing new channels through collaboration with new developers and property agents.

**Credit Card**

Credit card product focuses on building brand equity through excellent customer service that delivers the best values according to target market. One of which through feature differentiation of existing Titanium, Platinum and Voyage credit cards. Titanium and Platinum credit cards are targeting emerging affluent segment and Voyage credit cards targeting affluent segment.

Following are a few strategies implemented to increase the credit card transactions during 2017:

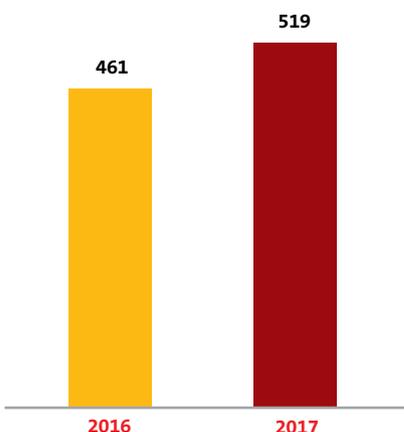
- Conducted cross selling to maintain portfolio quality and improve loyalty.
- Opened digital acquisition channel for new customers to improve its portfolios.
- Run tactical program to boost the utilization of credit cards.
- Conducted various programs of dissemination to enhance the use of PIN for transactions.
- Expanded the cooperation with a number of merchants, both domestic and overseas.

Currently, the credit card customers of Bank OCBC NISP may enjoy the facility at more than 1 million merchants which team-up with Visa or Mastercard International as well as acquire a wide array of benefits from Bank OCBC NISP merchants abroad, mainly in Singapore and Malaysia.



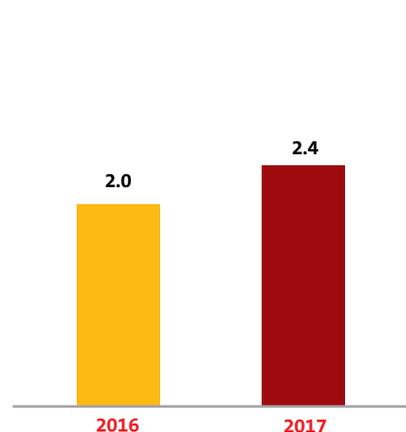
**Outstanding Credit Cards**

Rp billion



**Transaction Volume of Credit Cards**

Rp trillion



These implemented strategies succeeded to boost positive performance of credit card segment in 2017 as shown by total outstanding credit card and transaction volume of Bank OCBC NISP during 2017 which rose by 13% and 20% respectively, as compared to the previous year.

In the future, the credit card segment will constantly promote its business development through the following efforts:

- Continue the cross selling program targeting Bank OCBC NISP customers.
- Acquire new customers by launching credit cards which serve the specific needs of corporate customers.
- Expanding the cooperation with a number of merchants, both domestic and overseas.

### Wealth Management and Premier Banking

Wealth Management and Premier Banking of Bank OCBC NISP constantly build synergy with highly credible insurance companies and investment managers in order to develop a diverse range of products which meet the customers' needs.

Throughout 2017, the Bank conducted business development through mutual fund and insurance products. Following are several initiatives which have been executed:

- The launch of mutual fund products such as Batavia Proteksi Cemerlang 68, 76, 81, 89 and 90, Batavia USD Balanced Fund, Ashmore Dana Pasar Uang Nusantara.
- The launch of Bancassurance Live Smart Protector, Legacy Protector, MaxPrestige Heritage and various Riders.
- The launch of Customer Funds Account facility.
- Organized joint event activities with existing premier customers, individual customers and other communities.

Positive performance of Wealth Management and Premier Banking as evidenced by:

- Total assets of customers managed by Wealth Management and Premier Banking of Bank OCBC NISP increased 31%, respectively.
- Total customers of Wealth Management and Premier Banking of Bank OCBC NISP grew as managed fund increased.

In the following year, Wealth Management and Premier Banking will continue the business development strategy that stands on the development of wealth management products such as:

1. Delivering augmented products of mutual fund, bancassurance and feature development to expand alternative choices for the customers.
2. Developing wealth management product through electronic media.
3. Launching various educational programs and customers' dissemination on the financial planning awareness as well as providing understanding on the risk profile.
4. Carrying out product penetration/cross selling and promoting synergy within internal Bank.

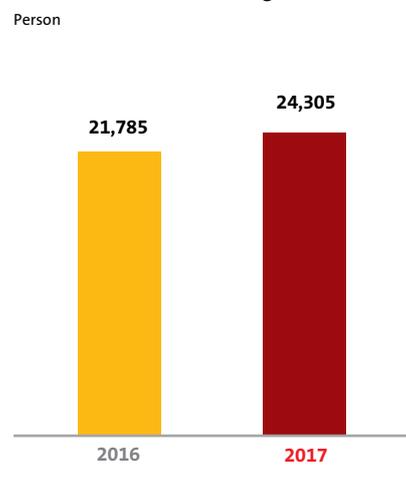
### Private Banking

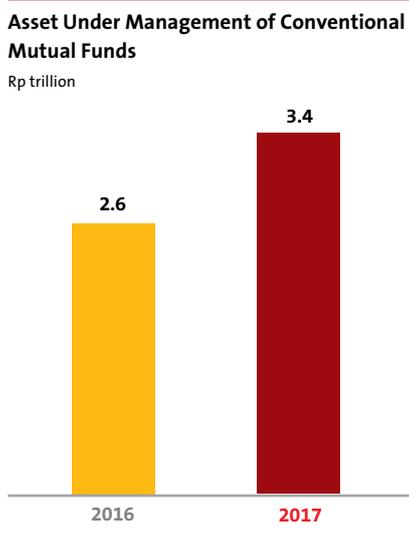
The launching of OCBC NISP Private Banking in mid May of 2017 has been an extension of wealth management services, covering customers of high networth business owners, both Small Medium Enterprise sector and big companies.

In 2018, Bank OCBC NISP will ramp up more complete investment products and enhance the capabilities of private bankers as single contact point in order to deliver total solution for the customers' needs tailored to their risk profiles, among others portfolio and assets allocation services, regular review on customers' assets and direct access to a reliable independent research.



Number of Premier Banking Customers





### Sharia Business Unit (SBU)

Until the end of 2017, Sharia Business Unit of Bank OCBC NISP demonstrated a decent development as indicated by the growth of financing to Rp2.3 trillion and funding reached Rp2.2 trillion.

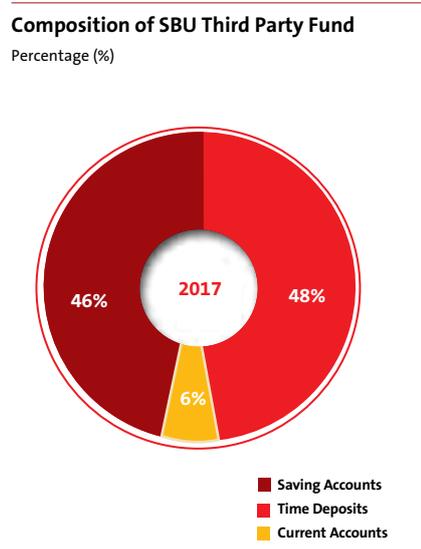
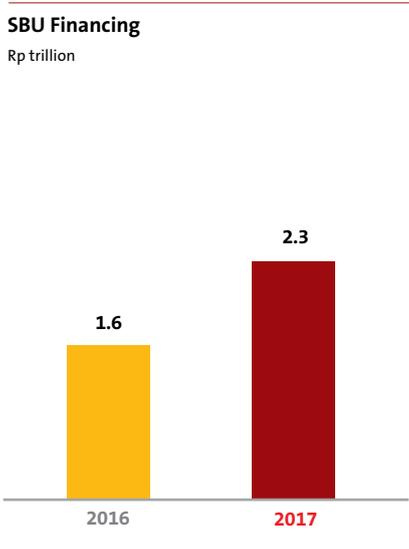
The financing is constantly maintained to keep the assets quality healthy as reflected in the Gross Non Performing Financing and Net Non Performing Financing recorded at 1.9% and 1.4%, respectively, way below the indicated requirement.

Total customers grew 66% to around 68 thousand customers at the end of 2017 from the previous year of 41 thousand customers.

Throughout 2017, Sharia Business Unit of Bank OCBC NISP has opened 5 Sharia Services Offices in Jakarta, Bekasi, Bandung and Padang, making Bank OCBC NISP has 10 Sharia Branch Offices and 282 Sharia Services Offices in total.

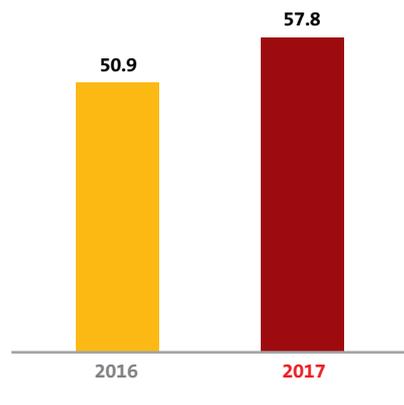
In the following years, business strategy of Sharia Business Unit of Bank OCBC NISP will remain focusing on:

- Improving low cost funding growth by working on affluent target segment with a focus on emotional market.
- Completing Sharia Specialist at all Sharia Branch Offices and developing a new selling concept by implementing remote sales model.
- Developing wealth management products.
- Continuing IT System development.





**Commercial Loan  
(Emerging, Commercial and Enterprise)**  
Rp trillion



## Funding Business

Funding Business segment focuses on individual entrepreneur or institutional business customers who do not need and/or have no credit facility.

The strategic focus of the Bank in 2017 was to increase sustainable third party fund through several initiatives as below:

- Increase sustainable CASA growth via Business Smart and Business Signature account with supporting programs.
- Increase acquisition of new customers to reduce concentration risk in third party funds.
- Conduct refreshment of product knowledge and selling skills for frontliners as well as implementing sales process and pipeline monitoring.

The implementation of such strategy succeeded to drive positive performance of Funding Business segment in 2017 as shown by the rise of third party fund of 16%, Current Account by 29% and Time Deposit by 9% compared to previous year.

In the future, the business development strategy which has been implemented in the previous year will be consistently carried on by:

- Develop systematic customer acquisition channel through optimization of branch network and partners.
- Improve sales productivity through a systematic sales activity management.
- Conduct training programs which focused on Product Knowledge and Selling Skills for frontliners.

## Emerging Business Banking (EmB)

Emerging Business (EmB) segment constantly focus on strengthening its proven “simple, fast, and convenient” value proposition to serve the needs of Small and Medium Enterprise (SME) customers. EmB is mainly providing working capital and commercial property loans up to Rp25 billion, secured by properties.

Throughout 2017, Bank OCBC NISP continued to focus on improving EmB’s sales productivity by expanding the sales acquisition channels, and optimizing synergies within Retail Banking and Branch networks. In addition, OCBC NISP continued to improve EmB’s credit processes and turnaround time, review our scoring, and strengthen our Risk Management control to ensure our growth is scalable, profitable, and sustainable.

The above strategies have boosted OCBC NISP EmB’s performances, with the following details:

- 20% loans growth Year on Year to Rp15.8 trillion in 2017 from Rp13.2 trillion in 2016.
- 9% third party funds growth Year on Year to Rp1.5 trillion in 2017 from Rp1.4 trillion in 2016.

Bank OCBC NISP continues to develop its strategy in order to promote EmB to be a scalable business segment, among others by:

- Improving method and credit process to identify early warning signs of non-performing loans.
- Sharpening its business focus through in depth analysis of customer risk profile and assist Relationship Manager (RM) emphasized on profitability and a favorable quality of targeted market.
- Optimizing branch networks to improve customer acquisition.

## BUSINESS BANKING

### Commercial Banking

Commercial Banking segment serves commercial customers with up to Rp500 billion of annual sales. Commercial Banking segment continually focuses on enhancing its capability to understand the customers' business details in order to deliver the best solutions which meet their business characteristics.

Throughout 2017, the Commercial Banking segment implemented business initiatives in order to maximize service networks all over branch offices, among others:

- Maintained portfolio growth by implementing specific strategy to drive its business growth in accordance with each region's potentials.
- Offered multi-products to the customers with the support of product team tailored to the customers' needs.
- Continuously improved the credit process to be a fast and responsive process.

The Commercial Banking segment was able to maintain positive performance amidst the unfavorable economic condition in 2017 as shown by the rise of loan and third party fund to Rp15.3 trillion and Rp5.9 trillion, respectively compared to the previous year of Rp13.7 trillion and Rp5.4 trillion, respectively.

In the future, the business development strategy, designated in the previous year will mainly be continued, including continuous effort to acquire new customers by promoting prudent banking principles in the process of credit facility granting.

### Enterprise Banking

Enterprise Banking segment serves commercial customers with the annual sales between Rp500 billion and Rp2 trillion. The Enterprise



Banking segment focuses on relationship banking by leveraging the knowledge of the industry and understanding the demand and business profile of its customers.

Throughout 2017, Enterprise Banking segment carried out various business initiatives, among others by:

- Optimizing customer relations and improving productivity of each Relationship Manager.
- Developing collaboration opportunities with good prospect industries in order to enhance contribution of Trade Finance Services and Treasury.
- Improving the growth of third party funds, particularly current account.

All of these strategies succeeded to drive positive performance of Enterprise Banking segment as shown by the increase of loan and third party funds to Rp26.7 trillion and Rp7.9 trillion, respectively as compared to the previous year of Rp23.9 trillion and Rp7.2 trillion, respectively.

In the future, business development strategy as designated in the previous year will be mostly carried on, including acquisition of new customers to increase total customers with due observance of prudent banking principle in the process of credit facility granting.

### Wholesale Banking

Wholesale Banking segment focuses to be the chosen integrated solution provider for large national and multinational companies in Indonesia. This segment distributes credit for more than 200 corporate customers with annual sales exceeding Rp2 trillion, particularly on potential industrial sectors in Indonesia in accordance with Target Market Risk Acceptance Criteria (TMRAC).

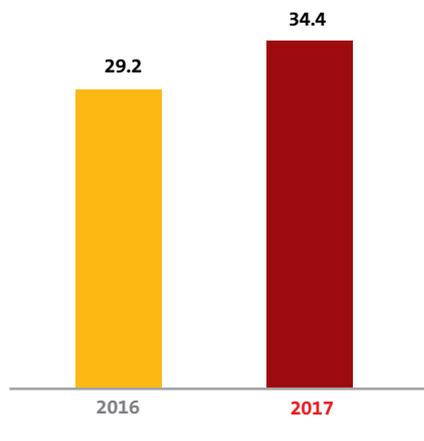
The Wholesale Banking segment constantly improves capabilities to deliver added value solutions, including providing dedicated Relationship Manager Specialist and Product Expert with in-depth comprehension on customers' business details and their respective industrial sectors in order to identify opportunities that support business growth achievement of corporate customers.

Throughout 2017, the Wholesale Banking segment implemented business initiatives in order to maximize productivity, among others:

- Increased the growth of credit portfolio focused on industry that corresponded with the Target Market.
- Constantly maintained the quality of credit portfolio by keep on promoting the prudence principle in the process of credit facility granting.
- Encouraged the contribution of third-party funds, both from credit customers and non-credit customers.
- Increased the number of customers and new groups to reduce concentration risk in credit portfolio and third-party funds.
- Optimized customer relationship in order to increase the contribution of fee-based income.

## Corporate Loan (Wholesale and Financial Institutions)

Rp trillion



The strategy implemented has succeeded to boost positive performance of Wholesale Banking segment in 2017 as shown by the increase in loans and third-party funds to Rp34.4 trillion and Rp37.6 trillion respectively, compared to the previous year of Rp29.2 trillion and Rp34.2 trillion respectively.

Going forward, the business development strategy which has designed in the previous year will remain to be consistently implemented, among others by:

- Growing the credit portfolio focused on industry that corresponded with the targeted market.
- Applying prudence principle in the process of credit facility granting to maintain a proper quality of credit portfolio.
- Driving the growth of third-party funds, either from lending or non-lending customers whilst reducing the concentration risk in both credit portfolio and third party funds by observing the addition of new customers.
- Enhancing contribution of fee-based income by continuously intensifying the transactions of Treasury, Trade Finance Services and Cash Management.

### Financial Institutions

Financial Institutions segment actively broaden cooperation with financial institutions such as banks, securities companies, pension funds, insurance companies and other non-bank financial institutions. Supported by extensive networks from OCBC Group and vast cooperation with more than 656 correspondent banks in more than 67 countries, Financial Institutions segment has capability to deliver best services for a wide array of transactions, covering International Trade Finance, Remittance, funds retention from insurance companies, pension fund, and sales of retail bonds.

Throughout 2017, the Financial Institutions segment conducted several initiatives, among others:

- Worked closely with Treasury Group to serve transactions of

Money Market, Reverse Repo, sale and purchase of Marketable Securities and Foreign Exchange with Banks and non-bank Financial Institutions selectively in order to boost the growth of fee-based income.

- Improved cooperation with banks in export-import field through discounted export bills in order to increase the funding growth, mainly the low cost fund contribution.
- Synergized with Cash Management and Trade Finance teams to offer the related products in order to increase fee-based income.

In the future, the business development strategy which has designated in the previous year will be carried on consistently, among others by:

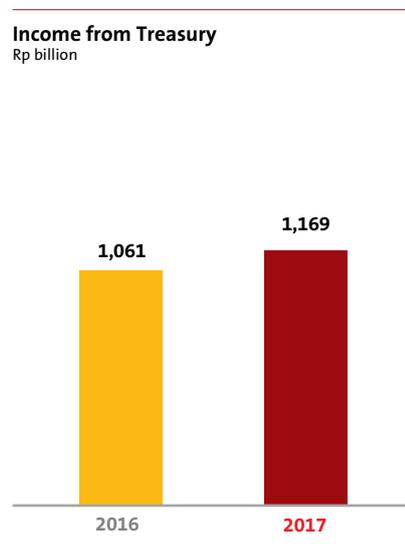
- Constantly optimizing OCBC Group network and expanding correspondent bank network to improve customer services.
- Improving credit portfolio in the form of short term and long term working capital loans given selectively to financing and securities companies.

### Transaction Banking Group

Transaction Banking Group consists of Trade Finance and Cash Management which focusing on increasing income contribution from financing and export-import services, customers' cash flow management, as well as increasing the funding of current accounts.

Various initiatives to improve the customer services in Trade Finance area performed in 2017, among others:

- Development of products and services including evaluation of product policy and work procedures tailored to the customers' business condition and demand.
- Optimization of Trade Counter role in favor of a comprehensive Trade Finance services for the customers.
- Development of Bank Trade System through augmented features in order to improve capabilities and quality of products and services.



In the field of Cash Management, following are the efforts implemented to increase the number of current accounts and income from customers' cash flow management:

- Ensured cash management solutions are available for customers, in addition to monitoring the use of the service by customers.
- Continued to develop feature, appearances and consistency of customer interaction on the use of Corporate Internet Banking application (Velocity) tailored to the customers' needs and technological development.
- Developed and/or added features of current accounts to provide superior banking services for customers.

The efforts undertaken by the Trade Finance and Cash Management to boost their performance in 2017, as reflected in:

- Total current accounts of Bank OCBC NISP grew 7% in 2017.
- The number of Velocity and Virtual Account users increased 29% and 32% respectively in 2017 compared to the previous year.

In the following year, both Trade Finance and Cash Management will continue to make breakthroughs in product development and service process in order to keep pace with the customers' needs development.

In the field of Trade Finance Services, several initiatives will be executed such as:

- Increase volume of trading transactions with a focus on export superior sectors and/or emerging industries.
- Optimize the role of Trade Counter scattered throughout 18 cities in Indonesia to support a comprehensive Trade Finance service of to its customers.
- Improve the information system competence and capability of Trade system through the improvement process and technology-based system development.

Meanwhile, in the field of Cash Management, several initiatives will be carried out in the following year, such as:

- Increase the utilization of Corporate Internet Banking (Velocity).
- Increase the knowledge level of the team on sectors defined as the target market so as to provide the finest specific solutions for certain sectors as well as to team-up with the entire communities in the industrial sector.

### Treasury

Treasury group focuses on innovative products offered to accommodate a diverse range of customers' needs by continuously promoting the prudence and transparency principles to the customers. Treasury group also actively encourages collaboration with business segment to provide the finest Treasury services tailored to the customers' needs of each business segment.

Throughout 2017, the Treasury group made proactive moves in order to increase revenue contribution of Treasury while ensuring the liquidity availability in realizing a sound growth of banking business, among others by:

- Managing liquid assets portfolio actively and dynamically
- Assuring the needs of short-term and long-term financing, among others by issuing Continuous Bond II Phase II and Phase III with total value of Rp3.8 trillion.
- Working closely with Business Segments (Private Banking, Wholesale, Enterprise, Commercial, Emerging and Financial Institution) to increase transaction volume with customers who have necessity of treasury products, including hedging and investment products.
- Providing refreshment training for sales/marketing officers at branch office in order to improve capabilities and knowledge on the Treasury products offered.
- Organizing investor gathering including market outlook held in various cities in Indonesia.

Despite the economic challenges in Indonesia and overseas during 2017, the initiatives undertaken by the Bank have managed to boost positive performance of the Treasury Group by 10%, to Rp1,169 billion from the previous year of Rp1,061 billion.

Going forward, the Treasury group will still continue the business development strategy designated in the previous year, among others by:

- Diversifying medium-term and/ or long-term funding through issuance of Bond or NCD or bilateral loan in USD tailored to the market conditions.
- Launching the innovative and/or customized products which provide flexibility in hedging over the risks of foreign currencies and interest rate for customers.
- Promoting a wider and sustainable internal training related to Treasury products and services that have been implemented and planned for future execution, relevant regulations and given risk factors.
- Organizing customer events on a regular basis to strengthen good relationship between Bank OCBC NISP and customers, and providing current information on the global and Indonesian economy which are expected to be useful for the customers.

# Supporting Business Overview

## HUMAN CAPITAL

The Bank is aware of the qualified Human Capital (HC) as the main asset in maintaining business continuity of the company in the future. The Bank has committed to constantly run the HC management programs continuously, in terms of employee competencies development, industrial relations evaluation as well as policies related to recruitment.

The Bank realizes that Human Capital is the foremost factor to achieve the Bank's strategic priority to become Indonesian Top Ten Banks. Therefore, the Bank constantly promotes the Human Capital potential by managing the integrated framework of Human Capital and governance process which reflect the values of bank OCBC NISP, namely OCBC NISP One, Professionalism, Integrity, Customer Focus (ONe PIC).

The Bank has 4 (four) pillars of Human Capital Framework which shall be the foundation for the Bank to be the best place to work and grow. The four pillars consist of HC Acquisition which is the implementation of effective branding strategy to obtain the right candidates in labor markets. The second pillar is HC Development, a performance management through measurable target and objective work assessment, talent development and trainings tailored to the employee development. The third pillar is HC Retention, considered as the Bank's effort to maintain talents in order to keep them delivering optimum performance buoyed by competitive reward and benefit system in labor market. The last pillar is HC Engagement whereby the establishment of communication channel between management, employees and various company events which enable employees to be constantly engaged with the Bank along with the business development and growth of the Bank itself. **(G4-DMA)**

### HUMAN CAPITAL FRAMEWORK



## HUMAN CAPITAL ACQUISITION (G4-LA1)

The Bank has established Caring, Progressive and Deliver a Difference as Employer Brand Proposition which becomes key factors that distinguish the Bank from the competitors and put it at the top of mind of job seekers who wish to build their career in the Indonesian banking industry.

The recruitment of the best candidates undergo both external job seekers and internal within the Bank. The Bank provides opportunity for employees who desire career enhancement outside their current job through internal job posting. In order to offer broader career opportunities to all internal employees, the Bank conducted OCBC NISP (ON) Career Fair on Friday, October 13, 2017. At the event, each directorate of the Bank presented their field of works which enabled employees to have question and answer session with the seniors from the Directorate to find out more on possibilities to have career change.

In the meantime, the recruitment of external candidates is focused on 2 (two) channels i.e., pro-hire and fresh graduate. Pro-

hire recruitment is conducted through “Staff Get Staff” referral program, social media, and advertisement on job seekers’ websites. Meanwhile, for fresh graduate, the Bank collaborates with notable universities and participates in various job fairs which correspond to the Bank’s needs.

The Bank opens the Graduate Development Program, an acceleration program prepared for fresh graduates to have career in banking. The Bank is committed to develop talented young graduate which aims at unleashing their potentials optimally. The standardized learning platform is designed to support the visible progress without losing focus of the long term objective which is to create professional bankers with high integrity.

Graduate Development Program consists of Banking Academy Program which is specially designed for young graduates who desire to have a specific career in banking industry. The second program is Young Bankers which is designed for young graduates who have interest and potential in general management aside from having specific technical skills.

### Number of New Employees Recruited

Year	Male	Female	Total
2016	517	745	1,262
2017	383	509	892

### New Employee Composition by Age Group and Gender

Age Group	2016			2017		
	Male	Female	Total	Male	Female	Total
17 – 25	203	424	627	134	272	406
26 – 35	278	295	573	216	220	436
36 – 45	35	25	60	30	13	43
46 - 55	1	1	2	3	4	7
> 55	-	-	-	-	-	-
<b>Total</b>	<b>517</b>	<b>745</b>	<b>1,262</b>	<b>383</b>	<b>509</b>	<b>892</b>

### New Employee Composition by Region and Gender

Region	2016			2017		
	Male	Female	Total	Male	Female	Total
Region 1	44	65	109	37	26	63
Region 2	105	137	242	115	135	250
Region 3	42	48	90	27	41	68
Region 4	89	106	195	47	69	116
Region 5	24	45	69	9	32	41
Region 6	15	34	49	17	23	40
Region 7	17	34	51	10	24	34
Region 8	33	42	75	24	35	59
Region 9	41	75	116	22	38	60
Region 10	16	31	47	20	26	46
Region 11	36	65	101	21	28	49
Region 12	37	54	91	20	22	42
No Region *	18	9	27	14	10	24
<b>Total</b>	<b>517</b>	<b>745</b>	<b>1,262</b>	<b>383</b>	<b>509</b>	<b>892</b>

\*Employees which are excluded the region, such as Learning Center

## HUMAN RESOURCES DEVELOPMENT (G4-LA9)

The Bank constantly improves and develops the competencies of its employees through an array of comprehensive training programs. These training programs are given to the employees since their first three months at the Bank through mandatory program including New Employee Orientation Program (NEOP), and then continuing to other trainings such as soft competency, technical competency and leadership. There are also mandatory certification program for employees in certain positions who need special certification to ensure they are equipped to perform their role. In 2017, the training programs were given to 61,620 employees.

### Number of Training Participants

2016	2017
68,663	61,620

### Number of Training Participants by Type of Training and Position

Type of Training	2016			2017		
	Senior Line	Middle Line	First Line	Senior Line	Middle Line	First Line
NEO Program	10	227	960	19	213	803
Managerial Leadership	96	981	636	29	269	607
Compliance, Risk & Regulatory	769	8,082	25,863	906	7,830	23,206
Sales, Services & Quality	6	692	2,009	115	1,027	3,312
Technical/Functional	395	4,784	21,432	439	5,292	15,187
Others	65	469	1,187	292	719	1,355
<b>Total</b>	<b>1,341</b>	<b>15,235</b>	<b>52,087</b>	<b>1,800</b>	<b>15,350</b>	<b>44,470</b>

### Average Training Hours per Year per Employee Based on Employee Designation and Gender Category

Designation	2016			2017		
	Male	Female	Total	Male	Female	Total
Senior Line Management	33.3	30.7	31.8	45.4	48.2	46.5
Middle Line Management	40.5	37.5	38.9	38.0	39.7	38.8
First Line Management	25.2	29.3	26.8	31.6	32.4	32.1
<b>Rata-Rata</b>	<b>28.1</b>	<b>31.6</b>	<b>29.6</b>	<b>34.1</b>	<b>34.2</b>	<b>34.2</b>

The Bank also launched several new programs to support quality and capability development of employees. Those programs are "Local Guest Auditor Program" which started in February 2017 and "Managing Across Generation" training. These programs are deemed necessary as to strengthen Bank's risk and governance and also to manage various generations within the Bank.

The leaders are provided with leadership trainings such as "Leading as New Manager" which aims to equip leaders to have the competency and behavior as a new leader in The Bank. The Bank also run "Leading for Result" training program that equip leaders in managing team to achieve the expected objective and outcome. Meanwhile, technical competency of employees is continually improved through a technical training related to work such as Treasury Dealer Certification for Treasury, Quality Leaders Green Belt, Internal Capital Adequacy Assessment Process (ICAAP) and Liquidity Masterclass for Risk Management. Each employee

is expected to constantly adhere to the roadmap which has been designed for each position in order to conduct an effective, integrated and direct employee development.

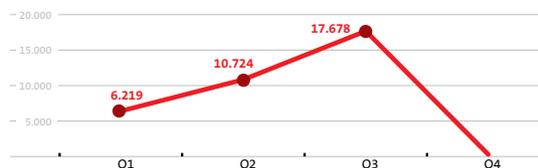
In line with technology advancement, the Bank promotes Learning and Knowledge Management online based learning which can effectively reach all employees in Indonesia. Such platform is expected to enable employees to participate in various trainings that meet their interest in an effective and efficient manner. Currently, the compulsory trainings for employees can be accessed through online platforms, among others New Employee Orientation, Cyber Security Awareness, Anti Money Laundering, Fraud Awareness, IT Security Awareness, Code of Conduct, and Collective Labor Agreement. As per December 2017, total e-Learning modules have reached 79 modules and are still growing.

## Employee Competency Development Costs

In billion Rp

2016	2017
77	78

## Quarterly Number of Training Days



## Retirement Preparation Program (G4-LA10)

The Bank has a retirement preparation program in which the employees can participate 3 (three) years prior to retirement age. The program consists of seminars covering topics on financial management, health management, post pension activities, business visits and consultations. The Bank also provides 24 additional leave days that can be taken 6 (six) months prior to the retirement age to support the preparation for employees' retirement.

## HC Retention

The Bank implements Total Reward principle of providing competitive remuneration which meets the job value, job responsibilities and employees' contributions to the Bank. The Bank has also issued remuneration policy which reflect the Financial Services Authority Regulation No. 45/POJK.03/2015 on Implementation of Corporate Governance for Commercial Banks in the Provision of Remunerations and No. 40/SEOJK.03/2016 on Governance in the Provision of Remunerations for Commercial Banks.

## Performance Management

The Bank applies performance management system that supports the Bank's objective and effective implementation of reward system. The effective reward system is expected to provide competitive and equitable remuneration to improve the level of productivity and retention of the employees. The Bank stands on 3 (three) philosophies. The first philosophy is a good performance achieved through a process aligned with the spirit of One PIC. The second philosophy is Meritocracy, an implementation of performance based reward principle, and the third one is Performance Management considered as responsibilities of each employee and line managers as their supervisors.

## Compensation and Benefit (G4-LA2)

Each year, the Bank participates in compensation and benefit survey in Indonesia banking industry to ensure that compensation and benefit given by the Bank is aligned with the industry. In addition, the Bank also considers other factors such as macro economy condition, Bank's capabilities, strategic objective and so forth. While, the benefits provided by the Bank for its employees, among others:

### 1. Employee Health Program

Each employee and his/her family members are entitled with health coverage through the appointed health insurance provider whose facilities includes in-patient, out-patient, dental care, maternity benefit, confinement and miscarriage as well as subsidies for glasses and medical checkup. The allowance limit is determined based on job level of the employees with equal amount for each of family members. The Bank applies an equal treatment at providing health allowances for both male and female employees.

### 2. National Social Security

Each employee with his/her family members are registered in National Social Security program (Jamsosnas)/BPJS which consist of:

- Social Security for Employment, which consists of Working Accidents Security, Death Social Security, Retirement Security and Pension Security
- Social Security for Health

### 3. Pension Fund

In order to maintain the employee's welfare in their retirement, the Bank cooperates with insurance company to manage a pension insurance program or DPLK (Pension Funds of Financial Institution) by registering employees as member of DPLK. The contributions are paid jointly by both the employees and the

## Percentage of Employees Receiving Regular Review and Career Development by Gender in 2017 (G4-LA11)



## Ratio of Basic Salary and Remuneration for Female to Male in 2017 (G4-LA13)



Senior Line Management	1	:	1
Middle Line Management	1	:	1
First Line Management	1	:	1

Bank at a certain percentage. The accumulated pension funds are fully be the right of the employees at the time the employee has resigned from the Bank.

**4. Employee Loan**

The Bank provides loan facility to employees. This loan facility aims at offering solution and benefit for employees in order to improve their welfare and work motivation. The employees who meet the requirements are allowed to utilize the loan facilities which consist of Home Ownership Program, Vehicle Loan, Emergency Loan and Personal Loan

**5. Employee Scholarship**

The Bank provides financial support such as scholarship for employees with good performance who are willing to continue their education to the higher level. The scholarship is in line with the Bank’s objective to develop Bank’s talents and continuous improvement on quality and productivity of the Bank’s Human Capital.

**6. Flexible Time**

In accordance with the Bank aspiration to create OCBC NISP as the best place to work, the Bank gives the employees flexibility to choose work schedules that suits them while maintaining the professional services internally and externally.

**7. Trainings for Retiring Employees**

For the retiring employees, the Bank provides trainings of entrepreneurship which are useful to plan their activities after retirement.

**8. Facilities of Communication, Transportation and Accommodation**

The Bank provides communication facility for the employees who meet the Bank's criteria which are given routinely every month and transportation and accommodation for the employees when they are on business trip out of domiciled town. By giving these facilities, it is expected to improve the smoothness of duties and responsibilities carried out by each employee.

**9. Additional Leave**

In order to create a work life balance of each employee, the Bank has policy of giving and managing the employees' leave rights in accordance with the prevailing employment Laws, including additional leave rights at job level and certain working period. By applying this policy, each of employees is expected to use their rights to spend time with family and other errands as well as having proper rest time, enabling them to constantly contribute the best to the Bank.

**EMPLOYEE ENGAGEMENT**

**Employee Engagement Survey**

The Bank conducts employee satisfaction and engagement survey or better known as Employee Engagement Survey (EES) every year. Working closely with external consultant, the Bank enrolls all of its employees at all organizational levels in this survey. Through EES, the Bank gathers feedback on Effective Leadership, Compelling Employer Brand and High Performance Culture. The survey results may serve as the basis to improve Bank performance. In 2017, Bank has conducted number of initiatives such as ON Career Day.

In 2017, the Bank achieved 71% employee engagement score through the survey in which participate rate reached 99,87%.

Survey Result	2016	2017
Participation (%)	100%	99.9%
Employee Engagement Index (%)	70%	71%

**Internal Communication**

The Bank optimizes various usages of internal media to deliver information to all employees quickly and accurately. Those internal media include internal magazine i.e. ON Us, e-mail blast, intranet, posters, stickers, and virtual meetings. The information delivered through the aforementioned media included Direct Message from CEO, policies, business targets/achievements, employment information, and corporate activities information. The Bank also conducts periodic Directorate Town Hall and Top Management visit to branch offices in order to provide an opportunity for the employees to have two-way communication.

Related to the employment information, the Bank opens direct access to Human Capital Group through an integrated Information System called ONe People. Through this system, the employees may independently register or verify data, obtain information on benefit and other employment administration process. Moreover, the employees are allowed to access HC Helpdesk as a facility to get information on employment cases from the Human Capital Team. In 2017, number of questions/complaints received by HC Helpdesk reached 11,630 cases, all of which were settled in the same year.

Number of Complaints on Employment Practices	Number of Settlements	Ongoing Process of Complaints
11,630	11,612	18

**Engagement Activities**



Mrs. Lelarati Lukman, as the speaker at International Women’s Day at Bank OCBC NISP”.



OCBC NISP Career Fair held for the first time at Bank OCBC NISP in favor of career development of employees.

The Bank recognizes non formal activities with colleague can increase employees’ engagement with the Bank. Therefore, the Bank established internal communities for employees such as sport community (softball, basketball, badminton and other sports), art community (dance, choir), and social community (breastfeeding mothers community). In terms of social community, the Bank provides lactation room in branch offices and health clinics.

The Bank also conducts internalization activities called Employer Brand Proposition (EBP) Bank OCBC NISP; Caring, Progressive and Deliver a Difference through several initiative programs that support the EBP pillars, among others:

**a. International Women’s Day in March 2017**

The event is a momentum to commemorate the role and contribution of women in economy, social, and culture. The activity itself is an internalization of caring pillar which was held by the Bank to celebrate the most inspiring female figures in the employees’ life as well as to provide sharing to women to succeed and to “give back” to their community. The Bank held several activities such as Women@OCBC Murall College Showcase, Empowering Women Talk Show, and Women Bazaar: “From Women to Women”.

**b. Children Drawing Competition in June 2017**

The Bank worked closely with Hadiprana Art Center to organize Children Drawing Competition. Through this activity, the children were able to express their creativity by drawing with “Caring” theme for parents, friends, fellow as well as the surrounding, according to one of the Bank’s Employee Branding Proposition pillars. The activity is expected to confirm the Bank’s values as well as providing a different experience for the employees and their families/relatives.

**c. ON Career Fair in October 2017**

The Bank held OCBC NISP Career Fair at OCBC NISP Tower. The event was attended by employees of Bank OCBC NISP in Greater Jakarta area and students from selected universities. The ON Career Fair event was held to deliver thorough information on the existing functions at Bank OCBC NISP to employees and as a Bank’s commitment on the employees’ needs in preparation of career development both personal and professional aspects. At the event, each employee had an opportunity to discuss career progression and networking with the leaders from work units at Bank OCBC NISP.

The following is the data of female employees who gave birth and return to work (G4-LA3)

Number of employees entitled to apply for maternity leave	Number of employees who took maternity leave	Number of employees who return to work after maternity leave	Rate of employees who return to work	Number of employees who return to work and still working in 2017	Retention Rate
2,187	210	210	100%	202	96%

## PROFILE OF HUMAN CAPITAL (G4-10)

As of December 31, 2017, the Bank employed 6,477 employees, all of which were covered in Collective Labor Agreement. The ratio of male to female employees was 1:1.4 The ratio indicates equal employment for male and female at the Bank. (G4-11)

### Number of Employees Based on Gender

Gender	2016		2017	
Male	2,871		2,701	
Female	3,925		3,776	
<b>Total</b>	<b>6,796</b>		<b>6,477</b>	

### Composition of Employees Based on Organizational Level and Gender

Designation	2016			2017		
	Male	Female	Total	Male	Female	Total
Senior Line Management	107	82	189	116	82	198
Middle Line Management	796	721	1,517	810	754	1,564
First Line Management	1,968	3,122	5,090	1,775	2,940	4,715
<b>Total</b>	<b>2,871</b>	<b>3,925</b>	<b>6,796</b>	<b>2,701</b>	<b>3,776</b>	<b>6,477</b>

### Composition of Employees Based on Educational Level and Gender (G4-LA1)

Educational Level	2016			2017		
	Male	Female	Total	Male	Female	Total
Undergraduate, Post Graduate, Doctorate	2,416	3,029	5,445	2,299	2,981	5,280
D1 - D4 Diploma	255	493	748	244	465	709
High School	196	402	598	154	329	483
Up to Junior High School	4	1	5	4	1	5
<b>Total</b>	<b>2,871</b>	<b>3,925</b>	<b>6,796</b>	<b>2,701</b>	<b>3,776</b>	<b>6,477</b>

### Composition of Employees Based on Employment Status/Contract and Gender

Employment Status	2016			2017		
	Male	Female	Total	Male	Female	Total
Permanent	2,854	3,897	6,751	2,683	3,756	6,439
Contract	17	28	45	18	20	38
<b>Total</b>	<b>2,871</b>	<b>3,925</b>	<b>6,796</b>	<b>2,701</b>	<b>3,776</b>	<b>6,477</b>

### Composition of Employees Based on Region and Gender

Region	2016			2017		
	Male	Female	Total	Male	Female	Total
Region 1	130	239	369	118	206	324
Region 2	804	990	1,794	782	957	1,739
Region 3	133	247	380	126	251	377
Region 4	292	416	708	263	392	655
Region 5	174	297	471	160	277	437
Region 6	203	254	457	193	253	446
Region 7	130	220	350	117	215	332
Region 8	110	168	278	96	177	273
Region 9	184	255	439	173	244	417
Region 10	124	200	324	114	195	309
Region 11	166	242	408	149	221	370
Region 12	140	225	365	129	212	341
No Region *	281	172	453	281	176	457
<b>Total</b>	<b>2,871</b>	<b>3,925</b>	<b>6,796</b>	<b>2,701</b>	<b>3,776</b>	<b>6,477</b>

\*Employees which are excluded the region, such as Learning Center

## INFORMATION TECHNOLOGY

The Bank has committed to constantly improve the “customer experience” of all Customers, one of which is realized by improving the security quality of Information Technology System on each service transaction given.

The current banking business development enters the new era called digital era whereby a number of banks compete each other to provide omni channel solutions for the customers. Therefore, the increase of “customer experience” customers constantly becomes the main focus of the Bank coupled with the quality improvement of security from each of services. Both cases became the focus of digital banking transformation executed by Information Technology Division throughout 2017.

With reference to the designated IT Strategic Plan that meets the business needs, the focus of information technology development comprises 3 (three) major projects as follows:

### 1. Internet Banking, Mobile Banking and One Mobile

Following the technology innovation commenced in 2016, the IT Division is currently working on development process of more integrated internet banking, mobile banking and One Mobile. The additional features in each channel aims at providing service easiness for the customers to access the Bank’s products at anytime and anywhere. This year, the Bank has prepared and implemented several new service features, among others were:

- Online and mobile opening account
- Card less cash withdrawal at ATM
- Web Statement Transaction

### 2. Cyber Security

In terms of system security, the Bank constantly improves the prevention to mitigate risk from cyber-attack threat and stealing classified information (including customers data) through the following actions:

- Implementing protection against malware, virus and APT (Advance Persistence Threat) on server and workstation/clients of the Bank.
- Implementation of DDoS protection to cover the web-based transactional application (particularly used directly by the customers).

- Supervision and 24x7 monitoring to ensure the durability of information technology infrastructure to malware/virus attacks.
- Preventing the Bank information leakage/embezzlement (DLP-Data Loss Prevention).
- Implementing Information Security Management System in accordance with international standard ISO 27001:2013 certification.

### 3. Implementation of Office 365

In addition to the focus of customers’ comfort, the easiness of internal operations is also gained special attention in IT development. The implementation of Office 365 which is integrated in email service, video call communication and the Office application usage to replace the old system (open source) which will later be used by all of the Bank’s employees.

In terms of human capital management, the Bank always ensures the improvement of skills and competencies by providing a series of trainings that meet the work needs of each employee. The Bank continues to provide trainings of Project Management Professional Certification (PMP), Certification of Lead Auditor ISO 27000 and ISO 20000 in order to ensure the capability improvements of each employee in managing business activities related to IT in conjunction with the best practice principles. Moreover, in 2017, IT Division commenced the implementation of Scrum methodology in application development process to substitute the waterfall concept (System Development Life Cycle). Such change is based on a broader business needs of the Bank whereby the needs to deliver product and system become quicker and more complex.

## IT Development Plan

In accordance with IT vision and mission to provide full support to business activities of the Bank, the established short term and long term plans will continue to be implemented in the future, encompassing among others:

- Enhancing the development of digital banking that meets the customers’ needs and automation process to simplify how customers and the Bank conduct banking activities.
- Integration of services to the customers, particularly through mobile service.
- Implementation of Digital Rights Management which aims at actively granting limited access and information distribution.
- Infrastructure development to support the work process of IT Division to be more improved through Mini Production for application testing needs prior to launching in production environment.

## OPERATIONAL

Amidst rapid development of digital innovation nowadays, Bank OCBC NISP has committed to constantly provides qualified operational services focused on productivity and process improvement as well as efficiency in all lines.

### 2017 Performance

It is a known fact nowadays that almost all industries in the country possess the technology that forces them to change and transform. Accordingly, Banking becomes one of the industries that is significantly impacted by the digital technology innovation that is growing rapidly at this time, including The Bank that must now compete with other competing Banks. Therefore, The Bank has implemented a series of strategies in dealing with such competition, among others by making use of the available infrastructure, expanding service range, improving the operational effectiveness, and building a more solid partnership with its customers.

In today's digitalization era, prospective Customers and/or the Bank's Customers are able to use banking services/activities without having to go to the Bank, and instead use other digital electronic/media platforms that enable prospective Customers and/or Customers to obtain and manage information, communicate, register, open an account, do banking transactions, and even close an account.

In accordance with Transformation 2.0 Creating the Future, the Bank's Operational team is committed to always improve on their performance in order to give the Bank a competitive advantage, stay relevant in meeting the customers' needs, and adapt to the latest developments or trends. This is done so that the Operational Team as part of the Bank experiences a sustainable growth so they are able to survive in the coming years. The transformation in the Bank's Operational Team comes with its set of values, among which are:

#### 1. Seamless Experience

In this digital era, the ultimate focus is not the quantity of Bank branches, but the quality and performance of the Bank as a whole. One of the efforts that the Operational Team has done to realize this is by developing the system and work process in order for the Customers to feel comfortable in using the products and/or services that are then used to manage their financial transactions with The Bank.

#### 2. Regional Operations Excellence

The main principle in achieving operations excellence is maintaining the performance that has been achieved, making

continuous improvements, and growing through various innovation processes. Thus, at the end, a work process is achieved that is not only effective and efficient, but also in line with the values of operations excellence. This is deemed to be giving a positive impact in optimizing the capacity of the Bank's Operational Team so in the future it can be a transactional hub for the business team.

#### 3. Customer Advisory

Through combining the Service Assistant (non-cash) function in processing administrative work with the teller (cash) function while managing financial transactions, then the function of Customer Advisory is expected to not only to play a role in improving its productivity and performance, but also to provide other added values for the Customers. With the banking capability and knowledge that they possess, Customer Advisory is able to intensely and personally approach the Customers as well as obtain information on what they need and expect from the Bank. Moreover, the Customers can use the Bank not just for financial transactions, but also to procure other information and transaction outside of the banking products and services, such as financial advisory, investment, e-Commerce transactions, and other needs.

#### 4. Anywhere Banking

Currently, prospective Customers and/or Customers can get information on the Bank by accessing various media that are provided without having to visit the Bank. One of the solutions that the Bank has given to accommodate such need is by building the Mobile Banking and Internet Banking features. Through e-Banking, the customers' activities in terms of transactions, payments, and other transactions can be done anytime and anywhere without the limitations of time and distance, simply by accessing the Bank's official site that has been equipped with a layered security system. Thus, the Customers can feel more comfortable in doing transactions thanks to an easy-to-use application, services that are reachable online and in real time that are affordable, credible, and reliable.

Furthermore, to support the Business Unit in controlling the operational costs, throughout 2017, the Bank's Operational Team has done the following:

1. Restructuring the functions in Credit Operations Division and Transaction Banking Operations Division into:
  - a. Loan & Trade Operations A Division, that consists of: Acceptance & Disbursement Hub 1 and Monitoring & Limit.
  - b. Loan & Trade Operations B Division, that consists of: Acceptance & Disbursement Hub 2, Acceptance & Disbursement Hub 3, and Appraisal.

The restructuring aims to improve customer focus and operational services, as well as support the coordination and communication between Work Units in the Head Office and regional offices.

2. Consistently reviewing the improvement and simplification of existing work processes to achieve an effective and efficient work process and system.
3. Improving and strengthening the risk control and mitigation process to prevent or suppress operational losses caused by operational process errors or internal fraud risk.

### Productivity and Cost Efficiency Improvement

In accordance with the Bank's vision and mission, the Operational Team continuously develops their information technology to support the Bank's operational activities and provide transactional ease to all Customers. The development of information technology and the change in customer behavior from traditional banking to digital banking or heading towards cashless society has become a unique challenge for the Bank.

As part of the Bank's commitment to provide quality operational services, in 2017, the Operational Team refocused on the improvement of productivity, process and efficiency in all lines.

In order to bring forth the culture of high performance as a sustainable practice, the Operational Team has created a performance standard that is optimum and periodically monitored. Continuous improvement has been done through cost efficiency program, development and refinement of technology, as well as productivity improvement from the frontliners to the back office that has had an impact on service acceleration and improvements for the customers. The process improvements that the Bank has done, among others, are:

#### 1. Seamless Account Opening Project

As a company in the field of service, the improvement of service quality to keep up with Customers' behavior that is now heading towards digitalization has been an important part of Transformation 2.0 Creating the Future. In this digitalization era, every Customer has an easy access to information and they can quickly compare with competing Banks. The Bank is therefore left with no other choice than to implement the transformation.

Through the implementation of this project, digitalization was done by simplifying and streamlining the process of opening an account in the Branch Office with a paperless system, whereby the Customer can still undergo the process of opening an account without any hassle (seamless and hassle free). With

the availability of a fast and simple process for opening an account, the Customer will then have a pleasant transaction experience that is expected to build a lasting loyalty between the Customer and The Bank.

Furthermore, this project aims to improve other operational income (Fee Based Income) through the reduction of operational transaction fee, increasing the volume of Customer transaction, and the creation of opportunity for cross selling the Bank's other products or services to the Customers.

#### 2. Tradefast

This project that manages to utilize the process up to Rp256.5 million per year is designed to improve the efficiency of the documentation management process in the Loan & Trade Division through the digitalization process by using paperless processing system, a faster process that is cost-saving and optimizes the Enterprise Content Management (ECM) System. In total, the process improvement that has managed to be done in the operational and technological environment impacts the improvement in productivity, process effectiveness, and cost efficiency, such as:

- a. 40 projects with cost saving as much as Rp16 billion.
- b. 293 Process Improvement Teams (PITs) with cost saving as much as Rp2.2 billion.

### The Improvement of Human Resources Quality

The Bank's Operational Team constantly prioritizes the deliverance of best services to all their Customers. Therefore, the Operational Team has developed and improved upon the quality of its Human Resources (HR) in terms of capabilities and continuous productivity of the employees.

The process improvement that has been done aims to optimize operational activities, both in terms of productivity as well as work quality. This adheres to management on operational costs heading to efficiency and sufficient operational control function. Every employee in the Operational Team must also realize how important it is for them to perform well in their first opportunity.

In accordance with Transformation 2.0, the employees need to have a mindset of change, open-mindedness and developing in a new process in order for the transformation to be implemented as expected. Each employee is actively involved and fully contributed in the transformation that involves work process in their Work Unit.

As a token of appreciation of the Bank for the performance and productivity that the employees have given, the Bank organizes a routine yearly awards events, "OCBC NISP Service Awards (ONSA)". The awards are given to the Bank's employees both in the Head Office and branch offices for providing the best services to the Customers.

The Operational Team has also done continuous People Management in terms of competence, work quality, and the understanding of partnership culture that is in line with the development of the company's business so it can accommodate the process needed to reach a level of service that meets and even exceeds the customers' expectations through:

1. HR competence development is done through employee training and development programs, overseas learning and assignment program, talent development, as integrated programs to support the needs and goals of the business.
2. Educational, Certification, Employee Exchange (Job Attachment) programs as well as periodical rotation in the operational environment in the effort to improve upon employee capabilities, develop their personal, managerial and leadership competences as well as their technical and functional competences.
3. Rewards for employees with continuous high performance to produce quality and competent HR.
4. All the Work Unit Leaders in the Operational Team are consistently equipped with a more effective coaching ability, monitoring, and preparing replacement employee/official. It is also important to improve upon the discipline in problem escalation.
5. Create a conducive work environment in order to improve upon employee productivity.

### Awards in the Operational Field in 2017

As proof of the consistent efforts from the Operational Team in providing the best solutions to the Bank's Customers, throughout 2017, the Operational Team has received various awards that include:

- Operational Excellent Award from Wells Fargo.
- Straight Through Processing Award from BNY for 2016 achievements.
- Silver 2016 Euro STP Excellence Award from Deutsche Bank.

### 2018 Business Plan

Initiatives and business plan from the Operational Team in 2018 are as follows:

1. Conducting automation and system development on the manual process to improve on business services by optimizing available resources.
2. Implementing biometric identification technology as information protection and an easier and simpler financial transaction security standard during Customer verification process in the Branch Office while still referring to applicable regulations.
3. Developing the management and storage of the Bank's documents/files, both hardcopy and softcopy. The Bank periodically converts their documents in the image scan format, specifically for documents/files relating to the Customers. Thus, the Bank is able to optimize the space that used to be needed for document storage.
4. Improving the employees' understanding on effective risk management and control, including the ability to search and monitor Customers' transaction activities that are done through digital devices.
5. Maintaining and improving the relationship as well as providing the best service to the Customers by providing attention or professional approach to improve Customer loyalty.

# Financial Review

The Bank successfully recorded a satisfying financial performance throughout 2017 as reflected in the net income of Rp2.2 trillion in 2017 or increased by 21.6% compared to the previous year.

## INDONESIAN MACROECONOMIC OVERVIEW IN 2017

The overall of Indonesian economic condition in 2017 was better compared to the previous year. The Gross Domestic Product was 5.1% in 2017, higher than in 2016 of 5.0%. The hike of Indonesian economy in 2017 was contributed among others by household consumption and investment performance improvement.

From the side of balance of trade, the export value cumulatively reached USD168.7 billion in 2017 or increased 16.2% y-o-y over 2016. The cumulative import in 2017 also rose by 15.7% y-o-y to reach USD156.9 billion. Meanwhile, the foreign reserves at the end of 2017 increased USD13.8 billion to USD130.2 billion or equal to 8.3 months import and government external debt repayment compared to in 2016 that reached USD116.4 billion, higher than the international reserves adequacy standards of 3 months import.

With this development, the overall balance of trade in 2017 was surplus at USD11.8 billion, better than in 2016 of USD9.5 billion. The improvement of balance of trade in 2017 was driven by the increase of non-oil and gas balance of trade surplus, despite the increase of oil and gas balance of trade deficit. The improvement of non-oil and gas balance of trade performance and the increase of oil and gas balance of trade deficit delivered various impacts on Rupiah currency in 2017. The point-to-point Rupiah weakened by 0.7% in 2017 against 2016.

During 2017, the inflation reached 3.6% or higher than 2016 inflation rate of 3.0%. The inflation rate stood at a range of 2017 inflation target indicated by Bank Indonesia of 4%±1%. Based on the inflation rate at the end of the year, Bank Indonesia decided to maintain 7-day reverse repo rate of 4.25% at the end of 2017. While lending facility rate stood at 5.00% at the end of 2017. On the other side, such low rate was able to drive the decline in banking interest rate that led to a gradual drop on savings and loans interest rate.

In 2017, Indonesia managed to maintain “investment grade”, even obtained the improving rating from the international rating agency, Fitch Ratings to BBB with stable outlook, from S&P to BBB- with stable outlook and from Moody’s to Baa3 with positive outlook. Meanwhile, the Jakarta Composite Index increased 20.0% to 6,355 at the end of 2017 from 5,296 in 2016, one of the highest among the world’s main stock exchanges.

## Indonesia Economic Indicators

Description	Unit	2016	2017
GDP Growth	% y-o-y	5.0	5.1
Exports	USD billion	145.2	168.7
Imports	USD billion	135.6	156.9
Balance of Trade Surplus	USD billion	9.5	11.8
Foreign Reserves	USD billion	116.4	130.2
Rp/USD (end of period)	Rp	13,472	13,567
CPI Inflation	%	3.0	3.6
BI Rate (end of year)	%	6.00a)	5.00 b)
BI 7-day Reverse Repo Rate	%	4.75	4.25
Jakarta Composite Index	End of year	5,296	6,355
Fitch Rating-Foreign Exchange Long Term		BBB- (Outlook: Positive)	BBB (Outlook: Stable)

Sources: Statistic Indonesia, Bank Indonesia (BI) and Indonesia Stock Exchange  
a) Based on auction of SBI 1 year  
b) Based on BI lending facility

## THE INDONESIAN BANKING INDUSTRY

### Business Development of Commercial Banks

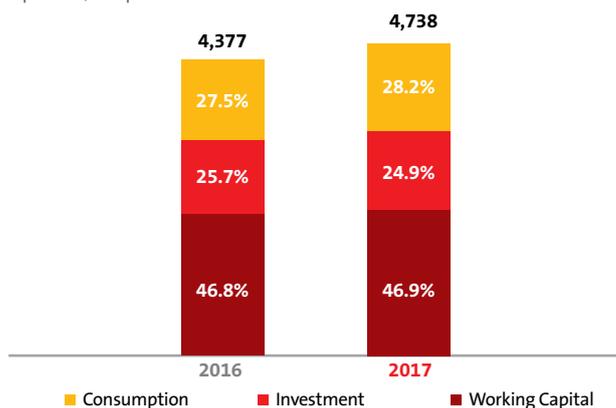
The banking system in general still remained stable, followed by a relatively improved intermediary functions to support economic financing.

Description	Unit	2016	2017	Δ %
Loans	Rp trillion	4,377	4,738	8.2%
Deposits	Rp trillion	4,837	5,289	9.4%
Net Interest Income	Rp trillion	343	358	4.5%
Non-Interest Income	Rp trillion	250	232	(7.3%)
Operating Income	Rp trillion	931	949	1.9%
Income from Operations	Rp trillion	136	165	21.3%
Net Income	Rp trillion	107	131	23.1%
Net Interest Margin (NIM)	%	5.6	5.3	(0.3)
Other Operating Income to Operating Income	%	26.8	24.4	(2.4)
Return on Asset (ROA)	%	2.2	2.5	0.3
Loan to Deposit Ratio (LDR)	%	90.7	90.0	(0.7)
Non-Performing Loans (Gross NPL)	%	2.9	2.6	(0.3)
Capital Adequacy Ratio (CAR)	%	22.9	23.2	0.3

Source: Indonesia Banking Statistic - Financial Services Authority (FSA)

The Loan-to-Deposit Ratio (LDR) of commercial banks decreased to 90.0% at the end of 2017 from 90.7% in 2016. This was in line with the deceleration loan growth followed by a prudent loan disbursement. Loan disbursement rose by 8.2% y-o-y to Rp4,738 trillion from Rp4,377 trillion in 2016. The banking industry recorded loan composition by usage was mostly dominated by working capital loan with 46.9%, followed by consumer loans with 28.2% and investment loans with 24.9%. The Gross Non Performing Loan (NPL) achieved 2.6% at the end of 2017 and still far below the maximum limit of 5%.

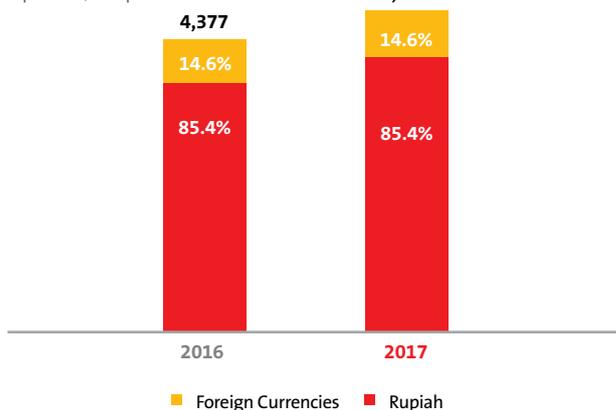
Loan Gross Composition by Usage  
Rp trillion, except %



Description	2016	2017	YoY	
			Total	%
Consumption	1,203	1,335	132	11.0
Investment	1,125	1,180	55	4.8
Working Capital	2,049	2,223	174	8.5
<b>Total</b>	<b>4,377</b>	<b>4,738</b>	<b>361</b>	<b>8.2</b>

Loan growth in 2017 was driven by strong growth in foreign currencies loans, reaching 8.2% y-o-y, similar to loan growth in Rupiah denomination.

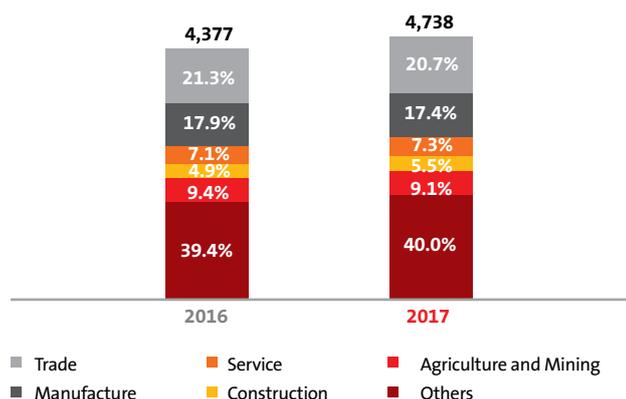
Loan Gross Composition by Currency  
Rp trillion, except %



Description	2016	2017	YoY	
			Total	%
Rupiah	3,737	4,045	308	8.2
Foreign Currencies	640	693	53	8.2
<b>Total</b>	<b>4,377</b>	<b>4,738</b>	<b>361</b>	<b>8.2</b>

Meanwhile, based on sectors, productive sector has relatively equitable growth in 2017.

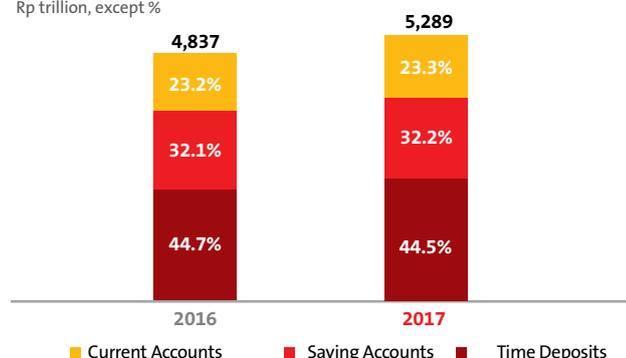
**Loan Gross Composition by Economic Sector**  
Rp trillion, except %



Description	2016	2017	YoY	
			Total	%
Trade	935	984	49	5.2
Manufacture	782	824	42	5.4
Service	309	345	36	11.8
Construction	214	259	45	20.6
Agriculture and Mining	410	431	21	5.1
Others	1,727	1,895	168	9.8
<b>Total</b>	<b>4,377</b>	<b>4,738</b>	<b>361</b>	<b>8.2</b>

Third Party Funds reached Rp5,289 trillion or increased by 9.4% y-o-y from Rp4,837 trillion in 2016. The composition of low cost funds such as savings and current accounts grew by 9.6% and 9.7% respectively in 2017. The increase in low cost funds indicated the public confidence towards the economic outlook and the resilience of the Indonesian banking sector.

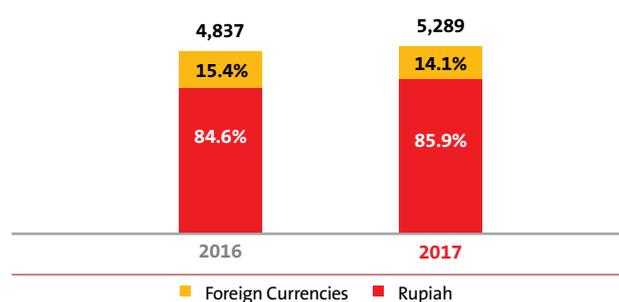
**Third Party Funds Composition by Type of Deposits**  
Rp trillion, except %



Description	2016	2017	YoY	
			Total	%
Time Deposits	2,161	2,355	194	9.0
Saving Accounts	1,552	1,701	149	9.6
Current Accounts	1,124	1,233	109	9.7
<b>Total</b>	<b>4,837</b>	<b>5,289</b>	<b>452</b>	<b>9.4</b>

By type of currency, Rupiah-denominated Third Party Funds (TPF) provided a major contribution to total TPF. As of 2017, Rupiah-denominated TPF increased by Rp449 trillion, or increased 11.0% y-o-y, while TPF denominated in foreign currencies increased by Rp3 trillion or increased by 0.4% y-o-y.

**Third Party Funds Composition by Currency**  
Rp trillion, except %



Description	2016	2017	YoY	
			Total	%
Rupiah	4,092	4,541	449	11.0
Foreign Currency	745	748	3	0.4
<b>Total</b>	<b>4,837</b>	<b>5,289</b>	<b>452</b>	<b>9.4</b>

Indonesia's banking industry recorded net income of Rp131 trillion, increased by 23.1% from Rp107 trillion in 2016. By the end of 2017, the profitability performance of banking industry grew limitedly but still showed an optimism, which can be seen from the growth of net interest income throughout 2017 which reached Rp358 trillion, or rose by 4.5% y-o-y, exceeding the growth in 2016 of Rp343 trillion.

Net Interest Margin (NIM) recorded at 5.3% in 2017 from 5.6% in 2016. This was in line with the decrease in national banking interest rate. In 2017, the non-interest income decreased by 7.3% y-o-y.

The banking industry stability was still well-maintained as reflected in high capital adequacy ratio (CAR) of 23.2% at the end of 2017 or higher than 22.9% in 2016 and far above the minimum requirement of 8%.

## REVIEW OF BANK OCBC NISP'S OPERATIONAL PERFORMANCE

Bank OCBC NISP managed to increase its performance in 2017 with a net income of Rp2.2 trillion or increased by 21.6% from Rp1.8 trillion in 2016. Return on Assets (ROA) and Return on Equity (ROE) of Bank OCBC NISP were 2.0% and 10.7% respectively compared to 1.8% and 9.8% in 2016.

The increase in total assets was primarily driven by the growth of the gross loan to Rp106.3 trillion or grew by 13.9% as compared to 2016. The loan growth was accompanied by the maintained loan quality, as reflected by the Bank's gross Non-Performing Loans (NPL) of 1.8% from total gross loans. Gross NPL level was relatively lower than the industry average of 2.6% by the end of 2017. The growth of total assets was also supported by the growth of third-party funds that reached Rp113.4 trillion at the end of 2017 or grew by 9.5% compared to the previous year. On the side of the capital, total equity reached Rp21.8 trillion and the Capital Adequacy Ratio (CAR) amounted to 17.5% at the end of 2017.

In addition, Bank OCBC NISP managed to strengthen its position as a healthy and prudent national private bank by maintaining its 'AAA' local ratings from Fitch Ratings and Pefindo, becoming one of the highest credit ratings banks in Indonesia for 2017.

The financial performance was continuously followed by the Bank's efforts to consistently increase the position and capabilities of banking products and transaction services, including network effectiveness of 338 offices, 758 ATMs, 438 thousand EDCs, e-Banking which included internet and mobile banking services, branding, good corporate governance, system, technology and improvement of continuous working processes in order to build maximum and sustainable economic values for all stakeholders.

## BANK OCBC NISP'S FINANCIAL PERFORMANCE

Bank OCBC NISP recorded net income of Rp2.2 trillion in 2017 or rose by 21.6% from Rp1.8 trillion in 2016, while Bank OCBC NISP's Return on Assets (ROA) was 2.0% or slightly higher than 1.8% in 2016. Meanwhile, Return on Equity (ROE) was 10.7% in 2017 or higher than 9.8% in 2016.

(In billion Rp, except %)

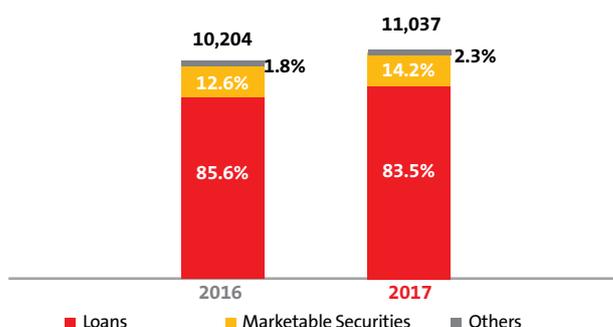
Assets	2016			2017			Δ% Interest Income
	Interest Income	Average Interest Rate		Interest Income	Average Interest Rate		
		Rupiah (%)	Foreign Currencies (%)		Rupiah (%)	Foreign Currencies (%)	
Loans	8,730	11.8	5.3	9,214	10.7	5.3	5.5%
Marketable securities and Government bonds	1,291	7.3	2.0	1,570	6.9	2.0	21.6%
Current Account and Placement with other banks and Bank Indonesia	176	7.2	0.4	245	6.4	1.1	39.2%
Others	7	-	-	8	-	-	15.5%
<b>Total</b>	<b>10,204</b>			<b>11,037</b>			<b>8.2%</b>

## Interest Expenses

In 2017, Interest Expenses was which amounted to Rp5.0 trillion, or rose by Rp0.2 trillion compared to interest expense in 2016 of Rp4.8 trillion. Bank OCBC NISP's interest expenses in 2016 and 2017 are described as follows:

### Composition of Interest Income

Rp billion, except %



## Interest Income

The interest income in 2017 was Rp11.0 trillion, increased by Rp0.8 trillion or 8.2% from Rp10.2 trillion in 2016. The increase was mainly due to higher gross loans by Rp13.0 trillion or 13.9% as compared to 2016. The average interest rate of Rupiah-denominated gross loans was decreased to 10.7% from 11.8% in 2016, whereas the average interest rate for gross loans in foreign currencies denomination remained at 5.3% in 2017. Bank OCBC NISP's interest income in 2016 and 2017 is described as follows:

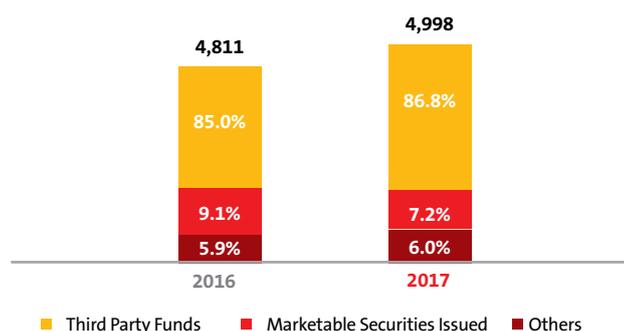
(In billion Rp, except %)

Liabilities	2016			2017			Δ% Interest Expense
	Interest Expense	Average Interest Rate		Interest Expense	Average Interest Rate		
		Rupiah (%)	Foreign Currencies (%)		Rupiah (%)	Foreign Currencies (%)	
Time Deposits	3,516	7.5	0.9	3,670	6.5	1.0	4.4%
Saving Accounts	331	2.7	0.1	301	2.3	0.1	(9.0%)
Current Accounts	242	1.8	0.7	368	2.2	0.7	52.3%
Marketable Security Issued	339	9.0	-	309	8.6	-	(8.7%)
Subordinated Bonds	101	11.5	-	50	-	-	(50.2%)
Borrowings	51	-	-	25	-	-	(52.2%)
Deposits from other Banks	42	4.6	0.5	46	4.3	1.3	9.8%
Others	189	-	-	229	-	-	20.8%
<b>Total</b>	<b>4,811</b>			<b>4,998</b>			<b>3.9%</b>

The average interest rate of time deposits in Rupiah denomination declined to 6.5% in 2017 from 7.5% in 2016, while the average interest rate of saving in Rupiah denomination decreased to 2.3% in 2017 from 2.7% in 2016 and the average interest rate of current accounts in Rupiah denomination increased to 2.2% in 2017 as compared to 1.8% in 2016. The average interest rate of time deposits denominated in foreign currencies increased to 1.0% in 2017 from 0.9% in 2016, whereas the average interest rate of saving accounts denominated in foreign currencies was 0.1% in 2017 or similar to in 2016. The average interest rate of current accounts denominated in foreign currencies still remained at 0.7% in 2017, similar to in 2016.

#### Composition of Interest Expense

Rp billion, except %



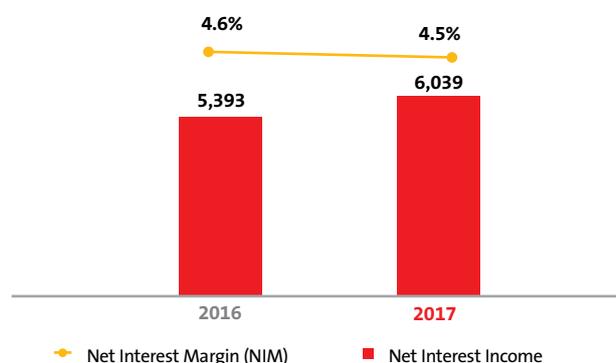
#### Net Interest Income

Net interest income increased by Rp646 billion or 12.0% to Rp6.0 trillion in 2017 from Rp5.4 trillion in 2016, mainly driven by the increase in interest income along with the growth in the gross loans. The contribution of net interest income to total income became 80.0% in 2017 from 79.2% in 2016.

Meanwhile the net interest margin stood at 4.5% in 2017, slightly decrease from 4.6% in 2016 due to the increase in net interest income of 12.0%, or slightly higher than the growth of earning assets of 11.9%.

#### Net Interest Income and Net Interest Margin

Rp billion, except %



#### Other Operating Income

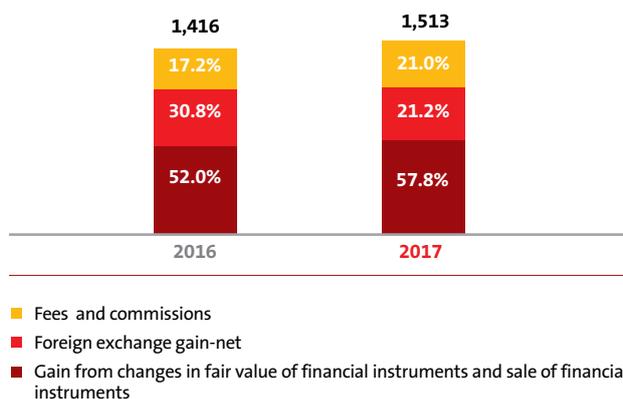
(Rp billion, except %)

Other Operating Income	2016	2017	Δ %
Fees and commissions	737	875	18.7%
Foreign exchange gain-net	436	320	(26.7%)
Gain from changes in fair value of financial instruments and sale of financial instruments	243	318	31.0%
<b>Total</b>	<b>1,416</b>	<b>1,513</b>	<b>6.9%</b>

Other operating income in 2017 amounted to Rp1,513 billion, and increased by Rp97 billion or 6.9% from Rp1,416 billion in 2016. The increase was mainly driven by increase in credit related transaction and increase of gain from changes in fair value of financial instruments and sale of financial instruments.

**Other Operating Income**

Rp billion, except %

**Allowance for Impairment Losses on Financial Assets and Others**

The Bank's allowance for impairment losses on financial assets and others in 2016 and 2017 are described as follows:

(In billion Rp, except %)

Allowance/(Reversal) for Impairment Losses on Financial Assets and Others	2016	2017	Δ %
Marketable securities	3	13	328.3%
Loans	1,370	1,279	(6.6%)
Acceptance receivable	9	20	121.2%
Other assets - Letter of Credit transaction receivables	(65)	(1)	(98.9%)
Allowance for impairment losses - Others	(1)	-	(100%)
<b>Total</b>	<b>1,316</b>	<b>1,311</b>	<b>(0.3%)</b>

Allowance for Impairment losses on financial assets and others decreased by Rp5 billion or 0.3% to Rp1,311 billion in 2017, compared to Rp1,316 billion in 2016, driven by a decrease in general reserves in 2017 which in line with the loans quality improvement.

(In billion Rp, except %)

Allowance for Impairment Losses on Financial Assets (Excluded Allowance for Impairment Losses-Others)	2016	2017	Δ %
Loan	1,370	1,279	(6.6%)
Non Loan	(54)	32	160.4%
<b>Total</b>	<b>1,316</b>	<b>1,311</b>	<b>(0.3%)</b>

**Other Operating Expenses**

Bank OCBC NISP's other operating expenses in 2016 and 2017 are described as follows:

(In billion Rp, except %)

Other Operating Expenses	2016	2017	Δ %
Salaries and Benefits	1,906	2,071	8.6%
General and Administrative	1,096	1,137	3.8%
Others	149	155	4.1%
<b>Total</b>	<b>3,151</b>	<b>3,363</b>	<b>6.7%</b>

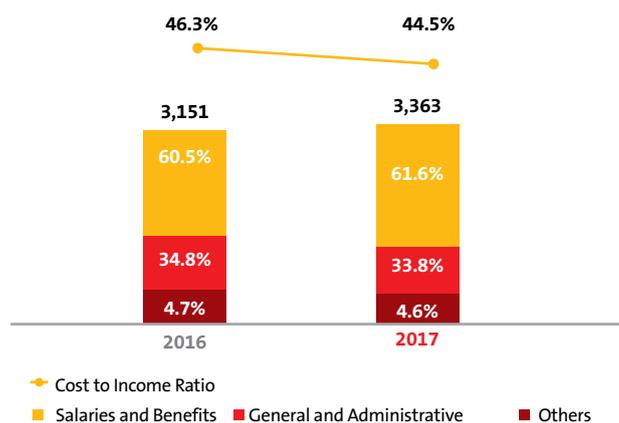
Other operating expenses in 2017 amounted to Rp3.4 trillion, increased by Rp212 billion or 6.7% from Rp3.2 trillion in 2016, due to the increasing salaries and allowance worth Rp165 billion, as well as general and administrative expenses of Rp41 billion.

The increase in salaries and allowances were mainly contributed by the adjustment of employee salaries and allowances in 2017. Meanwhile, the increase in general and administrative expense was mainly contributed by the rise of maintenance, repair and transportation of Rp19 billion, security and outsourcing of Rp15 billion and rental expense of Rp13 billion.

Cost to income ratio declined to 44.5% in 2017 compared to 46.3% in 2016. The decline or the improvement of this ratio was due to the growth of other operating expenses at 6.7% in 2017, lower than the growth of total operating income by 10.9%.

**Other Operating Expenses & Cost to Income Ratio**

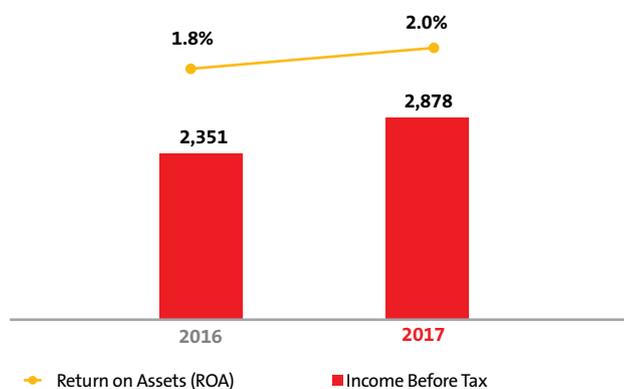
Rp billion, except %

**Income Before Tax**

Income before tax reached Rp2.9 trillion in 2017, rose by Rp0.5 trillion or 22.4% compared to 2016 amounted to Rp2.4 trillion due to a 12.0% increase in net interest income and 6.9% in other operating income, which was offset by the increase of other operating expenses by 6.7% as well as allowance for impairment losses on financial assets which dropped by 0.3%. The 22.4% growth in income before tax and 11.3% growth in assets resulted higher ROA of 2.0% in 2017 than 1.8% in 2016.

## Income Before Tax & Return on Assets (ROA)

Rp billion, except %



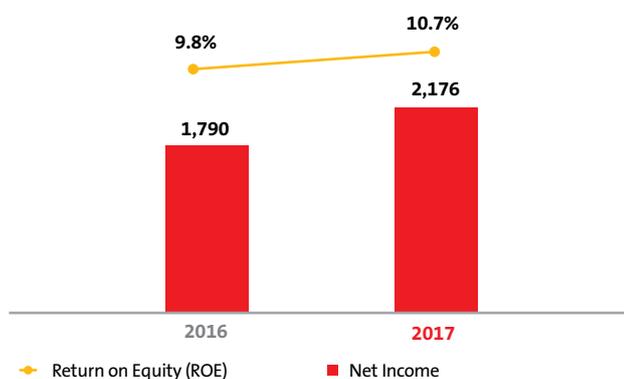
## Net Income

In 2017, Bank OCBC NISP recorded net income of Rp2.2 trillion, and increased by Rp0.4 trillion or 21.6% as compared to Rp1.8 trillion in 2016.

The increase in net income by 21.6% was followed by the increase in equity by 11.7%, resulting to a higher ROE to 10.7% in 2017 compared to 9.8% in 2016.

## Net Income & Return on Equity (ROE)

Rp billion, except %



## Comprehensive Income Statement

Bank OCBC NISP's comprehensive income mainly derived from financial assets available for sale which consist of non-derivative financial assets that are designated to be held for a certain period and will be sold in terms of the Bank's liquidity needs or changes in the interest rates, exchange rates, or those which are not classified as:

- Loans and receivables
- Financial assets classified as held to-maturity.
- Financial assets calculated at fair value through the comprehensive profit/loss statements.

Comprehensive income statements as of December 31, 2016 and 2017 are as follows:

(In Billion Rp)

Description	2016	2017
Net Income	1,790	2,176
<b>Other Comprehensive Income/(Expenses):</b>		
Items that will be reclassified subsequently to profit or loss		
Available for Sale Financial Assets		
- Gain for the Year	4	49
- Fair value changes transferred to profit or loss	45	111
Related Income Tax	(12)	(40)
Items that will not be reclassified subsequently to profit or loss		
Revaluation surplus of fixed asset	1,258	-
Re-measurements from post-employment benefit obligation	13	(24)
Related Income Tax	(3)	6
<b>Comprehensive Income for the Year, After Tax</b>	<b>1,305</b>	<b>102</b>
<b>Total Comprehensive Income for the Year, After Tax</b>	<b>3,095</b>	<b>2,278</b>

In 2017, Bank OCBC NISP recorded other comprehensive income after tax amounting to Rp102 billion due to the fair value changes transferred to profit or loss of Rp111 billion.

In 2016, Bank OCBC NISP recorded other net comprehensive income, net of tax amounting to Rp1,305 billion, which was primarily generated by items that will be reclassified subsequently to profit or loss which was evaluation surplus of fixed asset amounted to Rp1,258 billion.

## BANK OCBC NISP'S FINANCIAL POSITION

Bank OCBC NISP recorded total assets of Rp153.8 trillion or grew by 11.3% from Rp138.2 trillion in 2016. This achievement ultimately placed Bank OCBC NISP as the 9<sup>th</sup> largest national bank in terms of total assets with a market share of around 2.1% in 2017. Total assets growth was mainly contributed by 13.9% growth of total gross loans in 2017, which was also supported by the growth of third-party funds of 9.5%. In 2017, Bank OCBC NISP also diversified funding to support lending activities, among others, by issuing marketable securities with total value of Rp6.1 trillion, an increase compared to Rp3.9 trillion in 2016.

Bank OCBC NISP optimally sustained its intermediary function as indicated by Loan to Deposit Ratio – LDR of 93.4% at the end of 2017 compared to 89.9% at the end of 2016.

## Assets

Total assets as of December 31, 2017 was Rp153.8 trillion, increased by Rp15.6 trillion or 11.3% over the year 2016 amounting to Rp138.2 trillion, driven by loan growth – net amounted to Rp11.9 trillion, government bonds of Rp2.1 trillion and placement with other Banks and Bank Indonesia amounting to Rp1.4 trillion which were compensated mainly by a decline in marketable securities – net amounted to Rp2.0 trillion. The following table provides details of the Company's total assets as of December 31, 2016 and 2017:

(In billion Rp), except %

Assets	2016		2017	
Cash	882	0.6%	990	0.6%
Current accounts with Bank Indonesia	8,018	5.8%	8,906	5.8%
Current accounts with other banks	485	0.3%	699	0.5%
Placements with other banks and Bank Indonesia	3,442	2.5%	4,836	3.1%
Marketable securities – net	14,347	10.4%	12,371	8.0%
Government Bonds	12,373	9.0%	14,441	9.4%
Derivative receivables	352	0.3%	291	0.2%
Loans – net	90,248	65.3%	102,190	66.4%
Acceptance receivables – net	3,486	2.5%	3,998	2.6%
Prepayments	418	0.3%	396	0.3%
Fixed assets - book value	2,414	1.7%	2,447	1.6%
Other assets – net	1,361	1.0%	1,651	1.1%
Deferred tax assets	370	0.3%	558	0.4%
<b>Total</b>	<b>138,196</b>	<b>100.0%</b>	<b>153,774</b>	<b>100.0%</b>

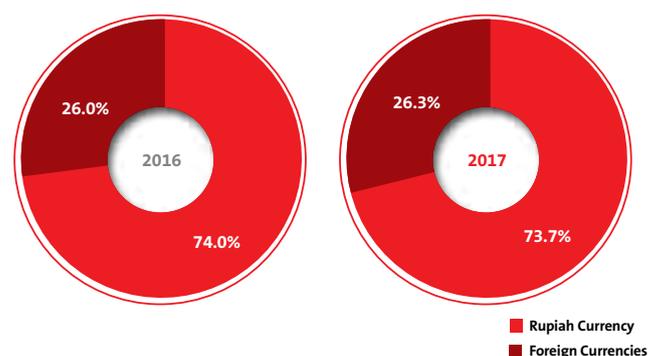
## Loans

As of December 31, 2017, total gross loans amounted to Rp106.3 trillion, increased by 13.9% compared to Rp93.4 trillion as of December 31, 2016 which was driven by business development initiatives undertaken by Bank OCBC NISP and also continuous improvements of the Bank's internal processes. Loans granting based on collectability as of December 31, 2016 and 2017 are as follows:

(In billion Rp)

Description	2016		2017	
	Total Loans	Allowance for Impairment Losses	Total Loans	Allowance for Impairment Losses
Pass	90,338	1,943	102,275	2,624
Special Mention	1,276	141	2,175	405
Substandard	272	171	138	82
Doubtful	193	96	136	92
Loss	1,284	764	1,625	957
<b>Total</b>	<b>93,363</b>	<b>3,115</b>	<b>106,349</b>	<b>4,160</b>

## Gross Loans Composition Denominated in Rupiah and Foreign Currencies



2016: Rp93,363 billion

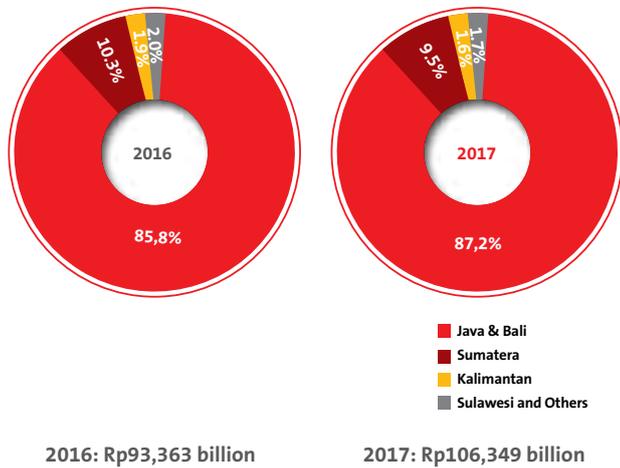
2017: Rp106,349 billion

The composition of total gross loans in Rupiah and foreign currencies denominations represented 73.7% and 26.3% of total gross loans at the end of 2017, respectively. The Rupiah denominated gross loans amounted to Rp78.4 trillion at the end of 2017, up by 13.4% as compared to previous year. The gross loans in foreign currencies denomination had equivalent value of Rp27.9 trillion at the end of 2017, rose by 15.4% from the previous year.

In terms of loan quality, the gross NPL denominated in Rupiah was 2.3% in 2017 and 2.2% in 2016, whereas gross NPL in foreign currencies were 0.4% and 0.9% in 2017 and 2016, respectively. The composition of gross NPL in Rupiah and foreign currencies denomination were 94.5% and 5.5% respectively of the total gross NPL at the end of 2017.

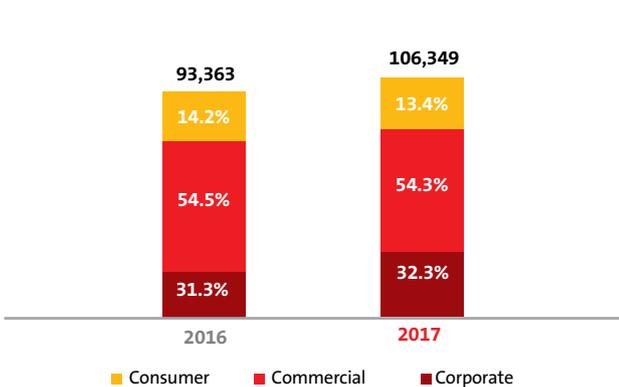
In terms of regional distribution, the largest loans contribution was derived from Java and Bali areas, with 87.2% of total gross loans or amounting to Rp92.7 trillion, increased by 15.7% from 2016. Sumatera contributed 9.5% of total gross loans or amounting to Rp10.1 trillion, an increase by 4.4% over the previous year. Followed by Kalimantan with the contribution of 1.6% at the end of 2017 or amounting to Rp1.8 trillion, an increase of 2.4% over the previous year, as well as Sulawesi and other regions with contribution of 1.7% or Rp1.8 trillion, decreased by 2.4% from 2016.

## Composition of Gross Loans Based on Region



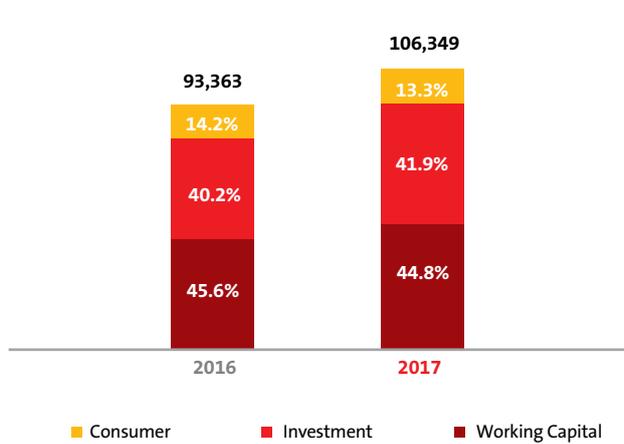
Based on business segments classification, the largest contribution was derived from the commercial segment, followed by the corporate and consumer segments (including employee loan) amounting to Rp57.8 trillion, Rp34.3 trillion and Rp14.2 trillion or equivalent to 54.3%, 32.3% and 13.4% respectively at the end of 2017.

## Composition of Gross Loans Based on Business Segment



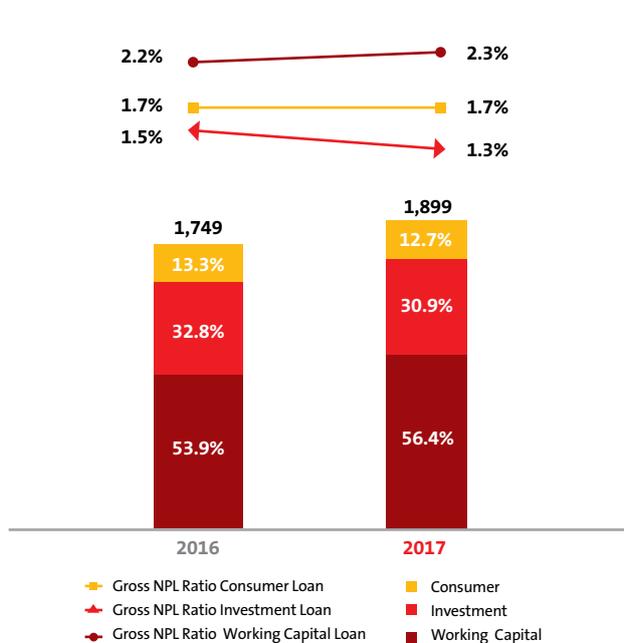
Based on type of usage, working capital loans provided by the largest contribution of 44.8% of total gross loans at the end of 2017 or amounted to Rp47.6 trillion, grew by 11.8% from the position on December 31, 2016. Investment loans contributed by 41.9% of total gross loans or amounting to Rp44.5 trillion, rose by 18.9% from the previous year. While consumer loans with 83% of its composition were dominated by mortgage (KPR), contributed as much as 13.3% of the total gross loans or Rp14.2 trillion at the end of 2017, increased by 6.6% over the end of 2016.

## Composition of Gross Loans Based on Type of Usage



In terms of gross NPL based on type of usage, the largest contribution was derived from working capital loans, investment loans and consumer loans with the amount of Rp1,072 billion, Rp586 billion and Rp241 billion respectively, or 2.3%, 1.3%, and 1.7% of total its respective loans by usage at the end of 2017.

## Composition of NPL and Gross NPL Ratio Based on Type of Usage

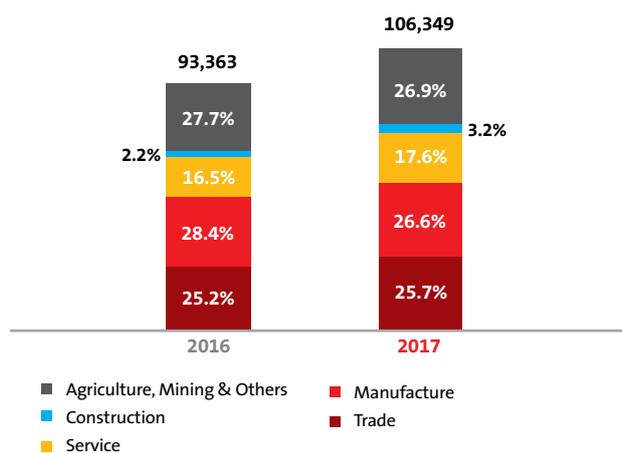


In terms of loans distribution by economic sectors, the manufacturing sector became the largest contributor at 26.6% of total loans gross at the end of 2017 or amounted to Rp28.3 trillion, followed by the trade and services sectors with their respective contribution of 25.7% and 17.6% of total gross loans at the end of 2017 or amounted to Rp27.4 trillion and Rp18.7 trillion. Meanwhile,

a combination of the construction, agriculture, mining and other sectors contributed 30.1% of total gross loans at the end of 2017 or Rp31.9 trillion.

### Gross Loan Composition by Economic Sector

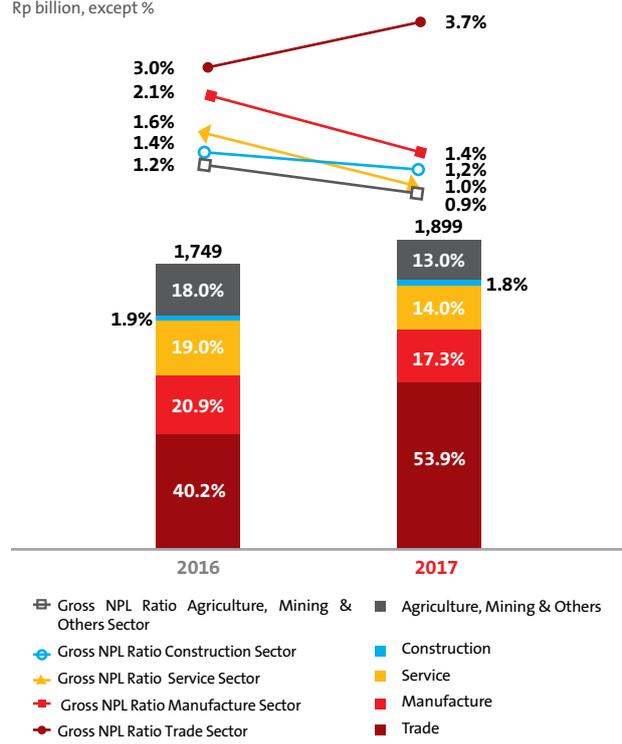
Rp billion, except %



For gross NPL which was based on economic sectors, the trade sector contributed the largest portion with Rp1,024 billion or 53.9% of total NPL in 2017, followed by manufacture and service sectors with contribution of Rp329 billion and Rp265 billion or 17.3% and 14.0% of total NPL in 2017, respectively. Meanwhile, the combination of construction, agriculture, mining and other sectors contributed Rp281 billion or 14.8% of the total NPL at the end of 2017.

### Composition of NPL and Gross NPL Ratio Based on Economic Sector

Rp billion, except %

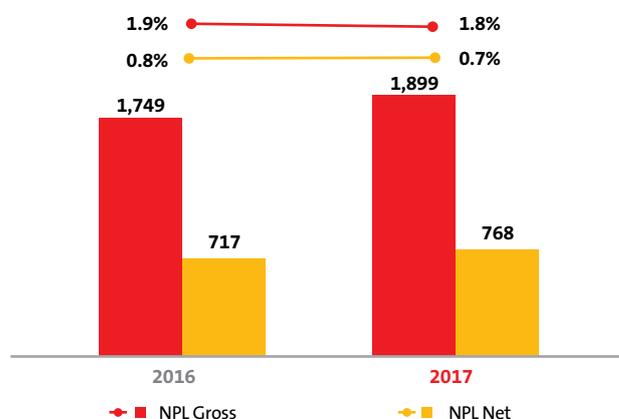


Bank OCBC NISP maintained its assets quality, as reflected by the gross NPL which declined from 1.9% at the end of 2016 to 1.8% of total gross loans or Rp1.9 trillion at the end of 2017 and lower than the industry average of about 2.6% at the end of 2017.

At the end of 2017, the Bank's net NPL was recorded at 0.7%, which was still far below the benchmark set by Bank Indonesia of 5.0%.

### NPL Gross and NPL Net

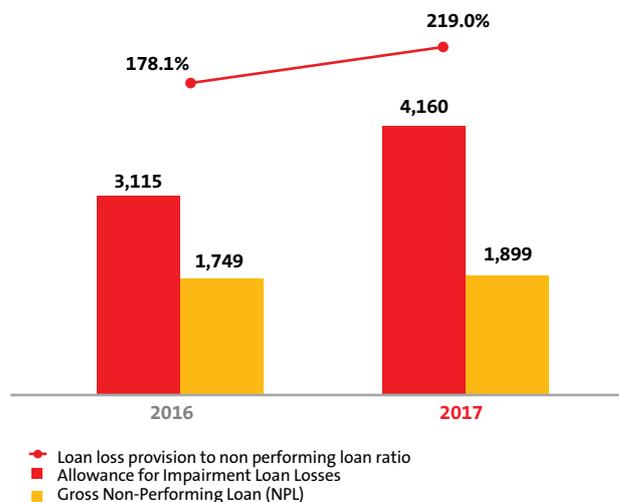
Rp billion, except %



Bank OCBC NISP has allocated adequate allowance for loan losses to cover possible losses from non-performing loans, as reflected in the ratio of loan losses allowance to NPL at 219.0% at the end of 2017, which increased over 178.1% at the end of 2016 due to the increase in loan loss provisioning in line with loans growth.

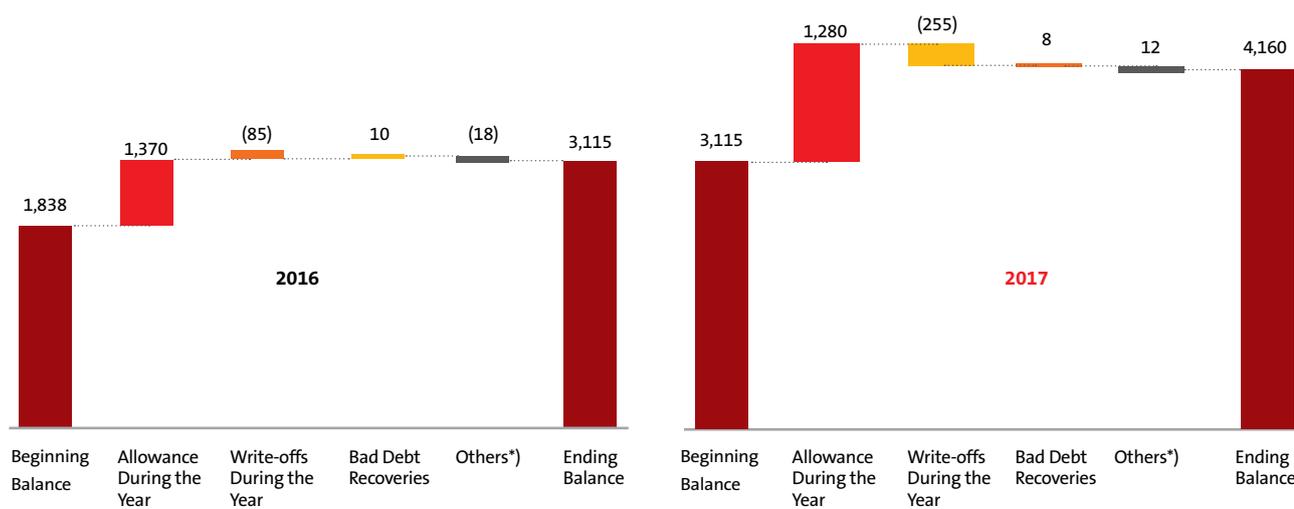
### Allowance for Impairment Loan Losses

Rp billion, except %



The allowance for loan losses on December 31, 2017 stood at Rp4.2 trillion, rose 33.5% from Rp3.1 trillion as of December 31, 2016. The increase was driven by the general provision formed to correspond with overall loans expansion in 2017 and the addition of specific provision for NPL, so that Bank OCBC NISP may continue maintaining the adequacy of loan losses allowance.

**Allowance for Impairment Loan Losses**  
Rp billion



\*) Include effect of foreign exchange translation

## Placement with other banks and Bank of Indonesia

Total placement with other banks and Bank of Indonesia on December 31, 2017 was amounted to Rp4.8 trillion, rose by 40.5% from Rp3.4 trillion at the end of 2016, as the Bank placed excess liquidity in the form of Bank Indonesia Time Deposit in 2017.

Placement at other banks and Bank of Indonesia were dominated by Rupiah denomination by 95.6% of total placements at the end of 2017.

## Marketable Securities

Based on classification, the gross marketable securities comprised of securities for trading and available for sale, as well as loans and receivables were respectively in the amounts of Rp1,372 billion, Rp10,860 billion and Rp158 billion or 11.1%, 87.6% and 1.3% at the end of 2017.

At the end of 2017, the total gross marketable securities (including Certificates of Bank Indonesia (SBI), Certificates Deposits of Bank Indonesia and corporate bonds) were Rp12.4 trillion, increased by Rp2.0 trillion or 13.7% compared to 2016, primarily due to a decrease in SBI under category of available for sale in Rupiah of Rp6.0 trillion.

The marketable securities are made up of Rupiah and foreign currencies denominations, respectively at the amounts Rp8.8 trillion and Rp3.6 trillion or 71.2% and 28.8% of the total placements at the end of 2017. All marketable securities with fixed interest rates.

## Government Bonds

Government bonds accounted for 9.4% of total assets in 2017, higher than 9.0% compare to in 2016. In 2017, the Government bonds amounted to Rp14.4 trillion or rose by 16.7% from Rp12.4 trillion in 2016. The composition of Government bonds was 75.4% in Rupiah and 24.6% in foreign currencies, while in terms of category by 17.4% was for trading and 82.6% was available for sale. The details of Government Bonds as of December 31, 2016 and 2017 are as follows:

(In billion Rp, except %)

Based on Type	2016				2017			
	Rupiah	Foreign Currencies	Total	% of Total	Rupiah	Foreign Currencies	Total	% of Total
Trading	882	282	1,164	9.4%	1,077	1,439	2,516	17.4%
Available for Sale	8,225	2,984	11,209	90.6%	9,811	2,114	11,925	82.6%
<b>Total</b>	<b>9,107</b>	<b>3,266</b>	<b>12,373</b>	<b>100.0%</b>	<b>10,888</b>	<b>3,553</b>	<b>14,441</b>	<b>100.0%</b>
<b>Composition %</b>	<b>73.6%</b>	<b>26.4%</b>	<b>100.0%</b>		<b>75.4%</b>	<b>24.6%</b>	<b>100.0%</b>	

### Fixed Assets

The fixed assets accounted for 1.6% of total assets in 2017, lower than 2016 which amounted to 1.7%. Fixed assets increased by 1.3% from Rp2,414 billion on December 31, 2016 to Rp2,447 billion on December 31, 2017. The increase was derived from land and buildings amounting to Rp53 billion.

### Liabilities

Assets growth was supported by an increase of total liabilities as much as Rp13.3 trillion or increased by 11.2% to Rp132.0 trillion at the end of 2017 from Rp118.7 trillion in 2016. The increase was mainly driven by the growth of third-party deposits of Rp9.9 trillion, deposits from other banks of Rp2.5 trillion and marketable securities issued of Rp2.2 trillion which were compensated among others by a decline in securities sold under repurchase agreements of Rp1.3 trillion and subordinated bonds of Rp0.9 trillion. The following table provides details of the total liabilities as of December 31, 2016 and 2017:

(In billion Rp, except %)

Liabilities	2016		2017	
	Amount	%	Amount	%
Obligation due immediately	444	0.4%	659	0.5%
Deposits from customers <sup>1)</sup>	103,560	87.2%	113,441	85.9%
Deposits from other banks	2,507	2.1%	4,978	3.8%
Derivative payables	304	0.3%	142	0.1%
Acceptance payables	3,514	3.0%	4,046	3.1%
Tax Payables	185	0.2%	155	0.1%
Accrued expenses	393	0.3%	391	0.3%
Securities sold under repurchase agreements	1,346	1.1%	-	0.0%
Marketable securities issued	3,899	3.3%	6,149	4.7%
Employee benefits obligation	657	0.6%	813	0.6%
Other liabilities	1,002	0.8%	1,216	0.9%
Subordinated bonds	879	0.7%	-	0.0%
<b>Total</b>	<b>118,690</b>	<b>100.0%</b>	<b>131,990</b>	<b>100.0%</b>

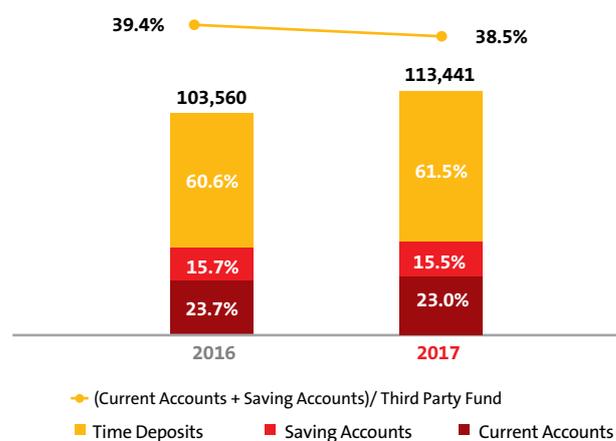
<sup>1)</sup> Deposits from Customers consist of current accounts, saving accounts and time deposits

### Third Party Funds

The third party funds at the end of 2017 reached Rp113.4 trillion, increased by 9.5% compared to Rp103.6 trillion in 2016. The third-party funds consist of current accounts, saving accounts and time deposits which covered 23.0%, 15.5% and 61.5% of total third party funds respectively at the end of 2017.

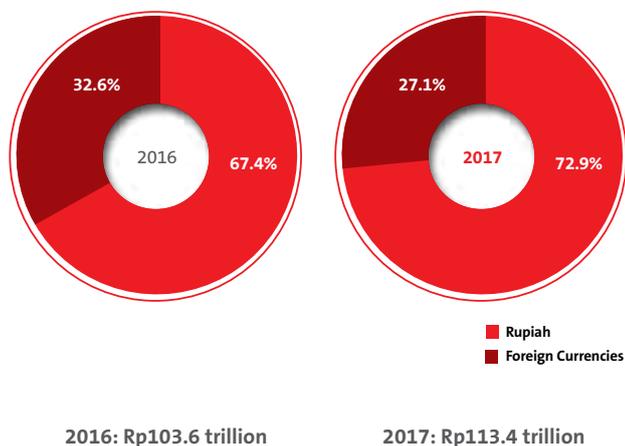
#### Composition of Third Party Fund

(Rp billion, except %)



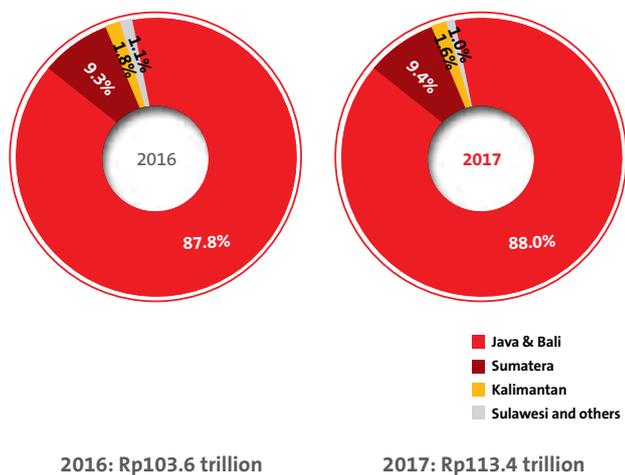
An increase in time deposit of Rp7.0 trillion or 11.1% to Rp69.7 trillion at the end of 2017, also accompanied by the growth in saving accounts of Rp1.3 trillion or grew by 7.9% to Rp17.6 trillion at the end of 2017 as compared to the end of 2016. The amount of current accounts also increased by Rp1.6 trillion or 6.6% to Rp26.1 trillion at the end of 2017 compared to the previous year. In 2017, the faster increase in time deposits, resulted a lower composition of current account and saving account ratio of 38.5% at the end of 2017 as compared to 39.4% at the end of 2016.

## Composition of Third Party Funds Denominated in Rupiah and Foreign Currencies



The composition of third-party funds in Rupiah and foreign currencies denominations were 72.9% and 27.1% at the end of 2017, respectively. Third party funds in Rupiah amounted to Rp82.7 trillion at the end of 2017 or increased by 18.5% from 2016. Third party funds in foreign currencies denomination had equivalent total of Rp30.7 trillion or decreased by 9.1% compared to 2016.

## Composition of Third Party Funds Based on Region



Based on the regional distribution, the largest contribution was derived from Java and Bali which was 88.0% of total third party funds in 2017 or Rp99.7 trillion, an increase of 9.7% from the end of 2016. Meanwhile, Sumatera provided a contribution of 9.4% to total third party funds or the amount of Rp10.7 trillion, an increase of 11.3% from the end of 2016. Kalimantan accounted for 1.6% of total third party funds at the end of 2017 or Rp1.8 trillion, fell by 3.2% from the end of 2016, whereas Sulawesi and other regions contributed 1.0% or Rp1.2 trillion, grew by 1.8% from the end of 2016.

## Deposits from Other Banks

Deposits from other banks on December 31, 2017 amounted to Rp5.0 trillion, an increase of Rp2.5 trillion, or 98.6% compared to the end of 2016 which amounted to Rp2.5 trillion. The largest contribution was derived from the interbank call money which rose by Rp2.2 trillion, or 93.8% from Rp2.4 trillion in 2016 to Rp4.6 trillion in 2017. Details on deposits from other banks as of December 31, 2016 and 2017 were as follows:

(In billion Rp, except %)

Description	2016		2017	
Current and Saving Accounts	96	3.8%	176	3.5%
Inter - Bank Call Money	2,378	94.9%	4,610	92.6%
Time Deposits	33	1.3%	192	3.9%
<b>Total</b>	<b>2,507</b>	<b>100.0%</b>	<b>4,978</b>	<b>100.0%</b>

## Securities Sold Under Repurchase Agreements

There was no securities sold under repurchase agreements on December 31, 2017, meanwhile at the end of 2016, the securities sold under repurchase agreements amounted to Rp1.3 trillion.

## Marketable Securities Issued

Bank OCBC NISP diversified its funding through marketable securities issued. By the end of 2017, the total marketable securities issued, after deduction of unamortized issuance cost, amounted to Rp6.1 trillion, higher than the total of Rp3.9 trillion at end of 2016. The increase was due to the issuance of Continuous Bonds II Bank OCBC NISP Phase II and III Year 2017 amounted to Rp3.8 trillion in 2017 which was compensated by the settlement of Continuous Bonds I Bank OCBC NISP Phase II Year 2015 Series B amounted to Rp670 billion and Continuous Bonds II Bank OCBC NISP Phase I Year 2016 Series A amounted to Rp837 billion, whereas the settlement of the issued securities was met the maturity date stated in each prospectus of the issued securities.

## Subordinated Bonds

On June 30, 2017, Bank OCBC NISP has settled the Subordinated Bonds III Year 2010 amounted to Rp880 billion.

## Equity

Total equity as of December 31, 2017 reached Rp21.8 trillion, increased by Rp2.3 trillion or 11.7% compared to Rp19.5 trillion as of December 31, 2016. The equity increase was mainly contributed by net income growth of Rp2.2 trillion in 2017. The following are details of Bank OCBC NISP's total equity as of December 31, 2016 and 2017:

(In billion Rp, except %)

Equity	2016		2017	
Issued and fully paid capital	1,434	7.3%	1,434	6.6%
Additional paid-in capital/agio	6,829	35.0%	6,829	31.3%
Unrealized loss from decrease in fair value of available for sale marketable securities and Government bonds net of deferred tax	(26)	(0.1%)	94	0.4%
Revaluation surplus of fixed asset	1,258	6.5%	1,258	5.8%
Retained earnings - Appropriated	2	0.0%	2	0.0%
Retained earnings - Unappropriated	10,009	51.3%	12,167	55.9%
<b>Total</b>	<b>19,506</b>	<b>100.0%</b>	<b>21,784</b>	<b>100.0%</b>

## Cash Flows

Statements of cash flows are prepared using the direct method by classifying cash flows into operating, investing and financing activities. The table below shows historical data on Bank OCBC NISP's cash flows in 2016 and 2017:

(In billion Rp)

Description	2016	2017
Net Cash Flows (Used in)/Provided from Operating Activities	10,887	(340)
Net Cash Provided from/(Used in) Investing Activities	(14,655)	2,099
Net Cash Provided from/(Used in) Financing Activities	(4,257)	1,364

## Net Cash Flows Used in Operating Activities

Net cash flows used in operating activities in 2017 amounted to Rp340 billion, while the net cash provided from operating activities in 2016 was Rp10.9 trillion, mainly due to the increase in loans growth of Rp5.5 trillion, meanwhile the loans growth in 2016 stood at Rp7.5 trillion, lower than the loans growth in 2017 of Rp13.0 trillion.

## Net Cash Flows Provided from Investing Activities

Net Cash Flows provided from Investing Activities in 2017 amounted to Rp2.1 trillion or increased 114.3% compared to the net cash used in investing activities of Rp14.7 trillion in 2016. The increase was mainly due to the selling activities of marketable securities and government bonds available for sale of Rp15.9 trillion or higher than the purchase activities of marketable securities and government bonds available for sale of Rp13.6 trillion in 2017, which led to a difference of the increase in net cash flow provided from investing activities of Rp2.3 trillion.

Meanwhile in 2016, the purchase activities of marketable securities and Government Bonds available for sale amounted to Rp20.2 trillion or higher than the selling activities of marketable securities and Government bonds available for sale of Rp5.8 trillion, that led to a difference of increase in net cash flow used in investing activities of Rp14.4 trillion.

## Net Cash Flows Provided from Financing Activities

Net Cash provided from financing activities amounted to Rp1.4 trillion in 2017 or changed by 132.0% compared to the net cash used in financing activities in 2016 of Rp4.3 trillion. The change was mainly due to the repayment of Continuous Bonds II Phase I Year 2016 Series A of Rp837 billion, repayment of Continuous Bonds I Phase II Year 2015 Series B of Rp670 billion and repayment of Subordinated Bonds III Year 2010 of Rp880 billion which were compensated by the issuance of Continuous Bonds II Phase II and Phase III Year 2017 of Rp3.8 trillion, which led to a difference of net cash provided from financing activities of Rp1.4 trillion.

## OTHER IMPORTANT INFORMATION

### Capital Structure

The composition of Bank OCBC NISP's stock ownership as of December 31, 2016 and 2017 are as follows:

Description	Common Shares Nominal Value Rp125 Per Shares					
	2016			2017		
	Number of Shares	Amount (Rp)	%	Number of Shares	Amount (Rp)	%
Authorized Capital	28,000,000,000	3,500,000,000,000		28,000,000,000	3,500,000,000,000	
Issued and Fully paid:						
- OCBC Overseas Investment Pte. Ltd.	9,760,695,612	1,220,086,951,500	85.08	9,760,695,612	1,220,086,951,500	85.08
- The Board of Commissioners						
Pramukti Surjajudaja	225,971	28,246,375	0.00	225,971	28,246,375	0.00
- The Board of Directors						
Parwati Surjajudaja	1,483,210	185,401,250	0.01	1,483,210	185,401,250	0.01
- Other Shareholders (below 5% ownership)	1,710,243,693	213,780,461,625	14.91	1,710,243,693	213,780,461,625	14.91
<b>Total Issued and Fully Paid Capital</b>	<b>11,472,648,486</b>	<b>1,434,081,060,750</b>	<b>100.00</b>	<b>11,472,648,486</b>	<b>1,434,081,060,750</b>	<b>100.00</b>
<b>Total Shares in Portfolio</b>	<b>16,527,351,514</b>	<b>2,065,918,939,250</b>		<b>16,527,351,514</b>	<b>2,065,918,939,250</b>	

The following details of Bank OCBC NISP's equity on December 31, 2016 and 2017 are:

(In billion Rp)

Description	2016	2017
Issued and fully paid capital	1,434	1,434
Additional paid-in capital/agio	6,829	6,829
Unrealized loss from decrease in fair value of available for sale marketable securities and government bonds net of deferred tax	(26)	94
Revaluation surplus of fixed assets	1,258	1,258
Retained earnings	10,011	12,169
<b>Total</b>	<b>19,506</b>	<b>21,784</b>

#### • Management Policy on Capital Structure

Bank OCBC NISP performs capital management activities to maintain strong capital position to support business growth, ensure an efficient capital structure and fulfill the capital requirement set by the regulator.

The Bank's capital management policy is to maintain strong capital in order to sustain the trust of investors, depositors, creditors and the market and to support business expansion and provide an optimum rate of capital return to the shareholders, maintain balance between high returns with higher gearing ratio and the security derived from strong capital position. Following are the corporate actions due to the above explanation conducted in 2013 and 2012:

- In order to strengthen the capital structure, Bank OCBC NISP completed the limited public offering or Rights Issue VII Bank OCBC NISP. For a total of 2,923,730,091 shares being offered, total subscription received was recorded at 3,145,984,369 shares, thereby an oversubscription of the offered shares reached 8%. Through Rights Issue VII, the Bank has obtained additional capital funds of Rp3.5 trillion, which were entirely channeled into assets and used for business expansion through loan distribution, after deducting issuance cost.
- Previously, to strengthen the capital structure, Bank OCBC NISP completed the limited public offering or Rights Issue VI Bank OCBC NISP. For a total of 1,506,975,730 shares being offered, total subscription received was recorded at 1,682,000,179 shares, thereby an oversubscription of the offered shares reached 12%. Through Rights Issue VI, the Bank has obtained additional capital funds of Rp1.5 trillion, which were entirely channeled into assets and used for placement of productive assets through loan distribution, after deducting issuance cost.

## Capital Components

Bank OCBC NISP continuously analyzes the adequacy of capital ratio by using the capital ratio required by the regulator for monitoring capital. The measurement of capital ratio, or called as Capital Adequacy Ratio (CAR), shows that Bank OCBC NISP maintains capital position at a significantly higher level compared to the minimum capital requirement based on risk profile set by regulator of 8.00% in 2017 and 9.65% in 2016.

The Bank's capital management aims at maintaining strong capital position to support business expansion, and to maintain the trust of investors, depositors, creditors and the market. In order to manage the capital, the Bank considers factors such as provision of an optimum rate of capital return to the shareholders, maintaining balance between high returns with higher gearing ratio and the security derived from health capital position.

The Bank calculated its capital requirements in accordance with FSA regulation No. 11/POJK.3/2016 on Minimum Capital Adequacy Requirement for Commercial Banks as amended in FSA Regulation No. 34/POJK.03/2016, where the regulatory capital is analyzed into two tiers as follows:

- Core capital (tier 1), which consists of core and additional core capital. Core capital includes issued and fully paid-up capital, additional paid-in capital, general reserve, previous years retained earnings and profit for the period/year (100%), other comprehensive income deriving from potential gain/loss from the changes in fair value of financial assets classified as available-for-sale, shortfall between allowable amount of allowance for uncollectible account on productive assets according to requirements from prevailing regulations and allowance for impairment losses on productive assets. Deferred tax assets, intangible assets (including goodwill) and share investments (100%) are deducted from core capital. Additional core capital includes non-cumulative preference shares, subordinated securities and subordinated debts after deducting buyback portion.
- Supplementary capital (tier 2), which includes subordinated securities, subordinated debts and allowance for uncollectible account on productive assets according to requirements from prevailing regulations.

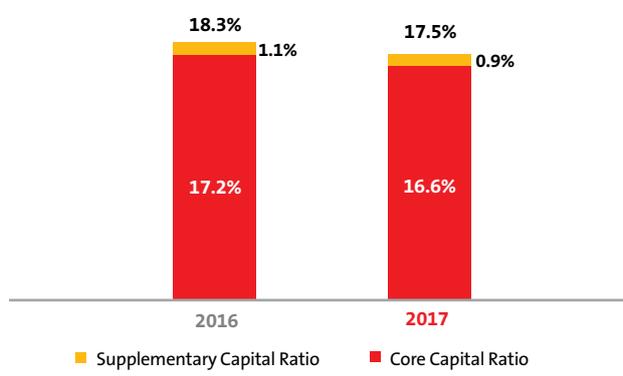
As of December 31, 2016 and 2017, the Bank's regulatory capital position under the applicable regulations were as follows:

(In billion Rp, except %)

Description	2016	2017
<b>Core Capital (Tier 1)</b>		
Main Core Capital (CET 1)		
Paid-In Capital	1,434	1,434
Additional Paid-In Capital	18,081	20,343
Deducting Factor Main Core Capital	(370)	(558)
	<b>19,145</b>	<b>21,219</b>
<b>Supplementary Capital (Tier 2)</b>	<b>1,161</b>	<b>1,221</b>
<b>Total Regulatory Capital</b>	<b>20,306</b>	<b>22,440</b>
<b>Risk Weighted Assets</b>		
Credit Risk	101,476	115,434
Market Risk	722	2,108
Operational Risk	8,861	10,622
Total Risk Weighted Assets	111,059	128,164
<b>Capital Adequacy Ratio:</b>		
Main Core Capital (CET 1) Ratio	17.24%	16.56%
Tier 1 Ratio	17.24%	16.56%
Tier 2 Ratio	1.04%	0.95%
Total Ratio	18.28%	17.51%
Required Capital Adequacy Based on Risk Profile:	9.65%	8.00%

The Capital Adequacy Ratio (CAR) at the end of 2017 decreased by 0.8% to 17.5% from 18.3% at the end of 2016. The decrease in CAR was mainly driven by an increase in risk-weighted assets of 15.4% to Rp128.2 trillion in 2017 from Rp111.1 trillion at the end of 2016 in line with the loans growth. While the core capital (Tier 1) rose by 10.8% to Rp21.2 trillion at the end of 2017 from Rp19.1 trillion at the end of 2016, due to an increase in previous year profit and profit for the year.

### Capital Adequacy Ratio (CAR)



### Solvency

Furthermore, Bank OCBC NISP's solvency is demonstrated by its ability to fulfill payment obligations on principal and interest of all marketable securities and subordinated bonds issued by the Bank. Details on payments of the principal and interest related to its marketable securities and subordinated bonds are provided below:

Marketable Securities Issued	Series	Nominal Value	Effective Date	Tenor	Maturity Date	Repayment
Continuous Bonds I OCBC NISP Phase II Year 2015 With Fixed Interest Rate	B	Rp670 billion	11 February 2013	2 years	10 February 2017	Repaid on February 10, 2017
Continuous Bonds II OCBC NISP Phase I Year 2016 With Fixed Interest Rate	A	Rp837 billion	29 April 2016	370 days	21 May 2017	Repaid on May 21, 2017
Subordinated Bonds III Bank OCBC NISP Year 2010	-	Rp880 billion	24 June 2010	7 years	30 June 2017	Repaid on June 30, 2017

In 2017, Bank OCBC NISP has repaid the principal and the interest of the marketable securities issued in accordance with agreed terms set forth in the prospectus of the issued securities.

The Bank's ability to pay loans can be seen from the following ratio:

- Liquidity Ratio**

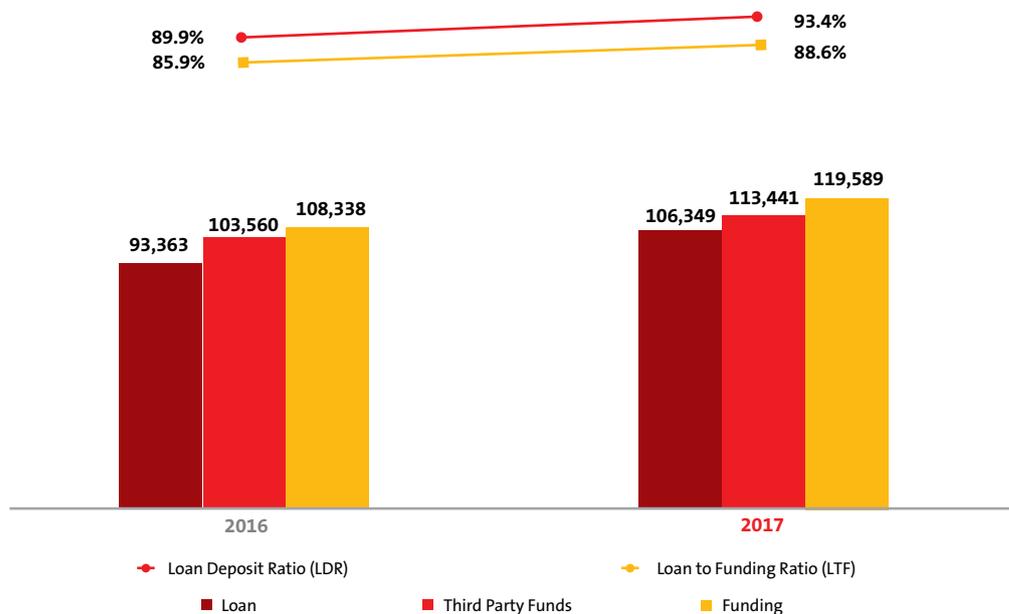
Bank OCBC NISP continued to maintain a healthy level of liquidity throughout 2017. One of the measurement was the Loan to Deposit Ratio (LDR). Bank OCBC NISP kept managing an optimum level of LDR, and succeeded in maintaining it at 93.4% on December 31, 2017, whereby increased by 3.5% from 89.9% on December 31, 2016. The LDR achieved by the Bank OCBC NISP reflected its role as financial intermediary institution by increasing gross loans growth of 13.9% in 2017 which was balanced with the increase in third party funds of 9.5%

Apart from LDR as liquidity measuring indicator, the Bank also maintained other funding components, particularly those that support mid-term and long-term liquidity. These components are no less important and not reflected in the Bank's LDR calculation, such as mid-term and long-term financing in the form of senior bonds, and subordinated bonds.

The overall funding from senior bonds stood at Rp119.6 trillion at the end of 2017. Hence, the Loan to Funding Ratio, a loan ratio distributed to total third party funds plus senior bonds equaled 88.6%, a sound level to support the Bank's business growth in long-term.

## Loans, Deposits from Customers and Funding

Rp billion, except %



## Dividend Policy

The Company strives to create value for stakeholders, and in this regard, includes balancing efforts to maximize shareholders' value and to achieve sustainable business growth.

Bank OCBC NISP's dividend policy consistently considers various factors, including financial soundness and condition, capital requirements, future growth plans and compliance with the provisions of regulator, while final decision rests on the General Meeting of Shareholders (GMS).

Related to such matters, Bank OCBC NISP has made preparation, which includes sustaining capital adequacy ratio above the applicable requirements that keep improving in the next year aligned with the implementation of third base 3 as well as to support business growth and expansion based on the Annual General Meeting as stated in Deed No. 88 dated March 30, 2017 and Deed No. 31 dated April 7, 2016 of Notary Fathiah Helmi, SH., the shareholders agreed not to distribute dividends from profits in the financial years 2016 and 2015, and to determine Rp100 million as the Bank's statutory reserve for each financial year.

Description	2016	2017
Cash Dividend Payment Date	-	-
Cash dividend per share	-	-
Total Cash Dividend	-	-

## Capital Investment

The cost of capital investments during 2017 amounting to Rp206 billion, where the IT-related capital investments in the amount of Rp174 billion, were intended for the purchase of tools for data center and branch, purchase of ATM machines and other IT items, as well as the development of the required applications to support business growth. The cost of capital investments used internal funds.

- Objective of Capital Investment**

In 2017, the capital investments aimed at supporting business growth and providing better service to customers, including opened 2 new Cash Offices in Cianjur and Bekasi. In addition, Bank OCBC NISP also added 28 ATMs and 473 EDC/PC e-channel.

- Types of Capital Investment**

Capital expenditure for 2017 consisted of Rp28 billion for the procurement of buildings, Rp174 billion for IT and office equipments, and Rp4 billion for motor vehicles.

- Investment Value of Capital Expenditure**

(In Billion Rupiah)

Description	2016	2017
Land and Building	58	28
Office Equipment and Information Technology Equipment	148	174
Motor Vehicles	26	4
<b>Total</b>	<b>232</b>	<b>206</b>

## Significant Capital Commitment

In 2017, Bank OCBC NISP had a number of significant capital commitment to support the business expansion.

- **Objective of Significant Capital Commitment**

Most of the commitments were made in regard to expand the Bank's branch office network and capacity of the Information Technology System in order to support business development and daily banking operations.

- **Funding to Fulfill Capital Commitments and Currency as Denominations**

Bank OCBC NISP still had the significant outstanding commitments for capital investments amounting to Rp44.5 billion as of December 31, 2017. The composition of outstanding capital commitments in Rupiah and foreign currencies denominations amounted to Rp32.9 billion and equivalent to Rp11.6 billion. The cost used the Bank's internal fund. The composition of capital commitments over the last 2 years are as follows:

(In billion Rp)

Description	2016	2017
In Rupiah	29.3	32.9
In Foreign currencies (Equivalent Rupiah)	10.4	11.6
<b>Total</b>	<b>39.7</b>	<b>44.5</b>

- **The Bank's effort to minimize risk arising from the related foreign currencies exchange**

Bank OCBC NISP continually monitors the fulfillment of its obligations related to the outstanding capital commitment, in order to ensure that each financial obligation has met consistently in a timely manner with source of funds that have been adequately allocated in advance. Bank OCBC NISP has also prepared the steps in relation to risks of foreign currencies fluctuations on outstanding capital commitment denominated in foreign currencies which is managed by the Finance Department which worked closely with the Treasury Division.

## Information of Transaction with Conflict of Interest or Related Parties

In 2016 and 2017, there were no transactions undertaken by Bank OCBC NISP that can be classified as transactions with conflict of interest.

In 2016 and 2017, Bank OCBC NISP performed a number of transactions with related parties, among others were with the Shareholders, other related companies, the Board of Commissioners, the Board of Directors, and Executive Officers in the form of current accounts with other banks, derivative receivables, acceptance receivables, loans, prepayments, deposits from customers, deposits from other banks, derivative payables, acceptance payables, accrued expenses, interest income, interest expenses, as well as general and administrative expenses. More detailed explanation about fairness, the reasons of the transaction, the company's policy related to reviewing mechanism on transaction and related regulatory compliance as described in Note 43 to the financial statements are presented on page 209 of this Annual Integrated Report.

(In million Rp)

Description	2016	2017
<b>Current accounts with other banks</b>		
OCBC Bank, Singapura	91,046	95,300
OCBC Bank, Hong Kong	15,388	14,080
<b>Derivative receivables</b>		
OCBC Bank, Singapura	11,561	64,290
Hendrawati	1	-
Hardi Juganda	6	-
<b>Loans</b>		
Koperasi Kamanda Sejahtera	-	170,009
PT Kharisma Inti Usaha	141,354	127,247
Koperasi Bumi Permai Raya	-	124,883
Koperasi Binuang	48,593	54,446
PT Pakubumi Semesta	39,835	46,946
PT Griya Miesejati	33,703	23,839
SAS International	25,990	19,302
Sosial Enterprener Indonesia	11,429	6,702
PT Angputra Jaya	10,000	9,863
PT Kuda-Kuda Total Prima	-	1,995
CV Ganijan Jaya	693	495
PT Biolaborindo Makmur Sejahtera	-	34
Direktur dan karyawan kunci	35,082	43,165
<b>Prepayments</b>		
Building Rent	2,119	246
<b>Deposits from Customers</b>		
Current Accounts	148,643	198,518
Saving Accounts	67,828	76,437
Time Deposit	401,052	637,928
<b>Deposits from other banks</b>		
Current and Saving Accounts	32,276	94,928
Call Money	-	3,252,200
OCBC Bank, Singapura	-	-
<b>Liabilitas derivatif</b>		
OCBC Bank, Singapura	71,907	3,102
<b>Derivative Payables</b>		
OCBC Bank, Singapura	59,925	166,094
OCBC Bank, Cina	27,566	54,021
OCBC Bank, Malaysia	-	1,913
OCBC Bank, Hongkong	27,902	-
OCBC Bank, Thailand	990	-
<b>Accrued expenses</b>		
Accrued expenses	502	3
<b>Interest income</b>		
Loans	59,575	58,278
Current accounts and placements with other banks	363	907
<b>Interest expense</b>		
Deposits from customers	26,610	25,307
Deposits from other bank	1,384	11,900
Borrowings	44,314	10,884
<b>General and administrative expense</b>		
Insurance premium expense	68,858	72,716
Rental expense	3,877	4,348

## Information on Investments, Expansion, Divestment, Merger/Consolidation, Acquisition or Debt/Capital Restructuring

In 2017, the Company did not have significant transactions associated with investment, expansion, divestment, merger/consolidation, acquisition or debt/capital restructuring activities.

## Report of Use of Proceeds from Initial Public Offering

Besides third party funds, Bank OCBC NISP also capitalized on funds raised from issuing marketable securities during 2016 and 2017 in order to diversify funding in loan distribution.

## Cumulative Position on the Use of Proceeds from Initial Public Offering as at End of Financial Year

- Bank OCBC NISP issued Continuous Bonds II Bank OCBC NISP Phase I Year 2016 with Fixed Interest Rate on May 11, 2016, with total amount of Rp2.002 trillion in 3 series:
  - a. Series A, with tenor of 370 days in the amount of Rp837 billion at 7.50% per annum, maturing on May 21, 2017;
  - b. Series B, with tenor of two years in total amount of Rp380 billion at 8.00% per annum, maturing on May 11, 2018; and
  - c. Series C, with tenor of three years in total amount of Rp783 billion at 8.25% per annum, maturing on May 11, 2019.

All proceeds and net of issuance costs have been used to fund the business growth by channeling loans.

(In million Rp)

Type of Public Offering	Effective Date	Issuance Date	Realization Value of Public Offering Proceeds			Plan of Fund Utilization Based on Prospectus	Realization of Fund Utilization	Remained Fund Balance from Public Offering Proceed
			Total Public Offering Proceed	Public Offering Cost	Net Proceed	Loans	Loans	
Bonds	29 April 2016	11 May 2016	2,000,000	7,250	1,992,750	1,992,750	1,992,750	-

In order to meet FSA Regulation, on January 11, 2017 Bank OCBC NISP submitted letter No. 034/CPDD-CDU/GH/PUB-II/I/2017 to the Financial Services Authority to report that all proceeds raised from public offering of Continuous Bond II Bank OCBC NISP Phase I Year 2016 with Fixed Interest Rate, net of the issuance costs have been used entirely to support business growth by channeling loans, in accordance with the terms provided in the prospectus of the bonds.

- Bank OCBC NISP issued Continuous Bonds II OCBC NISP Phase II Year 2017 with Fixed Interest Rate on August 22, 2017 in total amount of Rp2.002 trillion in 3 series:
  - a. Series A, with tenor of 370 days in the amount of Rp1,248 billion at 6.75% per annum, maturing on September 2, 2018;
  - b. Series B, with tenor of two years in total amount of Rp300 billion at 7.30% per annum, maturing on August 22, 2019; and
  - c. Series C, with tenor of three years in total amount of Rp454 billion at 7.70% per annum, maturing on August 22, 2020.

All proceeds from the net of issuance costs have been used to fund business growth by channeling loans.

(In million Rp)

Type of Public Offering	Effective Date	Issuance Date	Realization Value of Public Offering Proceeds			Plan of Fund Utilization Based on Prospectus	Realization of Fund Utilization	Remained Fund Balance from Public Offering Proceed
			Total Public Offering Proceed	Public Offering Cost	Net Proceed	Loans	Loans	
Bonds	29 April 2016	22 August 2017	2,002,000	5,387	1,996,613	1,996,613	1,996,613	-

In order to meet FSA Regulation, on January 11, 2018 Bank OCBC NISP submitted letter No. 088/CPDD-CDU/GH/PUB-II/I/2018 to the Financial Services Authority to report that all proceeds raised from public offering of Continuous Bond II Bank OCBC NISP Phase II Year 2017 with Fixed Interest Rate, net of the issuance costs have been used entirely to support business growth by channeling loans, in accordance with the terms provided in the prospectus of the bonds.

- Bank OCBC NISP issued Continuous Bonds II OCBC NISP Phase III Year 2017 with Fixed Interest Rate on December 12, 2017 in total amount of Rp1.759 trillion in 3 series:
  - Series A, with tenor of 370 days in the amount of Rp975 billion at 6.15% per annum, maturing on December 22, 2018;
  - Series B, with tenor of two years in total amount of Rp175 billion at 6.75% per annum, maturing on December 12, 2019; and
  - Series C, with tenor of three years in total amount of Rp609 billion at 7.20% per annum, maturing on December 12, 2020.

All proceeds from the net of issuance costs have been used to fund business growth by channeling loans.

(In million Rp)

Type of Public Offering	Effective Date	Issuance Date	Realization Value of Public Offering Proceeds			Plan of Fund Utilization Based on Prospectus	Realization of Fund Utilization	Remained Fund Balance from Public Offering Proceed
			Total Public Offering Proceed	Public Offering Cost	Net Proceed	Loans	Loans	
Bonds	29 April 2016	12 December 2017	1,759,000	4,762	1,754,238	1,754,238	654,238	1,100,000

In order to meet FSA Regulation, on January 11, 2018 Bank OCBC NISP submitted letter No. 090/CPDD-CDU/GH/PUB-II/I/2018 to the Financial Services Authority to report that all proceeds raised from public offering of Continuous Bond II Bank OCBC NISP Phase III Year 2017 with Fixed Interest Rate, net of the issuance costs have been used to support business growth by channeling loans, in accordance with the terms provided in the prospectus of the bonds. The remaining public offering funds have been allocated according to the prevailing regulations.

In 2016 and 2017, there was no change made to the plans for the utilizing proceeds from public offerings carried out by the Company.

### Changes in Laws and Regulations Impacting Financial Performance

There was no change in statutory laws or regulations of Bank Indonesia or Financial Service Authority (FSA) in 2017 and 2016 that had a material impact on the financial performance or position of Bank OCBC NISP.

### Reported Financial Information Pertaining to Extraordinary Events

In 2017, there was no reported financial information containing extraordinary events.

### Stock Ownership Programs for Employees and/or Management (ESOP/MSOP)

Up to 2017, Bank OCBC NISP had no stock ownership programs for employees and/or management. Stock ownership held by members of the bank Management at present derived from shares previously owned.

### Subsequent Events

On February 10, 2018, Bank OCBC NISP has made repayment of Continuous Bond I OCBC NISP Phase II Year 2015 with Fixed Interest Rate Series C with nominal amount of Rp1,235 billion. As such, the Continuous Bond I OCBC NISP Phase II Year 2015 with Fixed Interest Rate has been completely repaid.

### Changes in Accounting Policies that Affect Financial Performance

- New Accounting Standards  
The Accounting Standards Board as a part of Institute of Indonesia Chartered Accountants has issued new standards, relevant revision and interpretation effective on or after January 1, 2017, as follows:
  - SFAS 1 Amendment: "Presentation of Financial Statements"
  - IFAS 31: "Interpretation on the scope of SFAS 13: Investment property"
  - IFAS 32: "Definition and hierarchy of financial accounting standards"
  - SFAS 3: "Interim Financial Statements"
  - SFAS 24: "Employee Benefits"
  - SFAS 58: Amendment "Non-Current Assets Held for Sale and Discontinued Operation"
  - SFAS 60: Amendment "Financial instruments: Disclosure"

The implementation of new standards, revision and interpretation has no substantial impact on the accounting policy and on the amount reported in the current year or previous year.

A complete accounting policy could be seen in Note 2 on the company's financial statements as of 31 December 2017 in other section which is included in this Annual Report.

## Prime Lending Rate

Commercial Banks that conduct conventional business activities in Indonesia are required to report and publish its prime lending rate in Rupiah. It is the result of the calculation of the three components, namely: (1) Cost of Funds for Loans or HPDK, (2) Overhead costs incurred in the lending process, and (3) Profit margin targeted for lending activities.

In calculating prime lending rate, Bank OCBC NISP has not included its individual customers' risk premium component. Prime lending rate is currently at the lowest rate used as the basis in determining lending rates charged to its customers.

Bank OCBC NISP reports the calculation of prime lending rate in Rupiah to Financial Service Authority and publishes it to the public. The Bank calculates for three types of loans, which are: (1) corporate loans, (2) retail loans, and (3) consumer loans (mortgage and non-mortgage). Non mortgage consumer loans exclude provision of funds through credit cards and unsecured loans. This loan classification is based on criteria previously determined by Bank OCBC NISP's internal function. The bank calculates the prime lending rate on an annual basis, given in a percentage form.

The prime lending rate which has been calculated and published at the end of 2016 and 2017 were as follows:

Description	2016	2017
Corporate Loans	10.50%	10.00%
Retail Loans	11.50%	11.00%
Consumer Loans		
• Mortgage	12.50%	10.20%
• Non Mortgage	12.75%	10.75%

## Target and Realization in 2017

Bank OCBC NISP has successfully completed the year of 2017 by achieving the designated targets, among others:

Description	2017 Target	2017 Realization
Asset Growth	Range 10 -15%	11%
Loans Growth	Range 10 – 15%	14%
Third Party Funds Growth	Range 10 – 15%	10%
Return On Assets (ROA)	Around 2.0%	2.0%
Revenue / Net Interest Margin (NIM)	Around 4%	4.5%
Capital Structure/ Capital Adequacy Ratio (CAR)	Around 17%	17.5%
Dividend Policy	Based on Annual General Meeting Shareholders resolutions	GMS decided not to distribute dividends for financial year 2016

Bank OCBC NISP has completed 2017 with the following achieved targets, namely:

- Total Assets of Rp153.8 trillion or an increase of 11% as compared with 2016 and achieved its target.
- Growth of Loans and Third Party Funds stood at 14% and 10% respectively, or achieved the target.
- ROA achieved in 2017 is 2.0% or achieved the target.
- Revenue as shown in the Net Interest Margin at 4.5% and as targeted.
- Capital structure, as showed in Capital Adequacy Ratio, is 17.5% and as targeted.
- The management's policy of setting forth prudent principles supported by good corporate governance and risk management practices in loan disbursement has been proven to be effective in maintaining the credit quality at a healthy level, whereas the gross Non Performing Loan (NPL) was kept at 1.8%, lower than the maximum level set by the Bank which is at 2.5%. The NPL ratio was also much lower than the maximum level set by the regulator of 5.0% and the average NPL ratio of the industry at 2.6% by the end of 2017.

## 2018 Target

The Bank's target growth of total assets will be around 10-15% in 2018. The growth strategy of Loan as the largest contributor of the asset growth will focus on the improvement of revenues from all business segments and sustainable business growth. The Company will maintain its prudent loan disbursement policy and will keep an eye on the FSA credit growth directives while also maintaining its Non-Performing Loans of no more than 5% as set by the FSA. Loan growth will be supported by the growth of third party fund. The Bank will raise third party fund by continuously increasing its current and saving accounts for a more efficient cost of fund.

The Bank will also maintain its profitability level by increasing net interest revenue and contributions from fee-based income. Among the efforts to drive this are as follows: launch of up-to-date products, services and features which are aligned with customers' need and intensification of product bundling and cross selling strategies. The Company will keep on improving efficiency and productivity through control of operations cost, end-to-end process improvement and optimization of the office and ATM networks performance.

Description	2018 Target
Asset Growth	Range 10%-15%
Loans Growth	Range 10%-15%
Third Party Funds Growth	Range 10%-15%
Return On Assets (ROA)	Range 2.0%
Revenue / Net Interest Margin (NIM)	Range 4.0%
Capital Structure / Capital Adequacy Ratio (CAR)	Range 17%
Dividend Policy	Based on Annual General Meeting Shareholders resolutions

## BUSINESS PROSPECTS AND STRATEGIC PRIORITIES IN 2018

### Indonesian Economic Prospects in 2018

In general, a favorable external environment, healthy fundamental and structural reformation progress will support the Indonesian economics growth in 2018, which is expected to reach above 5% sustained by combination of export and investment performance improvements.

The export growth is expected to remain strong in 2018, driven by a strong external demand in line with a rapid growth of global economics and global trading rebound. The acceleration of investments is in line with the commodity prices recovery, while the investor's trust increases with a support of Investment Grade hike, and decline in commercial loans interest rate.

The private sector is expected to increase in line with the moderate inflation, stable exchange rate, stronger confidence of consumers and low consumer loans interest rate. At this rate, the inflation is expected to increase to around +/- 4% with assumption of no extreme weather that may disrupt the food production.

The following are the economic indicators in 2018:

Description	Unit	2018 Assumptions
Real GDP	% y-o-y	5.4
CPI Inflation	% end of period	4.0
Exchange Rate (Rp/USD)	Rp	13,400
Indonesian Oil Price (USD/barrel)	USD	48
Oil Lifting (Million barrel per Day)	-	800

Source: Finance Ministry

### Banking Industry Prospects in 2018

Banking industry will be improved within operation and asset quality which is mainly supported by economics growth, pro-business macroeconomics policies and rising commodity prices. With the improvement of business condition, the banking capital adequacy ratio in Indonesia is in secured position, not to mention the net interest margin remains the highest among Emerging Market countries, giving the strong buffer to muffle the asset quality declining cost. The funding and liquidity in banking system are expected to be stable to support the loans expansion.

However, Bank OCBC NISP constantly emphasizes on promoting prudential banking principle to execute strategic priority in the future, albeit the pressure of non-performing loan rate in national banking industry is expected to keep declining.

With the assumption of social, political and stable security conditions, the national banking is expected to grow 10-12%. Bank OCBC NISP targets to grow around 10-15% based on prudent banking principle as well as observing the loans growth direction from regulators.

### Marketing Aspects and Strategic Priorities in 2018

With the spirit to achieve a proper and sustainable growth, Bank OCBC NISP constantly implements good corporate governance principles and create added value for all stakeholders as well as to grow the trust and faith of market players.

As time goes by, the Bank has made adjustment of "Bank OCBC NISP - With You" brand ahead which is more than a tagline, but also a commitment of Bank OCBC NISP to constantly walk side-by-side with the customers as well as being a reliable companion.

In 2018, Bank OCBC NISP will carry out strategic steps to achieve its vision and mission according to further direction policy, namely:

1. Strengthening the Bank's business model.
2. Optimizing synergy with OCBC Group.
3. Continuing transformation in various fields including Network, IT & Operation and Services.
4. Strengthening the brand.
5. Executing the three lines of defense.

# 05

## GOOD CORPORATE GOVERNANCE



The Bank has consistently implemented the principles of Good Corporate Governance in carrying out all activities of the Bank through a comprehensive and internalized formulation of internal policies and procedures.

# Good Corporate Governance

The Bank has committed to constantly improve the quality of the implementation of Good Corporate Governance principles in order to ensure that the whole internal process and mechanism carried out within the Bank has aligned with the Bank's objective as well as taking a role to avoid the infringements.

The Bank has consistently implemented the principles of Good Corporate Governance in carrying out all activities of the Bank through a comprehensive and internalized formulation of internal policies and procedures in order to create a system that is able to maintain a balance specifically in terms of internal control in order to achieve the goals and expectations of all concerned parties so as to create added value for the Bank's stakeholders.

The Bank considers an effective and efficient GCG implementation to be able to support the achievement of the Bank's business target through strategic planning of governance implementation by building commitment, system and Corporate Culture. In relations to this, the Bank is aware of the importance of commitment from all ranks of management and employees in the quality improvement of GCG practices implementation that has been shown by the efforts of adapting to the best governance practices.

## THE FOUNDATION OF GOVERNANCE IMPLEMENTATION

The implementation of GCG principles within the Bank is one of the forms of control mechanism in order to achieve the objectives and expectations of all concerned parties in accordance with each role. In carrying out business activities and daily operations, the Bank constantly refers to the GCG principles to ensure that the whole internal process and mechanism carried out within the Bank are aligned with the Bank's objectives, playing a role to prevent distortion, and minimizing the chance of mis management as well as the risks which may cause failure in achieving the company's objectives.

The GCG standards and guidelines as the Bank's operational foundation refer to the regulations stipulated by the Legislation and Financial Services Authority of the Republic of Indonesia as referred to in:

1. Legislation of the Republic of Indonesia Number 10 of 1998, that modified the Legislation of the Republic of Indonesia Number 7 of 1992 on Banking.
2. Legislation of the Republic of Indonesia Number 40 of 2007 on Limited Liability Companies.

3. FSA Regulation Number 18/POJK.03/2014 on Implementation of Integrated Corporate Governance for Financial Conglomeration.
4. FSA Regulation Number 21/POJK.04/2015 on Corporate Governance Guidelines for Public Companies.
5. FSA Regulation Number 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
6. FSA Circular Letter Number 15/SEOJK.03/2015 on Implementation of Integrated Corporate Governance for Financial Conglomeration.
7. FSA Circular Letter Number 32/SEOJK.04/2015 on Corporate Governance Guidelines for Public Companies.
8. FSA Circular Letter Number 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.

Meanwhile, for its Sharia Business Unit, the Bank refers to the following:

1. Bank Indonesia Regulation Number 11/33/PBI/2009 dated December 7, 2009 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Unit.
2. Bank Indonesia Circular Letter Number 12/12/DPbS dated April 30, 2010 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Unit.

In addition to the above regulations, in order to develop the best practices of GCG implementation, the Bank also refers to several other guidelines, such as:

1. OECD Principles of Corporate Governance issued by the Organization on Economic Cooperation and Development (OECD).
2. The ASEAN Corporate Governance Scorecard issued by ASEAN Capital Market Forum (ACMF).
3. Principles for Enhancing Corporate Governance issued by Basel Committee on Banking Supervision.
4. Basic Principle and Guidelines of Good Corporate Governance Implementation for Indonesian Banking issued by National Committee of Governance Policy.
5. Indonesian Corporate Governance Roadmap issued by Financial Services Authority (the Roadmap was signed by Muliaman D. Hadad, Head of FSA Board of Commissioner in January 2014).

## GOVERNANCE PRINCIPLES

The implementation of corporate governance at Bank OCBC NISP is based on the following principles:

Transparency	Accountability	Responsibility	Independence	Fairness
Information disclosure in a clear, accurate and timely fashion.	Clear functions, rights, obligations and authorities as well as responsibilities between the BOC, BOD and shareholders.	Adherence to all applicable laws and regulations and responsible to the shareholders and other stakeholders.	Objectivity of BOC and BOD members in all things, including an independent assessment relating to issues that involve a potential conflict of interest.	Professionalism and integrity in decision making to ensure a fair and equal treatment in order to protect the interest of shareholders.

## BANK GOVERNANCE GUIDELINES

In order to improve the performance of and compliance with the implementation of the principles of governance, the Bank has established the governance guidelines Implementation as a guidance for all of the Bank's elements in implementing Governance principles in each of the Bank's activities.

The Bank's Governance implementation guidelines among other things regulate on:

1. The elucidation on Governance System consisting of Governance, Structure, Governance Process, and Governance Outcome based on the five basic principles of governance (Transparency, Accountability, Responsibility, Independency and Fairness).
2. The roles and responsibilities of each organ of the company.
3. Other factors related to implementation of governance such as Shareholders and Stakeholders.
4. The monitoring, evaluating and reporting of governance implementation.

## THE OBJECTIVE AND COMMITMENT OF GOVERNANCE IMPLEMENTATION

The Bank's commitment to constantly carry out GCG principles within the Bank is stipulated in the "Guidelines of Governance Implementation" based on the statement in governance practices. The guidelines functions to guarantee each of the Bank's policies has been established based on the best approach in order to direct the management to conduct check and balance in each business activity as well as in every level or management function based on the generally accepted GCG principles.

Aside from the Guidelines of Governance Implementation, the Bank's commitment in carried out GCG principles within the Bank is also reflected in:

1. The Company philosophy.
2. Vision, Mission and Corporate Culture.
3. BOC and BOD's Charter.
4. The formulation of business ethics and behavior guidelines whose framing involved the company's organs and their subordinates.

5. The implementation of check and balance mechanism.
6. Having the policy and actively participating in the maintenance of natural resources and environment as well as playing a role in sustainable economic development in order to improve the quality of life and environment for the Bank and its surrounding communities.
7. Having company regulations or Collective Labor Agreement that guarantees the rights and responsibilities of all the parties involved.
8. Fulfillment of recommendation on a public company's governance implementation.

In order to guarantee the successful implementation of GCG in the Bank's environment, the Bank has internalized the GCG principles in various forms of internal policies.

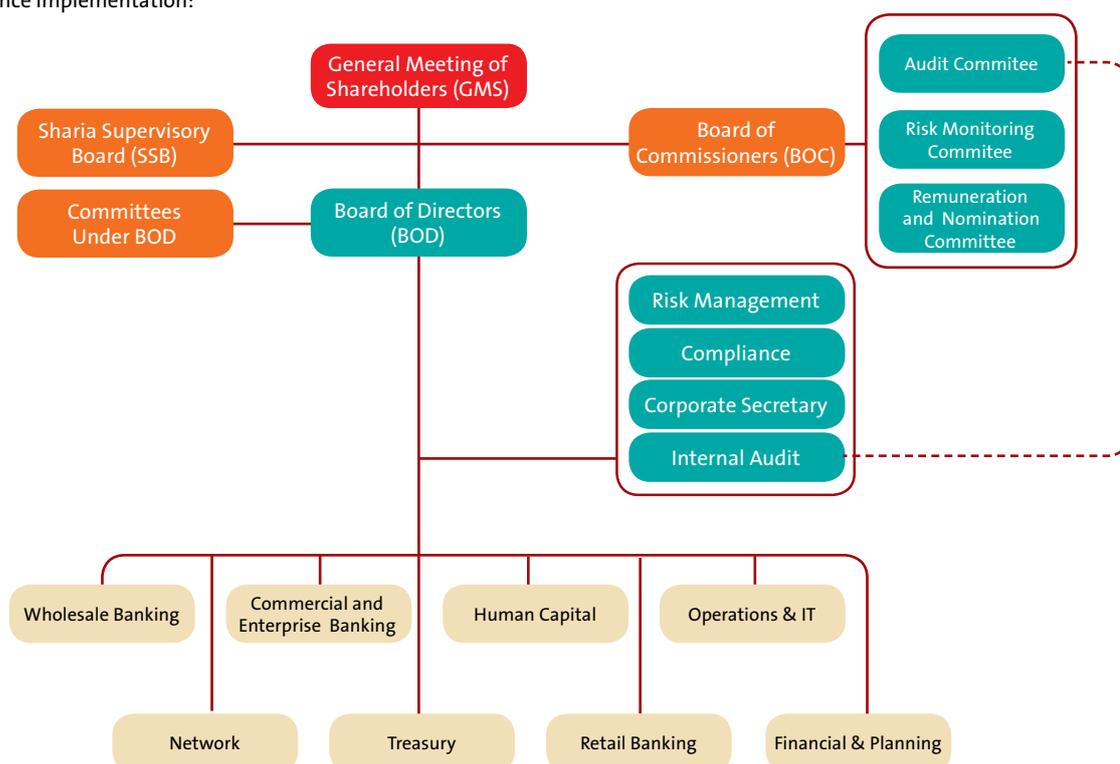
The Bank is committed to constantly strive in improving the quality of GCG implementation by referring to the latest GCG practices and standards, while still aligning to the Bank's operational and business policies. The Bank has stipulated a number of initiatives through a series of activities that are sustainably carried out, among which are: ensuring the quality of the Bank's GCG implementation as an effort to improve the Bank's performance, protecting the interests of the stakeholders, and increasing compliance to the legislations as well as generally applicable ethical values in the banking industry. Meanwhile, the Bank will also implement a number of activities, among which are:

1. Increasing the standard of aspect and public company governance principles implementation in the Regulatory Requirement Self Assessment (RRSA) for each Work Unit.
2. Socializing the Bank's Governance Implementation to the Work Units.
3. Attesting the Bank's Governance Guidelines that will be conducted every end of the year, among others through email blast, publication through Compliance Internal website and/or e-learning.

## GOVERNANCE STRUCTURE AND INFRASTRUCTURE

### a. Governance Structure (G4-34)

The Bank’s governance structure adopts Two Board System that consists of BOC and BOD whose authorities and responsibilities are in accordance with each function as mandated in the Legislations and Articles of Associations. The following is the structure chart of the Bank’s governance implementation:



Organ	Function
<b>GMS</b>	Select, appoint, monitor and dismiss the BOC and BOD members and Sharia Supervisory Board.
<b>BOC</b>	<ul style="list-style-type: none"> <li>• Ensure the implementation of Governance through meetings of BOC and Committees under the BOC.</li> <li>• Conduct monitoring on the implementation of duties and responsibilities of BOD as well as providing advice to BOD.</li> </ul>
<b>Committees</b>	<ul style="list-style-type: none"> <li>• Provide recommendation in order to support the strategy and policy set by the Management.</li> <li>• Assist the finessing of task implementation of BOC and BOD.</li> </ul>
<b>BOD</b>	<ul style="list-style-type: none"> <li>• Be fully responsible for the management of the Bank.</li> <li>• Take responsibility on implementation of duties and responsibilities to the Shareholders through GMS.</li> </ul>
<b>Risk Management</b>	Conduct monitoring, review, evaluation and providing recommendation on the risk management implementation.
<b>Compliance</b>	Ensure the creation of Compliance Culture on the whole business activities in each rank of organization.
<b>Internal Audit</b>	Oversee the implementation of all business activities by conducting identification, analysis and provide corrective recommendation or enhancing the efficiency of resources and fund utilization.
<b>Corporate Secretary</b>	Provide input to BOD and BOC to comply with related capital market regulations and Governance implementation as well as act as a mediator between the Bank and Shareholders, FSA [Financial Services Authority] and other Stakeholders.

In preparing Implementation Report and Assessment on GCG Practices, Compliance Division plays a role as a Coordinator to related Working Units.

**b. Governance Infrastructure**

In running its business activities, the Bank has a sufficient infrastructure that functions to keep the Bank healthy so as being able to improve its performance and constantly obtains society's trust. Such infrastructure is a Policy and Procedure as well as Strategic Plan of the Bank which is established in the form of Corporate Plan and Business Plan according to the Bank's Vision and Mission.

The Bank has had architecture of policy which consists of five levels as described in the following:



**ASSESSMENT OF GCG IMPLEMENTATION**

Assessment and controlling are processes where all the activities and performance of the Bank are monitored to compare between the actual with predetermined achievement. Based on the monitoring result, the Bank is then able to determine a corrective action as well as problem solving in the scope of GCG implementation.

The assessment and controlling of GCG implementation within the Bank are conducted by the Self-Assessment method, either internally or using external party. The assessment is expected to give an overview that the standards set by the Bank or regulator have been conducted, assessed, revised and improved.

**a. Assessment by External Party**

**• ASEAN CORPORATE GOVERNANCE (ASEAN CG) SCORECARD**

As a realization of the Bank's commitment to improve the quality of GCG implementation, the Bank constantly attempts to meet a sound corporate quality standard that not merely refers to Indonesian legislations, but also to the generally accepted regulations in international scope, particularly in the ASEAN scale.

The Bank has adopted the GCG assessment with ASEAN CG Scorecard method that is generally accepted by Indonesian public listed companies. The party who conducts the assessment is the institution appointed directly by the Financial Services Authority as ASEAN CG Scorecard Domestic Ranking Body in Indonesia.

The GCG assessment with ASEAN CG Scorecard method is conducted by referring to the GCG principles developed by Organization for Economic Cooperation and Development (OECD), that cover:

- a. Rights of shareholders.
- b. Equitable treatment of shareholders.
- c. Role of Stakeholders.
- d. Disclosure and Transparency.
- e. Responsibility of the Board.

As a banking institution that constantly promotes a prudential principle through an effective and efficient GCG implementation, the Bank continuously strives to improve the quality of GCG implementation through the fulfillment of ASEAN CG Scorecard aspects. As a manifestation of the Bank's commitment, the Bank has successfully received an award in the category of "The Best Responsibility of the Board" and was included in the category of "Top 50 Public Companies" in Indonesia, both for 4 consecutive years.

**• Corporate Governance Perception Index (CGPI)**

Corporate Governance Perception Index (CGPI) is a GCG implementation research and rating program in Indonesia that aims to promote each issuer in order to improve the quality of governance through sustainable improvement. The CGPI uses the stakeholders' perspective that GCG implementation is not merely related to the owner and administrator, but also with all stakeholders in order to maintain the company's long term sustainability. The CGPI is conducted by focusing on three aspects of assessment, namely governance structure, governance process and governance outcome.

Every year, CGPI always adopts a different theme of assessment. In 2017, the theme was "Management of Change in GCG Framework" which focused on the assessment on the system and mechanism used by the company's organs in managing various changes in accordance to the scope of business for it to be able to create value for the stakeholders in order to realize the company's business sustainability.

As a form of The Bank's commitment to improve the quality of GCG implementation, the Bank has consistently participated in the assessment and was successfully awarded as "The Most Trusted Company" for 6 (six) consecutive years with an increased total CGPI score from 86.86 in 2016 to 87.32 in 2017.

## b. Self-Assessment by External Party

Throughout 2017, the Bank has conducted Self-Assessment twice on eleven Governance assessment factors. The self-assessment was in accordance with FSA Regulation Number 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks based on the five basic principles as grouped into three Governance aspects. The eleven factors of GCG implementation assessment at the very least cover:

1. Implementation of BOD's duties and responsibilities.
2. Implementation of BOC's duties and responsibilities.
3. Completeness and Implementation of Committees' duties.
4. Conflict of Interest Handling.
5. Implementation of Compliance Function.
6. Implementation of Internal Audit Function.
7. Implementation of External Audit Function.
8. Implementation of Risk Management including Internal Control System.
9. Funds to related party and large exposure.
10. Transparency of the Bank's financial and Non-Financial condition, Governance Implementation Report, and Internal Reporting.
11. Bank's Strategic Plan.

### Self-Assessment of Governance Implementation

As of December 2017

#### Rank 1

The Bank's management has generally conducted very good Governance implementation as reflected in the adequate compliance to Governance principles. Any weakness in implementation could generally be considered as insignificant and was immediately fixed by the Bank's management.

### Analysis

#### A. Governance Structure

1. The Bank had determined and built commitment in implementing Governance in accordance with Legislation Number 40 of 2017 on implementation of duties and responsibilities of BOC and BOD as well as meeting the prevailing regulations adequately in relations to the requirements of BOC and BOD.
2. The Bank had adequate committees in accordance with the prevailing rules.
3. Compliance Work Unit had met the independence requirement.
4. Internal Audit Function had been conducted by Internal Audit Work Unit.
5. Appointment of Public Accountant and Public Accounting Firm was in accordance to the regulations.
6. The Bank's organization structure had been adequate to support a sound implementation of Risk Management and Internal Control.
7. The Bank had provisions related to Maximum Limit of Credit and Funds Provision for Big Debtors.
8. The Bank had reference in delivering information of financial and non-financial condition.
9. The Bank had guidelines of Governance Implementation.
10. The Bank's strategic plan had been stipulated in Corporate Plan and Bank's Business Plan.

#### B. Governance Process

1. Duties and responsibilities of BOC had been effectively implemented.
2. BOD had carried out its duties and responsibilities in accordance with Articles of Associations.
3. Implementation of duties of Committees under the BOC had been conducted independently in accordance with guidelines and procedures.
4. Action taken on transactions with Conflict of Interest was treated according to the Conflict of Interest Policy.
5. The appointment of Director in charge with Compliance Function and its task implementation was based on the applicable rules.
6. Compliance Work Unit had carried out duties and responsibility based on the applicable rules.
7. Internal Audit Work Unit had conducted planning and audit in accordance with Internal Audit Guidance.
8. The GMS approved to grant the authority to the BOC based on the Audit Committee's recommendation, to appoint the Public Accountant for financial year of 2017. The appointed Public Accountant had to be performed independently, fulfilled the Public Accountant professional standards, working agreement as well as the established audit scope.
9. The Bank had a bank-wide application in operational risk event reporting that can be accessed within or outside the company.
10. The Bank had conducted development of risk management culture.
11. The Bank had evaluated and updated the related policies.
12. The Bank had established and presented financial and non-financial statements as well as published the information of financial and non-financial condition.
13. The Bank had drawn up the Bank's Business Plan in a realistic, comprehensive, measurable and responsive manner.
14. The strategic plan stipulated in the Corporate Plan and Business Plan had been formed by BOD and obtained the BOC approval.

**C. Governance Outcome**

1. All aspects had been met in accordance with the regulations so an effective process is supported by an adequate structure and infrastructure.
2. There was no Conflict of Interest that harmed the Bank or reduced the Bank's profit.
3. The Bank had submitted Duties Implementation Principal Report of Director who supervised Compliance Function and Special Report to FSA [Financial Services Authority].
4. BOD had provided internal audit function implementation activities report to GMS mentioned in Annual Report.
5. External audit outcome was in accordance with the scope of work.
6. The Bank's risks were mentioned in Annual Report.
7. The management of credit risk concentration related to provision of large exposures was stipulated in Risk Appetite Statement.
8. Composition of assets portfolio and concentration level were submitted in credit risk profile report to BOD and BOC.
9. In order to implement ICAAP, the Bank had completed the policy of credit concentration risk.
10. Risk Profile and Funds Provision reports to Related Party had been submitted to FSA [Financial Services Authority].
11. The Bank had submitted Annual Report and published it on the Bank's website.
12. The Bank had reported the Bank's governance implementation.
13. Mediation in order to settle the customers' complaints on products and customers' personal data usage.
14. The Bank had implemented transparent information on products and customers' personal data usage.
15. Corporate Plan and Bank's Business Plan along with the realization had been communicated by BOD to Controlling Shareholders and the Bank's employees.
16. The Bank's profit usage plan was submitted to all Shareholders at GMS.
17. The Bank had an adequate capital level and able to anticipate the risks.

**2017 CORPORATE GOVERNANCE IMPLEMENTATION**

The Bank considered that GCG implementation within the Bank had been managed well as reflected in an adequate fulfillment on GCG principles covering eleven assessment factors. The Bank assessed that GCG implementation within the Bank was conducted comprehensively and structured covering Governance Structure, Governance Process and Governance Outcome, i.e.:

1. The Bank had an adequate structure and infrastructure of governance. The Bank's governance structure covers commitment, structure of BOC, BOD, Committee, Bank Work Unit and leadership accountability. Meanwhile the governance infrastructure covers policy and procedure, management information system as well as principal duties and functions of each organization structure.
2. Governance process of the Bank had run effectively, covering:
  - a. Formulation of framework, policy and procedure.
  - b. Socialization and trainings.
  - c. Technique and method of implementation.
  - d. Internal/external reporting system.
  - e. Monitoring and measurement of performance.
3. Adequate structure and infrastructure of governance as well as the Bank's efforts to ensure the effectiveness of implementation and continuous improvements through monitoring and review.

**2018 CORPORATE GOVERNANCE INITIATIVES**

The Bank will constantly endeavor to improve the quality of GCG implementation by referring to the current GCG practices and standards in accordance to the Bank's operational policy and business. In the future, a number of initiatives will sustainably be implemented by the Bank, among which to ensure the quality of GCG implementation as one of the efforts to improve the Bank's performance, protect the interest of shareholders, and enhance the compliance with generally accepted rules and regulations as well as ethical values in the banking industry, through the following activities:

1. Adding the standard of aspects and Listed Companies Governance principles implementation on Requirement Regulatory Self-Assessment (RRSA) for each work unit.
2. Conduct socialization to work unit on the implementation of governance.
3. Conduct attestation of Governance Guidelines every year, among others through email blast, publication through web internal compliance and/or e-learning.

Furthermore, the Bank will consistently review the GCG implementation compatibility within the Bank against the best practices in running the business with dignified and compliance ethics.

# Implementation of Financial Conglomeration

Based on FSA regulation on Financial Conglomeration, Bank OCBC NISP has been appointed by its controlling shareholder as the Main Entity in OCBC Financial Conglomeration in Indonesia with two Financial Service Institutions (FSI) namely PT Great Eastern Life Indonesia (GELI) and PT OCBC Sekuritas (PTOS) conducted as sister companies which become the member of Financial Conglomeration.

To meet the FSA Regulation No. 17/POJK.03/2014 concerning the Implementation of Integrated Risk Management for Financial Conglomeration, POJK No. 18/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Conglomeration and POJK No. 26/POJK.03/2015 concerning Integrated Minimum Capital Requirement for Financial Conglomerates, Bank OCBC NISP as the Main Entity consistently carried out its duties and responsibilities in accordance with the mentioned FSA regulations.

Bank OCBC NISP has established an Integrated Governance Committee (IGC), an Integrated Risk Management Committee (IRMC), an Integrated Compliance Working Unit (ICMU) whose execution of duties is carried out by the Compliance Division, an Integrated Internal Audit Working Unit (IIAWU) whose execution of duties is carried out by Internal Audit Division and an Integrated Risk Management Work Unit conducted by divisions which are responsible as functional specialists for each risk. All the above functions have been implemented in accordance with the related FSA regulations.

## IMPLEMENTATION OF INTEGRATED GOVERNANCE

The implementation of Integrated Governance in OCBC Financial Conglomeration in Indonesia is conducted through the forming and implementing a comprehensive Integrated Governance. The Integrated Governance was conducted through a coordination between the Bank as Main Entity and each FSI in order to ensure that the implementation of management function by the BOD of Main Entity and FSI as well as the implementation of oversight function by the BOC of Main Entity and FSI and also Sharia Supervisory Board (SSB) has been carried out effectively and constantly guided by the Integrated Governance Guideline and based on 5 (five) GCG principles implementation, namely Transparency, Accountability, Responsibility, Independency and Fairness.

Assessment on Integrated Governance implementation is conducted by Self-Assessment by the Main Entity every semester. The result was outlined in the Assessment of Integrated Governance Report which was submitted to FSA. The assessment covers seven factors of the Integrated Governance Implementation assessment, which are:

- a. Implementation of duties and responsibilities of BOD Main Entity.
- b. Implementation of duties and responsibilities of BOC Main Entity.
- c. Implementation of duties and responsibilities of Integrated Governance Committee.
- d. Duties and responsibilities of Integrated Compliance Work Unit.
- e. Duties and responsibilities of Integrated Internal Audit Work Unit.
- f. Implementation of Integrated Risk Management.
- g. Formulation and implementation of Integrated Governance Guidelines.

Assessment on the seven factors above is the assessment on Integrated Governance principles with regards by evaluating the structure, process and and outcome of Integrated Governance as well as the significance and/or materiality of an issue to the implementation of Integrated Governance in Financial Conglomeration. The assessment on the implementation of Integrated Governance is conducted comprehensively and structured which covers the assessment on the effective implementation of duties and responsibilities of the BOD, the BOC, Committees and Work Unit, availability of policies and procedures at Main Entity and each FSI including management information system and effective implementation of main duties of each organization structure. Furthermore, the effectiveness of GCG implementation process is reflected in quality of Integrated Governance outcome including qualitative and quantitative aspects.

The conclusion of 2017 self-assessment results, in general, OCBC Financial Conglomeration in Indonesia has been rated as very good and categorized in Rank 1. However, there were still some insignificant weaknesses in the implementation of Integrated Corporate Governance, which has been and will be continuously improved.

The Implementation of Integrated Governance Annual Report can be viewed on [www.ocbcnisp.com](http://www.ocbcnisp.com).

# General Meeting of Shareholders

General Meeting of Shareholders (GMS) is the highest organ of Bank OCBC NISP with authority not given to BOC or BOD as referred to in the Legislation on Limited Liability Companies and/or Articles of Associations of Bank OCBC NISP.

## a. Mechanism of GMS

The mechanism of 2017 GMS was conducted in accordance with the Bank's Articles of Associations and FSA Regulation Number 32/POJK.04/2014 on Planning and Holding of General Meeting of Shareholders for Publicly Listed Companies.

## b. GMS Information in 2017

### 2017 Annual GMS ("AGMS")

In 2017, the Bank held one AGMS on March 30, 2017 at the Bank OCBC NISP Head Office, OCBC NISP Tower, Jl. Prof. Dr. Satrio Kav.25, South Jakarta.

All AGMS resolutions as well as the course of the meeting were written in Minutes of AGMS dated March 30, 2017 which was made before the Notary and had been available and accessible on Bank OCBC NISP website: [www.ocbcnisp.com](http://www.ocbcnisp.com).

### • Schedule of Notice, Announcement, Invitation, Execution and Resolutions Submission of AGMS on March 30, 2017

Notice
14 February 2017
The Bank submitted a notice of AGMS letter to FSA and IDX through e-Reporting.
Announcement
25 February 2017
Announced through advertisement on Bisnis Indonesia Daily, IDX website (through e-reporting) and website <a href="http://www.ocbcnisp.com">www.ocbcnisp.com</a> .
Invitation
8 March 2017
Announced through advertisement on Bisnis Indonesia Daily, IDX website (through e-reporting) and website <a href="http://www.ocbcnisp.com">www.ocbcnisp.com</a> .
Execution
30 March 2017
AGMS was conducted at 14.00 WIB at OCBC NISP Tower, 23 <sup>rd</sup> Floor, Jl. Prof. Dr. Satrio Kav.25, South Jakarta.
Brief Minutes of GMS
31 March 2017
Announced through advertisement on Bisnis Indonesia Daily, IDX website (through e-reporting) and website <a href="http://www.ocbcnisp.com">www.ocbcnisp.com</a> .

- **2017 Annual GMS Resolutions and Realization**  
Annual GMS held by the Bank on 30 March 2017 has realized the following agenda and resolutions:

Agenda & Number of Votes	Resolution and Realization
<b>First Agenda:</b> Approval of the Company's Annual Report for the financial year 2016. <ul style="list-style-type: none"> <li>• <b>Affirmative:</b> 11,429,246,506 votes</li> <li>• <b>Non-affirmative:</b> None</li> <li>• <b>Abstain:</b> None</li> </ul>	<b>Resolution:</b> <ol style="list-style-type: none"> <li>1. To approve the Company's Annual Report for the financial year that ended on 31 December 2016 including the Report of the Board of Directors and the Supervision Report of the Board of Commissioners.</li> <li>2. To approve and ratify the Company's Financial Statements for the financial year that ended on 31 December 2016 audited by Tanudiredja, Wibisana, Rintis &amp; Rekan Public Accounting Firm, member firm of Pricewaterhouse Coopers global network with unmodified opinion, as set forth in its report dated 25 January 2017.</li> <li>3. Thereby, to release and discharge all members of the Company's Board of Directors and Board of Commissioners of responsibilities and all liabilities (acquit et de charge) for the management and supervision performed during the financial year 2016, insofar as such actions are reflected in the Company's Annual Report and Financial Statements for the financial year 2016, except for acts of embezzlement, fraud and other crimes.</li> </ol> <p><b>Realization:</b> Done</p>
<b>Second Agenda:</b> Appropriation of the Company's profit earned in the financial year 2016. <ul style="list-style-type: none"> <li>• <b>Affirmative:</b> 11,429,246,506 votes</li> <li>• <b>Non-affirmative:</b> None</li> <li>• <b>Abstain:</b> None</li> </ul>	<p>To approve the appropriation of the profit earned in the financial year 2016, in the amount of Rp1,789,899,733,495,- (one trillion seven hundred and eighty-nine billion eight hundred and ninety-nine million seven hundred and thirty-three thousand four hundred and ninety five Rupiah) after deducting the general reserves in the amount of Rp100,000,000,- (one hundred million Rupiah) in accordance with Law No. 40 of 2007 concerning Limited Liability Company, entirely to strengthen the Company's capital position instead of being distributed as dividends to shareholders.</p> <p><b>Realization:</b> Done</p>
<b>Third Agenda:</b> Accountability Report on the Actual Use of the Proceeds from Public Offering.	<p>The Accountability Report on the Actual Use of the Proceeds from Public Offering of Bank OCBC NISP's Continuous Bonds II - Phase I of 2016 with Fixed Interest Rate ("Bonds Offering"), net of issuance costs has been in accordance with the plan set forth in the prospectus and has been reported to the Financial Services Authority (FSA).</p> <p>Since the third agenda is a report, there was no Question and Answer session and decision making accordingly.</p>

Agenda & Number of Votes	Resolution and Realization
<p><b>Fourth Agenda:</b> Appointment of Public Accountant for 2017 and determination of the relevant honorarium and other qualifications for the appointment.</p> <ul style="list-style-type: none"> <li>• <b>Affirmative:</b> 11,429,246,506 votes</li> <li>• <b>Non-affirmative:</b> None</li> <li>• <b>Abstain:</b> None</li> </ul>	<p><b>Resolution:</b> To approve the granting of authority to the Board of Commissioners upon receiving recommendation from the Audit Committee, to appoint the Public Accounting Firm for the financial year 2017 with due consideration of the criteria including independence, scope of assignment and remuneration, and to determine the relevant honorarium and other qualifications for such appointment of Public Accounting Firm.</p> <p><b>Realization:</b> Based on the Recommendation of Audit Committee Number 002/AC/VI/2017 dated 13 June 2017, BOC appointed Public Accountant Luciana Suhenda, SE., Ak, CPA and Public Accounting Firm Tanudiredja, Wibisana, Rintis &amp; Partner as Public Accountant and Public Accounting Firm for 2017 based on Decree of BOC Number 016/DEKOM/IPC-NK-VI/2017 dated 14 June 2017.</p>
<p><b>Fifth Agenda:</b> Change in the composition of the Company's Board of Commissioners, Board of Directors, and Sharia Supervisory Council along with the determination of their salaries/honoraria and allowances.</p> <ul style="list-style-type: none"> <li>• <b>Affirmative:</b> 11,429,246,506 votes</li> <li>• <b>Non-affirmative:</b> None</li> <li>• <b>Abstain:</b> None</li> </ul>	<p><b>Resolution:</b> To approve the resignation of Hardi Juganda as a Commissioner effective at the closing of this Meeting and his appointment as an Independent Commissioner insofar as the same meets the requirements and criteria as an Independent Commissioner, undergoing a cooling-off period of no less than 6 (six) months, and obtaining the approval from the FSA, pursuant to Article 25 of Regulation of the Financial Services Authority No.55/POJK.03/2016 concerning the Implementation of Good Governance for Commercial Bank. The term of office of Hardi Juganda will be effective upon obtaining the approval from the FSA until the closing of the Company's 2020 AGMS, unless determined otherwise by the FSA, with due observance of the prevailing provisions.</p> <p>To approve the reappointment of Pramukti Surjaudaja as the President Commissioner, Peter Eko Sutioso as the Deputy President Commissioner (Independent), Lai Teck Poh (Dua Teck Poh) as a Commissioner, Jusuf Halim and Kwan Chiew Choi as Independent Commissioners for the term of service starting from the end of this Meeting until the end of the Company's 2020 AGMS.</p> <p>To approve the reappointment of Parwati Surjaudaja as the President Director, Hartati as Director (Independent), Emilya Tjahjadi and Joseph Chan Fook Onn as Directors for the term of office starting from the closing of this Meeting until the closing of the Company's 2020 AGMS.</p> <p>To approve the reappointment of Muhammad Anwar Ibrahim as the Chairman of the Sharia Supervisory Board, and Mohammad Bagus Teguh Perwira as member of the Sharia Supervisory Board for the term of office starting from the closing of this Meeting until the closing of the Company's 2020 AGMS.</p>

Agenda & Number of Votes	Resolution and Realization
	<p>Therefore, the Composition of the Board of Commissioners, Board of Directors and the Sharia Supervisory Council are as follows:</p> <p>THE BOARD OF COMMISSIONERS</p> <ul style="list-style-type: none"> <li>• President Commissioner : Pramukti Surjaudaja</li> <li>• Deputy President Commissioner (Independent): Peter Eko Sutioso</li> <li>• Commissioner : Samuel Nag Tsien</li> <li>• Commissioner : Lai Teck Poh (Dua Teck Poh)</li> <li>• Commissioner (Independent) : Jusuf Halim</li> <li>• Commissioner (Independent) : Kwan Chiew Choi</li> </ul> <p>BOARD OF DIRECTORS</p> <ul style="list-style-type: none"> <li>• President Director : Parwati Surjaudaja</li> <li>• Director : Yogadharma Ratnapalajari</li> <li>• Director : Rama Pranata Kusumaputra</li> <li>• Director : Emilya Tjahjadi</li> <li>• Director (Independent) : Hartati</li> <li>• Director : Martin Widjaja</li> <li>• Director : Andrae Krishnawan W.</li> <li>• Director : Johannes Husin</li> <li>• Director : Low Seh Kiat</li> <li>• Director : Joseph Chan Fook Onn</li> </ul> <p>SHARIA SUPERVISORY BOARD</p> <p>Chairman : Muhammad Anwar Ibrahim Member : Mohammad Bagus Teguh Perwira</p> <p>To approve the granting of authority to the Board of Commissioners upon the recommendation of the Remuneration and Nomination Committee to determine the salaries/honoraria and allowances of members of the Sharia Supervisory Board which shall be valid for 3 (three) financial years, namely as from the financial year 2017 up to and including the financial year 2019.</p> <p>To approve the granting of the power and authority to the Company's Board of Directors to set out the aforementioned Meeting resolutions in a separate Notary Deed and to inform the authorized agency and to register as well as to perform all actions necessary in connection with said resolutions.</p> <p><b>Realization:</b></p> <ol style="list-style-type: none"> <li>1. The reappointment and composition of BOC, BOD and Sharia Supervisory Board had been stated in separate Notarial Deed and registered to Ministry of Law and Human Rights Number AHU-AH.01.03-0129400 dated 21 April 2017.</li> <li>2. The granting of authority to determine salary/honorarium as well as allowances for Sharia Supervisory Board above had stated in Minutes of AGMS Number 87 dated 30 March 2017.</li> <li>3. The appointment of Hardi Juganda as Independent Commissioner had effective since November 27, 2017.</li> </ol>

### 2017 Extraordinary GMS (EGMS)

The Bank held one EGMS on 1 November 2017. All EGMS resolutions and the meeting were written in Minutes of EGMS dated 1 November, 2017 which was made before Notary and are available and accessible on Bank OCBC NISP website: [www.ocbcnisp.com](http://www.ocbcnisp.com).

• **Schedule of Notice, Announcement, Invitation, Execution and Resolutions Submission of EGMS on 1 November, 2017**

Notice
14 September 2017 The Bank submitted a notice of EGMS letter to FSA and IDX through e-Reporting.
Announcement
25 September 2017 Announced through advertisement on Bisnis Indonesia Daily, IDX website (through e-reporting) and website www.ocbcnisp.com.
Invitation
10 October 2017 Announced through advertisement on Bisnis Indonesia Daily, IDX website (through e-reporting) and website www.ocbcnisp.com.
Execution
1 November 2017 EGMS was conducted at 10.00 WIB at OCBC NISP Tower, 23 <sup>rd</sup> Floor, Jl. Prof. Dr. Satrio Kav. 25, South Jakarta.
Brief Minutes of GMS
2 November 2017 Announced through advertisement on Bisnis Indonesia Daily, IDX website (through e-reporting) and website www.ocbcnisp.com.

• **2017 EGMS Resolutions and Realization**

EGMS held by the Bank on 1 November 2017 has realized the following agenda and resolutions:

Agenda & Number of Votes	Resolution and Realization
<p><b>Agenda:</b> Changes in the Management of the Company.</p> <ul style="list-style-type: none"> <li><b>Affirmative:</b> 11,429,246,506 votes</li> <li><b>Non-affirmative:</b> None</li> <li><b>Abstain:</b> None</li> </ul>	<p><b>Resolution:</b> To approve the appointment of Betti S. Alisjahbana as Company's Independent Commissioner with the term of service effective after obtaining the approval from the Financial Services Authority until the closing of the Company's Annual General Meeting of Shareholders year 2020.</p> <p>Therefore, the Composition of the Board of Commissioners is as follows:</p> <ul style="list-style-type: none"> <li>President Commissioner : Pramukti Surjoudaja</li> <li>Deputy President Commissioner (Independent): Peter Eko Sutioso</li> <li>Commissioner : Samuel Nag Tsien</li> <li>Commissioner : Lai Teck Poh (Dua Teck Poh)</li> <li>Commissioner (Independent) : Jusuf Halim</li> <li>Commissioner (Independent) : Kwan Chiew Choi</li> <li>Commissioner (Independent) : Hardi Juganda*)</li> <li>Commissioner (Independent) : Betti S. Alisjahbana*)</li> </ul> <p>*) Effective upon approval from FSA</p>

Agenda & Number of Votes	Resolution and Realization
	<p>There are no changes for Board of Directors, which are as follows:</p> <ul style="list-style-type: none"> <li>President Director : Parwati Surjoudaja</li> <li>Director : Yogadharma Ratnapalasar</li> <li>Director : Rama Pranata Kusumaputra</li> <li>Director : Emilya Tjahjadi</li> <li>Director (Independent) : Hartati</li> <li>Director : Martin Widjaja</li> <li>Director : Andrae Krishnawan W.</li> <li>Director : Johannes Husin</li> <li>Director : Low Seh Kiat</li> <li>Director : Joseph Chan Fook Onn</li> </ul> <p>There are no changes for Sharia Supervisory Board, which are as follows:</p> <ul style="list-style-type: none"> <li>Chairman : Muhammad Anwar Ibrahim</li> <li>Member : Mohammad Bagus Teguh Perwira</li> </ul> <p>To approve the granting of the power and authority to the Company's Board of Directors to set out the aforementioned Meeting resolutions in a separate Notary Deed and to inform the authorized agency and register as well as perform all actions necessary in connection with said resolutions.</p> <p><b>Realization:</b> The appointment of Hardi Juganda and Betti S. Alisjahbana as Independent Commissioner as well as composition of BOC, BOD and Sharia Supervisory Board Members have been stated in separate Notarial Deed and registered to Ministry of Law and Human Rights Number AHU-AH.01.03-0201968 dated 18 December 2017.</p>

**d. GMS Information in 2016**

- 2016 AGMS Resolutions and Realization, Information about agenda, resolution and realization of 2016 AGMS resolutions are as follows:

Agenda & Number of Votes	Resolution and Realization
<p><b>First Agenda:</b> Approval on the Company's Annual Report for the financial year 2015.</p> <ul style="list-style-type: none"> <li><b>Affirmative:</b> 11,429,246,506 votes</li> <li><b>Non-affirmative:</b> None</li> <li><b>Abstain:</b> None</li> </ul>	<ol style="list-style-type: none"> <li>1. Approved the Annual Report of the Financial Year which ended on December 31, 2015 including the BOD and BOC Supervision Reports.</li> <li>2. Approved and ratified the Bank's Financial Statements for the financial year, which ended on December 31, 2015, had been audited by Public Accounting Firm Tanudiredja, Wibisana Rintis &amp; Rekan, a member firm of the PricewaterhouseCoopers global network, which was based on the report last January 25, 2016 and was re-published on March 17, 2016.</li> <li>3. Released all members of BOC and BOD from all responsibilities and liabilities (acquitted et de charge) for all management and supervision performed during the financial year 2015. Such actions are reflected in the Annual Report and Financial Statements for 2015, except for embezzlement, fraud and other criminal acts.</li> </ol> <p><b>Realization:</b> Done</p>

Agenda & Number of Votes	Resolution and Realization
<p><b>Second Agenda:</b> Appropriation of the Company's profit earned in the financial year 2015.</p> <ul style="list-style-type: none"> <li>• <b>Affirmative:</b> 11,429,246,506 votes</li> <li>• <b>Non-affirmative:</b> None</li> <li>• <b>Abstain:</b> None</li> </ul>	<p>Approved the use of the profit earned in financial year 2015 amounting to Rp1.500.834.527.070,- after being deducted by statutory reserves amounted to Rp100,000,000,-, in accordance to Law No. 40 Year 2007 on Limited Liability Companies which would be fully used to strengthen the Bank's capital position and was not distributed as dividends to shareholders.</p> <p><b>Realization:</b> Done</p>
<p><b>Third Agenda</b> Report on the Actual Use of the Proceeds from Continuous Bond I Phase II Year 2015.</p> <ul style="list-style-type: none"> <li>• <b>Affirmative:</b> 11,429,246,506 votes</li> <li>• <b>Non-affirmative:</b> None</li> <li>• <b>Abstain:</b> None</li> </ul>	<p>After deducted by emissions, the Report has been used for business growth in the form of credit lending in accordance with the prospectus plan.</p> <p><b>Realization:</b> Done</p>
<p><b>Fourth Agenda</b> The appointment of Public Accounting for 2016 as well as determination of relevant honorarium and other qualifications for the appointment.</p> <ul style="list-style-type: none"> <li>• <b>Affirmative:</b> 11,429,246,506 votes</li> <li>• <b>Non-affirmative:</b> None</li> <li>• <b>Abstain:</b> None</li> </ul>	<p>Approved the granting of authority to BOD based on BOC approval or with at least three members of BOC, after receiving the recommendation from Audit Committee to appoint a Public Accountant for 2016 and determine the honorarium and other qualifications for the appointment.</p> <p><b>Realization:</b> In accordance with the recommendation of the Audit Committee No. 001/AC/V/2016 dated May 13, 2016, BOC appointed Public Accounting Firm Tanudiredja, Wibisana, Rintis &amp; Rekan as the Public Accounting Firm for 2016 based on BOC Decree No. 020/DEKOM/IPC-LS/V/2016 dated May 20, 2016.</p>
<p><b>Fifth Agenda</b> Changes in the composition of BOC and BOD as well as determination of salary/honorarium and allowances.</p> <ul style="list-style-type: none"> <li>• <b>Affirmative:</b> 11,429,246,506 votes</li> <li>• <b>Non-affirmative:</b> None</li> <li>• <b>Abstain:</b> None</li> </ul>	<p>1. Approved the re-appointment of Andrae Krishnawan W., Johannes Husin and Low Seh Kiat as Directors for a term of office after the Meeting was closed until the next Annual General Meeting Shareholders in 2019 is concluded.</p> <p>Therefore, the composition of Board of Commissioners is as follows:</p> <ul style="list-style-type: none"> <li>• Chairman: Pramukti Surjaudaja</li> <li>• Deputy Chairman: Peter Eko Sutioso (Independent Commissioner)</li> <li>• Independent Commissioner: Roy Athanas Karaoglan</li> <li>• Commissioner: Samuel Nag Tsien</li> <li>• Independent Commissioner: Jusuf Halim</li> <li>• Independent Commissioner: Kwan Chiew Choi</li> <li>• Commissioner: Lai Teck Poh (Dua Teck Poh)</li> <li>• Commissioner: Hardi Juganda</li> </ul>

Agenda & Number of Votes	Resolution and Realization
	<p>The composition of Board of Directors is as follows:</p> <ul style="list-style-type: none"> <li>• President Director &amp; CEO: Parwati Surjaudaja</li> <li>• Managing Director: Yogadharma Ratnapalasar</li> <li>• Managing Director: Rama Pranata Kusumaputra</li> <li>• Managing Director: Emilya Tjahjadi</li> <li>• Managing Director: Hartati</li> <li>• Managing Director: Martin Widjaja</li> <li>• Managing Director: Andrae Krishnawan W.</li> <li>• Managing Director: Johannes Husin</li> <li>• Managing Director: Low Seh Kiat</li> <li>• Managing Director: Joseph Chan Fook Onn</li> </ul>
	<p>2. Regarding the determination of salary/honorarium and allowances of BOC and BOD:</p> <p>(i) To re-authorize OCBC Overseas Investment Pte. Ltd. as the majority shareholder based on the recommendation of the Remuneration and Nomination Committee to determine the amount of salary or honorarium and allowances for BOC.</p> <p>(ii) To re-authorize BOC on the recommendation of the Remuneration and Nomination Committee to determine the amount of salary or honorarium and allowances for BOD. The authorization is valid for 3 (three) years, from the financial years 2017 to 2019.</p> <p><b>Realization:</b></p> <p>1. Re-appointment of BOD and the composition of BOC and BOD has been expressed on Notarial deed and registered in the Company Register No. AHU-0051367. AH.01.11. YEAR 2016 dated April 25, 2016.</p> <p>2. Granting authority to set the salary/honorarium and allowances for BOC and BOD has been stated in the AGM Deed No. 31 dated April 7, 2016.</p>

### Statement Concerning the Unrealized General Meeting of Shareholders Resolution

In 2017, all GMS resolutions have been realized. There was no GMS resolution which has not been realized or delayed.

# The Board of Commissioners

The Board of Commissioners (BOC) is a key organ appointed by Shareholders to carry out oversight function and provide advice to BOD independently, related to the duties and responsibilities of BOD in managing the Bank. The main duty and responsibility of BOD is to ensure the Bank's business continuity and ensure that BOD has carried out their duties with good faith for the Bank's interest as well as other stakeholders.

## LEGAL BASIS OF BOC

1. The Constitution No. 40 of 2017 on Limited Liability Companies.
2. FSA Regulation No. 33/POJK.04/2014 on BOD and BOC of Listed or Public Companies.
3. FSA Regulation No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
4. FSA Circular Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.

## BOC CHARTERS

In carrying out its duties, BOC has had a Charter consisting of:

1. Composition, criteria and term of office.
2. Duties, responsibilities, and authority.
3. Values and Work Ethics.
4. Working Time.
5. BOC meetings.
6. Reporting and accountability.

BOC Charter was last updated on September 27, 2017 and is reviewed periodically as necessary with due observance of the prevailing regulations. For more details, can be viewed on [www.ocbcnisp.com](http://www.ocbcnisp.com).

## DUTIES AND RESPONSIBILITIES OF BOC

In accordance with FSA Regulation Number 33/POJK.04/2014 on BOD and BOC of Listed or Public Companies, the BOC carries out duties to conduct supervisory function and is responsible for the oversight on policy and management in general, both Listed or Public Companies as well as business of Listed or Public Companies, and provides advices for BOD.

Further details on the duties and responsibilities of BOC have been stipulated in BOC Charter can be viewed on [www.ocbcnisp.com](http://www.ocbcnisp.com).

## AUTHORITIES OF BOC

In accordance with FSA Regulation Number 33/POJK.04/2014 on BOD and BOC of Listed or Public Companies and Board Charter, the BOC has the authority to dismiss BOD members temporary by mentioning the reason and may conduct the management of Listed or Public Companies in certain condition and period of time based

on the Bank's Articles of Associations or GMS Resolutions. The more detailed authorities of BOC are stipulated in the BOC Charter which is available on [www.ocbcnisp.com](http://www.ocbcnisp.com).

## CRITERIA OF BOC MEMBERS

The criteria to select members of BOC are, among others:

1. Meeting the requirements as referred to in FSA Regulation No. 33/POJK.04/2014 dated 8 December 2014 on BOD and BOC of Listed or Public Companies:
  - a. Have good characters, moral, and good integrity.
  - b. Capable of performing legal actions.
  - c. Those who, in the 5 (five) years prior to their appointment:
    - i. Have not declared bankruptcy.
    - ii. Have not been members of the BOD or the BOC declared to be at fault in causing a company to declare bankruptcy.
    - iii. Have not been sentenced for crimes that caused losses to the state and/or related to the financial sector.
    - iv. Have never been a member of the BOC and/or the BOD that during his tenure:
      - a) Did not hold the General Meeting of Shareholders (GMS).
      - b) His/her accountability as members of the BOC and/or BOD was once not accepted by the GMS or has at one point or another not deliver accountability as a member of the BOD or the BOC to the GMS.
      - c) Once caused the companies that has obtained a license, permission or registration from the Financial Services Authority to not fulfill the obligation to submit an annual report and/or financial reports to the Financial Services Authority
      - d) Have the commitment to comply with laws and regulations.
      - e) Have the ability and/or expertise in the required Bank.
2. Complying with the requirements for integrity, financial reputation and competency according to Regulation of Financial Services Authority No. 27/POJK.03/2016 dated 22 July 2016 concerning Fit and Proper Test for Primary Parties of Financial Services Institutions.

Requirements for Integrity include:

- a. Legally competent.
- b. Has good character and morals, at least shown by compliance to the prevailing regulations, including never having been convicted of a criminal act within the last 20 years prior to the nomination.
- c. Has the commitment to comply with the applicable regulation and support the FSA policy.
- d. Has the commitment to develop a healthy Banking operation.

e. Is not included in the Disqualified List.

Requirements for Financial reputation include:

- Does not have non-performing loans.
- Has never been declared bankrupt or has never been a shareholder, Controlling Insurance Company who is not a shareholder, Director or Commissioner who has been found guilty of causing the bankruptcy of a company in the last five years prior to nomination.

Requirements for competency include adequate and/or relevant banking knowledge which supports Bank management.

#### Number and Composition of BOC Members as of 31 December 2017 along with the legal basis of appointment and term of office

Number and composition of BOC members before AGMS dated 30 March 2017 were 8 (eight) persons, including 4 (four) Independent Commissioners, with the following composition:

No.	Name	Designation
1.	Pramukti Surjaudaja	President Commissioner
2.	Peter Eko Sutioso	Deputy President Commissioner (Independent)
3.	Roy Athanas Karaoglan *)	Independent Commissioner
4.	Samuel Nag Tsien	Independent Commissioner
5.	Jusuf Halim	Independent Commissioner
6.	Lai Teck Poh (Dua Teck Poh)	Commissioner
7.	Kwan Chiew Choi	Independent Commissioner
8.	Hardi Juganda **)	Commissioner

\*) Term of office as Independent Commissioner has ended since the closing of AGMS dated 30 March 2017.

\*\*) Effectively resigned since the closing of AGMS dated 30 March 2017 for further process to be an Independent Commissioner.

Number and composition of BOC members after AGMS dated 30 March 2017 were 6 (six) persons, including 3 (three) Independent Commissioners, with the following composition:

No.	Name	Designation
1.	Pramukti Surjaudaja	President Commissioner
2.	Peter Eko Sutioso	Deputy President Commissioner (Independent)
3.	Samuel Nag Tsien	Commissioner
4.	Jusuf Halim	Independent Commissioner
5.	Lai Teck Poh (Dua Teck Poh)	Commissioner
6.	Kwan Chiew Choi	Independent Commissioner

Moreover, number and composition of BOC members as of 31 December 2017 were 8 (eight) persons, including Independent Commissioners with the following composition:

No	Name	Designation	Legal Basis of Appointment	Term of Office	
				Effective Date	End of Term of Office
1	Pramukti Surjaudaja	President Commissioner	Deed of GMS Resolutions No. 23 Dated December 15, 2017	March 30, 2017	AGMS 2020
2	Peter Eko Sutioso	Deputy President Commissioner (Independent)	Deed of GMS Resolutions No. 23 Dated December 15, 2017	March 30, 2017	AGMS 2020
3	Samuel Nag Tsien	Commissioner	Deed of GMS Resolutions No. 34 Dated April 9, 2015	April 9, 2015	AGMS 2018
4	Jusuf Halim	Independent Commissioner	Deed of GMS Resolutions No. 23 Dated December 15, 2017	March 30, 2017	AGMS 2020
5	Lai Teck Poh (Dua Teck Poh)	Commissioner	Deed of GMS Resolutions No. 23 Dated December 15, 2017	March 30, 2017	AGMS 2020
6	Kwan Chiew Choi	Independent Commissioner	Deed of GMS Resolutions No. 23 Dated December 15, 2017	March 30, 2017	AGMS 2020
7	Hardi Juganda *)	Independent Commissioner	Deed of GMS Resolutions No. 23 Dated December 15, 2017	November 27, 2017	AGMS 2020
8	Betti S. Alisjahbana **)	Independent Commissioner	Deed of GMS Resolutions No. 23 Dated December 15, 2017	December 7, 2017	AGMS 2020

\*) Effective on 27 November 2017

\*\*) Effective on 7 December 2017

#### Assessment of Each Committee Under the BOC and the Basis of Assessment

At the end of the year, the BOC conducted an evaluation on performance contribution and the effectiveness of Committees under the BOC, namely Audit Committee, Remuneration and Nomination Committee, as well as Risk Monitoring Committee that focuses on evaluation which cover the fulfillment of duties and responsibilities, frequency and quality of meeting as well as recommendation given, diverse capabilities, experience and expertise of Committee members in order to support the implementation of duties and responsibilities of BOC effectively.

In addition, members of Audit Committee, Remuneration and Nomination Committee, and Risk Monitoring Committee had also conducted Self-Assessment to evaluate each performance of the committee during 2017.

The evaluation results were among others, the Committee had carried out their duties and responsibilities properly and in accordance with the Charter including meeting frequency and quality as well as the recommendations given, the diversity of the members' capabilities and the expertises in assisting the BOC's duties.

## POLICY ON DIVERSITY OF BOC MEMBERS

### Diversity Policy

The provision regarding BOC Composition diversity is stated in the BOC Charter as described in the following:

- a. The composition of the BOC shall be in accordance with Banking Authority's regulations on capital market, Good Corporate Governance and Company Regulations.
  - b. The number of the Board of Commissioners shall be no less than three (3) persons and not exceed the number of the Board of Directors, with the following composition: 1 (one) President Commissioner; 2 (two) or more Commissioners. One or more of them may be appointed as Deputy President Commissioner(s).
  - c. The Board of Commissioners shall be chaired by the President Commissioner.
  - d. The Board of Commissioners consists of the Commissioner and Independent Commissioner.
  - e. No less than fifty percent (50%) of the number of members of the Board of Commissioners shall be Independent Commissioner.
  - f. No less than one (1) member of the Board of Commissioners must be foreign workers for the position of Commissioner. Fifty percent (50%) or more of the Commissioners must be Indonesian nationality.
- **Diversity of the Bank's BOC**  
In order to execute the duty to supervise the Bank's operations, the BOC composition reflects the diversity of its member, in terms of citizenship, education, age, experiences and gender. In 2017, the Bank has new Independent Commissioners, Hardi Juganda (effective on 27 November 2017) and Betti S. Alisjahbana (effective on 7 December 2017). The detail qualifications of BOC have been presented in brief profile of BOC on page 40-41.

## Information of Concurrent Position of BOC

No	Name	Position at Bank OCBC NISP	Position at Other Companies
1.	Pramukti Surjaudaja	President Commissioner	Commissioner of PT Biolaborindo Makmur Sejahtera
2.	Peter Eko Sutioso	Deputy President Commissioner (Independent)	-
3.	Roy Athanas Karaoglan *)	Independent Commissioner	-
4.	Samuel Nag Tsien	Commissioner	Director of Mapletree Investments Pte Ltd
5.	Jusuf Halim	Independent Commissioner	
6.	Lai Teck Poh (Dua Teck Poh)	Commissioner	Non-Executive Independent Director of AV Jennings Ltd
7.	Kwan Chiew Choi	Independent Commissioner	
8.	Hardi Juganda **)	Independent Commissioner	
9.	Betti S. Alisjahbana ***)	Independent Commissioner	Independent Commissioner of PT Anabatic Technologies Tbk.

\*) Term of office as Independent Commissioner has ended since the closing of AGMS dated 30 March 2017.

\*\*\*) Effective on 27 November 2017.

\*\*\*) Effective on 7 December 2017.

## MEETING OF BOC

### Meeting Policy

1. The BOC shall hold a meeting at least once every 2 (two) months and with the BOD periodically at least once every 4 (four) months.
2. The BOC must schedule the meeting for the following year before the end of the fiscal year.
3. At the scheduled meeting, the material shall be conveyed to the participants of the meeting no later than five (5) days before the meeting is held. In the event of a meeting held outside of the schedule, the material must be delivered to the participants of the meeting at the latest before the meeting is held.
4. At least two (2) meetings must be attended by the BOC physically or by means of video-conference
5. The results of BOC meeting shall be recorded in the minutes of meeting that will be signed by the members of the BOC and BOD attending the meeting and will be submitted to all members of the BOC and BOD.

- Number of Meetings & Level of Attendance

No.	Name	Meeting of BOC		
		Number of Meetings	Attendance	% Attendance
1.	Pramukti Surjaudaja	6	6	100%
2.	Peter Eko Sutioso	6	6	100%
3.	Roy Athanas Karaoglan *)	6	1	16%
4.	Samuel Nag Tsien	6	5	83%
5.	Jusuf Halim	6	6	100%
6.	Lai Teck Poh (Dua Teck Poh)	6	6	100%
7.	Kwan Chiew Choi	6	6	100%
8.	Hardi Juganda **)	6	2	33%
9.	Betti S. Alisjahbana ***)	6	1	16%

\*) Term of office as Independent Commissioner has ended since the closing of AGMS dated 30 March 2017.

\*\*\*) Term of office as Commissioner has ended since the closing of AGMS dated 30 March 2017 and term of office as Independent Commissioner effective on 27 November 2017.

\*\*\*\*) Term of office as Independent Commissioner effective on 7 December 2017.

- Meeting Agenda of BOC

During 2017, BOC meeting date and agenda were as follows:

No	Date	Meeting Agenda
1	3 February 2017	1. BOC Approval for business as usual. 2. Approval on Committee Recommendation. 3. BOC and Committees Evaluation. 4. BOC Roles and Responsibility.
2	18 April 2017	1. Financial Performance (January – March 2017). 2. BOC Approval for business as usual. 3. BOC Approval on RMC recommendation previously tabled at the RMC Meeting. 4. IT Transformation. 5. Digital Banking part 1 - BAU. 6. Digital Banking part 2 - Non BAU. 7. Compliance Profile Update.
3	17 July 2017	1. BOC Approval for business as usual. 2. Approval on Committee Recommendation. 3. BOC Roles and Responsibility.
4	27 September 2017	1. Financial Performance (January – August 2017). 2. BOC Approval for business as usual. 3. BOC approval on issues tabled at the previous committee meeting. 4. BOD Charter. 5. BOC Charter. 6. Good Corporate Governance Policy. 7. Analytics. 8. Compliance Profile Update (new regulation from regulators, if any).
5	20 October 2017	1. BOC Approval for business as usual. 2. BOC approval tabled at the previous meetings. 3. Treasury General Policy. 4. BOC Declaration (if any).
6	12 December 2017	1. BOC Approval for business as usual. 2. BOC Approval on issues tabled at the previous committees meeting. 3. Other businesses (if any).

## JOINT MEETING OF BOC AND BOD

During 2017, date and agenda of Joint Meeting of BOC and BOD were as follows:

- Number of Meetings & Attendance

No.	Name	Joint Meeting of BOC and BOD		
		Number of Meetings	Attendance	% Attendance
1.	Pramukti Surjaudaja	3	3	100%
2.	Peter Eko Sutioso	3	3	100%
3.	Roy Athanas Karaoglan *)	3	1	33%
4.	Samuel Nag Tsien	3	3	100%
5.	Jusuf Halim	3	3	100%
6.	Lai Teck Poh (Dua Teck Poh)	3	3	100%
7.	Kwan Chiew Choi	3	3	100%
8.	Hardi Juganda **)	3	1	33%
9.	Betti S. Alisjahbana ***)	3	-	-

\*) Term of office as Independent Commissioner has ended since the closing of AGMS dated 30 March 2017.

\*\*\*) Term of office as Commissioner has ended since the closing of AGMS dated 30 March 2017 and term of office as Independent Commissioner effective on 27 November 2017.

\*\*\*\*) Term of office as Independent Commissioner effective on 7 December 2017.

- Joint Meeting Agenda

No	Date	Meeting Agenda
1.	3 February 2017	1. BOC reports on performance in the fourth quarter of 2016. 2. The use of 2016 net income. 3. Proposal of 2017 bonds issuance. 4. Profile of compliance and information on new regulation for the fourth quarter of 2016.
2.	17 July 2017	1. Financial Performance (January - June 2017). 2. Progress Update Jan-Jun 2017 Action Plan. 3. NPL Trend. 4. Network Transformation. 5. HC Transformation. 6. Branding. 7. Compliance Profile and Information on new regulation. 8. Good Corporate Governance Policy. 9. Draft Regulation of Financial Services Authority on Financial Conglomeration Holding Company.
3.	20 October 2017	1. Financial Performance (January - September 2017). 2. Progress Update January - September 2017 Action Plan. 3. Corporate Plan 2018.

## INDUCTION PROGRAM

### A. Induction Program for New Members of BOC

The Bank has induction program for new members of BOC and Committees under the BOC which aims at delivering knowledge and understanding on the Bank and their scope of work presented by other members of BOD, covering:

1. Bank's Vision and Mission
2. Bank's Code of Conduct.
3. Bank's Organization Structure.
4. Guidelines and Charter of BOC and Committees.
5. Information on existing Bank segment/field, presented by each Director.
6. Regulations related to banking and capital market.

The Induction Program for new member of BOC appointed in 2017 has been given to Mrs. Betti S. Alisjahbana held on 14 November 2017, covering:

No.	Topic
1.	OCBC NISP Overall & Business Transformation
2.	Wholesale Banking, Financial Institution & Transaction Banking
3.	Compliance
4.	Corporate Communication
4.	Risk Management
5.	Enterprise Banking & Commercial Banking
6.	Treasury
7.	Human Capital
8.	Network
9.	Retail Banking
10.	Internal Audit
11.	Operations and Information Technology
12.	Financial and Planning

## B. Induction Program for New Members of Committee

Moreover, the Bank has also given Induction Program for independent member of Audit Committee, Mrs. Rufina Tinawati Marianto which was held on 6 April 2017:

No.	Topic
1.	OCBC NISP Overall & Business Transformation
2.	Risk Management
3.	Network
4.	Retail Banking
5.	Financial and Planning
6.	Internal Audit

## PROGRAM AND/OR TRAINING FOR MEMBERS OF BOC IN 2017

In order to enhance competencies and keep abreast of world business development in favor of implementation of duties and responsibilities, the BOC has obtained trainings, seminars or Workshops internally as well as held by external institutions. During 2017, BOC has participated in the following trainings/ seminars:

Name	Training/Workshop/Seminar	Date	Organizer	Venue
Pramukti Surjandaja	Global Outlook 2017 - A Brave New World Conversation with David M Rubenstein and Michio Kaku	16 January 2017	Bank of Singapore	Singapore
	Cyber Risk Program for Board: - The Evolving Cyber Landscape - Insights into Cyber Threats in 2017 - Cyber Security Oversight Best Practices - Case Studies on Cyber Security - Crisis Management and Communications	22 March 2017	SingTel Cyber Security Institute	Singapore
	Dialogue with Choy Siew Kai on Technological Disruption - Key Trends and Insights	8 May 2017	In-house: OCBC Board meeting	Singapore
	OCBC NISP Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	State of Readiness against Cyber Threats	26 July 2017	In-house: OCBC Board Meeting	Singapore
	Annual AML/CFT Training for Directors	26 July 2017	In-house: OCBC Board meeting	Singapore
	Guiding Principles for Digitalisation and Approach Adopted by the Bank	25 October 2017	In-house: OCBC Board meeting	Singapore
Peter Eko Sutioso	OCBC NISP Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
Samuel Nag Tsien	Ping An Insurance's Innovations in the Internet Era	6 January 2017	Great Eastern Holdings	Singapore
	Implementation of Financial Reporting Standard (FRS) 109	12 January 2017	In-house: OCBC AC Meeting	Singapore
	Presentation by ST Electronics on Cyber Security Advance Capabilities	24 February 2017	Great Eastern Holdings	Singapore
	FinTech Developments - Cloud Computing	20 March 2017	In-house: OCBC Exco Meeting	Singapore

Name	Training/Workshop/Seminar	Date	Organizer	Venue
	Cyber Risk Program for Board: - The Evolving Cyber Landscape - Insights into Cyber Threats in 2017 - Cyber Security Oversight Best Practices - Case Studies on Cyber Security - Crisis Management and Communications	22 March 2017	SingTel Cyber Security Institute	Singapore
	Blockchain Workshop for Senior Management of OCBC Bank	3 April 2017	OCBC Bank	Singapore
	Shanghai/Singapore Forum - Strengthening Singapore-Shanghai Collaboration in a Changing Financial World Order	12 April 2017	MAS and the Shanghai Financial Services Office	Singapore
	Dialogue with Choy Siew Kai on Technological Disruption - Key Trends and Insights	8 May 2017	In-house: OCBC Board meeting	Singapore
	Symposium on Asian Banking and Finance	29 May 2017	The Federal Reserve Bank of San Francisco and MAS	Singapore
	Temasek Breakfast Series 3 - Outlook on China after 19th Party Congress	7 June 2017	Temasek	Singapore
	2017 International Monetary Conference	11-13 June 2017	IMC	Singapore
	Future China Global Forum	13 July 2017	Future China & Business China Awards	Singapore
	OCBC NISP Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT OCBC NISP Tbk	Jakarta
	Update on China Insurance Industry	24 July 2017	In-house: GE Board Meeting	Singapore
	Implementation of Financial Reporting Standard (FRS) 109	24 July 2017	In-house: OCBC AC Meeting	Singapore
	State of Readiness against Cyber Threats	26 July 2017	In-house: OCBC Board Meeting	Singapore
	Annual AML/CFT Training for Directors	26 July 2017	In-house: OCBC Board meeting	Singapore
	- Perspectives on Digital Financial Services - Big Data and Artificial Intelligence in Financial Services	15 August 2017	Great Eastern Holdings	Singapore
	Estate Reattribution for GELM Par Fund	22 August 2017	In-house: GEH Exco Meeting	Singapore
	My Money @ Campus	23 August 2017	ABS - SIAS - MAS	Singapore
	Update on IFRS 9	13 September 2017	Great Eastern Holdings	Singapore
	Recent Developments of Islamic Banking in Malaysia	26 September 2017	OCBC Al-Amin	Kuala Lumpur
	Guiding Principles for Digitalisation and Approach Adopted by the Bank	25 October 2017	In-house: OCBC Board meeting	Singapore
Lai Teck Poh	Implementation of Financial Reporting Standard (FRS) 109	12 January 2017	In-house: OCBC AC Meeting	Singapore
	Global Outlook 2017 - A Brave New World Conversation with David M Rubenstein and Michio Kaku	16 January 2017	Bank of Singapore	Singapore
	Presentation by ST Electronics on Cyber Security Advance Capabilities	24 February 2017	ST Electronics	Singapore
	Cyber Risk Program for Board: - The Evolving Cyber Landscape - Insights into Cyber Threats in 2017 - Cyber Security Oversight Best Practices - Case Studies on Cyber Security - Crisis Management and Communications	22 March 2017	SingTel Cyber Security Institute	Singapore
	Dialogue with Choy Siew Kai on Technological Disruption - Key Trends and Insights	8 May 2017	In-house: OCBC Board meeting	Singapore
	OCBC NISP Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Implementation of Financial Reporting Standard (FRS) 109	24 July 2017	In-house: OCBC AC Meeting	Singapore
	State of Readiness against Cyber Threats	26 July 2017	In-house: OCBC Board Meeting	Singapore
	Annual AML/CFT Training for Directors	26 July 2017	In-house: OCBC Board Meeting	Singapore
	Recent Developments of Islamic Banking in Malaysia	26 September 2017	OCBC Al-Amin	Kuala Lumpur
	Guiding Principles for Digitalisation and Approach Adopted by the Bank	25 October 2017	In-house: OCBC Board meeting	Singapore

Name	Training/Workshop/Seminar	Date	Organizer	Venue
Kwan Chiew Choi	Disruptive Technologies for Directors	25 May 2017	Singapore Institute of Directors	Singapore
	OCBC NISP Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	SID - Cybersecurity for Director	20 September 2017	Singapore Institute of Directors	Singapore
Jusuf Halim	Cyber Security High Level Assessment	24 March 2017	PWC Indonesia	Jakarta
	Panel Discussion - Building an Effective Interaction Pattern between Audit Committee and Internal Audit.	17 May 2017	IIA Indonesia and Indonesian Institute of Audit Committee	Jakarta
	OCBC NISP Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Panel Discussion - Implementation of FSA Regulation No. 13/POJK.03/2017 on The Use of Public Accountant and Auditing Firm in Financial Services Activities	14 September 2017	Indonesian Institute of Audit Committee	Jakarta
	International Tax Conference and Panel Discussion - The Current International Taxation Landscape	19 September 2017	IAI-Tax Accountant Compartment and Bureau Van Dijk	Jakarta
	International Seminar and Panel Discussion - Toward 2030: Transforming Role of Professional Accountants in the New Economy Order	14 December 2017	Indonesian Institute of Accountants	Semarang

## ASSESSMENT OF BOC PERFORMANCE

### A. Procedure of assessment on BOC performance

1. The Bank conducted performance evaluation to assess the effectiveness of the Board of Commissioners' tasks in which each Commissioner provided assessment upon the performance of BOC and the committees under BOC. The assessment procedures were conducted by filling out questionnaires set in reference to the BOC Charter, with the following criteria:
  - i. Composition.
  - ii. Quality of BOC Meeting.
  - iii. BOD supervisory performance towards the company performance.
  - iv. Succession of the Directors.
  - v. Ensure the implementation of risk management and internal control.

The questionnaire was filled out by each BOC member where the results are then recorded by Corporate Secretary to be represented to all members during the meeting. The aim is to evaluate the impact and effectiveness of the performance.

2. Assessment through GCG Self-Assessment

The assessment is also conducted through GCG self-assessment method where BOC fills out the Self-Assessment Working Sheet, as stipulated in the circular letter of Bank Indonesia No. 15/15/ DPNP dated April 29, 2013 on Good Corporate Governance Implementation for Commercial Banks.

### B. The indicators covered the following assessment aspects:

1. Assessment of the governance structure which assesses the adequacy of the Bank's governance structure and infrastructure to ensure that GCG implementation outcomes reflect the expectations of stakeholders.
2. Assess the effectiveness of the implementation process of GCG principles which is supported by the adequacy of Bank's governance structure and infrastructure.
3. The assessment of governance outcome to assess the outcome quality that meets the expectation of stakeholders.

### C. The Assessor Party

1. BOC through Self-Assessment.
2. BOD through questionnaires to give assessment and input for BOC.

## INDEPENDENT COMMISSIONERS

### Criteria of Independent Commissioner

The criteria of Independent Commissioners at Bank OCBC NISP had been in compliance with FSA Regulation No. 55/POJK.03/2016 dated December 7, 2016 regarding the GCG Implementation for Commercial Bank and FSA Regulation No. 33/POJK.04/2014 dated December 8, 2014 regarding BOD and BOC of Public Company article 21, which are as follows:

1. Not an employee of any professional firms or having authority and responsibility to plan, lead, control, or oversee the Bank activities within the last 6 (six) months, except for the re-appointment as Independent Commissioners on the next tenure.
2. Have no any direct or indirect ownership in the Bank.
3. Have no affiliation with the Bank, members of BOC, BOD or majority shareholders of the Bank.
4. Have no direct nor indirect business relationship related to the Bank's business.

### Statement of Independence of each Independent Commissioners

No.	Independency Aspect	Peter Eko Sutioso	Jusuf Halim	Kwan Chiew Choi	Hardi Juganda	Betti S. Alisjahbana
1.	Not an employee of any professional firms or having authority and responsibility to plan, lead, control, or oversee the Bank OCBC NISP activities within the last 6 (six) months, except for the re-appointment as Independent Commissioners on the next tenure.	√	√	√	√	√
2.	Have no any direct or indirect ownership in the Bank OCBC NISP.	√	√	√	√	√
3.	Have no affiliation with the Bank OCBC NISP, members of BOC, BOD or majority shareholders of the Bank.	√	√	√	√	√
4.	Have no direct nor indirect business relationship related to the Bank OCBC NISP's business.	√	√	√	√	√

# The Board of Directors

The Board of Directors (BOD) is the key organ of the Bank who is responsible for managing and developing GCG within the Bank. BOD also ensures the sustainability of the Bank's business in the long term, achievement of performance in line with determined targets, as well as the implementation of prudential banking principles for the stakeholder's interest.

## LEGAL BASIS OF BOD

1. The Constitution No. 40 of 2007 on Limited Liability Companies.
2. FSA Regulation No. 33/POJK.04/2014 on BOD and BOC of Issuers or Public Companies.
3. FSA Regulation No. 55/POJK.03/2016 on Governance Implementation for Commercial Banks.
4. FSA Circular Letter No. 13/SEOJK.03/2017 on Governance Implementation for Commercial Banks.

## BOD CHARTER

In performing its duties, BOD refers to BOD Charter which includes:

- Composition, criteria and term of office.
- Duties, responsibilities and authorities.
- Values and work ethics.
- Working time.
- BOD meetings.
- Reporting and accountability.

BOD Charter was last updated on September 27, 2017 and is reviewed periodically and as necessary with due observance of the prevailing regulations. For more details, please refer to official website [www.ocbcnisp.com](http://www.ocbcnisp.com).

## SCOPE OF WORK AND RESPONSIBILITIES OF EACH MEMBER OF BOD

In accordance with FSA Regulation Number 33/POJK.04/2014 on BOD and BOC of Listed or Public Companies, the BOD carries out duties and is responsible for the management of Listed or Public Companies for the interest of Listed or Public Companies as stipulated in the Bank's Articles of Association. More detail about the BOD duties and responsibilities is set forth in BOD Charter that can be accessed on the Bank's official website [www.ocbcnisp.com](http://www.ocbcnisp.com).

Duties and responsibilities of each member of BOD as referred to in BOD Decision Letter No. LPTS/DIR/HCM/HK.02.02/061/2017 dated 1 July 2017 as follows:

No.	Name	Designation	Duties and Responsibilities
1.	Parwati Surjaudaja	President Director	Organizing the Bank's management through all members of BOD and is directly responsible for: - Internal Audit - Human Capital
2.	Yogadharma Ratnapalasari	Managing Director	Operations & IT
3.	Rama Pranata Kusumaputra	Managing Director	- Compliance - AML-CFT - Corporate Communication - Corporate Secretary
4.	Hartati	Independent Director	Financial & Planning
5.	Emilya Tjahjadi	Managing Director	- Commercial Banking - Enterprise Banking
6.	Martin Widjaja	Managing Director	- Wholesale Banking - Transaction Banking - Financial Institution
7.	Andrae Krishnawan W.	Managing Director	- Network
8.	Johannes Husin	Managing Director	- Treasury
9.	Low Seh Kiat	Managing Director	- Retail Banking
10.	Joseph Chan Fook Onn	Managing Director	Risk Management

## AUTHORITIES OF BOD

In accordance with FSA Regulation No. 33/POJK.04/2014 on BOD and BOC of Issuers or Public Companies and Charter, the BOD is authorized to manage the Bank in accordance with appropriate policy as well as purpose and objective set forth in the Articles of Association. The more detailed of BOD authorities are stipulated in BOD Charter which can be accessed on [www.ocbcnisp.com](http://www.ocbcnisp.com).

## CRITERIA OF BOD

Criteria in the appointment of BOD member are as follows:

1. Fulfilling the requirements of FSA Regulation No. 33/POJK.04/2014 dated December 8, 2014 regarding BOD and BOC in the Issuer or Publicly Listed Company, such as:
  - a. Possessed good character, morals and integrity.
  - b. Competent in legal matters.
  - c. Five years prior to the appointment and while in service:
    - i. Never caused a bankruptcy.
    - ii. Never been as Director and/or a Commissioner who is guilty of causing a bankruptcy of a company.
    - iii. Never been convicted of committing a crime that caused the loss of public finance and/or related to the financial sector.

- iv. Never been a Director and/or Commissioner who has:
- Failed to hold General Meeting of Shareholders.
  - Failed to submit the responsibilities or obtain the approval of the responsibilities as a Director and/or Commissioner to and from GMS.
  - Caused a company that had obtained permits, approval, or registration from Financial Services Authority but did not fulfill the obligation to submit annual reports and/or financial reports to OJK.
- d) Committed to comply with the applicable legislations.
- e) Having knowledge and/ or skills in the required fields.
2. Complying with the requirements for integrity, financial reputation and competency according to FSA Regulation No. 27/POJK.03/2016 dated 22 July 2016 concerning Fit and Proper Test for Primary Parties of Financial Services Institutions.

**Requirements for Integrity includes:**

- a. Legally competent.
- b. Has good character and morals, at least shown by compliance with the prevailing regulations, including never been convicted of a criminal act within the last 20 years prior to the nomination.
- c. Has commitment to comply with the applicable regulation and support the FSA policy.
- d. Has commitment to develop a healthy Bank operations; and
- e. Not included in the Disqualified List as the Main Party.

**Requirements for Financial reputation include:**

- a. Does not have non-performing loans.
- b. Has never been stated bankrupt or has never been a shareholder, controlling Insurance Company which is not a shareholder, Director or Commissioner who was found guilty of causing a bankruptcy of a company over the last five years prior nomination.

Requirements for Competency include adequate and/or relevant banking knowledge which support Bank management.

## NUMBER AND COMPOSITION OF BOD MEMBERS AS OF 31 DECEMBER 2017 ALONG WITH LEGAL BASIS OF APPOINTMENT AND TERM OF OFFICE

Name	Designation	Legal Basis of Appointment	Term of Office	
			Effective Date	End of Term of Office
Parwati Surjaudaja	President Director	Deed of GMS Resolutions No. 23 Dated 15 December 2017	30 March 2017	AGMS 2020
Yogadharma Ratnapalasari	Director	Deed of GMS Resolutions No. 34 Dated 9 April 2015	9 April 2015	AGMS 2018
Rama Pranata Kusumaputra	Director	Deed of GMS Resolutions No. 34 Dated 9 April 2015	9 April 2015	AGMS 2018
Hartati	Independent Director	Deed of GMS Resolutions No. 23 Dated 15 December 2017	30 March 2017	AGMS 2020
Emilya Tjahjadi	Director	Deed of GMS Resolutions No. 23 Dated 15 December 2017	30 March 2017	AGMS 2020
Martin Widjaja	Director	Deed of GMS Resolutions No. 34 Dated 9 April 2015	9 April 2015	AGMS 2018
Andrae Krishnawan W.	Director	Deed of GMS Resolutions No. 32 Dated 7 April 2016	7 April 2016	AGMS 2019
Johannes Husin	Director	Deed of GMS Resolutions No. 32 Dated 7 April 2016	7 April 2016	AGMS 2019
Low Seh Kiat	Director	Deed of GMS Resolutions No. 32 Dated 7 April 2016	7 April 2016	AGMS 2019
Joseph Chan Fook Onn	Director	Deed of GMS Resolutions No. 23 Dated 15 December 2017	30 March 2017	AGMS 2020

## ASSESSMENT ON PERFORMANCE OF COMMITTEES UNDER THE BOD AND BASIS OF ASSESSMENT

The BOD conducts evaluation on the performance of executive committees under the BOD on regular basis. The BOD assessment on the committees' performance has been presented on page 138-140.

## INDEPENDENCE OF BOD MEMBERS

Majority BOD members of Bank OCBC NISP have neither financial relationship nor family relationship with BOC members, other BOD members and/or Controlling Shareholders. The BOD member who has family relationship with BOC member is Parwati Surjaudaja. However, the BOD member constantly maintains her independence and has no conflict of interest that may disrupt her capabilities to carry out duties professionally and objectively.

## INFORMATION ON INDEPENDENT DIRECTOR

Independent Director of Bank OCBC NISP is served by Hartati. Independent Director has no affiliated relationship either financially or family relationship with other members of BOC, BOD and Controlling Shareholders, no concurrent positions as Director at other companies and not being an insider at institution or capital market institutions whose services used by the Bank.

## CONCURRENT POSITIONS OF BOD

All members of the Bank do not have any concurrent positions as members of BOC, members of BOD or Executive Officer at the controlling shareholder, other banks, companies and/or other institutions.

## BOD MEETING

### A. Policy of BOD Meeting

1. BOD meeting is held on a regular basis for at least once a month and meeting with BOC at least once in four months
2. BOD meeting can be held if attended or represented by majority of the members.
3. BOD should schedule the meeting for the following year before the end of the financial year Meeting Schedule (determination of date) for one year must be received by all members at least in early January.
4. At the scheduled meeting, the material must be delivered to the participants at least five days before the meeting is held.
5. Every policy and strategic decisions must be decided upon through BOD meeting.
6. The results of both BOD meeting and with BOC should be documented in the minutes of the meeting, signed by BOD and BOC members who were present and submitted to all members of BOD and BOC.
7. The minutes of BOD meeting and with minutes of BOC meeting should be documented by the Bank.

Further detail about the meetings is stipulated in BOD Charter as can be seen on official website of the Bank: [www.ocbcnisp.com](http://www.ocbcnisp.com).

### B. Number of Meetings and Attendance

No.	Nama	BoD Meetings		
		Number of Meetings	Attendance	% Attendance
1.	Parwati Surjaudaja	23	23	100%
2.	Yogadharma Ratnapalasari	23	22	95%
3.	Rama Pranata Kusumaputra	23	23	100%
4.	Hartati	23	22	95%
5.	Emilya Tjahjadi	23	19	83%
6.	Martin Widjaja	23	22	95%
7.	Andrae Krishnawan W.	23	23	100%
8.	Johannes Husin	23	22	95%
9.	Low Seh Kiat	23	22	95%
10.	Joseph Chan Fook Onn	23	23	100%

### C. Meeting Agenda

Throughout 2017, BOD meeting date and were as follows:

No.	Date	Meeting Agenda
1	11 January 2017	1. Internal Audit Report - December 2016. 2. Compliance Profile Report - December 2016. 3. e-Money Update. 4. Productivity & Project Management Office Update.
2	25 January	1. Prime Customers Policy. 2. Second Annual Review (Bancassurance and Mutual Funds). 3. Financial Performance Report - December 2016.
3	8 February 2017	1. Compliance Profile Report - January 2017. 2. Internal Audit Report - January 2017. 3. Risk Maturity Index Update. 4. Trustee Update. 5. Referral Framework for Prime Corporate Customers.
4	22 February 2017	1. Financial Performance Report - January 2017. 2. Wealth Management Branding. 3. Potential Legal Risk on Investment Backed Loan. 4. Transformation 2.0. 5. Promotion Expense 2017.
5	8 March 2017	1. Trustee. 2. Compliance. 3. Internal Audit Report 2017. 4. Corporate Social Responsibility Policy. 5. Customer Fund Account Project. 6. Customer Productivity and PMO Update. 7. HC Update (Pension Fund Performance).
6	22 March 2017	1. Financial Performance Report - February 2017. 2. Second year review on Deposit Opening through IB/MB. 3. 2017 – 2020 Planning.

No.	Date	Meeting Agenda
7	5 April 2017	<ol style="list-style-type: none"> <li>1. Internal Audit Report - March 2017.</li> <li>2. Compliance Profile Report - March 2017.</li> <li>3. Review on compliance policy.</li> <li>4. Review on Customer Experience policy.</li> <li>5. Second Annual Review. <ul style="list-style-type: none"> <li>- Mudharabah current account.</li> <li>- IB Community savings.</li> </ul> </li> <li>6. HC Agenda.</li> <li>7. Productivity &amp; PMO Update.</li> </ol>
8	26 April 2017	<ol style="list-style-type: none"> <li>1. Financial Performance Report - March 2017.</li> <li>2. Private Banking. <ul style="list-style-type: none"> <li>- KYC Process, client selection policy and direction.</li> <li>- Feasibility study.</li> </ul> </li> <li>3. Organization Chart.</li> </ol>
9	10 May 2017	<ol style="list-style-type: none"> <li>1. Compliance. <ul style="list-style-type: none"> <li>- Profile Rport - April 2017.</li> <li>- Temporary audit result of FSA.</li> </ul> </li> <li>2. Internal Audit. <ul style="list-style-type: none"> <li>- Report - April 2017.</li> <li>- Progress Update of Data Analytics Enhancement.</li> </ul> </li> <li>3. Organization Chart effective on 1 July 2017.</li> <li>4. Bank Business Plan revision.</li> <li>5. Productivity &amp; PMO Update.</li> <li>6. Risk Culture Maturity Index.</li> </ol>
10	24 May 2017	<ol style="list-style-type: none"> <li>1. Financial Performance Report - April 2017.</li> <li>2. Organization Chart.</li> <li>3. Risk Culture Maturity.</li> </ol>
11	7 June 2017	<ol style="list-style-type: none"> <li>1. Productivity &amp; PMO Updates.</li> <li>2. Organization Chart effective on 1 - July 2017.</li> <li>3. Compliance Profile Report - May 2017.</li> <li>4. Review on Policy of Bank Governance Guidelines and Information Wall.</li> <li>5. Internal Audit Report - May 2017.</li> <li>6. Cyber Security.</li> </ol>
12	21 June 2017	<ol style="list-style-type: none"> <li>1. Financial Performance Report - May 2017.</li> <li>2. Alignment of Corporate Resources to Key.</li> <li>3. Target Market.</li> <li>4. Organization Chart</li> <li>5. Second annual review on Multicurrency Remittance.</li> <li>6. Network Transformation Update.</li> <li>7. Basic HC Hygiene Issues.</li> </ol>
13	14 July 2017	<ol style="list-style-type: none"> <li>1. Productivity &amp; PMO Updates.</li> <li>2. Internal Audit Report - June 2017.</li> <li>3. Compliance Profile Report - June 2017.</li> <li>4. Roadmap Spin Off SBU</li> <li>5. Follow up on draft of Financial Conglomeration Holding Company regulation.</li> <li>6. Other Business : Operating Model.</li> </ol>
14	26 July 2017	<ol style="list-style-type: none"> <li>1. Financial Performance Report - June 2016.</li> <li>2. Business Transformation.</li> <li>3. EES Update.</li> </ol>
15	9 August 2017	<ol style="list-style-type: none"> <li>1. Savings: plan realization and results, issues and necessary support.</li> <li>2. Employee Engagement 2018.</li> <li>3. Compliance AML-CFT Report - July 2017, follow upon FSA exit meeting.</li> <li>4. Internal Audit Report - July 2017, follow up on FSA exit meeting.</li> <li>5. Productivity &amp; PMO Update.</li> <li>6. Review on AML-CFT policy.</li> <li>7. Annual Operating Plan (AOP) 2018: assumption, SWOT/External Analysis, Forecast 2017 and projected costs 2018.</li> <li>8. Review on governance policy.</li> <li>9. Framework of OCBC NISP One (FONO) forum and CEO dialogue.</li> </ol>

No.	Date	Meeting Agenda
16	23 August 2017	<ol style="list-style-type: none"> <li>1. Financial Performance - June 2017.</li> <li>2. FONO &amp; CEO Dialogue framework.</li> <li>3. HC Policy and Flexible Benefit Update.</li> </ol>
17	11 September 2017	<ol style="list-style-type: none"> <li>1. Compliance and AML-CFT Report - August 2017.</li> <li>2. IAD Report August 2017 &amp; follow up on FSA. Closing Meeting, portfolio review.</li> <li>3. Productivity &amp; PMO Update.</li> <li>4. Review on BOD Charter Policy.</li> <li>5. Annual Operating Plan 2018, 5 years projection &amp; strategy.</li> <li>6. Performance of Pension Fund.</li> </ol>
18	25 September 2017	<ol style="list-style-type: none"> <li>1. Review on treasury product policy.</li> <li>2. Financial Performance Report - August 2017.</li> <li>3. Annual Operating Plan 2018 : 5 years Corporate Strategy, 2018 plan and revised strategy.</li> </ol>
19	6 October 2017	<ol style="list-style-type: none"> <li>1. Compliance AML-CFT Report September 2017.</li> <li>2. Internal Audit Report September 2017.</li> <li>3. Treasury General Policy.</li> <li>4. Material to be presented at BOC Meeting: <ul style="list-style-type: none"> <li>- Financial performance September 2017.</li> <li>- Customer solution (individual customer, business Banking).</li> <li>- Business segment (business Banking, retail Banking).</li> </ul> </li> <li>5. Treasury, Operational, IT, HC, Risk Management.</li> <li>6. Digital Banking for Individual Entrepreneur.</li> <li>7. Productivity &amp; PMO Updates.</li> <li>8. EES Update.</li> <li>9. Career Day Update.</li> </ol>
20	18 October 2017	<ol style="list-style-type: none"> <li>1. Office 365.</li> <li>2. Financial Performance Report - September 2017.</li> <li>3. 2018 Plan.</li> <li>4. Other businesses.</li> </ol>
21	8 November 2017	<ol style="list-style-type: none"> <li>1. Organization Structure.</li> <li>2. Update on HC Committee: including Review on Leave Policy.</li> <li>3. Compliance &amp; AML-CFT Report - October 2017.</li> <li>4. Internal Audit Report - October 2017.</li> <li>5. Productivity &amp; PMO Update.</li> <li>6. Segmentation (Private Banking Update).</li> </ol>
22	22 November 2017	<ol style="list-style-type: none"> <li>1. Financial performance report - October 2017.</li> <li>2. HC Committee update.</li> <li>3. Organization structure 2018.</li> <li>4. Pension fund performance.</li> <li>5. Review on JIBOR policy.</li> <li>6. Review on records management.</li> <li>7. Data quality.</li> <li>8. Other businesses.</li> </ol>
23	6 December 2017	<ol style="list-style-type: none"> <li>1. HC update.</li> <li>2. EES Action Plan.</li> <li>3. Employee performance assessment process.</li> <li>4. Compliance profile report.</li> <li>5. Internal Audit report.</li> <li>6. Productivity and PMO Update.</li> <li>7. Financial performance report.</li> <li>8. Other businesses.</li> </ol>

## JOINT MEETING OF BOC AND BOD

### A. Number of Meetings and Attendance

No.	Name	Joint Meeting of BOD and BOC		
		Number of meetings	Attendance	% Attendance
1.	Parwati Surjaudaja	3	3	100%
2.	Yogadharna Ratnapalasari	3	2	67%
3.	Rama Pranata Kusumaputra	3	3	100%
4.	Hartati	3	3	100%
5.	Emilya Tjahjadi	3	2	67%
6.	Martin Widjaja	3	3	100%
7.	Andrae Krishnawan W.	3	3	100%
8.	Johannes Husin	3	3	100%
9.	Low Seh Kiat	3	1	33%
10.	Joseph Chan Fook Onn	3	3	100%

### B. Meeting Agenda

No.	Date	Meeting Agenda
1.	24 March 2017	1. Feb 2017 Financial Performance. 2. Three Lines of Defense. 3. Private Banking. 4. Transformation 2.0.
2.	25 August 2017	1. July 2017 Financial Performance. 2. Service. 3. Operational Transformation. 4. Review on AML-CFT Policy.
3.	12 December 2017	1. November 2017 Financial Performance. 2. 2018 KPI. 3. Integrated Customer Touchpoints. 4. Network Transformation. 5. Compliance and AML-CFT. 6. Bonus shares and Authorized Capital.

## IMPLEMENTATION OF BOD DUTIES

### A. Induction Program for New Member of BOD

In 2017, there was no new member of BOD. Therefore, there was also no induction program for new Director.

### B. Competencies Improvement Program for BOD Members in 2017

In favor of duties and responsibilities implementation, throughout 2017, the BOD has participated in the following trainings:

Name	Training/Workshop/Seminar	Date	Organizer	Venue
Parwati Surjaudaja	Mega Seminar Lessons - Disney University	17-18 May 2017	Lutan Edukasi	Jakarta
	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Regional Financial Services Digital Competition Landscape	15 August 2017	Deloitte	Singapore
	Global Trends in Big Data & AI & Impact on Financial Sector	15 August 2017	Deloitte	Singapore
	Workshop CFS	28 September 2017	OCBC Singapore	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
	Brainstorm Tech International 2017	5-6 December 2017	Fortune	Guangzhou
	Fortune Global Forum	6-8 December 2017	Fortune	Guangzhou
Yogadharna Ratnapalasari	Integration Lab	14 December 2017	Deloitte	Jakarta
	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
	Tech Lab	29 November 2017	Deloitte	Jakarta
Rama Pranata Kusumaputra	Integration Lab	14 December 2017	Deloitte	Jakarta
	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
Hartati	Integration Lab	14 December 2017	Deloitte	Jakarta
	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
Emilya Tjahjadi	Integration Lab	14 December 2017	Deloitte	Jakarta
	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
	Integration Lab	14 December 2017	Deloitte	Jakarta

Name	Training/Workshop/Seminar	Date	Organizer	Venue
Martin Widjaja	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Leading Strategy Growth and Change	16-20 October 2017	Columbia Business School, Executive Education.	New York
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
	Collaboration Lab	6 December 2017	Deloitte	Jakarta
	Integration Lab	14 December 2017	Deloitte	Jakarta
Andrae Krishnawan W.	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
	Integration Lab	14 December 2017	Deloitte	Jakarta
Johannes Husin	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
	Integration Lab	14 December 2017	Deloitte	Jakarta
Low Seh Kiat	ASEAN Strategy Forum	17-18 March 2017	Ernst & Young	Singapore
	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
	Integration Lab	14 December 2017	Deloitte	Jakarta
Joseph Chan Fook Onn	OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
	Integration Lab	14 December 2017	Deloitte	Jakarta

## ASSESSMENT OF BOD PERFORMANCE

### Procedures for Implementation of Assessment of BOD Performance

The Bank conducted an evaluation process regarding the BOD's performance individually and in group in relation to the Bank's plans and strategies which have been implemented previously.

- **Criteria Used in Assessment of BOD Performance**

#### Individual Assessment of BOD Members

In carrying out the assessment of the BOD performance, the Bank used the Balance Score Card (BSC) which is stipulated in the form of goal setting and a more detailed Key Performance Indicators (KPI) that has been collectively agreed upon in reference to the Bank's strategies. The assessment of the KPIs of BOD refers to the following five aspects, which are:

- Finance.
- Customers.
- Products.
- Service and Process.
- People.

The weighting criteria for the assessment is different between one Director and another, depending on each individual's duties and functions. The individual performance assessment is done by the President Director.

#### Collective assessment of performance in group or collegial

- Assessment of BOD duties and responsibilities in group is delivered by BOC Report on page 15-18 in this Integrated Annual Report. In carrying out its duties to conduct assessment on BOD performance, the BOC is assisted by Remuneration and Nomination Committee.
- Assessment of the GCG Implementation (Self-Assessment) in terms of the assessment of BOD performance is also conducted through self assessment by filling out the Self Assessment Working Sheet, as stipulated in the circular letter of Bank Indonesia No. 15/15/DPNP dated April 29, 2013 on GCG implementation for Commercial Banks.

#### The indicators used cover the following assessment aspects:

- Assessment of the governance structure assesses the adequacy of the Bank's governance structure and infrastructure to ensure that GCG implementation delivers the outcome that meets the expectations of stakeholders.
- Assess the effectiveness of the implementation process of GCG principles which is supported by the adequacy of Bank's governance structure and infrastructure.
- The assessment of governance outcome to assess the outcome quality that meets the expectation of stakeholders.

### The Assessor Party

The performance assessment of BOD was individually conducted by the President Director, while the collegial performance assessment was conducted by the BOC and assisted by Remuneration and Nomination Committee.

## DISCLOSURE OF AFFILIATION RELATIONSHIP BETWEEN MEMBERS OF BOD, BOC, AND MAJORITY AND/OR CONTROLLING SHAREHOLDERS

Majority of BOD members of Bank OCBC NISP have no affiliation in terms of both financial and family relations with BOC members, other BOD members and/or Controlling Shareholders of the Bank. Parwati Surjaudaja is the only BOD member who has family relationship with BOC members.

No.	Name	Financial Relationship			Family Relationship		
		Controlling Shareholder	BOC	BOD	Controlling Shareholder	BOC	BOD
1.	Parwati Surjaudaja	-	-	-	-	√	-
2.	Yogadharma Ratnapalasar	-	-	-	-	-	-
3.	Rama Pranata Kusumaputra	-	-	-	-	-	-
4.	Hartati	-	-	-	-	-	-
5.	Emilya Tjahjadi	-	-	-	-	-	-
6.	Martin Widjaja	-	-	-	-	-	-
7.	Andrae Krishnawan W.	-	-	-	-	-	-
8.	Johannes Husin	-	-	-	-	-	-
9.	Low Seh Kiat	√	-	-	-	-	-
10.	Joseph Chan Fook Onn	√	-	-	-	-	-

√ : there is - : there is no

## REMUNERATION POLICY OF BOC AND BOD

### a. Remuneration Policy for BOC

GMS granted the authority to majority shareholders to determine salary/honorarium and allowances for BOC based on recommendation from Remunerartion and Nomination Committee.

- Procedure of Determining the Remuneration of BOC**



- Remuneration Structure for BOC Members**

Remuneration package for BOC as of 31 December 2017 was as follows:

Total Remuneration and Other Facilities	BOC	
	Person	Amount (Rp Million)
Remuneration		
a. Salary, routine allowances and other facilities.	8	22,529
b. Bonus.	-	-
Other facilities (transportation, health, etc):		
a. Could be owned.	8	615
b. Could not be owned.		
Total	8	23,144

Total Remuneration and Other Facilities	Number of Commissioners
> Rp2 billion	4
≤ Rp2 billion	4

- **Disclosure of Performance and Non-Performance Bonuses, and/or stock option received by members of BOC**  
In order to maintain the independence in carrying out its duties, since 2008 the Bank's BOC did not receive remuneration in the form of bonuses on the Bank's performance achievement.

**b. Remuneration Policy for BOD**

- **Procedure of Determining the Remuneration of BOD**



- **Remuneration Structure for BOD Members**  
Remuneration package for BOD as of 31 December 2017 was as follows:

Total Remuneration and Other Facilities	BOD	
	Person	Amount (Rp Million)
Remuneration	9	101,760
a. Salary, routine allowances and other facilities.		
b. Bonus.		
Other facilities (transportation, health, etc):	9	2,031
a. Could be owned.		
b. Could not be owned.		
<b>Total</b>	<b>9</b>	<b>103,791</b>

\*) one Director does not received remuneration and other facilities from Bank OCBC NISP

Total Remuneration and Other Facilities	Number of Directors
> Rp2 billion	9
≤ Rp2 billion	-

- **Indicator of Determining Remuneration for BOD**  
Determination of BOD remuneration was based on several judgements of appropriateness as well as equitable indicators which included factors of financial performance, target performance, fairness with peer group, strategy objective, balance of fixed and variable allowances.

## COMMITTEES UNDER THE BOC

In order to support the effective execution of duties and responsibilities, BOC has established Audit Committee, Remuneration and Nomination Committee, and Risk Monitoring Committee. The Committee's members are appointed by the BOD based on BOC's decision upon the recommendation of Remuneration and Nomination Committee. Each Committee is chaired by an Independent Commissioner and has a Charter which is updated periodically.

### a. Audit Committee

#### Profile of Audit Committee

**Kwan Chiew Choi** Chairman  
His complete profile can be seen on profile of BOC on page 41 in this Annual Report.



**Kurnia Irwansyah**  
Member  
(Independent Party)

Indonesian Citizen, 59 years old.  
Audit Committee Member of Bank OCBC NISP since July 2014.

Prior to serving as Managing Director at IFFPT Essence Indonesia (1998-2008), Finance Director at IFFPT Essence Indonesia (1993-1998), Finance Manager of PT Djaya Beverage Bottling Company (1985-1988), Accounting Manager of PT Coca Cola Indonesia (1983-1985), Assistant to Audit Manager of Public Accounting Firm Hadi Sutanto & Partner/Pricewaterhouse (1979-1983).

Currently he also serves as Senior Lecturer in Accounting for Faculty of Economics, University of Indonesia since 1985.

He holds a Bachelor's degree in Economics majoring in Accounting from Faculty of Economics, University of Indonesia (1982), Master Degree in Accounting from MAKSI, Faculty of Economics, University of Indonesia (2010), Chartered Accountant from Institute of Indonesian Chartered Accountants (2014) and Certified Lecturer from Ministry of Education (2014).



**Rufina Tinawati**  
**Mariato**  
Member  
(Independent Party)

Indonesian Citizen, 58 years old

Audit Committee Member of Bank OCBC NISP since June 2016.

Currently serving as Independent Commissioner of PT Bank Mayora since June 2016.

Previously, she served at the Bank OCBC NISP as Commercial Business Division Head, Executive Commercial Business Unit as a Member of the Commercial Credit Committee and Commercial Sales & Marketing Support Head (2007-2014), Jatabeka Commercial General Manager at Permata Bank (2003-2006) and has held various positions at Bali Bank since 1987 with the last position of General Manager of Large Commercial Banking - Jakarta Business Unit (2001-2003).

She holds a Bachelor's degree in Technical Architecture and Economic Management, Catholic University of Parahyangan, Bandung.

Audit Committee refers to the following regulations in force:

1. FSA Regulation Number 13/POJK.03/2017 on The Use of Public Accountant and Auditing Firm in Financial Services Activities.
2. FSA Regulation No. 55/POJK.03/2016 dated December 7, 2016 concerning GCG Implementation for Commercial Banks.
3. FSA Regulation No. 55/POJK.04/2015 dated December 23, 2015 concerning the Establishment and Work Guidelines of Audit Committee.
4. Indonesia Stock Exchange Regulation No. I-A dated January 20, 2014 regarding Listing of Shares and Equity-Type Securities other than Shares as issued by Listed Companies.

#### Legal Basis of Establishment

The Audit Committee is established and is directly responsible to the BOC in assisting the BOC in performing its duties and oversight responsibilities based on BOC Decree No. KPTS/DEKOM/015/2001 dated October 22, 2001.

#### Membership and Expertise

Audit Committee consists of one Independent Commissioner as Chairman, one Independent Party with an expertise in finance/accounting as a member, and one Independent Party with an expertise in law or banking as member.

#### Period and Terms of Office of Audit Committee Members

Position in Committee	Position in Bank OCBC NISP	Name	Legal Basis of Appointment	Period and Term of Office	
			BOD Decree	Effective Date	End of Term
Chairman	Independent Commissioner	Kwan Chiew Choi	KPTS/DIR/HK.02.02/CORPSECR/020/2017 dated 17 March 2017	30 March 2017	AGMS 2020
Member	Independent Party	Kurnia Irwansyah	KPTS/DIR/HK.02.02/CORPSECR/022/2017 dated 17 March 2017	30 March 2017	AGMS 2020
Member	Independent Party	Rufina Tinawati Mariato	KPTS/DIR/HK.02.02/CORPSECR/021/2017 dated 17 March 2017	30 March 2017	AGMS 2020

### Audit Committee Charter

Audit Committee has an Audit Committee Charter as guidelines in carrying out its duties and responsibilities professionally and independently which covers:

- Composition.
- Structure.
- Authorities.
- Ethics and Working Time.
- Organizing Meetings.
- Accountability reporting Audit Committee Charter was last updated on October 20, 2017 and is reviewed periodically in accordance with the prevailing rules and regulations. The Charter has been uploaded on the official website of Bank OCBC NISP at [www.ocbcnisp.com](http://www.ocbcnisp.com).

### Duties and Responsibilities of Audit Committee

Audit Committee carries out its function as referred to in the rules and regulations of capital market, banking, and Indonesia Stock Exchange as well as referring to the Audit Committee Charter. In carrying out its duties and responsibilities, the Audit Committee acts independently.

According to the Audit Committee Charter, the duties and responsibilities of the Audit Committee are as follows:

- Monitoring and evaluating audit planning and execution as well as monitoring the follow up of the audit results in order to assess the adequacy of internal controls, including the adequacy of the financial reporting process.
- Conducting monitoring and evaluation of implementation of internal audit duties, conformity of financial statements with financial auditing standards, following up by BOD on the finding of internal audit, public accountant, and FSA supervision result in order to provide recommendations to BOC.
- Reviewing financial information which will be issued by the Bank including the financial statements, projections and other statements related to the financial information of the Bank.
- Reviewing compliance with laws and regulations relating to the Bank activities.
- Providing an independent opinion in the event of disagreements between management and the independent auditors.
- Evaluating the audit services for annual historical financial information conducted by Public Accountant and / or Public Accounting Firm by conducting conformity of audit implementation by Public Accountant and / or Public Accounting Firm with applicable audit standards.
- Making recommendations to the BOC on the appointment of Public Accountant and/or Public Accounting Firm based on independence, scope of audit and proposed honorarium to be submitted at GMS.

More detailed duties and responsibilities of Audit Committee can be seen on Audit Committee Charter which is available on official website of the Bank at [www.ocbcnisp.com](http://www.ocbcnisp.com).

### Independence of Audit Committee Members

The Audit Committee have shall act independently in carrying out its duties and responsibilities, among others providing an independent opinion in the event of disagreements between management and the independent auditors.

### Audit Committee Meeting, Meeting Agenda and Level of Attendance

As stipulated in the Audit Committee Charter, the Committee may hold a meeting any time, but not less than four times in a year. The Audit Committee meeting may be held when it is attended by 51% of members and meeting resolutions shall based on deliberation and consensus.

During 2017, Audit Committee has held 23 (twenty three) meetings, consisting of:

- Four meetings with the Public Accountant to review on independence, focus and audit scope, evaluation results of the internal control, significant audit findings, accounting and financial reporting aspect and other audit aspects.
- Four meetings with Director of Finance to review and discuss matters related to accounting and financial reporting aspects.
- Five meetings with the Internal Audit to review on the adequacy of internal controls system, governance process, audit findings, follow-up of audit findings and improvement of Audit Methodology.
- Four meetings with Director of Compliance, to review the Bank's compliance to the prevailing rules and regulations.
- Three meetings with the BOC to submit regular report on the Audit Committee activities and provide relevant inputs and recommendations to the BOC and consult on matters related to the implementation of duties and responsibilities of the Committee.
- Three meetings of Ad Hoc Special Audit Committee.

### Attendance level of Audit Committee at meetings is as follows:

No	Postion in Committee	Name	Number of mettings	Attendance	% Attendance
1	Chairman	Kwan Chiew Choi **)	23	18	78%
2	Chairman	Jusuf Halim*)	23	5	21%
3	Member (Independent Party)	Made Rugeh Ramia*)	23	5	21%
4	Member (Independent Party)	Kurnia Irwansyah	23	23	100%
5	Member (Independent Party)	Rufina Tinawati Mariato **)	23	18	78%

\*) End of term as Chairman and Member of Audit Committee at AGMS on March 30, 2017

\*\*\*) Effectively served as Chairman and Member of Audit Committee on March 30, 2017

**2017 Audit Committee Activities**

Through the meetings held during 2017, as explained above, the Audit Committee has conducted a review, evaluation and monitoring with regard to its scope of work and responsibilities, as follows:

- a. With Compliance Director, among others:
  - 1) Implementation of prudential banking principles and the compliance with regulations and efforts to improve compliance culture.
  - 2) Follow-ups on recommendation from internal audit, public accountant and supervisory authorities in regards to disobedience findings and corrective actions which have and will be performed by the management.
  - 3) Current development of banking regulations and other relevant regulations and analysis of the impact on the Bank as well as its implementation actions by the management.
  - 4) Effectiveness of monitoring system, compliance with regulations, policies, system, procedures and code of conduct as well as follow-ups of management on disobedience.
  - 5) Implementation of policies, procedures, and Anti Money Laundering Program and Combating the Financing of Terrorism as well as follow-ups on internal audit recommendations.
  
- b. With Financial & Planning Director, among others:
  - 1) Conducted review on the soon-to-be-released financial information and monitored the process of financial reporting to ensure the integrity of financial statements and a healthy and transparent financial reporting process, aside from ensuring that the financial statements have been drawn up and presented in accordance to the financial accounting standards which is applicable in Indonesia.
  - 2) Ensured that the Management has conducted a follow up on the recommendation of internal audits, public accountant, and supervisory authority in relations to the financial reporting aspect, and that the Management regularly follows the Financial accounting standard that will be issued, reviews the impact of changes in accounting standards for the Bank prior to the effective date and conducts early necessary actions in preparation of an accurate implementation.
  - 3) Did a review to ensure that the content and disclosures of financial statements, the application of accounting principles, the use of estimates and significant judgment and the treatment of accounting changes, including the application of new accounting standards effective in the current year, are appropriate and in accordance to the applicable Financial Accounting Standards in Indonesia.
  
- c. With Internal Audit, among others:
  - 1) Monitored the effectiveness of an independent and objective function of internal audit in the attempt to assess the adequacy and effectiveness of governance process, risk management and internal control.
  - 2) Discussed the outcome of risk assessment by internal audit, risk based audit plan, audit scope and focus to ensure the coverage of main risks and main functions in audit scope. In addition, other aspects were also discussed such as improvement of audit methodology, utilization of technology development in audit process to enhance the effectiveness and efficiency of audit as well as the role of Internal Audit in strengthening and empowering Three Lines of Defense.
  
- d. With Public Accountant, among others:
  - 1) Confirmed the independence of public accountant and public accounting firm and ensured real actions were taken to maintain the independence and objectivity during the audit. In addition, there was also discussion about audit strategy and plan, audit scope and focus, auditor response to identified risk in order to ensure that audit was addressed to properly respond against the identified main risks.
  - 2) Discussed the evaluation results on the effectiveness of internal control system, significant audit findings, including audit results on implementation of accounting principle and policy, quality of assumption implementation, significant estimation and consideration by the Management including the adequacy of allowance for impairment losses, other significant financial reporting issues and transparent financial condition of the Bank, disclosure and support of management during the audit as well as if the discrepancies with the management existed, to ensure the integrity of financial statements. In addition, there was also a discussion with Public Accountant on the development of financial accounting standards to understand the impact of new accounting standards implementation which have and will be released, including PSAK 71 (IFRS 9) and its impact on the Bank's financial statements as well as the actions of preparing the implementation by the Management.

- 3) Supervised the effectiveness of an independent and objective external audit function in accordance with audit standards.
- 4) Held a meeting with the Public Accountant in a separate session without Management's presence to discuss any important matter to be conveyed by Public Accountant.
- e. With BOC, among others:  
Reported the quarterly activities of Audit Committee, submitted key issues and recommendation of Audit Committee to the BOC
- on governance aspect, accounting, audit, compliance and internal control which included submitting the evaluation results of Audit Committee on the audit conducted by public accountant on the previous year financial statements, as well as the Audit Committee recommendation on the appointment of Public Accountant for the current year and the recommendation to update the Audit Committee Charter.
- Moreover, the Audit Committee has also performed self-assessment on its performance.

#### Training Program for Audit Committee in 2017

Name	Training/Workshop/Seminar	Date	Organizer	Venue
Kwan Chiew Choi	Please refer to table of training for BOC on page 118.			
Kurnia Irwansyah	Workshop - Financial Investigation and Forensic Accounting.	13 – 14 July 2017	Indonesian Institute of Accountants	Jakarta
	OCBC NISP BOD/BOC Insight. Session - Trend of Indonesian Economic and Politic.	17 July 2017	Castle Asia Business Management Consultant	Jakarta
	The 6 <sup>th</sup> International Accounting Conference - The Growth Game Changer: Digital Economy, Financial Inclusion, and Accounting Roles.	27–29 August 2017	Department of Accounting, University of Indonesia and Bank Indonesia	Jakarta
	The 2 <sup>nd</sup> Asia-Pacific Research in Social Sciences and Humanities. - Culture and Society for Local and Global Sustainable Development.	27 – 29 September 2017	The Asia-Pacific Research in Social Science and Humanities - Universitas Indonesia Conference	Jakarta
	Experiment Research Method.	11 October 2017	Department of Accounting, Accounting Science Post Graduate, University of Indonesia	Jakarta
	National Seminar – Development of Financial Accounting Standards.	17 October 2017	Economic and Business Faculty, Accounting Science Post Graduate, University of Indonesia	Jakarta
	National Seminar – Development of Audit Standards: The Impact of Technology Development on Accountant Profession.	18 – 19 October 2017	Department of Accounting, University of Indonesia and Indonesian Institute of Accountants	Jakarta
	Workshop: How to Write a Scientific Paper in International Journal.	30 November 2017	Economic and Business Faculty, University of Indonesia	Jakarta
	Design Thinking - 1 day Introductory Workshop.	6 December 2017	SAP Training & Development Institute	Jakarta
	Internasional Seminar - Toward 2030: Transforming Role of Professional Accountants in The New Economy Order.	14–15 December 2017	Indonesian Institute of Accountants	Jakarta
Rufina Tinawati Marianto	Orientation for new Committee members on OCBC NISP.	6 April 2017	Internal Management	Jakarta

**b. Remuneration and Nomination Committee**

**Profile of Remuneration and Nomination Committee**

<b>Jusuf Halim</b> Chairman	His complete profile can be viewed on profile of BOC on page 40 in this Annual Report.
<b>Pramukti Surjaudaja</b> Member	His complete profile can be viewed on profile of BOC on page 40 in this Annual Report.
<b>Peter Eko Sutioso</b> Member	His complete profile can be viewed on profile of BOC on page 40 in this Annual Report.
<b>Samuel Nag Tsien</b> Member	His complete profile can be viewed on profile of BOC on page 40 in this Annual Report.
 <b>Julie Anwar</b> Member	<p>Indonesian Citizen, 42 years old.</p> <p>Member of Remuneration and Nomination Committee of Bank OCBC NISP since AGMS on March 30, 2017.</p> <p>Head of Human Capital, Bank OCBC NISP (July 2014–present).</p> <p>Previously served as Head of Human Resources of PT Bank QNB Kesawan Tbk. (2013-2014), held various positions at Citibank N.A. Jakarta with her last position as the Head of ICG Human Resources (2008-2013), Associate at Mercer Human Resources Consulting, Jakarta (2001-2004) and Analyst at HSBC Securities Indonesia, Jakarta (1998-2001).</p> <p>She obtained her Bachelor degree in Commerce from Deakin University, Victoria, Australia.</p>

Remuneration and Nomination Committee refers to FSA Regulation Number 55/POJK.03/2016 dated December 7, 2016 on Implementation of Governance for Commercial Banks and FSA Regulation Number 45/POJK.03/2015 dated December 23, 2015 on Implementation for the Provision of Remuneration for Commercial Banks.

**Legal Basis of Establishment**

The Remuneration and Nomination Committee is established by and is responsible directly to BOC based on the BOC Decree No.KPTS/DEKOM/010/2006 dated December 7, 2006 to support the implementation of function and duties of the BOC related to the policy implementation of the Remuneration and Nomination of BOC and BOD as well as the Bank’s employment system.

**Membership and Expertise**

The membership of Remuneration and Nomination Committee consists of:

- a. One Independent Commissioner as Chairman.
- b. One Independent Commissioner as member.
- c. Two Non-Independent Commissioners as members.
- d. One Executive Officer who is incharge of human capital.

**Period and Term of Office of Members of Remuneration and Nomination Committee**

Position in the Committee	Position in Bank OCBC NISP	Name	Legal Basis of Appointment	Period and Term of Office	
			BOD Decree	Effective Date	End of Term
Chairman	Independent Commissioner	Jusuf Halim	KPTS/DIR/HK.02.02/CORPSECR/027/2017 dated 17 March 2017	30 March 2017	AGMS 2020
Member	Commissioner	Pramukti Surjaudaja	KPTS/DIR/HK.02.02/CORPSECR/028/2017 dated 17 March 2017	30 March 2017	AGMS 2020
Member	Independent Commissioner	Peter Eko Sutioso	KPTS/DIR/HK.02.02/CORPSECR/029/2017 dated 17 March 2017	30 March 2017	AGMS 2020
Member	Commissioner	Samuel Nag Tsien	KPTS/DIR/HK.02.02/CORPSECR/012/2015 dated 13 February 2015	9 April 2015	AGMS 2018
Member	Executive who supervises Human Capital	Julie Anwar	KPTS/DIR/HK.02.02/CORPSECR/029/2017 dated 17 March 2017	30 March 2017	AGMS 2020

### The Remuneration and Nomination Committee Charter

The Remuneration and Nomination Committee has a Charter that functions as binding guidelines for the members, which cover:

- a. Composition.
- b. Duties and responsibilities.
- c. Work procedure.
- d. Ethics and Working Time.
- e. Working Time.
- f. Meeting.
- g. Disclosure and reporting.

The Remuneration and Nomination Committee Charter was last updated on October 20, 2017 and will be reviewed periodically in accordance with the prevailing rules and regulations. For further information, please visit the official website of Bank OCBC NISP at [www.ocbcnisp.com](http://www.ocbcnisp.com).

### Duties and Responsibilities of Remuneration and Nomination Committee

The Remuneration and Nomination Committee carries out duties and responsibilities in accordance to the Bank Indonesia Regulation and Banking Regulations as well as referring to the Charter of Committee which covers, among other things:

#### The Scope of Remuneration

1. Evaluates the remuneration policy and provide recommendation to the BOC regarding:
  - a. Remuneration structure, policy, and amount for BOC, BOD and SSB to be submitted to General Meeting of Shareholders.
  - b. Remuneration structure, policy, and amount for Executive Officers and employees as a whole to be submitted to the BOD.
  - c. Remuneration structure, policy, and amount for the Committee members of the BOC.
2. Assists the BOC to assess the performance in accordance to the suitability of remuneration received by each member of the BOD, the BOC, and/or SSB.
3. The Committee shall make recommendations to the BOC on compensation for members of BOC, BOD, SSB and Committee after their appointment periodically.

#### The Scope of Nomination

1. Giving recommendation to the BOC on:
  - a. The composition of members of the BOD, BOC, and/or SSB.
  - b. Policy and criteria which are needed in Nomination process.
  - c. Performance evaluation policy for the members of the BOD, BOC, and/or SSB.
  - d. The system and procedures of appointment, termination and/or replacement of the members of the BOC, BOD and SSB to be proposed to the General Meeting of Shareholders.

- e. Nomination of the BOC, BOD and SSB members to be proposed to the General Meeting of Shareholders.
  - f. Candidate who is qualified as Independent Party who shall be a member of Committee.
2. Assisting the BOC in assessing the performance of the members of the BOD, BOC, and/or SSB based on the benchmark that has been prepared for consideration.
  3. Providing recommendations to the BOC regarding the capability building program for members of the BOD and / or members of the BOC.
  4. In performing its task, the Committee is responsible to the BOC and shall act independently.

Further information on the duties and responsibilities of Remuneration and Nomination Committee can be viewed on the Charter of Remuneration and Nomination Committee through the Bank's official website at [www.ocbcnisp.com](http://www.ocbcnisp.com)

### The Independence of Remuneration and Nomination Committee Members

Remuneration and Nomination Committee acts independently in carrying out its duties and responsibilities in accordance with the company's purpose and needs professionally and independently, and not influenced by intervention from other party.

### Meeting, Agenda, and Level of Attendance of Remuneration and Nomination Committee

#### Meeting Policy

In regards to the Charter, the meeting mechanism of Remuneration and Nomination Committee are as follows:

1. The Committee meeting is held periodically at least once in four months.
2. The meeting only could be implemented if:
  - a. It is attended by at least 51 percent of total members including an Independent Commissioners and Executive Officer who are in charge of human resources or an employee representative.
  - b. One of the 51 percent members as mentioned in point a. is the Committee Chairman.
3. The Committee has the right to acquire information about remuneration of Executive Officer or the Bank's employees.
4. The Committee is entitled to request the presence of related parties that have relevant experience and skills in the meeting, if deemed necessary.
5. In case of other party is being invited by the Committee, during the decision making, the Committee shall act independently.
6. Meeting decisions are made based on deliberation and consensus. In the event of no deliberation and consensus, the decision making is conducted based on the majority of votes with the principle of one person for one vote.

7. Dissenting opinions that occurred in the meeting shall be stated in the minutes of meeting along with the reasons.
8. All decisions in writing, signed or approved by majority of the Committee will be in force as a decision taken in a meeting and may consist of several documents, each signed by one or more members of the Committee. The majority members who sign or approve must be independent members and Executive Officers. The terms "in writing" and "signed" includes an agreement that has been conveyed through email or facsimile by Committee members.
9. The result of Committee meeting must be well documented and stipulated in the minutes of the meeting.
10. A copy of the minutes of the meeting signed by all of the members of the Committee who attended must be distributed to all members of the Committee and BOC.

Throughout 2017, the Remuneration and Nomination Committee has held four meetings with the following level of attendance:

No	Position in the Committee	Name	Number of Meetings	Attendance	% Attendance
1	Ketua	Jusuf Halim **)	4	3	75%
2	Ketua	Roy Athanas Karaoglan*)	4	1	25%
3	Anggota	Pramukti Surjaudaja	4	4	100%
4	Anggota	Peter Eko Sutioso	4	4	100%
5	Anggota	Samuel Nag Tsien	4	4	100%
6	Anggota	Mustika Atmanari*)	4	1	25%
7	Anggota	Julie Anwar**)	4	3	75%

\*) End of term as Chairman and Member of Remuneration and Nomination Committee at AGMS on March 30, 2017.

\*\*) Effectively served as Chairman and Member of Remuneration and Nomination Committee since AGMS on March 30, 2017.

#### 2017 Remuneration and Nomination Committee Activities

During 2017, Remuneration and Nomination Committee has conducted its tasks and responsibilities, such as:

1. Remuneration Function
  - a. Evaluated the remuneration policies taking into consideration the Bank's performance, risk, fairness, objectives and strategies, the adequacy of provision and Bank's potential revenues.
  - b. Submitted the results of evaluation and recommendation to BOC regarding the remuneration for BOC, BOD, Sharia Supervisory Board (SSB) and Committees under BOC.
  - c. Submitted the results of evaluation of remuneration for executives and employees to BOC.
2. Nomination Function
  - a. Evaluated the proposed appointment or re-appointment of members of BOC, BOD, SSB and Committees under BOC.
  - b. Submitted the results of evaluation and recommendation to BOC on the appointment of members BOC, BOD, and SSB to be proposed for the GMS approval.
  - c. Submitted to the BOC the evaluation and recommendation on the appointment of members of Committee under BOC.
  - d. Evaluated the Nomination policies for members of BOC, BOD, SSB and Committees under BOC.
- d. Evaluated the impact of 2017 Regional Minimum Wage adjustment on Bank's remuneration policies.
- e. Ensured that the remuneration policies comply with the prevailing regulations and discussed the implementation of new regulation on remuneration.

#### Policy on BOD Successor

In accordance with Charter of Remuneration and Nomination Committee which was last updated on October 20, 2017, stating that one of the Remuneration and Nomination Committee's duties is to provide recommendation to BOC on criteria of candidates who meet the requirements as BOC, BOD and/or Sharia Supervisory Board to be submitted at GMS.

The Committee is responsible to determine the criteria to be implemented and identified the candidates, review and approve the nomination which meets the criteria, and for that reason, the Committee shall be convinced that each candidate is able and appropriate for the related post or position, considered as the best candidate who most qualified for the post or position with due observance of the candidate's track record, age, experience, capabilities, and other relevant factors. The procedure and flow of the determination of BOC, BOD and/or SSB members are as follows:

- a. Remuneration and Nomination Committee provides recommendation on candidates of BOC and/or BOD members to BOC for being submitted at GMS.
- b. BOC submits the nomination proposal of BOC and/or BOD members to GMS based on recommendation of Remuneration and Nomination Committee.
- c. GMS reviews the nomination proposal submitted by BOC and releases the decision to refuse or receive such nomination proposal.

### Training Program for Remuneration and Nomination Committee in 2017

In order to improve upon the competence and comprehension of their duties and responsibilities, throughout 2017 the members of Remuneration and Nomination Committee have participated in trainings, seminars or Workshops as follows:

Name	Training/Workshop/Seminar	Date	Organizer	Venue
Jusuf Halim	Please refer to the training table for BOC on page 118.			
Pramukti Surjaudaja	Please refer to the training table for BOC on page 116.			
Peter Eko Sutioso	Please refer to the training table for BOC on page 116.			
Samuel Nag Tsien	Please refer to the training table for BOC on page 116-117.			
Julie Anwar	Mega Seminar Lessons - Disney University	18 May 2017	Lutan Edukasi	Jakarta
	OCBC NISP BOD/ BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT OCBC NISP Tbk	Jakarta
	Imagine Lab	1-2 November 2017	Deloitte	Jakarta
	HR Lab	22 November 2017	Deloitte	Jakarta
	Integration Lab	14 December 2017	Deloitte	Jakarta

### c. Risk Monitoring Committee

#### Profile of Risk Monitoring Committee

<b>Kwan Chiew Choi</b> Chairman	His complete profile can be viewed in profile of BOC on page 41 in this Annual Report.
<b>Pramukti Surjaudaja</b> Member	His complete profile can be viewed in profile of BOC on page 40 in this Annual Report.
<b>Samuel Nag Tsien</b> Member	His complete profile can be viewed in profile of BOC on page 40 in this Annual Report.
<b>Lai Teck Poh (Dua Teck Poh)</b> Member	His complete profile can be viewed in profile of BOC on page 41 in this Annual Report.
<b>Jusuf Halim</b> Member	His complete profile can be viewed in profile of BOC on page 40 in this Annual Report.



**Willy Prayogo**  
Member  
(Independent Party)

Indonesian Nationality, 63 years old.

Member of Risk Monitoring Committee of Bank OCBC NISP since April 2014.

Previously, he served as a member of the Audit Committee of Bank OCBC NISP (2010-2013), President Commissioner at Bank Resona Perdania (2000-2007), Deputy President Director at Bank OCBC NISP (1997-2000) and Director at Bank NISP (1993-1997).

He holds a Bachelor's Degree in Economics from Catholic University of Parahyangan (1979), MBA from Institut Manajemen Prasetya Mulya, Jakarta (1990) and Master in Management from Sekolah Tinggi Manajemen Prasetya Mulya, Jakarta (1995).



**Natalia Budiarto**  
Member  
(Independent Party)

Indonesian Nationality, 63 years old.

Member of Risk Monitoring Committee in Bank OCBC NISP since April 2015.

Previously served as Vice President Director for PT Surya Semesta Internusa (2013-2014), Commissioner for PT Sasana Artha Finance (2011-2012), President Director for PT Sasana Artha Finance (1995-2011) and worked for a few years in Universal Bank with last position held as Head of Remedial Management Unit (1993-1995).

Received her Master of Business Administration degree in 1981 and Bachelor of Business Administration in 1978 from Chaminade University of Honolulu, Hawaii.

The Risk Monitoring Committee is in accordance to the FSA Regulation No.55/POJK.03/2016 dated December 7, 2016 concerning the GCG Implementation for Commercial Banks.

#### Legal Basis of Establishment

Risk Monitoring Committee is established by and is responsible to the BOC based on BOC Decree No. KPTS/DEKOM/011/2006 dated December 7, 2006 to assist the BOC in carrying out the functions and duties related to the monitoring of the implementation of risk management.

#### Membership and Expertise

Risk Monitoring Committee membership consists of:

- One Independent Commissioner as Chairman and Member
- One Independent Commissioner as member.
- Three Non-Independent Commissioners as members.
- One Independent Party who has expertise in finance as a member.
- One Independent Party who has expertise in risk management as a member.

**Period and Term of Office of Risk Monitoring Committee Members**

Position in the Committee Name	Position in Bank OCBC NISP	Name	Legal Basis of Establishment	Period and Term of Office	
			BOD Decree	Effective Date	End of Term
Chairman	Commissioner (Independent Commissioner)	Kwan Chiew Choi	KPTS/DIR/HK.02.02/CORP.SECR/023/2017 dated 17 March 2017	30 March 2017	AGMS 2020
Member	Commissioner	Pramukti Surjandaja	KPTS/DIR/HK.02.02/CORP. SECR/024/2017 dated 17 March 2017	30 March 2017	AGMS 2020
Member	Commissioner	Samuel Nag Tsien	KPTS/DIR/HK.02.02/CORP. SECR/010/2015 dated 13 February 2015	9 April 2015	AGMS 2018
Member	Commissioner	Lai Teck Poh (Dua Teck Poh)	KPTS/DIR/HK.02.02/CORP. SECR/025/2017 dated 17 March 2017	30 March 2017	AGMS 2020
Member	Commissioner (Independent Commissioner)	Jusuf Halim	KPTS/DIR/HK.02.02/CORP. SECR/026/2017 dated 17 March 2017	30 March 2017	AGMS 2020
Member	Independent Party	Willy Prayogo	KPTS/DIR/HK.02.02/CORP. SECR/063/2016 dated 31 March 2016	7 April 2016	AGMS 2019
Member	Independent Party	Natalia Budiarto	KPTS/DIR/HK.02.02/CORP. SECR/012A/2015 dated 13 February 2015	9 April 2015	AGMS 2018

**The Risk Monitoring Committee Charter**

The Risk Monitoring Committee has a Charter that consists of the following:

- Membership.
- Duties, responsibilities and authorities.
- Values and work ethics.
- Working hours.
- Meeting.
- Financial Conglomeration.
- Disclosure and reporting.

The Risk Monitoring Committee Charter was last updated on September 27, 2017 and is reviewed on a regular basis every two years, or if deemed necessary by BOC and in accordance to the latest legislation. For more details, go to [www.ocbcnisp.com](http://www.ocbcnisp.com)

**Duties and Responsibilities of Risk Monitoring Committee**

The Risk Monitoring Committee carries out duties and responsibilities based on the Charter of Risk Monitoring Committee, which are among others:

- To monitor and evaluate the conformity between the risk management policy and its implementation of policy.
- To monitor and evaluate the duties implementation of Risk Monitoring Committee and Risk Management Work Unit.
- To review the risk management philosophy as a whole in order to ensure its alignment with the company strategy in general as set forth by BOD and approved by BOC.
- To review the Risk Appetite Statement of the Bank, a key policy in order to achieve an effective Risk Management, risk management system, and risk based capital allocation methodology, scope, effectiveness and objectivity of risk management as well as conducting a review and necessary actions in terms of the risk management in regards to the prudent banking principle.

- To monitor the credit risk, operational risk, market risk, liquidity risk and other categories of risks that may be delegated by BOC or deemed necessary by the Committee.

Further information about responsibilities of Risk Monitoring Committee can be seen on the Bank's official website at [www.ocbcnisp.com](http://www.ocbcnisp.com)

**The Independence of Risk Monitoring Committee**

Risk Monitoring Committee acts independently in carrying out its duties and responsibilities, among others overseeing the risk management policies and implementation of business.

**Meeting, Agenda, and Level of Attendance of Risk Monitoring Committee**

**Meeting Policy**

In accordance with the Charter, the mechanism of Risk Monitoring Committee meeting is as follows:

- The Committee meeting is held periodically, at least four times within a year.
- The meeting could only be held if it is attended by at least 51 percent of total members including an Independent Commissioner and an Independent Party.
- The Committee is entitled to request the presence of related parties that have relevant experience and skills in the meeting, if deemed necessary.
- The meeting is led by the Committee Chairman. If the Chairman could not attend the meeting, other members who attended will appoint someone to lead the meeting.
- The Committee may set up the meeting's rules of procedure, meeting management, invitation, voting and meeting mechanism, the drafting and saving of the minutes of meeting, as well as reviewing of the minutes themselves.
- Meeting decisions are made based on a consensus. When a deliberation cannot be achieved, the decision will be done by a majority vote.

7. Dissenting opinions that occurred in the meeting shall be stated in the minutes of meeting along with the reasons.
8. All decisions in writing, signed or approved by majority of the Committee will be in force as a decision taken in a meeting and may consist of several documents, each signed by one or more members of the Committee. The majority members who sign or approve must be independent members and Executive Officers. The terms "in writing" and "signed" includes an agreement that has been conveyed through email or facsimile by Committee members.
9. The result of Committee meeting must be well documented and stipulated in the minutes of the meeting.
10. A copy of the minutes of meeting signed by all of the members of Committee who attended must be distributed to all members of Committee and BOC.

Throughout 2017, the Risk Monitoring Committee held six meetings with the following level of attendance:

No	Position in the Committee	Name	Number of Meetings	Attendance	% Attendance
1	Chairman	Kwan Chiew Choi	6	6	100%
2	Member	Pramukti Surjaudaja	6	6	100%
3	Member	Roy Athanas Karaoglan*)	6	1	16%
4	Member	Samuel Nag Tsien	6	5	83%
5	Member	Lai Teck Poh (Dua Teck Poh)	6	6	100%
6	Member	Jusuf Halim	6	5	83%
7	Member (Independent Party)	Willy Prayogo	6	6	100%
8	Member (Independent Party)	Natalia Budiarto	6	6	100%

#### 2017 Risk Monitoring Committee Activities

Throughout 2017, the Risk Monitoring Committee, among others, discussed the following issues:

- a. Conducted a review of the Risk Appetite Statement as one of the key principles which became the guidelines for the overall risk management framework, risk limit and all policies relating to the existing risk management.
- b. Monitored the Bank's risk profile quarterly based on the Risk Based Bank Rating Approach set by the Financial Services Authority.
- c. Reviewed and provided recommendation for BOC approval on policies related to risk management implementation and other policies according to the policy architecture, among others the Recovery Plan Policy, Prime Customer Services Policy, Customer Experience Management Policy, Market Risk Management Framework, Responsible Financing Framework, Risk Monitoring Committee Charter, Credit Risk Management Framework, Bank Credit or Financing Policy, Model Risk Management Framework, Risk Management Policy, Policy Structure, Approval and Standard.
- d. Reviewed and provided recommendation for approval of limits including Market & Liquidity Risk Limit in 2017, Credit Portfolio Concentration & Limit for 2018, and Document on Recovery Plan.
- e. Evaluated the policy and strategy of risk management through the submitted reports, among others in regards to IT Risk Management, Risk Culture Maturity Assessment, Internal Capital Adequacy Assessment Process (ICAAP), Anti Fraud Strategy, and Outsourcing.
- f. Assisted the BOC of Main Entity in conducting oversight on Integrated Risk Management.

#### Training Program for Risk Monitoring Committee in 2017

Nama	Training/ Workshop/ Seminar	Tanggal	Penyelenggara	Tempat
Kwan Chiew Choi	Please refer to the table training of BOC on page 118.			
Pramukti Surjaudaja	Please refer to the table training of BOC on page 116.			
Samuel Nag Tsien	Please refer to the table training of BOC on page 116-117.			
Lai Teck Poh (Dua Teck Poh)	Please refer to the table training of BOC on page 117.			
Jusuf Halim	Please refer to the table training of BOC on page 118.			
Willy Prayogo	OCBC NISP Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta
Natalia Budiarto	OCBC NISP Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	PT Bank OCBC NISP Tbk	Jakarta

## EXECUTIVE COMMITTEES OF THE BOARD OF DIRECTORS

Committee	Scope of Work and Responsibilities	Composition	Assessment of Committee Performance
Board Risk Committee (BRC)	Assist the Bank's BOD in compiling a risk management policy, supervising the implementation of policies and providing recommendations concerning the matters that need to be carried out by the Bank's BOD in relation to risk management, including within the Sharia Business Unit	Chairman : President Director Deputy Chairman : Risk Management Director Member : All Directors	The Board Risk Committee (BRC) has routinely and actively performed its duties to ensure good implementation of the risk management within the Bank, allowing the Bank to anticipate all changes due to the business development and external conditions. Throughout 2017, BRC has reviewed and approved the framework, policy, limit determination including the Bank's risk appetite in supporting the achievement of Bank Business Plan. BRC also approved the Bank's risk profile conducted on regular basis, including risk profile of Sharia Business Unit.
Credit Risk Management Committee (CRMC)	Assist the BOD in monitoring the loan portfolio developments and conditions, formulating and supervising the implementation of credit policies as well as giving feedback on corrective actions.	Chairman : President Director Deputy Chairman : Risk Management Director Member with voting right : All Directors	The Credit Risk Management Committee (CRMC) had effectively monitored the loan portfolio current state and developments, as well as assisting the BOD in formulating and overseeing the implementation of credit policies and providing them feedbacks for improvements. Throughout 2017, the Credit Risk Management Committee has deeply monitored the Bank's credit quality by conducting analysis related to credit concentration risk, credit stress test both as per portfolio and industry sector as well as determining Target Market and industry cap which will be entered by the Bank for loans granting in 2018.
Market Risk Management Committee (MRMC)	Supporting the Risk Management Committee and President Director in managing risk management function related to market risk management activities. MRMC functions to monitor the implementation of the Bank's market risk and ensure the risk management policy and practices have been executed precisely, effectively in favor of the Bank's business strategy. Bank's business strategy.	Chairman : Risk Management Director Member (Chairman Caretaker I) : Operations & IT Director Member (Chairman Caretaker II) : Financial & Planning Director Member : Treasury Director Member : Treasury Trading Division Head Member : Asset & Liability Management Division Head Member : Market & Liquidity Risk Management Division Head	The Market and Risk Management Committee conducted regular monthly meetings in order to supervise the implementation of market risk management of the Bank. The routine agendas for discussion is the monitoring on market risk exposures on applicable limits and the Bank's risk appetite.
Assets and Liabilities Committee (ALCO)	Monitoring the Bank's balance sheet management and taking a role to ensure that the balance sheet has the right and consistent structure, aiming at maximizing net interest income and shareholders' value with tolerance risk approved by the BOC. ALCO is also responsible to determine policies on balance sheet exposure management, including the structural interest risk management, liquidity and financing risk management, and internal mechanism of the Bank's FTP.	Chairman : President Director Deputy Chairman : Risk Management Director Member with voting right :- Operations & IT Director - Financial & Planning Director - Wholesale Banking Director - Commercial and Enterprise Banking Director - Retail Banking Director - Network Director - Treasury Director Member without Voting Right : Compliance Director	ALCO Committee conducted regular monthly meeting to monitor liquidity ratio and Interest Rate Risk in Banking Book (IRRBB) as well as direct the strategy to optimize composition of Balance Sheet and Net Interest Margin of the Bank.

Committee	Scope of Work and Responsibilities	Composition	Assessment of Committee Performance
ALCO Sharia Business Unit (SBU) Committee	Providing direction of strategy and actions accurately on the exposures of SBU's balance sheet related to the liquidity risk and investment sensitivity risk as well as ensuring the compliance with the prevailing rules and regulations to meet the applicable sharia principles.	Chairman : Sharia Business Unit Director  Vice Chairman : - Financial & Planning Director - Risk Management Director  Member : - Sharia Business Unit Division Head - Market & Liquidity Risk Management Division Head - Management Reporting & Methodologies Division Head	The ALCO Sharia Business Unit (SBU) Committee conducted regular monthly meeting to monitor the liquidity risk and rate of return risk as well as direct the strategy to optimize financing composition, the use of funds and profit margin.
Operational Risk Management Committee	Carrying out oversight function on implementation of operational risk management (including IT Risk, Legal Risk and Reputational Risk) to ensure the Bank's risk exposure can be maintained properly according to the Bank's risk appetite.	Chairman: Risk Management Director Vice Chairman: Compliance Director Members: - Operations & IT Director - Financial & Planning Director - Head of Human Capital	The Operational Risk Management Committee has actively conducted supervision on implementation of operational risk management to run in accordance with the set corridors and is aligned with the company vision and mission.
Fraud Committee	Conducting supervision in order to ensure that the fraud risk management has been run effectively in accordance with the corridors set forth in the Fraud Risk Management Framework as well as Policy and Procedure of Fraud Handling	Chairman: President Director Vice Chairman: Risk Management Director Members: - Operations & IT Director - Head of Human Capital	The Fraud Committee has actively conducted supervision and provide direction on the fraud risk management process.
Brand Committee	1. Determining the Brand's internal and external strategy. 2. Determining the communication strategy and its budget. 3. Conducting review on implementation of Brand and communication strategy as well as the budget.	Chairman : President Director Member: - Corporate Communication Director - Network Director - Retail Banking Director - Transaction Banking Director - Head of Individual Customer Solution	The Brand Committee has made important contributions to the good Corporate Branding activities that build a positive reputation of the company.  The Brand Committee actively conducts review and and monitoring on significant branding activities, including monitoring the integration of promotional activities in all segments in order to create more impactful branding activities.
Network Committee	1. Decide the strategic investment on networks. 2. Ensure optimalization of network distribution on branches and ATMs 3. Approve the locations for new branches and ATMs. 4. Establish policies on distribution network to achieve the network optimization objective, including the authorization to set geographic distribution and organization structure in the network.	Chairman : President Director Member: - Network Director - Retail Banking Director - Operations & IT Director - Financial & Planning Director	The Network Committee has made several decisions and policies related to the office network, including: determining the office and ATM network strategy, annual Bank Business Plan for office network, performance monitoring, Business Mapping, procurement plan on building /asset and many more.
Human Capital Committee	1. Ensuring the alignment of the Human Capital policies with the Bank's strategies and objectives, including corporate values, code of conduct, as well as the policies and regulations issued by the regulators, and 2. Deciding the refinement of the Human Capital policies and management system, which includes Human Capital planning, recruitment, development, performance management, talent management, as well as competitive remuneration system	Chairman : President Director Member: - Operations & IT Director - Financial & Planning Director - Network Director - Head of Human Capital	The Human Capital Committee contributed in the improvement and alignment of Human Capital policies with strategy and objectives of the company.

1. IT Policy Formulation  
To give recommendation to the Director regarding the policy and IT main procedure.

Committee	Scope of Work and Responsibilities	Composition	Assessment of Committee Performance
Information Technology (IT) Steering Committee	<ol style="list-style-type: none"> <li>1. IT Policy Formulation To give recommendation to the Director regarding the policy and IT main procedure.</li> <li>2. IT and business strategy alignment To give recommendation to the Director regarding IT strategic plan which in line with the Bank's strategic business plan, to evaluate and recommend the conformity of the approved projects with the Bank's business plan, to set a priority status on critical IT project with a significant impact to the Bank's operational activities and also to evaluate the conformity of IT with the requirement of IT system management in supporting the Bank's business management.</li> <li>3. IT Risk Management To give recommendation to the Director regarding the implementation of risk management on Bank's IT, to ensure the effectivity of steps to minimize risk and the Bank's investment on IT sector in order to give contribution to the Bank's business accomplishment and also to facilitate the relationship among division/squad/unit in solving the IT-related problems.</li> <li>4. IT Performance Measurement and Evaluation To analyze and recommend regarding the conformity of OT projects implementation with project charter in SLA and control the IT performance for improvement.</li> </ol>	Chairman : President Director Member: - Operations & IT Director - Financial & Planning Director - Network Director - Head of Human Capital	The Information Technology Steering Committee contributed in the implementation of all activities related to information technology, including direction and approval of the strategy in Information Technology, approval of the budget for Information Technology, evaluate Information Technology projects developed according to the needs of the business user with reference to the IT Road Map and ensure the investment of Information Technology projects to be executed to deliver optimum results.

## CORPORATE SECRETARY

### Legal Basis of Establishment

The Bank's Corporate Secretary is Ivonne Purnama Chandra effectively since 28 February 2014 up to the present. The appointment was based on the Bank OCBC NISP's BOD Decree Number KPTS/DIR/HCM/HK.02.02/180/2014 dated February 28, 2014.

### Profile of Corporate Secretary



**Ivonne P. Chandra**  
Corporate  
Secretary

Indonesian Citizen, 54-years-old  
Domiciled in Jakarta

#### Work Experience:

- February 28, 2014 - present: Corporate Secretary of Bank OCBC NISP.
- August 2013 - February 2014: Consumer Quality Assurance Division Head.
- 2011-2013: Metropolitan Liabilities & Wealth Distribution Head.
- 2009-2011: Metropolitan Consumer Distribution Head of Bank OCBC NISP.
- 1989-2008: Established a more than 25 years of professional career in the banking and insurance sector, serving in various positions at Citibank (1989-2008), Bank Universal (Bank Permata) (1994-2003), Astra CMG Life (Commonwealth Life) (2003- 2006), and Bank Danamon (2006-2008) with the last position of SVP-Privilege Banking Business Head.

#### Education Background:

MBA from Golden Gate University, San Francisco, USA majoring in Marketing (1988) and Bachelor's Degree from Padjadjaran University, Bandung, Faculty of Communication, majoring in Public Relations (1986).

### Corporate Secretary Activities Report

In carrying out its duties and responsibilities, throughout 2017, Corporate Secretary and its work unit have conducted the following activities:

1. Followed the applicable laws and regulations related to Corporate Governance.
2. Ensured the guidelines and procedures related to BOC and BOD have been made and implemented in accordance with the prevailing regulations, among which included updating the Charter of BOD, BOC, Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee.
3. Information disclosure to the public through IDX e-Reporting and Bank OCBC NISP website.
4. Prepared and submitted reports related to Capital Market regulations, both periodic and incidental reports to FSA and IDX in a timely manner.
5. Conducted GCG Implementation Self-Assessment related to the duties of BOC, BOD and Committees under BOC as well as Conflict of Interest for the first and second half of 2017.
6. Conducted Self-Assessment on Integrated Corporate Governance Implementation of Financial Conglomeration in relations to the duties implementation of BOC and BOD of the Main Entity as well as Integrated Corporate Governance Committee for the first and second half of 2017.
7. Prepared GCG Implementation Report in 2017 Annual Report related to BOC, BOD, Committees under the BOC and Corporate Secretary.
8. Aligned the GCG practice implementation with ASEAN CG Scorecard assessment. In 2017, the Bank OCBC NISP was included in the "Top 50 Public Listed Companies" and retained the award of "The Best Responsibility of the Board" from Indonesia Institute of Corporate Directorship (IICD) for four consecutive years. Bank OCBC NISP was also awarded the "Indonesia Most Trusted Company 2017" from Indonesian Institute for Corporate Governance (IICG) for six consecutive years.
9. Coordinated the implementation of Annual General Meeting of Shareholders (AGMS), Public Expose, and Extraordinary General Meeting of Shareholders (EGMS) in collaboration with Corporate Communication Division, Compliance Division, and Investor Relation Unit.
10. Ensured the frequency and organized the meetings of BOC and BOD including committees under the BOC in accordance with the prevailing rules and regulations in the capital market and Banking, including in terms of availability of meeting agenda and material.
11. Attended the meetings of BOC, BOC and BOD, Audit Committee, Risk Monitoring Committee, Remuneration and Nomination Committee, BOD, as well as joint meetings of BOD and BOC.
12. Coordinated and attended the meetings of BOD Main Entity, BOC Main Entity, and Integrated Governance Committee in order to implement Financial Conglomeration in Indonesia.
13. Prepared BOC, BOD, BOC and BOD Main Entity, Committees under BOC and Integrated Governance Committee, as well as documented them along with other company documents, among others GMS deeds, Articles of Association, Shareholders List, BOD/BOC Decree of and Company Registration Certificate.
14. Prepared BOC Decree for actions/transactions/conditions that require BOC approval as stipulated in the Articles of Association with regard to Law on Limited Liability Company, among others: the Bank's Business Plan, Corporate Actions, the appointment of Committees under the BOC, BOC meeting resolutions.
15. Prepared the BOC Proposal to GMS in terms of appointment Independent Commissioners.
16. Produced BOD Decree on the appointment and/or re-appointment of BOC's Committee Members.
17. Prepared Recommendation Letters from the Remuneration Committee in terms of appointment of BOC members and Committees under the BOC.
18. Prepared Recommendation Letters from Audit Committee in terms of Evaluation on the Audit Service performance by Public Accountant and Public Accounting Firm in 2016 and the appointment of Public Accountant and Public Accounting Firm for 2017.
19. Prepared Fit and Proper Test documents for Independent Commissioner candidates in accordance with FSA regulations.

20. As a liaison between the Bank as the Issuer and shareholders, in coordination with the Investor Relation Unit, in the case of lost shares, request for information related to the Bank's shares performance, and etc.
21. Accompanied BOC on branch visit and monitored the matters arising.
22. Administered BOC and BOD Decrees and Circular Letters.
23. Administered and distributed all incoming letters to the related Division/Unit to be followed-up.

### Training Programs of Corporate Secretary Working Unit in order to develop Competence in 2017

Training/Workshop/Seminar	Date	Organizer	Venue
ASEAN Corporate Governance Workshop	8 March 2017	FSA	Jakarta
Socialization of ASEAN CG Scorecard 2017 assessment	21 March 2017	FSA	Jakarta
Socialization of Annual Report Award and PFSA 10 & 11/POJK.04/2017	13 April 2017	FSA-IDX-ICSA	Jakarta
OCBC NISP BOD/BOC Insight Session - Trend of Indonesian Economic and Politic by Castle Asia Business Management Consultant	17 July 2017	Bank OCBC NISP	Jakarta
Expert Forum on Corporate Governance in Indonesia	20 July 2017	FSA	Jakarta
Workshop Corporate Governance Officer	30-31 August 2017	ICSA	Jakarta
	13-14 December 2017		
The First International Conference on GCG	2-3 November 2017	ICSA	Jakarta
Socialization of FSA Regulations No. 13/POJK.03/2017 and FSA No.51/POJK.03/2017	6 September 2017	IDX	Jakarta
CEO Focus 2017: Business world challenge and Capital Market Development	6 November 2017	IDX	Jakarta
Annual Report Training	30 November 2017	Talk Asia	

In addition to the above, the Corporate Secretary Working Unit also monitors/attends the socialization of new regulations issued by the Financial Services Authority and IDX.

### INTERNAL AUDIT UNIT

The Bank's Internal Audit function is carried out by the Internal Audit Division led by the Division Head with the title of Head of Internal Audit Division. The functions of Internal Audit Division are:

- To provide assurance to BOD and BOC (through Audit Committee) that governance, risk management and the Bank's internal control process have been designed and conducted

adequately and effectively.

- To carry out a consultation function for the Bank's internal party especially in cases included in the Internal Audit scope. However, the consultation function is not conducted if such a thing may reduce the independence and/or objectivity of Internal Audit.

### The Profile and Legal Basis for the Appointment of Internal Audit Division Head



**Sani Effendy**  
Internal Audit  
Division Head

Internal Audit Division is led by Sani Effendy, an Indonesian Citizen, 52 years old, living in Jakarta, Indonesia. He was appointed as Head of Internal Audit Division by the President Director upon the BOC approval in December 1, 2015. The appointment of Head of Internal Audit Division has been reported to Financial Services Authority based on Letter Number 4752/HCS-JKT/OR.08.03/NA/XII/2015 dated December 1, 2015 on the Appointment and Dismissal of Head of Internal Audit Division of PT Bank OCBC NISP Tbk. He previously served as Head of Wholesale Banking of Bank OCBC NISP (2008-2015) and Head of Corporate Finance at RaboBank International Indonesia (1998-2008).

He obtained his Bachelor's degree in Accounting from University of Indonesia in 1988 and Master of Business Administration from Bandung Institute of Technology in 2008 as well as Certified Internal Auditor (CIA) in 2016.

In order to enhance competence, the Head of Internal Audit Division has participated in trainings of Market Risk Modelling, Managing Across Generation, IFRS 9 Workshop, and Data Analytics Workshop throughout 2017.

### Number of Internal Audit Employees

As of December 31, 2017, the Internal Audit Division has 48 employees including the Head of Internal Audit Division. The Internal Audit Division staffs have the following qualifications of Internal Auditor:

- Having integrity and professional behavior, independent, honest, and objective in carrying out their duties.
- Having knowledge and experience of technical audit and other knowledge relevant to the scope of work (operational, credit, treasury, and information technology), understanding the GCG principle and risk management.
- Having knowledge of banking and capital market regulations as well as other related regulations.
- Having the capability of interaction and communication both verbal and written effectively.
- Complying with Internal Audit code of conduct and profession standards issued by Internal Audit Association.
- Maintaining the confidentiality of information and/or company data relating to the duties and responsibilities implementation of Internal Audit.

### Training Program in order to Develop the Competence of Auditors in 2017

In order to enhance the auditors' competence, the Internal Audit Division has arranged the training road map and conducted an auditor's development program. Throughout 2017, the Internal Audit Division has participated in 43 training programs, among which are training Executing Audit Engagement, Workshop IFRS 9, Basic Sharia Banking, Commercial Credit Policy, Trade Finance, Presentation & Communication Skill, Leading for Result, Managing Across Generation. In addition, the Bank's Internal Auditors are required to obtain certifications requested by FSA as well as other profession certifications.

### Certification as Internal Audit Profession

Currently, the Bank's Internal Auditors that have obtained professional certification consist of: Certified Internal Auditor (1 person), Certified Information System Auditor (3 persons), Certified Ethical Hacker (2 persons), Qualified Internal Auditor (3 persons), Certified Information Systems Security Professional (1 person), Certified Bank Internal Auditor (2 persons).

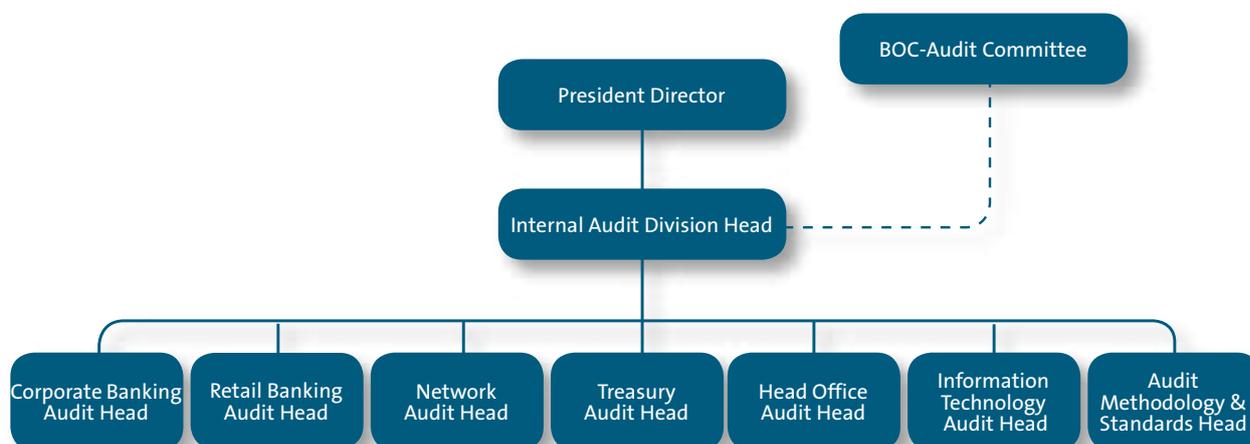
### Internal Audit Charter

The Internal Audit Division activities refer to the Internal Audit Charter and Manual which are based on the FSA Regulation Number 56/POJK.04/2015 dated December 23, 2015 on the Establishment and Guidelines for Internal Audit Charter and BI Regulation Number 1/6/BI/1999 dated September 20, 1999 on the Assignment of Compliance Director and Implementation of Bank Internal Audit Function. Internal Audit Charter is reviewed on regular basis every year or when deemed necessary. The review was last time conducted on May 19, 2017. As a reference towards the global best practices, the Internal Audit Division also uses standards and code of conducts issued by The Institute of Internal Auditors (IIA).

The effectiveness of Internal Audit function and its compliance with the Bank's Internal Audit Function Implementation Standards is reviewed by Internal Audit once a year, and by an independent external party at least once every three years.

### Position of Internal Audit in the Company Structure

The Head of Internal Audit Division is responsible directly to the President Director and functionally to the BOC through Audit Committee. The Internal Auditors are responsible directly to the Head of Internal Audit Division.



### Duties and Responsibilities of Internal Audit

In accordance with Internal Audit Charter, the main duties and responsibilities of Internal Audit Division are as follows:

- Developing an Annual Audit Plan, using an appropriate risk-based audit methodology.
- Maintaining Auditors’ professionalism with sufficient knowledge, skills, experience and qualification.
- Ensuring the Internal Audit adheres to the SPFAIB and as a reference towards global best practices, using standards and code of conducts issued by The Institute of Internal Auditors (IIA).
- Issuing regular reports on Audit activities to the President Director and BOC (through the Audit Committee).
- Liaising with External Auditors and Regulators for the purpose of providing optimal audit coverage for the Bank.
- Providing information to the President Director and BOC (through Audit Committee) on the development of Internal Auditing practices and providing recommendations for revision of Internal Audit Charter and Manual as necessary.
- Performing consultancy or advisory service for internal parties of the Bank within the scope of Internal Audit. However, the consultancy or advisory service will not be provided if it impedes on the Internal Audit’s independence and/or objectivity.
- Conducting Integrated Internal Audit Work Unit function as Main Entity in Financial Conglomeration with duties and responsibilities that cover:
  - Monitoring and evaluation of Internal Audit results in each Financial Services Institution.
  - Team-up with Internal Audit in each Financial Services Institution through routine meetings and other communications.
  - Integrated Internal Audit Work Unit submits the Integrated Internal Audit Report to the appointed Director to conduct oversight function on Financial Services Institution, BOC of Main Entity and Compliance Director of Main Entity.

### The Appointment and Dismissal of Head of Internal Audit Division

In order to maintain the independence of Internal Audit, the Internal Audit staff report directly to the Head of Internal Audit who is directly responsible to the President Director and indirectly to the BOC (through Audit Committee).

The Head of Internal Audit Division is appointed and dismissed by the President Director upon the BOC approval (through Audit Committee). The appointment and dismissal shall be reported to the regulators.

### Implementation of the Head of Internal Audit Division Activities in 2017

Throughout 2017, the Internal Audit Division has conducted the following work plan:

- Conducted the audit assignment which cover the area of business and operational of branch offices, credit activities and funding, treasury, technology and information system, support and operational function of head office. Throughout 2017, Internal Audit Division has settled 65 audit assignments.
- Conducted Quality Assurance Review by independent external party
- Implementation of three lines of defense of Internal Audit project to identify the gap of the Internal Audit function against the expected standard.
- Developed data analytics to improve the effectiveness and efficiency of audit process.
- Improvement of auditors’ competencies through a series of auditor development programs.

### COMPLIANCE FUNCTION

The increasing complexity of the Bank’s business activities along with the development in information technology, globalization and financial market integration has caused the risk challenges and exposure that the Bank faces to become even greater, thus requiring certain efforts to mitigate the risks that come from the Bank’s business activities. Therefore, both preventive (ex-ante) and curative (ex-post) efforts are needed. The increase role and function of Compliance is needed to be able to anticipate the risk potential of the Bank’s business activities early. Hence, there is an increasing demand for the role of the Compliance Division as a compliance work unit to be able to manage the Compliance Risk in line with the implementation of the Bank’s risk management as a whole.

### Structure of Compliance Function



## Compliance Activities in 2017

Director of Compliance who is assisted by Compliance Division and AML-CFT has conducted the following activities:

1. Conducted socialization on the importance of the compliance function and roles in Bank's activities based on prudent banking principles and placed the compliance function as an integral part of the Bank activities in order to promote Compliance Culture.
2. Ensured that the Bank's policies, regulations, systems, procedures and business activities were in line with Bank Indonesia, FSA, and other prevailing laws and regulations, including Sharia Principles for the Sharia Business Unit.
3. Established and reviewed the procedure of compliance activities, among others the Drafting of Compliance Risk Profile Report, Affiliate Transactions and Conflict of Interest Transactions Handling and Execution of Assurance and RRSA Monitoring.
4. Ensured that the Bank's business activities did not stray from prevailing regulations.
5. Taking preventive actions if required, so that policies and/or decisions made by the Bank's BOD did not deviate from Bank Indonesia, FSA and other prevailing regulations, including Sharia Principles for the Bank's Sharia Business Unit.
6. Distributed letters/circulars from Bank Indonesia, and/or FSA and other institutions to relevant Divisions/Functions for follow-up.
7. Prepared summary of regulations, analyzed the impacts to the Bank, and disseminated information on the banking regulations issued by Bank Indonesia and/or FSA to the entire BOD and related Division/ Function Head in order to facilitate the performance of compliance function.
8. Served as liaison officer in the Bank's working relations with Regulators.
9. Conducted evaluation on the implementation of prudential banking within the Bank, covering:
  - a. Capital.
  - b. Ratio of Earning Assets Quality, Non Performing Loan (NPL), Allowance for Impairment Losses.
  - c. Legal Lending Limit.
  - d. Net Open Position.
  - e. Short Term Offshore Credit Facility.
  - f. Statutory Reserves.
  - g. The Bank's Risk Profile.
10. Conducted socialization and training for all staff of the Bank on the Policy and Procedure of Anti Money Laundering Program and Combating the Financing of Terrorism. The Bank has had an internal policy that each new employee, within 3 months of joining the Bank, is required to participate in primary training on Anti Money Laundering and Combating the Financing of Terrorism. All employees are also required to take a refreshment course after 2 years.
11. This policy is taken to ensure the responsibility and awareness on the importance of Anti Money Laundering and Combating the Financing of Terrorism as well as to keep abreast of such programs development.
12. Conducted monitoring on the implementation of Anti Money Laundering and Terrorist Financing Prevention program.
13. Monitored suspicious Financial Transaction reporting from branch offices and submitted it to Indonesian Financial Transaction Reports and Analysis Center (if any). Monitored Cash Financial Transactions reporting, and Funds Transaction from and to Overseas and Integrated Information System of Financial Service Users.

## Compliance Indicator

The Bank's compliance indicator in 2017 indicates the following condition:

- a. The Bank's compliance indicator in 2017 indicates that the following condition Capital Adequacy Ratio (CAR) of 17.51% was the above requirement of 8% (CAR base on the Bank's risk profile, which was first rank)
- b. NPL Ratio (Net) of 0.72% was still within the range of requirement, maximum 5%.
- c. There was no excess or violation on Legal Lending Limit, both to related parties and business group as well.
- d. Statutory Reserves in Rupiah, Primary of 6.5% and Secondary of 22.44% have met the requirements.
- e. Statutory Reserves in Foreign Exchange of 8.01% has met the requirements.
- f. Net Open Position of 4.94% was still within the range of requirement, maximum 20% of the capital.
- g. Short Term Offshore Credit Facility of 22% was still within the range of requirement, maximum 30% of the capital.
- h. Commitment to the Regulators has been met properly.

## PUBLIC ACCOUNTANT

### Appointment of Public Accounting Firm

The Annual GMS held on March 30, 2017 has approved the granting of authority to the Bank's BOD based on the BOC approval of at least 3 (three) members of the Bank's BOC appointed by BOC to appoint a Public Accountant for the period of 2017 and determine the honorarium and other requirements for the appointed Public Accountant to conduct an independent audit on the Bank's Financial Statements for financial year 2017. The appointment of Public Accounting Firm and Public Accountant refers to the Audit Committee recommendation. Furthermore, the BOD has appointed Public Accounting Firm Tanudiredja, Wibisana, Rintis & Partner (a member firm of PricewaterhouseCoopers Global Network) registered in Bank Indonesia to conduct an independent audit on 2017 Financial Statements of Bank OCBC NISP. The appointed Public Accountant has no conflict of interest with the Bank.

### Public Accounting Firms and Public Accountants Which Have Conducted Audit on Annual Financial Statements for the Past 5 years.

Following are the Public Accounting Firms and Public Accountants which have Conducted Audit on Annual Financial Statements for the Past 5 years.

Year	Public Accounting Firm	Accountant's Name
2013	KAP Tanudiredja, Wibisana & Partner	Drs. Muhammad Jusuf Wibisana, M.Ec.,CPA
2014	KAP Tanudiredja, Wibisana & Partner	Drs. Muhammad Jusuf Wibisana, M.Ec.,CPA
2015	KAP Tanudiredja, Wibisana, Rintis & Partner	Lucy Luciana Suhenda, SE, AK, CPA
2016	KAP Tanudiredja, Wibisana, Rintis & Partner	Lucy Luciana Suhenda, SE, AK, CPA
2017	KAP Tanudiredja, Wibisana, Rintis & Partner	Lucy Luciana Suhenda, SE, AK, CPA

### Fee for Each Service Provided by the Public Accounting Firm

Total honorarium paid to KAP Tanudiredja, Wibisana, Rintis and Partner (a member firm of PricewaterhouseCoopers Global Network) related to audit service on the annual financial statements and interim financial statements in 2017 was Rp3,575 million (excluded VAT).

### Other service provided by the Public Accounting Firm and Public Accountant aside from Audit Service on Annual Financial Statements.

There was no fee paid to KAP Tanudiredja, Wibisana, Rintis & Partner for non-audit service in 2017.

### Effectiveness of External Audit Implementation and the Bank's Compliance to the Regulations

In order to meet the implementation of External Audit function according to FSA Regulation No. 55/POJK.03/2016 on Implementation of GCG for Commercial Banks, the effectiveness of external audit implementation and the Bank's compliance to the regulations are as follows:

1. The appointed Public Accountant and the Public Accounting Firm are registered in the FSA according to the effective regulations. The appointment had been approved by the GMS and based on the Audit Committee's recommendations
2. The Public Accountant and the Public Accounting Firm had worked independently and professionally according to the SPAP, the working agreement and the determined scope of work
3. The Public Accountant had been objective in its audit according to the scope of work established in the regulations. The audit result and the management letter had been submitted to the FSA in time.

### RISK MANAGEMENT (G4-14)

The detailed information of the Bank's Risk Management Implementation has been disclosed separately in Risk Management Section on page 164-194.

### Internal Control System

The Bank has established an effective and efficient Internal Control Policy within the Bank as a supervision mechanism set by the Management continuously. The Internal Control System covers five main components, which are:

1. Management supervision and control supporting environment (Control Environment).
2. Risk identification and measurement process (Risk Assessment).
3. Activation of control and segregation of duties and responsibilities (Control Activities).
4. Reliability of information system and effective communication (Information and Communication).
5. Monitoring and improvement of weakness (Monitoring).

In order to implement an effective Internal Control System within the Bank in all lines of business, the Bank constantly engages an active role of all parties/levels, positions such as BOC, BOD, Audit Committee, Internal Audit Division, Operational Risk management Division, Compliance Division, Operation Monitoring Division, Quality Assurance, Business Unit Division Head, Operational Unit and support units as well as all the Bank's staff stationed at both the Head Office and Branch Offices.

The Internal Control is implemented on three aspects of main controlling, which are:

1. Operational Control
  - a) Daily operational processes supported by policies, procedures, transaction limit provisions, approval authorities, authorization, verification, reconciliation, four-eyes principle, and roles and responsibilities segregation.
  - b) A complete risk review must be conducted on new products and activities. Every risk attached to new products and activities must have proper mitigation and control prior to implementation.
  - c) The Bank implements the Risk and Control Self-Assessment (RCSA) for early identification of control weakness in operational process. Therefore, the Bank formulates the corrective plan to avoid or minimize the losses potential. Furthermore, the RCSA results are reported to the Operational Risk Management Division on a regular basis.
  - d) The Bank also implemented Key Risk Indicator (KRI) to identify weakness trend or risk exposures based on quantitative analysis which affect the Bank's risk exposures. The result is reported to the Operational Risk Management Division on a regular basis.
  - e) Routine review and updates on the policies and procedures to ensure that the adequacy of control activities is in line with the Bank's internal and external environment.
  - f) The Bank has prepared a Business Continuity Plan which is routinely updated and tested in order to ensure that the

Bank's operational and business activities may still run in a crisis situation due to the internal factor and external factor as well.

- g) The Bank produces monthly and quarterly regular report on the Bank's performance as well as issues and risks, along with their handling, which are submitted to BOD and BOC.
2. Control of Compliance with Regulations and Legislations
- a) The commitment of the Bank's management and employees to comply with the regulations issued by the Regulator while running the Bank's business and operational activities.
- b) The Bank has a Compliance Division which is not involved in any businesses or operational activities. This division supports the Bank's compliance to the prevailing regulations.
- c) The Regulatory Requirement Self-Assessment (RRSA) by Work Units and assurance process on RRSA conducted by the Compliance Division, in order to give an assurance to the Bank's management on compliance with the prevailing regulations.
- d) The monitoring conducted among others by the Quality Assurance unit, Operation Monitoring unit and Internal Audit unit.
3. Financial Control
- a) The Bank has strategies stipulated in the Bank's Business Plan, for both short-term and long-term achievement.
- b) The Business Plan made by considering the Bank's capital ability, not merely to support its business growth, but also to strengthen an effective control, including:
- The segregation of duties and responsibilities supported by prominent system and human resources.
  - The formation of Control Unit and Quality Assurance which supervise the process of each related work unit.
  - Risk Management Work Unit, Compliance Division and Internal Audit which are independent from any businesses and operational activities.
  - Information system and communication channel which observe the information security principle protected by an excellent encryption system protection and employee education for data and information security.

### Alignment with COSO International System and Regulations

In designing the Internal Control System, the Bank uses several references, including the regulations issued by the Regulator and Committee of Sponsoring Organizations of the Treadway Commission (COSO), with the aim to ensure:

- a) The Bank's compliance with the prevailing rules and regulations.
- b) Availability of correct, complete and timely financial information and management.
- c) Efficiency and effectiveness of the Bank's business activities.
- d) Improvement of the risk culture effectiveness within the organization.

### Evaluation on the Effectiveness of Internal Control System in 2017

Management has submitted statements of internal control adequacy to the Board of Commissioners stating that the internal control and risk management throughout 2017 have been conducted adequately and effectively.

### SIGNIFICANT AND LEGAL CASES FACED BY THE COMPANY/SUBSIDIARIES/ BOD MEMBERS/BOC MEMBERS

Following is the data of legal cases faced by the Bank during 2017:

CASE	CIVIL	CRIMINAL
Resolved (final & binding)	24	0
Ongoing process	32	5
<b>TOTAL</b>	<b>56</b>	<b>5</b>

Civil case faced by the Bank in 2017 was due to:

1. Objection to the auction value of a collateral.
2. Debtor disputes between third parties who claim to be the original owner of the collateral in the Bank.
3. Objections to the Bank on calculation of Debtor's outstanding liabilities.

### Legal Cases Faced by the BOC and the BOD

Throughout 2017, there is no Important Case faced by the Bank involving the members of BOC and BOD.

### Case Facts/Lawsuit and Settlement Status

The followings are three civil cases with the biggest amount faced by the Bank until December 31, 2017:

No	Case Facts	Parties	Case Value	Settlement status
1	Lawsuit on cancellation of the Debtor's certificate issued by Indonesian National Land Office. The certificate was a guarantee on Debtor's loan in Bank OCBC NISP.	Plaintiff: S Bank as Defendant in intervention	54,500,000,000	On progress in High Court
2	Plaintiff as Debtor objected the Execution of Mortgage Auction at Yogyakarta Distric Court	Plaintiff: RKS Bank as Defendant	7,500,000,000	On judicial review
3	Debtor objected the Execution of Mortgage Auction proposed by the Bank	Plaintiff: AUHM Bank as Defendant	3,890,000,000	On cassation process

### Risk Faced by the Company on the Lawsuit

From all the important cases encountered by the Bank during 2017, there was no legal case that will give a negative impact on the financial condition and business continuity of the Bank.

### ADMINISTRATIVE SANCTION

In addition to the above activities, the monitoring is also conducted to administrative sanction imposed by the regulators. Most of the breaches are transactional, among others Head Office Reports of Commercial Banks (LKPBU), Commercial Bank Daily Report (LHBU), Centralized Trading Platform, Sharia Monetary Stability Report and Financial System (LSMK), Tax, National Blacklist (DHN), Commercial Bank Periodic Report (LBBU), and SID. In general, the violations are due to system error and human error factors that can be followed-up immediately.

### ACCESS OF INFORMATION

The Bank has provided various communication channels for all stakeholders to access the company data, such as company performance, corporate action, product and promotion, customer services, etc.

To obtain more detailed information about the Bank, all stakeholders may contact the following channels:

1. Customers may contact Call OCBC NISP (021) 1500-999 or email to [callcenter@ocbcnisp.com](mailto:callcenter@ocbcnisp.com).
2. Regulators may contact Corporate Secretary at [corporate.secretary@ocbcnisp.com](mailto:corporate.secretary@ocbcnisp.com).
3. Shareholders and investors may contact Investor Relations at [ir@ocbcnisp.com](mailto:ir@ocbcnisp.com).
4. Media and public may contact Corporate Communication at [corporate.communication@ocbcnisp.com](mailto:corporate.communication@ocbcnisp.com).

### Corporate Communication Activities

#### Website and Social Media

Along with the development in information technology, the Bank has also utilized various digital communication channels to relay information to the public in order to receive feedback or aspiration from various digital activities carried out by The Bank.

In regards to this, the Bank's official website [www.ocbcnisp.com](http://www.ocbcnisp.com) has provided various comprehensive and updated information on the many products and services that the Bank provides as well as other company information such as Annual Reports, Financial Statements, GCG Implementation Reports, Press Releases, and others. The information in the website is available both in Indonesian and English to facilitate the public in accessing the information according to their needs. The public can also make use of the website as a means to give feedback, ask questions or submit their complaints that will be followed up according to applicable terms.

In addition to website, the Bank also manages several digital communication platforms through its social media accounts such as:

- Facebook : Bank OCBC NISP
- Twitter : @bankocbcnisp
- Instagram : ocbc\_nisp
- Youtube : Bank OCBC NISP
- LinkedIn : Bank OCBC NISP

Through these digital communication media, the Bank, aside from increasing their brand awareness, also attempts to enhance its engagement with the Customers and non-Customers through the presentation of various information and programs or activities such as interactive quizzes, live chat, competitions and others.

Social media is also used as a means to provide financial education and various banking information, among others in the form of Market Update Series Videos that contain information on the latest update in the financial market and provide insight to the investors as well as beginners. The sources on this video are Investment Managers as partners' of Bank OCBC NISP.

Additionally, the Bank also regularly and optimally uses new features from various social media platform such as Facebook Live, in the form of a Live Chat that discusses various topics around banking products and services that can provide financial solutions for the Customers as well as non-Customers. The sources of the Live Chat work from the Bank internally, those who are deemed as experts in their related fields and according to the topics that are discussed. At the end of the session, the fans/Facebook followers can ask questions to be answered immediately by the sources.

Aside from providing general update information and banking education, all of the Bank's social media also function as customer service that can answer the questions or complaints of the Customers.



**Topic:** Market Reaction Ahead : Risk or Opportunity

**Interviewee:** Teddy Oetomo – Head of Intermediary Business – Schroder Investment Management Indonesia



**Topic:** Market Update Indonesia

**Interviewee:** Alihyadin Saugi – Director, Head of Equity PT BNP Paribas Investment Partners, Indonesia

**Mass Media**

The Bank realizes that mass media is a key communication channel for broadcasting important messages and information to the public. Therefore, the Bank constantly maintains good relations and builds cooperation in delivering corporate information on a regular basis. These activities are implemented consistently and continuously through an effective two-way communication.

As a public bank, the Bank actively invites mass media representatives through conferences, special interviews, one on one meeting and media visits. Accordingly, this mechanism ensures that the public constantly obtains of the Bank’s development information through balanced reviews on mass media. Throughout 2017, the Bank has published numerous activities, among others:

Month	No	Title	Date
January	1	OCBC NISP VOYAGE Credit Card - The First Metal Credit Card in Indonesia with Premium Concierge Service	19 January 2017
	2	Bank OCBC NISP to open Branch Office in Kupang	21 January 2017
February	3	Bank OCBC NISP Performance - Q4 2016	8 February 2017
March	4	Strategic Partnership Bank OCBC NISP & Mastercard	1 March 2017
	5	2017 AGMS Resolutions	30 March 2017

Month	No	Title	Date
April	6	Relocation of Krakatau Supporting Branch Office - Medan	13 April 2017
	7	One Wealth - Financial Bazaar & Market Outlook 2017	20 April 2017
	8	Launching of Tanda 360 Plus	25 April 2017
	9	Bank OCBC NISP Performance - Q1 2017	27 April 2017
May	10	Becoming Administrator Bank for Customer Fund Account	17 May 2017
	11	Launching of OCBC NISP Private Banking	22 May 2017
June	12	Team Leader OCBC NISP Private Banking	6 June 2017
	13	Mudik Asyik Syariah Bank OCBC NISP	19 June 2017
July	14	ABF Award 2017	18 July 2017
	15	Bank OCBC NISP Performance - Q2 2017	26 Juli 2017
August	16	Launching of Poin Seru 2017	2 August 2017
	17	Bank OCBC NISP Issued Bonds of Rp2 trillion	22 August 2017
	18	Relocation of Kartini Supporting Branch Office - Lampung	29 August 2017
October	19	Bank OCBC NISP Performance - Q3 2017	25 October 2017
	20	CSR - Providing Lighting for Girimukti Village	26 October 2017
November	21	AGMS 2017 Result	1 November 2017
December	22	Bank OCBC NISP was awarded “The Most Trusted Company” in Corporate Governance Perception Index Award	20 December 2017



**Great Eastern Life Gandeng OCBC NISP Rilis Produk Asuransi**

PERUSAHAAN asuransi kelas ternama Life Indonesia menggandeng Bank OCBC NISP dalam meluncurkan produk asuransi baru melalui Legay Pratista. Dengan produk ini, nasabah bisa lebih mudah membeli asuransi jiwa, kesehatan, dan tabung pensiun di Jepang.

Presiden Direktur Great Eastern Life Indonesia, Dennis Lee mengatakan dengan bermitra dengan OCBC NISP, Legay Pratista memiliki keunggulan yaitu pembayarannya berkompromisi sebesar hingga sampai 2,5% per tahun. Dan untuk asuransi yang biaya dibayar ke ganti dia sempitnya.

"Jadi memang syarat bisa memenuhi produk untuk asuransi, bahkan 200-nya. Artinya, kemampuan bayar individu-brokers menjadi penentuan karena hingga 2,5% per tahun itu) gratis (dengan dengan nilai minimal 100-100) itu, ini diberikan secara langsung, tidak ada asuransi jiwa, tetapi ada tidak, asuransi jiwa yang dibayar (teranginya (Huzli))



**PRIVATE BANKING OCBC NISP Targetkan 100 Nasabah**

OCBC NISP — PT Bank OCBC NISP Tbk berfokus pada layanan private banking yang akan mencapai 100 nasabah per tahun. Parwati Suryandari, Presiden Direktur OCBC NISP Tbk, mengatakan bahwa bank akan meluncurkan layanan private banking yang akan mencapai 100 nasabah per tahun. Parwati Suryandari mengatakan bahwa bank akan meluncurkan layanan private banking yang akan mencapai 100 nasabah per tahun.

**OCBC NISP Incar Nasabah Super Kaya**

OCBC NISP Private Banking meluncurkan layanan private banking yang akan mencapai 100 nasabah per tahun. Parwati Suryandari, Presiden Direktur OCBC NISP Tbk, mengatakan bahwa bank akan meluncurkan layanan private banking yang akan mencapai 100 nasabah per tahun.

**OCBC NISP Cetak Laba Rp1,1 Triliun**

OCBC NISP Private Banking mencatat laba bersih sebesar Rp1,1 triliun pada periode tertentu. Parwati Suryandari, Presiden Direktur OCBC NISP Tbk, mengatakan bahwa bank akan meluncurkan layanan private banking yang akan mencapai 100 nasabah per tahun.

**OCBC NISP Targetkan 100 Nasabah**

OCBC NISP Private Banking meluncurkan layanan private banking yang akan mencapai 100 nasabah per tahun. Parwati Suryandari, Presiden Direktur OCBC NISP Tbk, mengatakan bahwa bank akan meluncurkan layanan private banking yang akan mencapai 100 nasabah per tahun.

## INVESTOR RELATIONS

In order to deliver relevant and reliable information for the investors and shareholders, the Bank actively engages all stakeholders in various discussions and information sharing sessions regularly, especially information related to company performance and prospects. These activities are carried out through various means and communication channels, including formal meetings in groups or individually, conference calls and as well as through the publication of annual and quarterly financial statements, disclosure of information and highlighted events, as well as press releases, and website updates on regular basis.

During 2017, the Investor Relations Unit has conducted 17 meetings with analysts.

## CODE OF CONDUCT (G4-56)

The Bank has committed to constantly implement GCG principles within the Bank one of which by upholding the Bank's Code of Conduct containing basic rules which serves as behavior guidelines for all employees, including BOD and BOC.

### Main Content of Code of Conduct

The main content of Bank OCBC NISP Code of Conduct is:

1. We comply with laws and regulations.
2. We avoid conflicts of interest.
3. We maintain the confidentiality of customers and Bank data and information.
4. We do Recording and Reporting correctly.
5. We reject Money Laundering and Financing of Terrorism.
6. We should not conduct "Insider Trading".
7. We may not accept gifts.

### Statement that the Code of Conduct is Applicable at All Levels Within the Organization

The Code of Conduct applied within the Bank shall be complied by all employees, including members of BOD and BOC of the Bank. The company management adheres to the rules which are based on the prevailing law, moral, and ethics.

### Dissemination of Code of Conducts

In order to deliver a strong comprehension and compliance to the Code of Conduct, the Bank strives to disseminate the Code of Conduct through various internal media, such as internal website, ON Us internal magazine and e-learning. Specifically for The code of conduct socialization through e-learning method, all employees are required to give their statement that the concerned has read, acknowledged and promised to comply with the Bank's Code of Conduct contents. In an attempt to uphold it, the Bank determines and regulates the Code of Conduct in Collective Labor Agreement and Sanction Policy.

## Sanction for Each Type of Violation

In the event of code of conduct violation carried out by employees, the Bank may impose minimum sanction in the form of Second Warning Letter with due observance of their mistakes and the reputational and material losses. The sanction imposed on the subject of code of conduct violation along with the responsible parties will be decided based on Disciplinary Committee or Human Capital Committee.

## Total Code of Conduct Violations and Sanctions Imposed in 2017

In 2017, the Bank recorded three cases of Code of Conduct violation. Each sanction imposed was in the form of warning letter.

## BUYBACK SHARES AND/OR BUYBACK BONDS

In 2017, the Bank did not carry out any share or bond buyback transaction.

## RATIO OF HIGHEST AND LOWEST SALARIES

Salary is considered as benefits in the form of money given by the Bank to its employees which is based on their work contracts, agreement or regulations, inclusive of allowances accorded to employees and their dependents. The following details are the ratio of the highest and lowest salaries within Bank OCBC NISP in 2017:

Description	Ratio of the Highest and Lowest
Employees	88.0
Directors	2.1
Commissioners	4.4
Ratio of the Highest Directors' and The Highest Employees' Salaries	2.5

## PROVISION OF FUNDS FOR RELATED PARTY AND PROVISION OF LARGE EXPOSURES

In order to implement fund provision for the related party, the Bank has formulated a policy setting in the form of rules and procedures as part of the prudential banking principle. The policy is always updated to aligned with the applicable laws and regulations.

The BOC takes role on monitoring to ensure that fund provision for related party has been aligned with the applicable laws and regulations.

In 2017, fund provision for related party and large exposure has been implemented according to the applicable laws and regulations and there was no overrun and/or violation of the fund provision, both for unrelated and related party.

No.	Exposures of funds	Amount	
		Debtors	Total In million Rp
1.	To related parties	313	1,765,721
2.	To main debtors		
	a. Individual	2	3,851,121
	b. Group	23	56,314,698

## STRATEGIC PLAN OF THE BANK

In order to keep up with the times, The Bank continues to tailor its brand essence to stay relevant with the business and Customers' needs. The Bank's future Brand Essence is "Mutual Growth Driven by Knowledge" - sharing the knowledge for growing together", which means that the Bank needs to have the capability to deliver a correct solution to be able to grow with the Customers.

The values contained within the Bank's brand is Simple, Modern & Progressive and Duty of Care. Such values will become the Bank's foundation to work and interact with the Customers. This is stated in the Bank's Brand Line which is Bank OCBC NISP – With You. More than just a tagline, "With You" is interpreted as The Bank's commitment to simultaneously grow together side by side with its Customers as well as being a reliable partner for them.

### Short Term Plan

The management has formulated strategic moves that will be taken by the Bank in order to achieve their vision and mission, among others:

1. Strengthening the Bank's business model.
2. Optimizing synergy with OCBC Group through strategic collaboration and sharing best practices.
3. Continuing transformation in the field of Network, IT & Operations, Integrated Customer Touchpoints, Analytics and Services.
4. Strengthening new brand platform and aligning the internal and external communications.
5. Effectively executing the three lines of defense.
6. Implementing digital strategy to face a rapid growth of financial technology.

### Medium and Long-Term Plan

The Bank has set medium and long term strategic moves (3 to 5 years) with the following details:

1. The Bank will endeavor to increase the loan disbursement with due observance of the direction of credit growth and maintain non-performing loan ratio in accordance with the regulations.
2. The Bank will constantly support the loan disbursement to strategic economic sectors, such as the maritime, food, business world and tourism sectors as well as infrastructure which includes technology.

3. The Bank will continue to collect funds by keeping the focus on products with low interest rate in order for the expected funding structure to be better and the cost will be more efficient.
4. The Bank will increase the contribution of fee-based income, aside from intensifying product bundling and cross selling, the Bank OCBC NISP will roll out various products, services, and current features tailored to the customers' needs that include building/increasing capability in private banking.
5. The Bank will improve efficiency and productivity, among others through daily operational cost control, end-to-end improvement process in the form of Quality Project as well as increasing productivity of office and ATM networks.

## ANTI-CORRUPTION POLICY

In order to prevent corruption, the Bank has had several policies, among others:

1. Activities of Anti-Money Laundering and Combating the Financing of Terrorism.
2. Gratification Policy.
3. Procurement of Products and Services Policy.
4. Whistleblowing System Policy.
5. Anti Fraud Policy.

### Activities Related to Implementation of Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT)

The Bank is committed to run the Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT) program to mitigate the various risks that might arise such as, among others, legal risk, reputational risk, operational risk and compliance risk.

Implementation of AML-CFT program is based on the regulations issued by the Government and the Banking Supervisory Authority such as FSA (previously Bank Indonesia) and the Center for Financial Transaction Reporting and Analysis (PPATK). The regulations are the Legislation on Prevention and Eradication of Money Laundering Crime, Financing of Terrorism Crime, BI Regulation, BI Circular Letter AML-CFT, and PPATK Regulation.

In early 2017, Financial Services Authority issued Regulation Number 12/POJK.01/2017 on Implementation of Anti-Money Laundering and Terrorist Financing Prevention in Financial Services Sector. In order to implement this new regulation, the Bank promotes a risk based approach implementation in accordance with the prevailing local regulations as well as international standards as recommended by The Financial Action Task Force on Money Laundering (FATF).

The development of products, activities, and information technology used by the Bank is getting more complex. This may potentially increase the risk of the Bank being used as a means of Money Laundering and/or Terrorist Financing with various and advanced modus operandi.

The Bank has tailored the organization structure of Special Work Unit in accordance with the new FSA Regulation on AML-CFT as the Person in Charge of implementing AML-CFT program, AML-CFT at Head Office and Highly Complexity Branch Offices as well as Supervisor level Officer for Non-Highly Complexity. AML-CFT Division determined the branch offices with high business complexity based on criteria set forth by the prevailing regulations.

The increasing risk of AML-CFT faced by the Bank is balanced with the increasing quality of AML-CFT program implementation of the Bank which consists of:

1. Implementation of Governance Policy and Procedure;
2. Implementation of Risk Based AML-CFT;
3. Technology infrastructure & Information System;
4. Human Resources Training Program
5. Cooperation of the Money Laundering and Combating the Financing of Terrorism.
6. Reporting.

### Implementation of AML-CFT Program in 2017

The implementations of the Bank's AML-CFT program throughout 2017 are as follows:

1. Implementation of Governance Policy and Procedure  
The AML-CFT division regularly conducted periodic review on AML-CFT Policies and Procedures to ensure that the Bank's business activities were carried out in accordance with the development of AML-CFT regulations applicable locally and internationally.  
  
In 2017, in regards to the new FSA Regulation Number 12/POJK.01/2017 concerning the Implementation of Anti-Money Laundering and Combating the Financing of Terrorism Program in Financial Services sector, the Bank has updated the AML-CFT policy drawn up in accordance with the risk based approach and submitted it to FSA on September 15, 2017.  
  
In addition, several internal procedures of the Bank have also been reviewed to meet the new regulations and the Bank's business activities development, among others:
  - a. Procedure of Due Diligence on Private Banking Service;
  - b. Procedure of AML-CFT Screening;
  - c. Procedure of Identification of Cash Transaction & WIC;
  - d. Procedure of Due Diligence on Bank and Non-Bank Financial Institutions.
2. Implementation of Risk
  - a. Based AML-CFT Monitoring on Customers' Financial Transactions, in 2017, AML-CFT Division has implemented monitoring pattern on suspicious financial transactions by

determining transaction parameter, that resulted in the grouping of customers' suspicious transaction into High Risk, Medium Risk, and Low Risk red flag transactions. The analysis applied on each transaction risk category may vary according to the complexity of transactions and customers' profile in order to generate a more comprehensive and accurate review on the suspicious financial transactions.

#### b. Data Updating

The Bank automatically conducts data updating of customers based on the customers' risk profile set forth at initial business relationship. The AML-CFT provides a method of updating customers' data used by all branch offices. The monitoring and advisory function were also conducted to ensure that the obstacles faced by the branch offices were on process of updating data optimally in accordance with the commitment which has been submitted by the Bank to the regulators every year. The 2017 data updating program has had priority of customers' data updating as follows:

- High Risk Level of Customers.
- Customers' Transactions which deviate from profile of transactions or Customers.
- The Customers exposed by Red Flag Parameter.

Up to the end of December 2017, the Bank has followed up the updating data of customers that reached 100%, meeting the designated target. The updating data was conducted by several ways, among others:

- Conducted direct visit to Customers whose documents need to be updated.
- Reached the customers through telephone and notification by sms blast, ATM screen, and Internet Banking for coming to the branch offices or contact the Call Center.

#### 3. Infrastructure of AML-CFT Information Technology

The Technology of financial services industry that is getting more complex in terms of products, services, and the use of information technology is followed up by AML-CFT Division through the improvement of quality of the Bank's AML-CFT infrastructure, consisting of customers' information technology, financial transaction monitoring system, screening and database application as well as management information system.

In 2017, the AML-CFT Division has made AML-CFT Centrix Platform which is aimed at integrating database of AML-CFT implementation program into one platform. The platform making was divided into three phases which commenced in 2017 and would last until 2020. The benefits gotten were the provision of an accurate and more integrated data quality, simplification of work process, and acceleration of data management process for the interest of information management for relevant parties, mainly the regulators and law enforcement officials.

**4. Human Resources Training Program**

The training and quality improvement of human resources were conducted on a regular basis and tiered with regards to the training program established by AML-CFT Division and HC Learning & Development Division. The training aimed at enhancing prudential banking principle to all employees of the Bank on the AML-CFT risk and delivering the updated information on latest mode and typology of money laundering and terrorist financing.

The material includes:

- a. Introduction of AML-CFT.
- b. The process of CDD and EDD.
- c. Determination of High Risk Area.
- d. Walk-In Customer and Beneficial Owner.
- e. Analysis of Customer Financial Transactions.
- f. AML-CFT Sanction Implementation.
- g. Implementation of International Taxation Regulation (FATCA and CRS).

The Bank implemented training programs such as New Employee Orientation as well as training for existing employees. Employees who have recently joined must attend AML-CFT training and testing through e-learning program as part of the requirements to be permanent employees. As for existing employees, trainings were scheduled every two years starting from the first training and testing of AML-CFT through e-learning.

In order to improve the AML-CFT knowledge and understanding of the frontliners and business work unit at the Branch Office, The AML-CFT Division teamed up with Operation Services Division to conduct socialization through face-to-face methods in class. Socializations done throughout 2017 took place at the branch offices in several provinces in Indonesia. The socialization material was focused on the provision of risk mitigation that needs to be done by work units, on AML-CFT cases that occurs in the branch office. The AML-CFT Training Program was also included in the special program or classes organized by HC Learning and Development Division, among others Banking Academy, Management Associate, and Workshop Frontliners.

**5. Cooperation of Money Laundering Prevention**

In order to support the government's program in preventing and combating money laundering and terrorist financing, the Bank has teamed up with the banking regulators (Financial Services Authority and Indonesian Financial Transaction Reports and Analysis Center) and law enforcement officials (Indonesian National Police, the Corruption Eradication Commission (KPK), the National Narcotics Agency (BNN), and the Indonesian Judiciary).

The scope of the cooperation was supporting the need for information and data that indicated the incidences of money laundering or terrorist financing that is being examined by law enforcement officials.

The Bank was also actively involved in activities held by the regulators or law enforcement officials such as seminar, workshop, focus group discussion with the topic of implementation and current development around the regime of anti money laundering or Combating the Financing of Terrorism.

**6. Reporting**

The Bank has the obligation set by the Law to conduct reporting to the Indonesian Financial Transaction Reports and Analysis Center (PPATK). The reporting obligations include Cash Transaction Reports (LTKT), Suspicious Transaction Reports (LTKM), International Fund Transfer Instructions, and Integrated Customer Data Reports (SIPESAT).

The report was submitted periodically in accordance with the deadline that has been set for each type of report. For the reporting period as of December 2017, the Bank OCBC NISP has conducted the reporting obligations consistently, continuously and there were no sanctions nor penalties imposed in regards to the entire reporting obligations.

**POLICY OF GOODS AND/OR SERVICES PROCUREMENT WITHIN THE BANK**

All management activities on the procurement process of goods and/or services within the Bank are constantly based on the User and corporate needs with a national distribution scale. In order to achieve a proper coordination in implementing procurement of goods and/or services, the Bank has several policies as guidance for the related parties, among others:

- 1. Policy of Goods and/or Services Procurement.
- 2. Procedure of Planning and Goods and/or Services Procurement Budget Making.
- 3. Procedure of Vendor Management.

In conducting its operation/business, the Bank does not completely use the internal resources. The Bank capitalizes on the vendors' services in relation to the procurement of office stationaries, information technology, consultant services, security recruitment services, office boy, etc, meanwhile the Bank does not use the external vendors' services to run its main business. **(G4-12)**

**Competition and Vendor Selection Process**

The Unit Central Procurement Function which manages the procurement up to the Fulfillment of Goods and/or Services at Bank OCBC NISP conducts process of competition transparently and avoiding conflict of interests. 4 (four) main pillars focused on vendor selection process are including Quality-Service-Delivery-Price aspects. In order to obtain vendors with good quality, the vendors will be invited to join the selection process prioritized on vendors with equal qualifications of one type of industry, having the finest quality of products/services in their fields, having experience and reputation in their fields, having a wide range of services and distribution, competitive price, a business entity with business license in accordance with the prevailing provisions.

### Risk Controlling (G4-14)

One of the risk controlling efforts to goods and/or services procurement process, the Central Procurement Unit engages the related work units at Bank OCBC NISP such as Legal, Risk, Corporate Communication, Finance & Control in accordance with the needs. In order to ensure the rights and obligations of all parties in cooperation process with time period, the Vendors and the Bank enter into agreement which contains the key aspects as the basis of all parties to conduct the fulfillment of goods and/or services at Bank OCBC NISP.

### Supervision

To implement control function in operational process, Central Procurement Function Unit divides its Work Team into four different functions but connected to each other in implementation of goods and/or services procurement process, which are Vendor Management-Purchasing-Monitoring & Acceptance.

Meanwhile, to ensure the supervision function in Central Procurement Unit runs well, there is one independent function established whose task specially to ensure that the risk factor is thoroughly controlled: Quality Assurance & Development.

In an attempt to minimize the operational risk and work effectiveness, therefore:

1. Authority management for officials who receive delegation in important functions is done.
2. The Planning and Budget proposed on goods and/or services procurement request are documented on the integrated system so the process of procurement up to payment can be monitored.
3. The supervision on cooperation with vendors is conducted by a function separate from the operator of operational procurement.
4. Development of work supporting system is also aligned with the control on User Access from all operators of operational procurement.
5. Evaluation on the Vendor's performance to meet the Bank's needs is conducted consistently for inputs in future selection process.

### Quality Improvement of Vendors throughout 2017, among others:

1. The need and quality specification of goods expected by Bank OCBC NISP is communicated to vendor at Pre-Qualification in order to receive an effective offering that meets the Bank's needs.
2. Prior to the selection result of the Tender winner, the Vendor Management Team ensures the work quality of vendor by conducting on-site visit to the work location of vendor, assessing the company's capacity and reputation, legality, organization structure composition (applied for service companies), supporting equipment, production quality, expertise and others.

3. Particularly for goods as the gifts which represent the Corporate Branding to the Bank's promotional activities as well as product gifts for the customers, and printed material which represents the Corporate Branding to the Bank's promotion, accordingly the Monitoring & Acceptance Team would conduct Quality Control process at least twice (at initial production phase to ensure that the gift quality has met the set specification, and at packaging stage prior to goods distribution process).
4. Conducting assessment on vendor performance after the procurement of product gift project completed so as can be a consideration for the next projects.

### GRATIFICATION POLICY

The Bank realizes that assertive attitudes on gratification by Officers and Employees of the Bank and/or their nuclear families are important in carrying out the business in accordance with the CG principles. Therefore, the Bank issues a policy of the Gratification Management that has been aligned with the Code of Conduct and the Bank's applicable values.

The Gratification Management Policy stipulated by the Bank consists of the following:

1. All Officers/Employees of the Bank and/or their nuclear families are not allowed to accept or demand gifts or souvenirs and/or other types of presents from External Parties, directly or indirectly.
2. All Officers/Employees of the Bank and/or their nuclear families are required to refuse or return the gifts or souvenirs and/or other types of presents from External Parties politely and accompanied by an explanation of the Policy to the External Parties.
3. All Officers/Employees of the Bank are required to openly declare and hand over all Gifts and/or Presents from External Parties to the Bank specifically gifts that can not be returned.

By applying the Policy of Gratification Management within the Bank, all employees and/or their nuclear families are expected to constantly notice the prevailing bank governance principles in order to maintain a harmonious work relationship among all parties.

### WHISTLEBLOWING SYSTEM

Whistleblowing is a means to report abuses of authority, acts of fraud or employee violations of the Bank's code of conduct which may cause potential losses for the Bank. The Bank has developed a whistleblowing program in order to make employees feel safe and unafraid to report abuses on authorities, frauds or violations on code of conducts performed by employees from the lowest to the highest level.

### Submission of Abuse Report

- a. The employees are able to report by:
  - Verbal or written report
    - The report is submitted to the appointed officer which are Head of Internal Audit Division or Head of Human Capital Services Division or Fraud Handling Team. The reporting by email can be sent to each email of such officers of the Bank or to the following email: whistleblowing@ocbcnisp.com.
    - The whistleblower may submit a report to the President Director or President Commissioner if the whistleblower feels uncomfortable to report to the appointed officers.
- b. The Customers or External Parties may submit their reports through the nearest Branch Offices, Call Center or official website of the Bank at www.ocbcnisp.com.

### Protection for Whistleblower

In order to protect the informer from dismissal, demotion, isolation, harassment, threat, discrimination, or unfair actions due to the report therefore, the Bank's Management has appointed whistleblowing protection officer the informer won't get those disservice.

### Handling Complaints

- a. Fraud Handling Team, to investigate all complaint reports.
- b. Human Capital Services, to assign whistleblowing protection officer to protect the informer.
- c. Discipliner Committee, to give sanction to the guilty doer.
- d. Operational Risk Management, to file the investigation reports received from Fraud Handling Team (without mentioning the informer's identity) and preparing control improvement steps or mitigation.

### Complaints Management

- a. Investigation  
All complaints received will be investigated. The investigation process conducted by independent working unit namely Fraud Handling Team.
- b. Reporting  
Whistleblowing statistic report is presented in Fraud and Risk Monitoring Committee (with Board of Commissioners as the member). For whistleblowing report with significant impact will be reported to the President Director.
- c. Sanction  
The Bank's Management give strict sanction to the guilty employees. The sanction will be given by Discipliner Committee.

### Number of Incoming and Processed Complaints

In 2017 there were 4 whistleblowing reports on authority misapplications or violation on code of conduct which indicated as fraud, as stated on table below:

Whistleblowing (WB) Status Report	2017
<b>Total Whistleblowing (WB) Report Received</b>	<b>4</b>
a. Total WB report from internal source	2
b. Total WB report from external source	2
c. Total WB report which already being investigated	3
d. Total WB report which on the process of investigation	1
e. Total WB report which including complaints	0
f. Total WB report which including violations	4

### Sanction or Follow-up on Complaints Solved in 2017

From 3 complaint reports that have been investigated and the offender was found guilty. the Discipliner Committee has given sanction as warning letter and working dismissal to the offenders according to their respective engagement.

### INTERNAL FRAUD

Internal fraud is an offense or omission deliberately done to deceive, defraud or manipulate the Bank, customers or other parties, which occurred within the Bank and/or using the Bank's facilities that causes the Bank, its customers or other parties to suffer losses and/or provide financial benefit for the perpetrators, both directly or indirectly, that is done by the Bank's employee.

The Bank's Management implements anti fraud strategy which consists of four main pillars:

- 1. Prevention**  
A prevention action for minimizing the chance of fraud, among others:
  - a. Conduct dissemination of anti fraud awareness.
  - b. Conduct improvement on identified control weakness.
  - c. Implement Know Your Employee (KYE).

Communication and Training on Anti-Corruption Policies and Procedures*	2017	
	Number of Participants	Percentage of Total
Communication on Anti-Corruption Policies and Procedures at the highest organ of the company**	17	100%
Communication of Anti-Corruption Policies and Procedures to Employees***	6,477	100%
Anti-Corruption Training for the BOD and BOC	0	0%
Anti-Corruption Training for the employees****	6,330	97.73%

\* Anti-Corruption including: AML-CFT and Anti-Fraud Campaign

\*\* Communication of fraud policies and procedures conducted through Committees meeting related to risk

\*\*\* Communication of fraud policies and procedures to employees made through the Bank's internal web publication that can be accessed by all employees.

\*\*\*\* Training on Fraud Awareness and Risk both through classroom or e-Learning

## 2. Detection

Detection is conducted to minimize the impact that possibly occurs as early as possible on the fraud activities, among others:

- Whistleblowing program to encourage the employee to report when they know or suspect a fraud.
- Continuous and regular reconciliation process and audit process.
- Monitoring of suspicious transaction or surveillance.
- Monitoring of work process on employees who conduct block leave.

## 3. Investigation, reporting & sanction, among others by:

- Investigation of fraud conducted by an independent officer.
- Reporting of fraud to Fraud Committee and Risk Monitoring Committee (with BOC as members).
- Reporting to Regulators.
- Sanction imposed on the perpetrators or the involved parties.

## 4. Monitoring, Evaluation & Follow-Up

Monitoring on follow-up of fraud handling and improvement development is monitored by Fraud Committee and tracked by Internal Audit.

In 2017, there was one internal fraud conducted by the employee the loss exposure of more than Rp100,000,000 (one hundred million Rupiah).

Internal Fraud within 1 year	2017		
	Number of Cases Conducted by		
	Management	Permanent employee	Non-Permanent Employee
Total Fraud	0	1	0
Settled	0	0	0
Internal Settlement process	0	0	0
No submission for settlement	0	0	0
Followed-up through legal process	0	1	0

## BAD CORPORATE GOVERNANCE PRACTICE

Throughout 2017, there was no activity or indication towards a bad corporate governance practice within the Bank which may affect the GCG implementation system, leading to reputation risk or other risks for the Bank in the future. In light of this, in 2017, the Bank did not perform any action or establish policy related to the bad corporate governance as shown by the below table:

No.	Description	Practice
1.	Indication of environmental pollution performed by the company	None
2.	Significant cases faced by the company, subsidiaries, members of BOD and/or BOC who are currently at their service are not disclosed	None
3.	Disobedience in meeting the taxation obligations	None
4.	Incompatibility of presentation of annual report and financial statement with the prevailing rules and Financial Accounting Standards	None
5.	Cases related to labors and employees	None
6.	No disclosure of operational segments in public company	None
7.	Incompatibility between hard copy and soft copy of Annual Report	None

## IMPLEMENTATION OF CORPORATE GOVERNANCE GUIDELINE FOR PUBLIC COMPANIES

As a banking institution which complies with the law and applicable regulations, the Bank discloses the information as referred to in the FSA Regulation Number 21/POJK.04/2015 dated November 16, 2015 on Implementation of Governance Guidelines for Publicly Listed Companies. In relation to that, the Bank has conducted various activities in order to meet the recommendation as described in the following table:

No.	Recommendation	Description
<b>Aspect 1. Relationship Between Public Company and Stakeholders in Guaranteeing Their Rights</b>		
<b>Principle 1. Enhance GMS Value</b>		
1.1	Public Company has voting procedure either publicly or confidentially which promotes independence and interest of stakeholders.	<b>Complied.</b> The Bank has an open voting system done through the raising of hands following the selected option offered by the chairman of the GMS that prioritizes the independence and interests of the shareholders as stated in the Rules of GMS which being read in the AGM and available at website <a href="http://www.ocbcnisp.com">www.ocbcnisp.com</a> before the AGM.
1.2.	All members of BOD and BOC in Public Company attend in Annual GMS.	<b>Complied.</b> All members of the Board of Directors and 4 (four) members of the Board of Commissioners have attended the 2017 Annual GMS and have fulfilled the objectives of the recommendations namely to observe, explain and answer directly the issues/questions raised by the shareholders related to the agenda of the GMS.
1.3	GMS Summary is available in the company's website for at least one year.	<b>Complied.</b> The summary of GMS Conclusion for the 3 (three) consecutive years can be obtained on the website at <a href="http://www.ocbcnisp.com">www.ocbcnisp.com</a> .
<b>Principle 2. Improve Communication Quality with Stakeholders or Investors</b>		
2.1	Public Company has communication policies with stakeholders or investors.	<b>Complied.</b> The Bank has already had a Policy on Information Disclosure and Performance Report to the Investors and Analysts since 2015. Communication with shareholders and investors is conducted through the implementation of GMS, Public Expose, Analyst Meeting, and distribution of financial performance on regular basis.
2.2	Public Company discloses communication policies with stakeholders or investors on website.	<b>Complied.</b> The Policy on Information Disclosure and Performance Report for the Investors can be obtained at the website <a href="http://www.ocbcnisp.com">www.ocbcnisp.com</a> .
<b>Aspect 2: BOC Functions and Roles</b>		
<b>Principle 3: Strengthen Members and Composition</b>		
3.1	Determining the number of BOC members considering the company's condition.	<b>Complied.</b> The Bank has 8 (eight) members of the Board of Commissioners, with the 5 (five) members as Independent Commissioners by considering the need, condition, and company capability.
3.2	Determining the composition of BOC members that paid attention on various skills, knowledge, and experiences.	<b>Complied.</b> The Bank's Board of Commissioners have the skills, knowledge and experience as shown in the Board of Commissioners Profiles on page 40-41 to support company development.
<b>Principle 4: Improve Quality of Tasks and Roles</b>		
4.1	BOC has self-assessment policy for its performance.	<b>Complied.</b> The Bank has self assessment policy to assess the performance of the Board of Commissioners.
4.2.	The self-assessment policy was disclosed through the Annual Report.	<b>Complied.</b> The self-assessment policy was disclosed through the Annual Report on page 118.
4.3	BOC has policies relating to the resignation of BOC members if they are involved in financial crimes.	<b>Complied.</b> The Guidelines and Code of Conduct of the Board of Commissioners require that any member of the Board has never been convicted of a crime or sentenced under the criminal law that harms public finance and/or related to the financial sector within a period of 5 (five) years prior to the appointment and while serving in the office. Thus, if any member of the Board of Commissioners are involved in a financial crime, then it is deemed as a failure in criteria and the member must resign.  The policy related to the resignation of the Board of Commissioners were regulated on the Bank's article of association and on Board of Commissioners' Charter.
4.4	BOC or Committee that conducted Nomination and Remuneration function compiled policies on the succession of BOD members nomination.	<b>Complied.</b> The Remuneration and Nomination Committee has implemented Talent and Successor identification process including for the position of BOD members.

No.	Recommendation	Description
<b>Aspect 3: BOD Functions and Roles</b>		
<b>Principle 5: Strengthen Members and Composition of BOD</b>		
5.1	Determining number of BOD members that considered the company's condition and effectiveness in decision making.	<b>Complied.</b> Currently the Bank has 10 (ten) members of BOD.
5.2	Determining the composition of BOD members that paid attention on various skills, knowledge, and experiences.	<b>Complied.</b> The Bank's Board of Directors have the skills, knowledge and experience as shown in the Board of Directors Profiles on page 43-45.
5.3	BOD members who are in charge of accounting or financial have expertise and/or knowledge in accounting.	<b>Complied.</b> Please refer to the Profile of the Directors on page 44 in this Integrated Annual Report.
<b>Principle 6: Improve Quality of BOD Task and Roles</b>		
6.1	BOD has self-assessment policy for its performance.	<b>Complied.</b> The Bank has a GCG guideline that regulates the Directors' performance assessment by means of completing the GCG Self Assessment paper for the Directors' duties and responsibilities assessment.  In addition, the Bank also assesses the Directors' performance based on Balance Score Card collegially and individually.
6.2	The self-assessment policy was disclosed through Annual Report.	<b>Complied.</b> The policy is shown on page 125 in this Integrated Annual Report.
6.3	BOD has policies relating to the resignation of BOD members if involved in financial crimes.	<b>The Board of Directors' Guidelines and Code of Conduct</b> The Guidelines and Code of Conduct of the Board of Directors require that any member of the Board has never been convicted of a crime or sentenced under criminal law that harms public finance and/or related to the financial sector within a period of 5 (five) years prior to the appointment and while serving in the office. Thus, if any member of the Board of Directors are involved in a financial crime, then it is deemed as a failure in criteria and the member must resign.
<b>Aspect 4: Stakeholder Participation</b>		
<b>Principle 7: Enhance the Aspects of Good Corporate Governance through Stakeholder Participation</b>		
7.1	Public Company has policy to prevent insider trading.	<b>Complied.</b> The Bank has a Code of Conduct prohibiting insider trading. The Bank also has an Information Wall policy that regulates confidential/for-limited-audience-only information flow (also referred to as "inside information") and to avoid any conflict of interest that might arise. The information obtained from the inside and known only by one party or more does not have to be disclosed to all parties in the organization (public).
7.2	Public Company has anti corruption and anti fraud policies.	<b>Complied.</b> The Bank has a Policy to Regulate Gratifications that includes anti corruption, Whistleblowing System Policy, and Anti Fraud Policy. It is also regulated in the Code of Conduct that prohibits gratifications and requires accurate and valid documentation and reporting.
7.3	Public Company has a policy regarding the selection and increase in ability of supplier or vendor.	<b>Complied.</b> The Bank has a Policy on vendor selection process through the implementation of transparency and principles of fairness. The Policy also regulates vendor performance evaluation that can be used as a means to make vendor improvements.
7.4	Public Company has a policy regarding the fulfillment of creditor rights.	<b>Complied.</b> The Bank has a GCG Policy/ Guidelines that also regulates the Bank's liabilities in order to protect and fulfill the creditors' rights. In addition, the creditors' rights are also included in the creditors' loan agreement.
7.5	Public Company has whistleblowing system policy,	<b>Complied.</b> The Bank has a policy on whistleblowing system that can be obtained on the website at <a href="http://www.ocbcnisp.com">www.ocbcnisp.com</a> .
7.6	Public Company has a policy related to long-term incentives to BOD and employees.	<b>Complied.</b> The Bank has a policy on Remuneration that includes, among others, granting long term benefits to the Directors and employees.
<b>Aspect 5: Information Disclosure</b>		
<b>Principle 8: Develop Information Disclosure</b>		
8.1	Public Company benefits information technology widely besides a website as a form of media in information disclosure.	<b>Complied.</b> The Bank has utilized information technology development as seen in the company's website <a href="http://www.ocbcnisp.com">www.ocbcnisp.com</a> and a number of social media accounts such as facebook, twitter, instagram and youtube.
8.2	The Annual Report discloses the beneficial owner in the final shareholding of Public Company by at least five percent, in addition to the disclosure of the final beneficial owner in the company's ownership through the main shareholder and the controller	<b>Complied.</b> The Bank has disclosed it in this Integrated Annual Report on page 47.

## SHARIA BUSINESS UNIT (SBU) CORPORATE GOVERNANCE REPORT

OCBC NISP Sharia Business Unit (SBU) considers the implementation of Good Corporate Governance (GCG) as one of elements to increase the trust and deliver satisfaction to all stakeholders with reference to the Sharia Principles based on Edicts of National Sharia Board - Indonesian Council of Ulama as well as GCG as referred to in Bank Indonesia Regulation.

In implementing the Corporate Governance, the Bank OCBC NISP SBU constantly upholds the commitment in favor of GCG implementation of Bank OCBC NISP in a holistic manner.

Currently the SBU of Bank OCBC NISP has had ten Sharia Branch Offices in Jakarta, Bandung, Surabaya, Semarang, Makassar, Medan, Balikpapan, Palembang, Pontianak and Batam. There are also 282 Channeling Offices spread across Greater Jakarta (Jakarta, Bogor, Tangerang, and Bekasi), Banten, West Java, Yogyakarta, Central Java, East Java, Bali, West Nusa Tenggara, North Sumatera, West Sumatera, South Sumatera, Jambi, Riau, Lampung, North Sulawesi, Souteast Sulawesi, South Sulawesi, East Kalimantan, West Kalimantan, and South Kalimantan.

The implementation of Corporate Governance at SBU of Bank OCBC NISP is conducted in accordance with the prevailing rules and regulations by referring to Indonesian Regulation Number 11/33/PBI/2009, dated December 7, 2009 on Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Unit, as well as Law Number 40 of 2007 dated August 16, 2007 on Limited Liability Companies with due observance of prevailing rules and regulations, sharia principles and prudential banking principle.

### Corporate Governance Principles

In its GCG implementation, SBU of Bank OCBC NISP always pays attention and applies the principles:

- Transparency: disclosure in delivering material and relevant information as well as disclosure in decision making process.
- Accountability: clarity and correctness of presenting information on the current management of the Bank effectively in accordance with the objective.
- Responsibility: the Bank's management is aligned with the prevailing rules and regulations and a sound SBU management principles.
- Professional: having competency, able to act objectively and free from influence/pressure of any party as well as having high commitment to develop sharia business.
- Fairness: fairness and equality in fulfilling the rights and interest of stakeholders based on the prevailing regulations.

In the GCG implementation, a Charter for SBU Director and Sharia Supervisory Board has been established.

### SBU Director

Based on the resolution of General Meeting of Shareholders dated April 3, 2013, the Bank has appointed SBU Director, Mr. Andrae Krishnawan W. as a person who is fully responsible on the Bank's SBU management based on prudential banking and Sharia principles.

#### Duties and Responsibilities of SBU Director, among others:

1. SBU Director is fully responsible for the management of business activities based on Sharia and the prudential banking principles.
2. Shall follow up the recommendations of the Sharia Supervisory Board.
3. Shall provide accurate, relevant and timely data and information about the Islamic principle to the Sharia Supervisory Board.
4. Shall follow up the audit findings and recommendations from the Internal Audit Unit of the Bank, External Auditor, results of Bank Indonesia/ Indonesia Financial Services Authority (FSA) supervision and/or the results of other authorities related to the business management based on Sharia principles.
5. In relation to the implementation of risk management, the SBU Director's authority and responsibility shall include:
  - a. Formulating policies and strategies for risk management in writing and comprehensive.
  - b. Responsibility in the implementation of risk management policies and risk exposure taken entirely by the Bank.
  - c. Evaluating and determining which transactions require approval from the Board of Directors.
  - d. Developing risk management culture at all levels of SBU organization.
  - e. Ensuring the enhancement of human resources competency in relation to the risk management.
  - f. Ensuring that the risk management function has operated independently.
  - g. Conducting regular review to ensure:
    - The accuracy of risk assessment methodologies.
    - The adequacy of risk management information system implementation.
    - The accuracy of policies, procedures and risk limits.

### Sharia Supervisory Board

The Sharia Supervisory Board (SSB) is a representative of National Sharia Board - Indonesian Council of Ulama which plays a role as SBU Bank controller so as all activities carried out are in accordance with the sharia principles.

The Bank's SBU has 2 (two) members of Sharia Supervisory Board:

1. Chairman : Muhammad Anwar Ibrahim
2. Member : Mohammad Bagus Teguh Perwira

## Duties and Responsibilities

The Sharia Supervisory Board performs their duties and responsibilities by providing advice and suggestions to the SBU's Director and by overseeing the activities of the SBU which are conducted based on Sharia principles, including:

1. Assessing and ensuring SBU products' compliance with Sharia Principles.
2. Overseeing the developmental stages of new SBU products from the beginning until the product is released.
3. Providing Sharia-related opinions on new products of SBU and/or restructured financing.
4. Requesting the National Sharia Board to issue an edict about a new SBU product where no decision on their sharia status has been made.
5. Regularly reviewing the sharia compliance status of fund collecting and channeling mechanisms, as well as the SBU's services.
6. Requesting data and information related to the sharia aspect of the SBU in order to support the board's duties.
7. Reporting its supervision results to the BOD, BOC, the National Sharia Board – the Indonesian Ulama Council (Majelis Ulama Indonesia) and Bank Indonesia in line with the prevailing regulations.

## Criteria and Independence

The composition, criteria and independence of the Sharia Supervisory Board (SSB) throughout 2017 has complied with the following Bank Indonesia regulations:

1. Board members must display integrity, which at least includes:
  - a. Good character and morals.
  - b. Committed to obey Sharia Banking's requirements and other existing regulations.
2. Committed in developing healthy and sustainable Sharia Banking.
3. Not included in fit and proper test list as regulated under FSA's fit and proper test requirements.
4. Board members must be a competent professional, and possess knowledge and experiences in the field of sharia mu'amalah in the Banking and/or financial sector in general.
5. Board members must have good financial reputation with:
  - a. Not included in Non Performing Loan.
  - b. Never having been declared bankrupt nor serving as a shareholder, a member of BOC, BOD and/or an executive of a company which was declared guilty and resulted in bankruptcy of the company and/or institutional, in the five years before their nomination as a member of the board.
6. Board members are not allowed to serve as SSB members in more than 4 (four) other sharia financial institutions. (BI Regulation Number 11/10/PBI/2009 on Sharia Business Unit, Chapter III, Article 11, Clause (3).

## SBU Terms of Office

No	SSB Name	Position	GMS Approval	Period
1	Muhammad Anwar Ibrahim	Chairman	30 March 2017	2017-2020
2	Mohammad Bagus Teguh Perwira	Member	30 March 2017	2017-2020

## SSB Internal Meeting

Sharia Supervisory Board Meeting must be held at least once in one month. Throughout 2017, the Board conducted fifteen meetings which were attended by each member of SSB, making the frequency of meetings attended by the Board during 2017 compliant with the applicable regulations.

## Outcomes and Important

Decisions of SSB Meetings from January 2017 until December 2017 were:

1. 20 March 2017 : "Notary Fee"
2. 11 April 2017 : "Review on Ujrah"
3. 12 June 2017 : "Reposessed Assets"

In addition, the SSB meeting also discussed about:

1. Financing Products:
  - a. Collateral File Management.
  - b. Changes in Ujrah.
  - c. Unnotariel Musyarakah Mutanaqisah Financing.
  - d. Distribution of Interest-Free Loan.
  - e. Reposessed Assets.
  - f. MMQ and Murahabah Offering Letter.
  - g. Top Up.
  - h. Developer Subsidy.
2. Third Party Fund Products:
  - a. Poin Tanda iB Wadiah.
  - b. Voucher.
  - c. Shared Accounts.
  - d. Shared Points.
  - e. Customer Account.
3. Treasury Products:
  - a. Inter-office Accounts.
  - b. Sharia Liquidity Management.

## 2017 SSB Monitoring Report

In the first semester of 2017, SSB reported:

1. Report on the implementation of compliance of the Bank's products and services to the provisions of the National Sharia Council – Indonesian Ulama Council (Majelis Ulama Indonesia):
  - a. Financing (Home Mortgage iB).
  - b. Third Party Funds: Tanda iB, iB Savings, Taka iB, iB Current Accounts, iB Deposit, Community Savings, Mudharabah iB Savings and Sempel iB Savings.

- c. Treasury activities (Government Sukuk and Fasbis).
  - d. Banking services (transfer, overbooking and Electronic Banking).
  - e. There were no new product activities in 2017.
2. Supervision on the SBU's activities was conducted by taking sample: 47 (forty-seven) samples of Mortgage iB financing, 726 (seven hundred twenty six) samples of Third Party Funds, 41 (forty one) samples of treasury transactions, and 512 (five hundred twelve) samples of Services given.
  3. There were no products and services conducted by the Bank which were not/have not yet regulated in edict of National Sharia Board - Indonesian Council of Ulama. There were no activities conducted by the Bank which have not/were not complied with the Bank's SOP.

Supervisory report of SSB 2<sup>nd</sup> semester period of 2017 will be submitted on the third week on February 2018.

#### SSB Remuneration

The supervisory report of SSB for the second semester of 2017 will be submitted in the third week of February 2019. The formulation of the remuneration generated through recommendation from the Nomination and Remuneration Committee which was subsequently submitted to the BOC. The remuneration package for the Sharia Supervisory Board on December 31, 2017 was:

Type of Remuneration and other facilities	Sharia Supervisory Board (SSB)	
	Person	Amount (In Million Rp)
Remuneration (Salary, bonus, other routine allowances and other facilities).	2	840
Other facilities (housing, transportation, insurance, health, etc):	-	-
a. Could be owned.		
b. Could not be owned.		
Total	2	840

#### List of Sharia Business Unit Consultants

In 2017, Sharia Business Unit (SBU) did not hire any consultant to support its activities.

#### Distribution of Interest-Free Loans for Social Activities

In 2017, SBU of Bank OCBC NISP has distributed the interest-free loans for social activities amounted to Rp512,373,936 (five hundred twelve million three hundred and seventy-three thousand nine hundred thirty six Rupiah) whose source of funds came from the Bank's SBU. The distribution of the interest-rate free loans was conducted through several social activities including:

- Various activities during Ramadhan.
- Mass circumcision at Istiqomah Mosque.
- CSR Mudik bareng event 2017 (Ramadhan activity).
- Zakat Indonesia Festival.
- Takmir of Muhammadiyah Mosque - Semarang.
- ASBISINDO PEDULI Activities.
- Dompot Peduli Daarut Tauhid - Batam.
- Participated in Superqurban program - Rumah Zakat Foundation.

#### Non-Halal Incomes and Uses

In conducting Bank OCBC NISP's SBU activities until December 31, 2017, no activities of the SBU had generated non-halal incomes.

#### SBU's Financial and Non- Financial Transparency

The Bank OCBC NISP's SBU presented and announced its quarterly financial reports through publications on national newspapers and submitted to Bank Indonesia.

- a. Self-Assessment  
In 2017, Bank OCBC NISP's SBU carried out GCG self-assessment by referring to the Bank Indonesia's GCG requirements for Sharia banks and Sharia Business Units, regulated under PBI No. 11/33/PBI/2009 on December 7, 2009 and SEBI No. 12/13/DPbS on April 30, 2010.

The self-assessment activities include ranking of assessments on GCG implementation by Bank OCBC NISP's SBU which referred to the comparing of GCG implementation with the minimum criteria set by Bank Indonesia.

The assessment on GCG implementation for Bank OCBC NISP's SBU were carried out by focusing on five factors:

1. SBU Director's duties and responsibilities.
2. SSB's duties and responsibilities.
3. The implementation of sharia principles in fund raising, channeling and service activities.

4. Fund disbursements for key financing customers and deposits of key clients.
5. Transparency of SBU's financial and non-financial conditions, GCG implementation and internal reports.

**General Conclusion on the Result of Self- Assessment on the Good Corporate Governance**

Based on the Self-Assessment of the Good Corporate Governance in which the comparison of the performance of the GCG in the Bank OCBC NISP's SBU with minimum criteria set by Bank Indonesia, the assessment result is reported as follows:

1. Composite Score and Rating  
Based on the Self-Assessment results on implementation of Corporate Governance, during 2017 the implementation of Governance of Bank OCBC NISP's SBU succeeded to achieve the rank of 1.00 or Very Good.
2. The Weakness and Factors of Self-Assessment Result on GCG in 2017  
There is no significant weakness in the implementation of the GCG in the Bank OCBC NISP's SBU.
3. The Strength of GCG Implementation  
Having an active role of the Directors of the SBU and the Sharia Monitoring Board to ensure the implementation of Sharia principles in all its businesses, as well as a strong commitment from all parties in the SBU structure and related units, then the GCG in SBU has been implemented effectively and efficiently in accordance with the prevailing regulations by upholding the Sharia principles.

**Follow-Up**

In line with the massive growth of business, the Bank OCBC NISP's SBU is committed to improve the quality of GCG implementation within the SBU as well as to consistently improve all the aspects of the GCG for the sustainable future of the governance.

**Brief Profile of Sharia Supervisory Board**



**Muhammad Anwar Ibrahim**  
Chairman

Indonesian Citizen, 77-years-old

Chairman of Sharia Supervisory Board of Bank OCBC NISP since 2009.

He's currently also serving as Plenary Member of Indonesian National Board of Sharia of The Majelis Ulama Indonesia, Founding Member of The International Shari'ah Research Academy for Islamic Finance, Malaysia (ISRA), Chairman of Sharia Supervisory Board of PT Maybank Indonesia - Sharia Business Unit, Chairman of Sharia Supervisory Board PT Prudential Life Assurance, and as Lecturer of Introduction to Islamic Economy at the Faculty of Economics, Universitas Trisakti and National Economics according to Islamic Fiqh at Islamic State University of Jakarta.

Holds a Master degree (1969) and a PhD degree (1978), both in Ushulfiqh (Source and Philosophy of Islamic Laws) from University of Al Azhar, Cairo.



**Mohammad Bagus Teguh Perwira**  
Member

Indonesian citizen, 40-years-old.

Sharia Supervisory Board Member of Bank OCBC NISP since 2009.

He is also currently serving as member of Daily Executive of Indonesian National Board of Sharia of The Majelis Ulama Indonesia (2015-present), Sharia Supervisory Board of PT Schoders Investment Management Indonesia (2008-present), Chairman of Sharia Supervisory Board of PT Aberdeen Asset Management (2015-present).

Bachelor's degree in Islamic Studies and Arabic at Al Azhar University, Cairo (1999) and Post-Master's degree in Islamic Economics at Islamic University Syarif Hidayatullah, Jakarta (2007).

# 06

## RISK MANAGEMENT

The Bank places risk management function as a competitive advantage mainly in terms of strategic decision-making to ensure that the main risk that adheres to the Bank's business activities has been well-handled without avoiding the social and environmental impacts that may occur in the future. An effective risk management is one of the key components to enhance the Bank's capability in pursuing opportunities in order to achieve its objectives.

### 2017 RISK MANAGEMENT OVERVIEW

In the midst of an organizational transformation to implement the three lines of defense risk management throughout 2017, the risk management conducted by the Bank's Risk Management Team focused on:

1. The measurement of Risk Culture Maturity, which is a maturity level measurement of risk culture in each work unit at the Bank, by conducting an assessment on the qualitative aspects and/or the risk management behavior. The measurement is expected to be used to assess how the risk culture at the Bank has developed and changed from time to time as well as providing perspective for the Bank to see the area or part that can be developed or to give a necessary initiative to improve the implementation of the Bank's risk management culture. Risk Culture Maturity is measured through a bank-wide survey by submitting questionnaires in the form of risk culture framework composed of 5 main components, namely leadership and direction, individual commitment, joint ownership, responsiveness, and customer.
2. The development of Risk Profile Management System (RPMS) is conducted by the Bank as an effort to support implementation of risk management, therefore the Bank has started new initiative to develop a system that supports the supervision of risk management with bank-wide scope. RPMS is a system that is able to accommodate a critical activity information that is conducted by each work unit so the Bank's risk profile analysis can be carried out by the second line of defense. RPMS is also developed by the Bank in order to support the Bank's Risk Profile reporting system as well as its Integrated Risk Profile.
3. Risk Management Campaign program that aims to enhance the risk management awareness of all employees through the implementation of Risk Management Culture Principle.
4. The development of system and infrastructure for modeling and reporting of Basel III Liquidity Coverage Ratio (LCR) as part of daily liquidity report and Net Stable Funding Ratio monthly report (NSFR).
5. The development of Cyber Security Defense as one of the tool to protect the Bank from increasing cyber attacks. Things that have been implemented by the Banks are integrating Cyber Security Defense System from Gateway until Endpoint and Cyber Security Operations Monitoring Center. To continuously increase awareness of all employees, the Bank periodically perform awareness program.

In general, even though the Bank was still faced with a slowing down of domestic and global economic condition, the Bank still managed to successfully maintain a sound credit quality as indicated by the bank's Non Performing Loan (NPL) throughout the year that was still below 2%.

### IMPLEMENTATION OF RISK MANAGEMENT AT BANK OCBC NISP

The risk implementation within the Bank refers to the Risk Appetite Statement (RAS) that became the Bank's fundamental to carry out the risk management system in order to regulate matters related to the Bank's appetite in process of risk taking as part of the Bank's efforts to support its business growth carefully and sustainably. The Risk Appetite Statement (RAS) functions as tools to determine risk profile, scale, and characteristic which can be taken by the Bank so as to have limitation in risk taking according to the level of returns and the company's business growth. In its implementation, RAS will be translated into scale of limits and risk tolerance level in accordance with each risk type and characteristic as well as having been approved by the Board of Directors and Commissioners before being implemented. In order to bolster the implementation of risk management function, aside from RAS, the Bank also has various risk management policies and work procedures as well as other supporting infrastructures such as risk management system and management information system which have the role of ensuring that the risk management function within the Bank has taken place effectively. Thus, the Bank has carried out the risk management function in line with the risk management framework as a manifestation of the combination on the company's image and identity, shareholders' direction and designated strategy.

### Board of Commissioners and Directors' Active Supervision

In implementing its supervisory function on the implementation of risk management at the Bank, the BOC has clear duties and responsibilities, which are, among others, reviewing and approving the recommendation of Risk Monitoring Committee, in relation to:

- Implementation of risk management policies.
- Implementation of the recommendation made by the Risk Monitoring Committee and Risk Management Group Divisions.
- Approval of credit facility granting to Related Party.
- Implementation of integrated risk management in Financial Conglomeration.

In implementing its risk management function, BOD has clear duties and responsibilities, among others:

- To draw up written and comprehensive policies and risk management strategies.
- To be responsible for the implementation of risk management policies and risk exposures taken by the Bank in holistic manner.

- To evaluate and decide on transactions that require BOD approval.
- To develop a risk management culture in every level at the Bank.
- To ensure the competence improvement of human resources associated with risk management.
- To ensure that the risk management functions operate independently.
- To carry out periodical reviews to ensure the accuracy of risk assessment methodologies, the adequacy of the risk management information system implementation; and the accuracy of the policies, procedures as well as risk limits.
- To ensure that each Financial Services Institution (FSI) affiliated in Financial Conglomeration has implemented risk management effectively.

### The Adequacy of Policies, Procedures, and Risk Management Limit Stipulation

The Bank has adequate policies, procedures, and risk management limit for effective, efficient and professional risk management framework on 8 (eight) main risk types, namely credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk as well as other risks to support the Bank's growth in a prudent, consistent and sustainable manner, while improving on the Bank's added value in the eyes of its stakeholders.

Policies, Procedures, and Risk Management Limit Stipulation are periodically documented and reviewed according to the internal and external development.

### The Adequacy of the Identification, Measurement, Monitoring and Risk Control Process and Risk Management Information System

The Bank has infrastructure to identify, measure, supervise and control the risk buoyed by an adequate management information system that is able to support the overall risk management function. In order to bolster the process of risk management implementation in a holistic manner, the Bank has developed various models to quantify the risk exposure in order to optimize the process of decision making as well as risk mitigation.

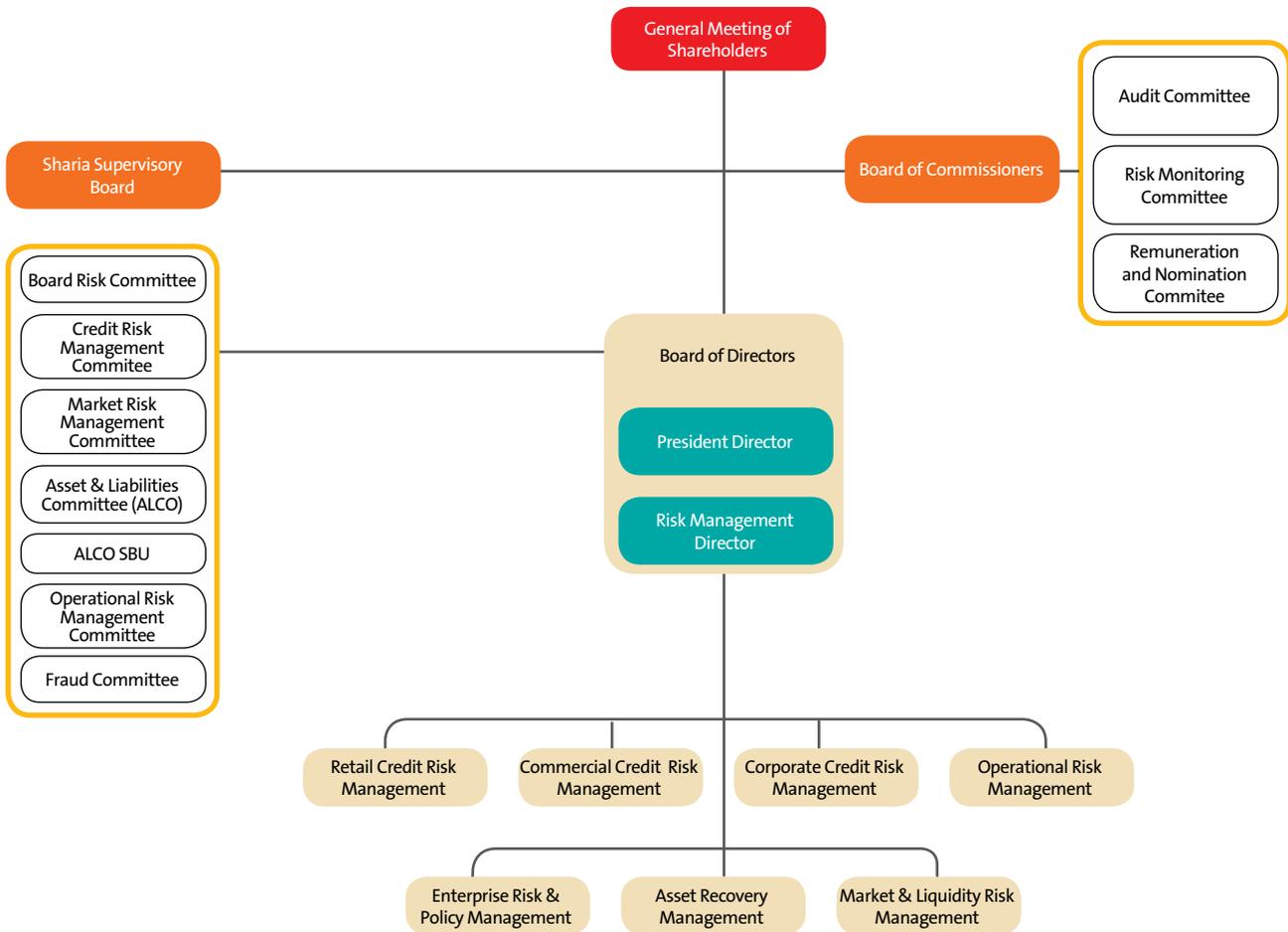
Such model implementation has been supported by process of calibration, validation, and backtesting by independent party which aims to ensure the accuracy and feasibility of the risk measurement model used. In order to anticipate future risk potential, through forward looking, the Bank develops an emerging risk approach that serves as an early warning mechanism to identify various risk potentials that may be encountered by the Bank in the future.

Through this emerging risk approach, the Bank is able to identify the risk potential in accordance with the Bank's business characteristic profile, enabling the Bank to take the necessary actions in order to mitigate and control such risk potential. Furthermore, based on the results of emerging risk evaluation, the Bank will draw up various stress test scenarios, whether through economical approach, sensitivity as well as through historical approach to quantify the risk potential and ensure whether the impact of the risk is still within the range of risk tolerance defined by RAS or not.

Subsequently, the stress test results will be used as one of the components in risk management process through ICAAP (Internal Capital Adequacy Assessment Process) analysis. In accordance with the implementation of the second pillar of Basel II, the Bank implements ICAAP in order to ensure the capital adequacy according to the Bank's risk profile outside of the risk profile covered in the first pillar. The Bank constantly ensures sufficient capital adequacy to absorb the material losses potential which may occur in stress condition scenario. The Risk Management Group teams up with all business units and supporting units to conduct identification, measurement, monitoring, risk control and build a risk management information system in a holistic manner.

### THE ORGANIZATION AND RISK MANAGEMENT GOVERNANCE

In order to manage various types of risk which adhere to the Bank corresponding to the complexity of its business activities, the Bank has several work units in its Risk Management Group organizational structure that are responsible for credit risk, market risk, liquidity risk, operational risk, and other risks (legal, strategic, compliance, and reputation). As a second line of defense, aside from being responsible to carry out risk management governance independently, the Risk Management Group also works closely and partnered with all business units and supporting units, from the strategic up to transaction levels in order to build a process of identification, measurement, monitoring, risk control and information system as well as the overall internal control system. The overall supervision of the organization is conducted by BOC with the support of related committees. The following is the organization and governance of risk management:



- The Corporate Credit Risk Management Division, Commercial Credit Risk Management Division, and Consumer Credit Risk Management Division are all responsible for controlling lending activities according to prudent lending practices, as well as ensuring that all credit risks have been optimally managed.
- The Market and Liquidity Risk Management Division has the function, scope and responsibility to develop risk management process in order to improve the effectiveness of the market's risk management, control, and monitoring functions through formulating policies and limits, as well as the implementation of regulations and reporting. It is also responsible for proper monitoring, measuring and reporting of liquidity risk and interest rate risk management in the banking book, while serving as an independent party who performs control function on the risks that arise from balance sheet and liquidity positions. Moreover, Market and Liquidity Risk Management Division is also responsible for the model development used by the Bank as well as the implementation of Basel conditions.
- Operational Risk Management Division is responsible for managing operational risk according to the best practices to minimize unpredictable losses and manage estimated losses, whilst securing new business opportunities with controlled risk.
- Asset Recovery Management Division is responsible for the effective handling and settlement of non-performing loans through various alternative solutions, including restructuring, cash settlement, asset settlement, loan disposal, and litigation.
- Enterprise Risk and Policy Management Division is responsible for the sufficiency of policies, procedures and limits, including building bank-wide policy architecture, as well as developing enterprise risk management and risk profile evaluation that are more suitable to the business conditions and characteristics of the Bank, with due observance of the current regulations on risk management. Moreover, the Enterprise Risk and Policy Management Division is also responsible to be a coordinator of integrated risk management due to the Bank's appointment as Main Entity in OCBC Financial Conglomeration.

## RISK MANAGEMENT OF SHARIA BUSINESS UNIT

Bank OCBC NISP operates banking services based on Sharia principle in the form of Sharia Business Unit (SBU). The application of risk management in SBU is implemented for all business activities, which is integrated with the Bank's risk management.

The implementation involves all elements, including the BOD supported by ALCO Sharia, with active supervision by the Board of Commissioners and the Sharia Supervisory Board (SSB). SBU risk profile assessment is an assessment of the inherent risks and the quality of risk management implementation in the Bank's operations. Based on self-assessment results in 2017, SBU composite risk rating was "Low".

## RISK CONTROL FOR NEW PRODUCTS AND/OR ACTIVITIES

In order to constantly meet a wider variety of the customers' needs, the Bank needs to continuously innovate its products and/or activities. To ensure such innovation has been carried out within a prepared infrastructure, process, and complying to the proper regulation and risk control, the Bank draws up Product Management Policy that is also known as New Product Approval Process (NPAP).

Risk identification is performed on credit risk, market risk, liquidity risk, operational & IT risk, compliance risk, money laundering and terrorist financing risk, legal risk, strategic risk, reputation risk and financial reporting risk. The risk identification and mitigation is performed by Product Developer as product owner and/or new activity (first line of defense), and also teams up with the Risk Subject Matter Expert (second line of defense) consisting of Risk Management Group and other related work units.

New products and/or activities need to obtain inputs and approval from Product Management Committee (PMC) chaired by the President Director whose members are all Directors. PMC conducts regular supervision activities on development of new products and/or activities and review results on existing products and/or activities.

As the executive responsible for the management of new products and/or activities, including the administration of new products and/or activities proposal and the monitoring on proposal schedule and review implementation, the Bank has established a work unit which functions as Product Management.

## INTEGRATED RISK MANAGEMENT

In regards to the Integrated Risk Management Implementation for Financial Conglomeration, whereby the Bank acts as the Main Entity appointed by OCBC Ltd through OCBC Overseas Investment Pte. Ltd as controlling shareholders, it has conducted a comprehensive Integrated Risk Management implementation. In this financial Conglomeration, the Bank is related to Great Eastern Life Indonesia and OCBC Sekuritas Indonesia. The alignment is constantly carried out with related companies in the Financial Conglomeration, given that the ownership and/or controlling relationship in various financial services sectors may affect the business continuity of financial services due to the risk exposure that is both directly and indirectly derived from a company's business activities in a Financial Conglomeration.

The monitoring and management of integrated risk management cover 10 (ten) types of risks set by the Financial Services Authority, consisting of credit risk, market risk, operational risk, liquidity risk, legal risk, strategic risk, reputation risk, compliance risk, inter-group transaction risk and insurance risk.

The implementation of Integrated risk management includes four main pillars, consisting of:

1. Supervision by BOC and BOD of the Main Entity.
2. The adequacy of Integrated Risk Management policies, procedures, and limits.
3. The adequate process of integrated risk identification, measurement, monitoring and control, as well as Integrated Risk Management information system.
4. A comprehensive integrated Internal control system of the implementation of Integrated Risk Management.

Based on the 2017 self assessment results, the Bank's composite risk rating both as Main Entity as well as in integrated manner stood at low rating category.

## CAPITAL AND RISK MANAGEMENT PRACTICES

### Capital Policy

The Bank has set Capital Management Policy which contains approaches, principles and basic framework of how the capital will be measured, monitored and regulated in order to not violate external rules and/or internal prudential guidelines.

Capital Management is the Bank's effort in maintaining financial stability and sustainability management, because it has remained in the Bank's operational procedures as a legal entity and the Bank's strategic planning. Furthermore, Capital Management Strategy is also driven by the Bank's strategic objectives, requirements, and Risk Appetite set by the BOD.

Based on regulations and measurable capital, and in order to support the business plan and strategy in the future, Bank OCBC NISP focuses on the management of internal financing sources to meet the Minimum Capital Adequacy Requirement according to regulator conditions.

### Capital Adequacy

As of December 31, 2017, the Bank's capital adequacy ratio stood at 17.5%, way above the minimum requirement set by the Financial Services Authority.

In relation to each work unit's initiatives on the Risk Management Group, throughout 2017 the Bank has conducted the following initiatives of risk management implementation:

## CREDIT RISK MANAGEMENT

Credit risk is the risk which exists due to the failure of the debtor and/ or counter-party in fulfilling their obligations to the Bank. The Bank is exposed to the credit risk, which may arise from financing activities to customers in the Business Banking (Corporate and Commercial Business), Retail Banking (Consumer and Emerging Banking), Financial Institutions (FI) and Non-Bank Financial Institutions (NBFIs) segments. The banking activities, including trading and investments such as derivatives trading, debt securities, foreign currency exchange, and settlement transactions also expose the Bank to counter-party risk and issuer credit risk.

### Credit Risk Management Supervision and Organization

The Credit Risk Management Committee (CRMC) is a committee designed to assist the BOD in formulating the Bank's Credit Policy (KPB), supervising its implementation, monitoring the progress and the conditions of credit portfolio as well as giving suggestions on remedial actions.

The Credit Risk Management Unit in the Risk Management Group manages the credit risk in pre-determined risk appetite, target customers, limits and risk standards. The work unit is also responsible in controlling lending activities by supervising the risk portfolio, risk measurement methodology, risk reporting and loan remedial to align with the prudent banking principles in lending activities, as well as ensuring that all of the credit risks have been managed optimally.

To support the management of credit risk and to monitor the quality of the loan portfolio, there are various reports compiled regularly, such as credit portfolio trends by business unit, currency composition, industry sectors, credit concentration trends, Special Mention and Non-Performing Loan portfolio. In addition, the Bank also conducts stress testing for credit portfolio in Business Banking segment (Corporate Banking, Commercial Banking, and Emerging Business) as well as Consumer Banking. Therefore, the Bank has prepared actions to be taken if a stress test scenario occurs.

In order to ensure a sound management of the credit risk, the Bank has conducted various efforts, among others:

- Monitoring the quality of credit portfolio by observing the current trend in terms of deterioration or improvement as well as analyzing it by observing the portfolio in detail from many sides, such as based on industry sector concentration, currency composition, debtors segment, credit collectability, and others.
- Formulating a work plan that will be executed in line with the monitoring and credit portfolio quality analysis results, both for improving or maintaining credit quality.
- Conducting stress tests for credit portfolios by using top-down or bottom-up scenarios as well as ensuring mitigating actions that will be taken in relations to the results of the stress tests.

All of the above efforts are carried out on regular basis and will be submitted to the BOD, Credit Risk Management Committee and Risk Management Committee objectively, transparently and in a timely manner. Such reporting may be used by the management for improvements and to ensure a sound quality of credit portfolio.

### Credit Risk Management Approach

The credit risk management framework at Bank OCBC NISP covers the whole credit risk cycle, supported by comprehensive credit risk processes, which also use models to quantify and manage risks efficiently and consistently.

The Bank only accepts credit risks which are within the standards established by the Bank and those which commensurate with the adequate return for increasing shareholders' value. The credit is only granted after the debtor passes a series of assessment for credit worthiness, compatibility as well as appropriateness with the offered product. In addition, the key success of the Bank's risk management lies in the proper decision of experienced credit officers whose appointment is periodically examined.

### Loans for Consumer and Emerging Business

Credit Portfolio for Retail Banking consumers (Consumer and Emerging Business) is derived from credit program, among others:

- Commercial Property Loans
- Mortgage Loans
- Working Capital Loans
- Credit Cards
- Unsecured Loans

The loans granted correspond with target market and comply with the policy as referred to in the Product Program. The Product Program is examined regularly to ensure that the target market has kept abreast of the market development and the set policies have complied with the current regulations.

The credit analysis is conducted by prioritizing the prudent banking principles whereby the limit holders' performance is examined regularly and used as basis of feasibility evaluation on granted credit authority, in accordance with the internal and regulator policies. The original documents used as the source of credit analysis and independent verification shall be provided in order to prevent fraud.

The risk level of processed credit application will automatically be calculated by the Loan Origination System (LOS) for it has been integrated with the Application Scorecard model which has been developed and prevailing parameter policy, so as to ensure that the loans decision making process will run effectively, efficiently, objectively and consistently as expected.

## Loans for Commercial, Corporate and Institutional Customers

The loans given to commercial, corporate and institutional customers are assessed and recommended by an experienced Credit Risk Officer. The Credit Risk Officer identifies and assesses the credit risk of commercial, corporate or institutional customers both for individuals and group by considering the quality of management, financial and the company's profile towards industrial and economic threats. Collateral or other credit supporters are also assessed to mitigate or reduce the risks. The loan disbursement is addressed by a pre-defined target market and risk acceptance criteria. To ensure the objectivity of the loan activities, co-grantor approval and risk handling distribution are absolutely required between the business units and credit risk management functions.

The determination of Target Market and Risk Acceptance Criteria (TM RAC) is one of the collaborations between the business units and the Credit Risk Management Unit. The guideline is used as a reference in screening the debtor/ potential debtor with four main categories: Grow, Selective Grow, Maintain and Reduce based on the industry that each debtor/potential debtor is in. Meanwhile, the Risk Acceptance Criteria contains a number of criterias used when the Bank analyzes the quality of debtors, which describes the Bank's Risk Appetite.

### Credit Risk of Investing or Trading Activities

Counter-party credit risk of trading, derivative and securities loans activities are closely monitored and actively managed to protect the Bank from potential losses which occurs from replacing a contract if the counter-party defaults. The credit limit is set for each counter-party by following the assessment of Counter-party credit capacity in accordance to the internal policy, as well as complying with the feasibility and compatibility of products offered. The credit exposure is controlled through independent monitoring and direct reporting in regards to the breach of approved limit and risk mitigation threshold.

### Credit Risk Control

Human resource development is performed continuously by providing credit training programs, both for business and risk functions relating to credit. Collaboration with the business unit has been strengthened by various improvement efforts, including working closely with the risk management teams from the initial process of credit proposal to final credit approval. Thus the work process of the Bank become more efficient and can shorten credit processing time.

To support the credit risk management infrastructure, the Bank has drawn up and has a complete credit policy in accordance to the applicable policy architecture.

Periodically, the Bank also implements forward-looking emerging risk assessment to see future potential risk. The assessment is a collaborative effort between the Business Unit and Credit Risk Management Unit. The commonly used scenarios, are, among others, global economic crisis risk, Indonesia's macroeconomic conditions, interest rate hikes, inflation rate hikes, Rupiah depreciation, and other scenarios related to credit risk.

Based on the results of the emerging risk assessment and with due observance of the current economic conditions, the Bank will conduct stress testing both with a top-down approach (portfolio and bankwide level) and bottom up (account level) for specific industry sectors and rapid portfolio review. With the Top-Down approach, the Bank will estimate the level of NPL for both portfolios of Business Banking and Consumer segments using some predefined economic assumptions under stress conditions. Meanwhile, the Bottom-Up approach is carried out by the Bank with due observance of account basis, a debtor's financial capacity under certain stress scenarios. Stress testing is routinely performed to assess the Bank's capital ability in case of stressed condition.

Based on the results of stress testing and assessment performed by the Business Unit and Credit Risk Management Unit, the Bank will undertake proactive and preventive actions, such as determining a Watchlist category for companies whose financial condition is projected to decline as affected by changes in certain economic conditions. The debtors included in the Watchlist category will be closely and regularly monitored in anticipation of future deterioration in credit quality.

By implementing the above strategies, the Bank Non-Performing Loan (NPL) as of December 31, 2017 was consistently maintained at the low level that reached 1.8% (gross). Such condition reflects the Bank's remarkable implementation of the prudent banking principles in credit risk management throughout the year.

### Credit Risk Mitigation

To calculate the Risk Weighted Assets (RWA) of credit risk based on Standardized Approach, the Bank may recognize the existence of collateral, warranty, guarantee, collateral, or credit insurance as Credit Risk Mitigation Techniques (CRMT).

Disclosure of Risk Weighted Net Receivables After Calculating the Impact of Credit Risk Mitigation and Disclosure of Net Receivables and Credit Risk Mitigation Technique – Bank Individually as of December 31, 2017 can be seen in Table 1 and Table 2 on page 182 and 183.

### Calculation of Risk Weighted Assets (RWA) for Credit Risk

The Risk Weighted Assets for credit risk as of December 31, 2017 for individual Bank was recorded Rp115.4 trillion.

Asset Exposure in the Balance Sheet can be seen in Table 3 on page 184.

Exposure of Commitment/Contingency Liabilities on Off Balance Sheet Transaction can be seen in Table 4 on page 184.

Exposure of Counter-party Credit Risk can be seen in Table 5 on page 184.

Exposure at Sharia Business Unit can be seen in Table 6 on page 185.

Total Measurement of Credit Risk can be seen in Table 7 on page 185.

## Concentration of Credit Risk Management

Credit concentration risk is the risk which arises due to the financing concentration, among others to certain debtors, geographic regions, products, types of financing or certain business fields. These risks should be managed properly to avoid any losses.

In managing credit concentration risk, the Bank has had limit several determination guidelines which are stipulated in the Risk Appetite statement, provisions of the Target Market and Risk Acceptance Criteria (TM RAC), and also stipulations concerning Legal Lending Limit, among others are the limits for Top Borrowers, individuals or groups, certain industrial sectors, as well as groups of borrowers, related parties and others.

With these guidelines, credit concentration risk will be controlled properly since the credit exposure for certain parties and industrial sector has been limited, managed and monitored effectively on a regular basis.

## Remedial Management

The Bank consistently strives to anticipate non-performing loans timely, and proactively manage the credit when it begins to deteriorate and/or recover towards healthy condition. The Bank appreciates and maintains a good relationship with the customers in the long-term so the Bank prefers to cooperate with customers when facing difficulties. Therefore, the Bank has dedicated a special work unit to manage non-performing loans namely, the Asset Recovery Management (ARM) Division. Specifically for consumer portfolio, the risk control function is performed by the Collection team, with the exception of mortgages with arrears over 180 days. Supported by a strong internal policy, the Bank will carry out the procedure of non-performing loans settlement, restructuring, litigation, and write-offs along with necessary reporting procedures based on sound banking principles and in accordance with applicable regulations.

## Matured Account Receivables and Impairment of Receivables

The Bank defines matured account receivables as all receivables, which are 90 days overdue, both on principal and/or interest repayments. All receivables are subject to impairment if based on

the Bank's evaluation, an objective evidence on the impairment occurs due to one or more "loss events" after the initial recognition of credit where the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably.

The Bank has established the criteria used as the basic guideline in determining objective evidence of impairment. Also, there are several additional criteria used specifically for credit in significant amount.

Disclosure of Net Receivables Based on Region - Bank Individually can be seen in Table 8 on page 185.

Disclosure of Net Receivables Based on Maturity Term - Bank Individually can be seen in Table 9 on page 185.

Disclosure of Net Receivables Based on Economic Sector - Bank Individually can be seen in Table 10 on page 186.

## The Approach Used for the Formulation of Allowance for Impairment Losses (CKPN)

In the event of impairment and differences between the recorded and the current amounts of loans after performing estimation, the Bank is required to form allowance for impairment losses (CKPN) to cover the impairment.

The Bank has a guideline in determining whether the formulation of CKPN should be applied individually or collectively. Individual CKPN is applied on individually significant financial assets with impairment. Meanwhile, collective CKPN is applied on individually insignificant financial assets with impairment; and on financial assets assessed individually with no objective evidence of impairment. The method for calculating CKPN for individual impairment is performed by comparing the recorded amount of financial assets and the current obtained amount from the Discounted Cash Flows, which are the estimated future cash flows discounted by the financial assets' original effective interest rate.

Disclosure of Receivables and Allowance By Region - Bank Individually can be seen in Table 11 on page 186.

Disclosure of Receivables and Allowance By Economic Sector - Bank Individually can be seen in Table 12 on page 187.

Disclosure of Details on Movements of Allowance for Impairment Losses (CKPN) - Bank Individually can be seen in Table 13 on page 187.

## Regulatory and Basel Requirements Compliance

In line with Bank's commitment to consistently implement the best practices in risk management, the Bank has set up the infrastructure in order to meet various regulations stipulated by the regulator, including the Basel framework as international best practice.

Currently, the Bank still adopts a Standardized Approach in credit risk measurement by steadily referring to the regulations. In preparation of meeting the criteria of Internal Rating Based implementation in accordance with Basel standards, the Bank has established and developed a credit rating model for corporate credit and a scorecard model, both application scorecard and behavior scorecard for retail and consumer credit.

Both credit rating for corporate credit and credit scorecard for retail credit have been implemented as one of the systems in the credit decision making process. Through credit rating and scorecard, the Bank is able to assess the credit feasibility objectively and they are expected to improve credit analysis quality both individually and in portfolio.

For retail credit in particular, aside from using a scorecard to assess the credit feasibility when performing credit application, the Bank also develops a behavior scorecard method to complete the existing application scorecard. Through the behavior scorecard method, the Bank will be able to identify a credit risk potential from the debtors' habits.

All models used in credit rating and scorecard have been validated by an independent party in accordance to the model risk management framework prior to implementation and will constantly be evaluated as well as periodically analyzed according to applicable regulations to ensure the model feasibility and compatibility with prevailing business patterns.

The measurement of Risk Weighted Assets (RWA) of the credit risk uses the Standardized Approach in accordance with regulatory requirements. The risk weight standard is set based on the rating of debtor or counter-party, according to portfolio category or a certain percentage for a specific type of receivable.

The Bank's receivable group portfolio is divided into: claims on government, claims on public sector entities, claims on banks, claims on corporate and claims on past due exposures. Risk weight uses the provision set by regulator. In the event of having receivables with rating, the Bank uses a rating agency recognized by regulator; aligned with the domestic rating agency provisions, such as Pefindo as well as international credit rating agencies such as S&P, Moody's and Fitch.

Disclosure of Net Receivables Based on Portfolio and Individual Rating of Bank Scale December 31, 2017 can be seen in Table 14 on page 188.

Counter-party credit risk in Bank is the risk of counter-party default on the contract with the Bank which may cause a potential loss to the Bank to substitute the contract. In general, counter-party credit risk arises from exposure in over the counter derivative transaction and repo/reverse repo transaction. Mitigation of counter-party credit risk is carried out by appropriate mitigation technique according to regulatory requirements, which is by recognizing the existence of collateral, warranty, guarantee, or loan insurance and complemented by the Bank policy to manage the counter-party credit risk.

Disclosure of Counter-party Credit Risk – Derivative Transactions can be seen in Table 15 on page 189.

Disclosure of Counter-party Credit Risk: Repo Transaction – Bank Individually can be seen in Table 16 on page 189.

Disclosure of Counter-party Credit Risk: Reverse Repo Transactions – Bank Individually can be seen in Table 17 on page 189.

## MARKET RISK MANAGEMENT

Market risk is the risk of losses on the balance sheet and off balance sheet position, including derivative transactions, resulting from the overall movement in market conditions such as changes in interest rates, foreign exchange, including changes in options prices.

Market risk management strategy is established in line with the Bank's risk appetite and business strategy, by considering the macroeconomic and market conditions.

### Framework of Market Risk Management

The market risk management is carried out by referring to a framework of comprehensive risk management covering segregation of duties, authorities and responsibilities between risk taking unit and units which carry out control and supervision as well as team risk analytic which prepares various rules and limitations mandatory obeyed by the risk taking unit.

The market risk management is carried out by referring to various policies and procedures which regulate numerous risk management processes, including risk management model making. On the other hand, the controlling and reporting process, as well as a transparent escalation process are also conducted by the Bank in favor of an effective market risk management process.

In order to control the risk scale that can be taken, the Bank has arranged various limits of market risk reviewed regularly. The market risk limit is determined as operational guidelines of risk appetite to ensure that each market risk exposure is within the approved risk tolerance level.

In addition, the market risk exposure scale is reported and analyzed by independent team which will then be discussed in Market Risk Management Committee forum held every month.

The Bank conducts a regular review on the adequacy of policies and procedures, in order to update the regulations on current market practice and ensure that such policy is able to be executed.

### Market Risk Management Organization and Supervision

In order to ensure the adequacy of market risk management, the Bank requires an active oversight by the BOD and BOC. At the BOD level, the risk oversight function is performed by the Market Risk Management Committee (MRMC), ALCO, and the Board Risk

Committee (BRC), while at the BOC level, the oversight function is performed by the Risk Monitoring Committee (RMC). The MRMC and ALCO meetings are held on a monthly basis, while the BRC and RMC meetings are held six times a year.

MRMC is a main body with the senior management as members that support BRC and President Director in managing the overall market risk exposure on a wide basis. The MRMC plays a role in supervising the implementation of Market Risk Management, and ensures that the policies and practices are appropriate, effective, and sufficient to support the Bank's business strategy. Furthermore, any potential problems in the market risk will be reported to BRC along with the other risk functions.

The market risk management is carried out by implementing the segregation of duties principle where there is a segregation between front end function (Treasury), middle end (Market Liquidity Risk Management) and back end (Treasury Operation). Moreover, the Bank also perform clear allocation between portfolio trading, that grouped into Trading Book with portfolio Banking Book. Daily portfolio segregation controlled and monitored by Market and Liquidity Risk Management Division as independent unit.

In practice, the MRMC is supported by the Market and Liquidity Risk Management Division ("MLRMD"), which is part of the Risk Management Group. MLRMD is an independent risk control unit responsible for operating market risk management framework in favor of business growth while ensuring adequate risk control and oversight.

## Market Risk Management Approach

The Bank is aware of the market risk management as a joint responsibility. Each business unit is responsible to proactively manage the market risk in regards to the approved strategy and trading mandate, while MLRMD acts as an independent controlling and monitoring unit in order to ensure proper arrangement. A structured approach for market risk management covers the following main risk processes, among others:

- **Market Risk Identification**

This stage is a monitoring process on several key risk indicators conducted daily. Through the control process, changes in inherent market risk profile which can potentially cause the Bank's losses are able to be identified, as well as monitoring the exposure amount on the approved market risk limits.

As for new products and activities, the Bank adopts New Product Approval Process to identify various inherent risks in a product and ensure the sufficient control process and risk mitigation prior to the launch of new products. NPAP is the key control for the company to identify market risk on each product to be considered and mitigated prior to or after the launch of products.

- **Market Risk Measurement**

Market risk appetite statement is articulated in the form of risk limit and tolerance approved by the BOD and BOC. The Bank

measures and formulates market risk parameter through various functions of risk control, as presented in the following:

1. **Market Risk Appetite Measurement**

- **Value-At-Risk**

Value-At-Risk (VaR), a key market risk measure for Bank's trading activities, is a component of aggregate market risk appetite. VaR is measured and monitored by its individual market risk component, i.e. interest rate risk and exchange rate risk, as well as at the aggregate level. VaR is based on historical simulation approach by using a one-day holding period, at the confidence level of 99 percent.

2. **Market Risk Control Measurement**

Market risk appetite measurement is supplemented with market risk control measurement such as Present Value of 1 Basis Point (PV01), CS01 (1 Basis Point move in credit spreads), the notional amount, and derivative greeks for specific types of exposures, in order to supplement the market risk measurement. In addition, the Bank also determines Stop Loss Limit to restrict the losses from market risk which possibly occurs.

3. **Stress Testing**

The market risk stress testing functions to complement the Value-at-Risk. In particular, the stress testing captures other risks that are not covered by VaR. The Bank conducts stress testing for better measurement and to assess potential losses arising from low profitability yet plausible extreme market conditions.

The stress test scenarios are regularly reviewed and tailored to ensure that the scenarios remain relevant to the Bank's trading activities, risk profile, and existing and forecasted economic condition.

These analyses determine whether potential losses from extreme market conditions remain within the limit level of risk tolerance. Furthermore, the stress testing results are presented to MRMC on a monthly basis. The BRC and RMC are updated on the stress testing results, in line with the frequency of meetings held.

- **Market Risk Monitoring and Management**

1. **Limit**

Trading activities that obtain an approval for a product are merely allowed to be performed by various trading units. All trading risk positions are monitored by an independent unit under the Risk Management Group on a daily basis. Limits are approved to reflect the availability and opportunities of trading that have been anticipated, which are supplemented with clearly defined exception escalation procedures. Exceptions, including any temporary breaches, are promptly reported and escalated to relevant authorities.

2. **Model Validation**

Model validation is an integral part of the Bank's risk control process. Risk models are used to value financial instruments

and calculate VaR. The Bank ensures that the models are fit for their intended purpose through internal verification and assessment by independent party. The market rates used for risk measurement and valuation are acquired from independent sources, thus increasing the integrity from the trading profit and losses measurements as well as risk and limit control measurement.

### 3. Back-testing

To ensure the ongoing integrity of the used VaR model, the Bank conducts back-testing to confirm the consistency of actual daily trading P&L, as well as hypothetical P&L towards the assumptions of the used statistics model.

### 4. Market Risk Management System

The Bank's market risk management system is in accordance with the scope, size and complexity of its activities and covers all market risk materials, both on and off-balance sheet. The Bank uses Murex as a main system to manage, measure, and control market risk exposures arising from the trading portfolio and the banking book.

#### • Risk Reporting

The Bank assesses that risk reporting is the key issue to ensure that timely remedial action can be taken. Business Unit, Risk Manager and the management should be able to have an independent, accurate, reliable, and timely risk report. The content, level and frequency of reporting differ according to the diversity in target audience using the information either for strategic, tactical or daily transactional decision level.

VaR can be seen in Table 18 on page 190.

Pv01 can be seen in Table 19 on page 190.

Market Risk Weighted Assets can be seen in Table 20 on page 190.

## ASSETS AND LIABILITIES RISK MANAGEMENT

Assets and liabilities management is the strategic management conducted by the Bank on the balance sheet structure and liquidity needs, aiming at maximizing the adjusted earnings over the long-term risk and manage the overall interest rate and liquidity risk in accordance with the Bank's risk tolerance and limit. The main focus of the assets and liability risk management is liquidity risk and interest rate risk in the banking book ("IRRBB").

## Assets and Liabilities Risk Management Framework and Control

Risk management practice on liquidity risk and IRRBB refer to the Bank's Risk Appetite Statement (RAS). Furthermore, the RAS will continue to become various risk limits for restraining the scale of risk exposures taken. All limits and policies to manage ALM risk exposure are established in line with the Bank's strategies and risk appetite. Some policies that regulate the implementation of liquidity risk management and IRRBB are:

- ALM Framework.
- Liquidity Management Policy.
- Interest Rate Risk in Banking Book Management Policy.
- Contingency Funding Plans (CFP) Policy.
- Fund Transfer Pricing (FTP) Policy.

The above policies are equipped with guidelines, assumptions, methodologies, as well as monitoring and control procedures in implementing the ALM risk management process.

Limits and triggers are established for each type of ALM risk to ensure that the risk exposure is in accordance with the predetermined tolerance boundaries. These limits are set in line with the risk appetite and balance sheet strategy. All policies and limits are appropriately approved and consistently evaluated and reviewed in order ensure their relevance against external environment. Control system is equipped with an escalation process to monitor the risk profile against the approved risk threshold.

This escalation process will be immediately activated in case of excess limit or trigger that has been approved in advance. The escalation process is translated into an escalation policy with a flowchart that tracks from when the excess limit or trigger occurs until the settlement, the person in charge, and the agreed time period to fix the excess limit. The escalation policy is consistently reviewed at least once a year in order to reconcile the significant changes in operational as well as aligning with the prevailing regulations.

Regular simulation and stress testing are undertaken to anticipate potential market changes and measure the capability of the Bank to withstand against plausible worst case condition.

## Assets and Liabilities Risk Management Oversight and Organization

The Asset Liability Management Committee (ALCO) is a committee which consists of all members of BOD and chaired by the President Director. The committee is responsible for the oversight of the Bank's balance sheet management.

Liquidity risk and IRRBB are consistently reported and discussed in the ALCO meeting, which is regularly held at least once a month. In addition, updates on liquidity-risk and IRRBB positions are also being reported to the meeting of Board Risk Committee (BRC) and the Board of Commissioners through Risk Monitoring Committee (RMC) meetings.

The analysis and control of the ALM risks are conducted by the Market and Liquidity Risk Management (MLRM) Division, a risk management unit which is responsible for monitoring, measuring, and reporting on liquidity and IRRBB risk.

## Assets and Liabilities Risk Management Measurement and Approach

- **Liquidity Risk Management**

The liquidity risk refers to all risk related to the Bank's ability to provide sufficient funds to meet the obligations and commitments. The Liquidity risk management aims at ensuring that sufficient funding sources are available to meet financial obligations, as well as to maintain the ability to undertake new transactions when it is needed.

The Bank manages and monitors operational liquidity by projecting cash flows on a daily basis based on the contractual and behavioral approaches. Simulation of liquidity exposure under stress scenario is also being performed to measure the resistance level of the Bank's liquidity position using approved scenarios. Cash flows for business as usual are monitored through 120-day liquidity gap, while the cash flow under stress scenarios is monitored for 30 days during a liquidity crisis scenario.

Structural liquidity ratio indicator such as Loan to Funding Ratio (LFR), Non-Bank Funding Ratio, Medium Term Funding Ratio, Net Interbank Borrowing ratio and Deposit Concentration Ratio are implemented to maintain the optimal funding composition and assets. These funding strategies are to provide effective diversification and stability of funding sources across tenors, products, and geographic position.

In addition, the Bank also maintains sufficient Secondary Reserve Ratio (SRR), consisting of government securities/ investment and high quality corporate bonds, to ensure the adequacy of liquid asset reserves for emergency use in liquidity crisis.

As a preparation to implement Basel III liquidity standards, the Bank also monitors the Liquidity Coverage Ratio (LCR) on a daily basis and Net Stable Funding Ratio (NSFR) on a monthly basis.

The Bank has built an early warning indicator, both quantitatively and qualitatively, which are monitored on a monthly basis, to provide early warning to the management with regards to potential liquidity risk that might occur at anytime. This early warning indicator is useful for activating the Contingency Funding Plan (CFP), if necessary.

In order to obtain a general description of Bank OCBC NISP liquidity condition, the following tables present information about the Bank's maturity profile and liquidity ratios as of December 31, 2017. ritas Bank dan rasio-rasio likuiditas posisi 31 Desember 2017.

Maturity Profile in Rupiah Currency can be seen in Table 21 on page 191.

Maturity Profile in Foreign Currency can be seen in Table 22 on page 192.

Maturity Profile in All Currencies can be seen in Table 23 on page 193.

Liquidity Ratio can be seen in Table 24 on page 193.

- **Interest Rate Risk in Banking Book Management**

IRRBB is the risk to earnings and capital arising from mismatches in the timing of repricing assets and liabilities in the Bank's banking book activities, which are possibly exposed to adverse movements in interest rate.

The IRRBB management aims at ensuring that the IRRBB exposure can be identified, measured, monitored and managed in accordance within defined risk tolerances.

The IRRBB is analyzed through the repricing gap and interest rate sensitivity measurements in the form of present value of one basis point (PV01) method and repricing gap profile analysis. The other methods include the impact of several interest rate scenarios on net interest income and economic value of the equity.

From the income perspective, the Bank conducts a simulation on impact of changes in interest rates towards the Net Interest Income (NII) and the Bank's performance. From the economic value perspective, the Bank analyzes and simulates the Economic Value of Equity (EVE).

In addition, to measure the impact of extreme interest rate changes, the Bank also performs a stress test analysis, both anticipatively as well as based on historical data, in order to measure the resilience of the Bank against market interest rates changes including the worst-case scenario that has the potential to arise.

To eliminate the IRRBB residing in business unit, the Bank established a Funds Transfer Pricing (FTP) mechanism in order to transfer the risk from the business units to the Treasury at appropriate FTP rates. This process facilitates centralized management of interest rate risk, transfer price using interest rate that best reflects the repricing characteristics of assets and liabilities. This action enables business units to focus on managing interest rate spread between the underlying market interest rate and the received interest rate for assets or settle liabilities.

In order to obtain a general description of OCBC NISP's Bank interest rate risk in the banking book, the following tables present repricing gap information as per December 31, 2017.

Repricing Gap in All Currencies can be seen in Table 25 on page 194.

- **System and Infrastructure**

Throughout 2017, the Bank developed a system and infrastructure for modeling and reporting the Basel III Liquidity Coverage Ratio (LCR) as a part of daily liquidity reports on a daily basis and Net Stable Funding Ratio (NSFR) reports on a monthly basis. In addition, in order to support the implementation of a more effective risk management, the Bank has implemented a new system called "Fermat", enabling a more effective process of assets and liabilities risk management.

## OPERATIONAL RISK MANAGEMENT

Operational risk is the risk that arises from losses due to inadequate or failure of internal processes, human error, system and management failures, or external events. The Bank's Senior Management gives serious attention to the operational risk management. The operational risk management aims at minimizing unexpected or catastrophic losses, managing the expected loss as well as supporting to create new business opportunities with controlled risks.

### Supervision of Operational Risk Management

Operational Risk Management Committee (ORC) is a committee that oversees the implementation of operational risk management and information technology security. The Operational Risk Management Committee constantly monitors and ensures the adequate implementation of risk management program within the Bank in accordance with the Bank's risk appetite.

The Bank has already had a Framework of Operational Risk Management, policies and procedures that support the implementation of operational risk management effectively. The Operational Risk Management Division (ORM Division) conducts monitoring on operational risk related to products, work process, system, infrastructure as well as external factors. Each work unit division has the appointed employee as Operational Risk Partner (ORP) to team-up with ORM Division in implementing an effective operational risk management at each of work units.

### Approach of Operational Risk Management

The Bank implements the framework of operational risk management to conduct processes of identification, assessment, treatment, monitoring as well as reporting to the BOD and BOC on risk exposures that affect the Bank. The framework of operational risk management is also buoyed by an effective Internal Control System through determination of duties, responsibilities as well

as clear authorities to the employees in carrying out their duties and control function. Each work unit conducts Self-Assessment on inherent risk in each work process, including the compliance with the regulations. Furthermore, the Self-Assessment results will deliver control effectiveness level as stipulated by each work unit. Key Risk Indicator (KRI) has been used to detect and decide a prompt action that shall be taken by the management prior to the Bank's losses due to risk potential. In order to reduce the financial loss impact due to operational risk, the Bank also has an insurance program.

The Bank has had a system that supports a Work Unit to conduct events/losses reporting due to operational risk as well as conducting risk management program. In order to optimize control function on trading activities, the Bank has established Control Assurance Function unit. Every year, the management routinely submits reports to the President Director and BOC on the adequacy and effectiveness of risk management and Internal Control System.

In order to enhance risk understanding and awareness for employees, the Bank has conducted trainings for employees such as classroom training, e-learning and email blast.

### Outsourcing

The Bank is aware of the inherent risk on the Bank that may occur at anytime due to outsourcing program. Therefore, the Bank has owned policies for managing the risk potentials that arise in this program in accordance with the prevailing regulations.

### Business Continuity Management

The Bank has Business Continuity Management that aims at reducing disruption to business processes and the Bank's operations mainly in a crisis situation. Every year, the Bank conducts a review and testing on the Business Sustainability Management plan to keep abreast of the current condition.

### Fraud Risk Management

The Bank implements anti-fraud strategy consisting of four main pillars, namely prevention, detection, investigation, reporting & sanction, as well as monitoring, evaluation & follow-ups. The management appeals to all employees to immediately report any knowledge or suspicion of fraud indications, abuse of procedures and authority through Whistleblowing channel. The Bank may impose a decisive sanction on each employee engaged in fraud. Regularly, the fraud handling and the improvement of control process or mitigation are reported to the Fraud Committee, Board Risk Committee and Risk Monitoring Committee.

## Information Security and Technology Risk Management Strategy

The Bank protects and ensures the confidentiality, integrity and availability of asset information by implementing adequate system and control to prevent and avoid misuse of the Bank's assets information. The information technology risk management policy is conducted to ensure that the risk of using technology has been identified, managed, monitored, mitigated and reported consistently and continuously. The report related to technology and information security risk is presented periodically to Operational Risk Management Committee and Board Risk Committee.

The Bank also has conducted a development of cyber security system as one of the tool to protect the Bank from increasing cyber attacks. As a precaution of technological development, the Bank also keep updating security technology with the latest trend in accordance with the Bank's need. Currently the Bank has implemented integrated Cyber Security Defense System to protect the Bank, in terms of internal or external attack. The systems are implemented thoroughly, both on network, server, application, database, and end user also monitored by cyber security operations monitoring center team (24 hours). The Bank also receive certification ISO 2000 regarding service management system and ISO 27001:2013 regarding information security management system to keep increasing banking and customer information security. Moreover, to continuously increase awareness of all employees, the Bank periodically perform awareness program using email, e-Learning and do social engineering testing.

### Operational Risk-Weighted Asset (RWA)

Operational Risk-Weighted Asset (RWA) is calculated by using Basic Indicator Approach.

Allocation of Capital and Operational Risk RWA can be seen in Table 26 on page 194.

## LEGAL RISK MANAGEMENT

Legal risk is the risk that occurs because of claim and/or weaknesses in legal aspects, among others weaknesses in legal aspect caused by weaknesses in contracts, for example non-compliance of legal requirement of agreement or imperfect security/collateral contract, absence and/or changes in laws that caused a transaction undertaken by the Bank become incompliance with the respective regulation as well as litigation arising from a claim/ lawsuit filed by a third party against the Bank or alternatively by the Bank against a third party.

### Legal Risk Management Organization

The management of legal risk is conducted sustainably and comprehensively in order to minimize a negative impact that occurs from the weakness in jurisdiction, non-existing and/or changes in legislation, and litigations process occurred in the Bank's business activities.

The legal risk management within the Bank is conducted under the coordination of Corporate Legal Division who acts as "in-house legal counsel". In order to manage legal risk, the Corporate Legal Division is responsible to provide legal opinion in accordance with the needs and demands of all working units at the Bank, draw up and implement governance of legal policies and procedures at the Bank in order to execute and interpret the regulations and internal rules, secure the Bank's legal interest in each activity and product which have or will be conducted/launched, manage and monitor legal risk which involves the Bank as well as to prevent and minimize the impact of legal risk on the Bank's business interest.

In its implementation, the development of legal risk management are intended to provide support for the Bank's business to achieve the designated target without deviating from the prevailing rules and regulations.

### Legal Risk Control Mechanism

The process of legal risk management is carried out by identifying and controlling the inherent legal risk on product/activity of the Bank as well as the plan of new product/activity. Meanwhile, in order to control the legal risk, Corporate Legal Division implements strategy of legal risk which focuses on 3 (three) factors, among others:

No.	Factors	Control
a.	Litigation	1) Handling of dispute in pre-litigation phase: <ol style="list-style-type: none"> <li>Legal assistance.</li> <li>Legal opinion.</li> </ol> 2) Handling of dispute in litigation phase: <ol style="list-style-type: none"> <li>Legal assistance.</li> <li>Handling of litigation at court.</li> <li>Handling of litigation outside the court (mediation, arbitration, etc).</li> <li>Legal opinion.</li> </ol>
b.	Engagement Weakness	1) Pre-Transaction Phase : <ol style="list-style-type: none"> <li>Drawing up standard format of agreement.</li> <li>Drawing up standard format of Terms and Conditions on products and services.</li> <li>Drawing up standard format of forms and documentation related to the agreements with customers or debtors.</li> <li>Reviewing and giving legal opinion on agreement drafts between the Bank and Customers/Debtors/Vendors/third parties.</li> <li>Drawing up standard of power of attorney from the Board of Directors to the Bank officials.</li> <li>Reviewing and giving legal opinion on the Bank's policy/procedure drafts which affect the legal risk.</li> <li>Providing legal assistance in agreement negotiation phase with the Customers/Debtors/third parties according to the demand of Working Unit.</li> <li>Making juridical analysis on credit request from Debtor candidates or from Debtors.</li> <li>Making loan agreement and guarantee agreement/document as well as ensuring all loan documents have been signed and bind the Bank and Debtors.</li> <li>Providing provision of legal clearance prior to process of credit facility withdrawal.</li> </ol> 2) Post-transaction phase: <ol style="list-style-type: none"> <li>Reviewing and updating on standard format of agreement.</li> <li>Reviewing and updating on standard format of Terms and Condition on the Bank's products and services.</li> <li>Reviewing and updating on standard format of forms and documentation related to agreements with the Customers or Debtors.</li> <li>Reviewing and giving legal opinion on non-standard agreements made by Work Unit.</li> </ol>
c.	Non-Existing Factor or Changes in Legislation	<ol style="list-style-type: none"> <li>Conducting identification of legal risk and providing legal opinion on proposal of new products or activities of the Bank according to the applicable internal policy.</li> <li>Conducting review on the legislation and standard of banking best practice (new legislation or changes).</li> <li>Conducting adjustment on policy/procedure or standard of agreements/documents/forms of the Bank as a follow up on the changes in legislation or standard of banking best practice.</li> </ol>

In order to enhance the comprehension and concern on the legal risk, Corporate Legal Division has also provided trainings and socialization to Working Unit and operational staff on the legal aspects in the Bank's transaction process, study cases on legal issues which commonly happen as well as mitigation steps on legal risk which might occur in the Bank's operations. Corporate Legal Division has monitored legal risk by:

- Measuring level of inherent legal risk on legal risk event faced by the Bank periodically (quarterly) using indicators/ parameters of legal risk determined by Financial Services Authority (FSA).
- Monitoring and reporting the profile of inherent legal risk and the quality of legal risk management periodically (quarterly) as stipulated by the Financial Services Authority to the Board of Directors through Risk Management Work Unit.

The Bank management may appoint and grant authority to the working unit aside from Corporate Legal Division to manage the legal risk. Currently, the working unit which manages the legal risk under the coordination of Corporate Legal Division is Asset Recovery Management Division, Fraud Handling Team, and Human Capital Services – Industrial Relations, which refer to the organization structure and authorities of each unit as determined by the Bank's internal policies and procedures.

## STRATEGIC RISK MANAGEMENT

The strategic risk is a risk that can occur because of the decision and/or inaccurate or less accurate implementation of the Bank's strategy. This risk can also occur when the Bank fails to respond or anticipate the changes within the business environment.

### Mitigation Effort

In anticipating the strategic risk, the Bank through the Board of Directors and the Board of Commissioners have determined and regularly adapts the short term, medium term and long term strategies through a process of consideration and decision making collectively and comprehensively.

The Bank's strategic plan is established by the Board of Directors and approved by the Board of Commissioners. The strategy is designed based on the internal condition analysis as well as external condition development which may directly or indirectly affect the Bank's business strategy as stipulated in the annual short term plan and three year medium term plan in Corporate Plan and Business Plan. The making of Corporate Plan and Business Plan refers to the Bank's vision and mission that has considered various aspects of internal and external which refer to the criteria of bank health level measurement and prudential banking principle.

In addition, the Bank also regularly communicates the achievement level of financial target, strategy realization, and follow up in the framework of Corporate Plan and Business Plan through various forums and coordination meetings such as Meeting of the Board of Directors, Meeting of the Board of Commissioners, Forum of OCBC NISP One, Forum of CEO Dialogue as well as formal meetings and other informal meetings. Such matters are to ensure that the Bank's target and objectives have been fully understood in a good manner and in accordance with the activities of all components at regional level and head office as well as among segments and supporting units.

## COMPLIANCE RISK MANAGEMENT

The Bank's business activities continue to change and improve in accordance with the development of information technology, globalization and financial market integration so as the complexity of activities becomes higher. The higher complexity of the Bank's business activities has led to the higher challenges and risk exposure. For that reason, it is necessary to have a proper and on time compliance risk management in order to minimize the risk impact as early as possible. Following are few factors which can increase the compliance risk exposure, among others:

1. Type or higher complexity of the Bank's business activities.
2. Numerous new products and activities of the Bank.
3. Volume and materiality of the Bank's disobedience against the internal policies and procedures, prevailing rules and regulations, as well as a healthy practice and business ethic standard.
4. Numerous regulations deliver the impact on the Bank's process or system considered based on the readiness of the Bank's infrastructure and human resources.

## Strategy of Compliance Risk Management

The Compliance function is a series of preventive (ex-ante) actions or moves to ensure that policy, provision, system and procedure as well as business activities have been carried out by the Bank in accordance with the regulation of Financial Services Authority, Bank Indonesia and the prevailing rules and regulations. Therefore, the Compliance Division has determined several strategies to optimize the Compliance Function as follows:

1. To be a trusted partner for business unit and other supporting functions. In order to achieve such objective, the Compliance Division constantly attempts to:
  - a. Provide professional recommendation to ensure the conformity of policies and business activities of the Bank with the prevailing terms.
  - b. Team up with business unit related to the opportunities and threats due to the new regulations or relaxation of regulations issued by the Regulators.
  - c. Ensure the compatibility of policies and the Bank's business activities to the prevailing terms through Regulatory Requirement Self-Assessment (RRSA) for each work unit.
2. Improve Compliance Awareness and Compliance Culture through several activities as follows:
  - a. Managing and ensuring the Bank's compliance with the prevailing regulations issued by the Regulators.
  - b. Improving the implementation of compliance function in managing compliance risk. One of the efforts to manage the compliance risk within the organization lines, the Compliance Division has determined self-assessment on working units gradually.
3. Implement an Integrated Governance within the Financial Conglomeration Framework, where the Bank has a role as Primary Entity and Compliance Division is in charge to carry out Integrated Compliance Function. The implementation of Integrated Compliance Function is conducted by the following ways:
  - a. Ensuring that implementation of Integrated Governance has been agreed and in accordance with the prevailing terms through monitoring and assurance process in each Financial Institution.
  - b. Improving implementation of Governance on each Financial Institution by strengthening the Governance Framework, improving the quality of risk management and implementation of Compliance Function as well as competencies of staffs that carry out the Compliance Function in each Financial Institution.
  - c. Continuing the review and improvement of sustainable Governance.

## Mechanism of Monitoring and Compliance Risk Control

Mechanism of monitoring on the implementation of Compliance Function is carried out by:

1. Monitoring implementation of prudential banking principles

among others in the form of ratios fulfillment in accordance with the prevailing regulations.

2. Monitoring the infringement exercised by the Bank which refers to the Regulators' letters and internal audit as well as external audit results.
3. Monitoring in the form of self-assessment by filling the RRSA which functions as tools for work units at the Bank to monitor the compliance with regulations which have significant impacts. The implementation of RRSA is gradually conducted by considering the used approach as well as existing resources.

Furthermore, the Compliance Division monitoring result is reported regularly to the Board of Directors and the Board of Commissioners at the meetings of the Board of Directors held monthly and meetings of the Board of Commissioners held quarterly.

## REPUTATION RISK MANAGEMENT

The Bank realizes that a proper reputation risk management plays an important role to improve the shareholders' trust. Therefore, the Bank continually embeds the importance of reputation risk management to all employees through socialization of vision and internalization of corporate values.

### Organization of Reputation Risk Management

The Bank has strongly committed to manage the reputation risk as shown by the several working units appointed by the Bank as stakeholder management of reputation risk, namely Human Capital Group, Network Sales Management, Corporate Communication and Corporate Secretary.

### Policy and Mechanism of Reputation Risk to Improve the Quality of Customer Service

The process of management and implementation of reputation risk management are carried out within the Bank as follows:

1. Anticipating a negative perception which may cause the risk on the Bank's reputation:
  - a. Delivering information about the Company, employees and internal activities as well as products and services through various communication channels of the Bank.
  - b. Publicizing financial statements and performance of the Bank quarterly through mass media and corporate website.
  - c. Carrying out various Corporate Social Responsibility programs (CSR) to improve banking comprehension.
  - d. Building a harmonious relation with local and national media to open the information access as well as to deliver news sources.
  - e. Through Customer Experience Unit, the Bank conducts various measurable surveys on prospect and expectation of the Customers in order to obtain many inputs from the Customers. The formulation and internalization of customer service are continually reviewed and improved in order to deliver the finest customer service experience.

- f. If there is negative news which potentially raise the reputation risk, the Bank will proactively search for the information and take necessary actions to obtain the best solution for all parties.
2. Managing the handling process of customers' complaints which covers, among others:
  - a. 24-hour Call Center and Communication Channel which enable the customers to submit their complaints through letters, emails, and social media.
  - b. Receiving Customers' complaints through branch offices, website, mass media and social media centralized in Complaint Handling Management system, and followed up through related division/working unit.
  - c. Monitoring the recorded complaints in CHM along with its follow up as well as monitoring the applicable Service Level Agreement. The customers' complaints are analyzed regularly as well as seeking the root-causes through coordination with related work unit so as the Bank is able to take anticipatory actions in the future.
3. Conducting supervision thoroughly on regular basis on issues potentially give the impact on the Company's reputation, among others:
  - a. Monitoring the Company's news in printed media and online/digital media reported daily to the Board of Directors.
  - b. Reviewing the development of new products and business collaboration through NPAP (New Product Approval Process) that shall be reviewed by all related functional specialists.
  - c. Analyzing the conformity of products with customers' profile as well as delivering information on the risk and return aspect transparently.

### Management of Reputation Risk in Crisis

1. The Bank owns Business Continuity Plan (BCP) procedure which is applicable in times of crisis, such as case or event potentially intrude the service operations and injure the Company's reputation. This procedure covers the following crisis management items:
  - a. Emergency response;
  - b. Customer service in time of crisis and alert condition;
  - c. Accelerate the recovery process in time of disaster;
  - d. Back-up system to prevent the business failure with a highly risk.
2. The Bank establishes Crisis Management Team which is responsible to coordinate the process of crisis management.
3. Managing Crisis Communication by coordinating the crisis communication to the customers and other external parties including mass media.

In its implementation, an active monitoring on the Bank's reputation risk management is carried out by the Board of Commissioners and Board of Directors through monitoring process on the risk level, mitigation process of reputation risk as well as reputation risk governance.

## RISK MANAGEMENT EVALUATION

Risk management evaluation within the Bank is conducted routinely for the Bank has an efficient and effective monitoring system and procedure, hence allowing an in-depth and thorough evaluation process. By implementing a routine evaluation, the Bank will be able to identify any potential risk that could emerge and make a significant impact on the Bank, to understand every risk taken and to prepare the appropriate strategies to mitigate each risk.

Risk management evaluation is not merely conducted by work units in the Risk Management Group and internal audit unit as independent supervisor, but is also actively conducted by the BOC and BOD. At the BOC and BOD level, an active oversight mechanism is carried out through committees that are specially formed related to the scope of each type of risk being managed.

At the BOC level, the Risk Monitoring Committee has the highest authority to determine and evaluate the Bank's risk appetite, risk profile, to approve the Bank's risk management framework and policies, as well as monitor and evaluate the performance of the Risk Management Committee and risk management unit. The Committee meetings are conducted at least once every three months to make evaluation, provide approval, and discuss issues related to risk, potential losses and mitigation.

At the BOD level, there are several committees related to the risk management function in charge of different scopes, among others Risk Management Committee, Credit Risk Management Committee, Market Risk Management Committee, Asset and Liability Committee, Specific Provision Committee, Operational Risk Management Committee, and Fraud Committee.

Active Supervision carried out in 2017 can be seen at the description of the Bank's Committees in GCG section on page 128-140.

A more in-depth evaluation is carried out by the risk management unit and other related supporting work units using the Risk-Based Bank Rating (RBBR) approach in accordance to the guidelines on the banks' financial health through risk profile assessment. Risk profile assessment is performed regularly on a quarterly basis through an evaluation process, commencing with eight types of inherent risk up to evaluation on the quality of Bank's risk management implementation in managing the eight types of risk. The eight inherent risks are: credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, compliance risk, and reputational risk. Meanwhile, the evaluation process on the quality of risk management implementation on these risks includes: risk governance, risk management framework, risk management process, adequacy of information systems, adequacy of human resources and adequacy of control system. The final output of the assessment and evaluation of inherent risks and quality of risk management implementation are summarized as the Bank's overall risk profile rating, subsequently submitted and evaluated by the BOC and BOD through Risk Monitoring Committee.

As evidence that the implementation of governance and risk management at the Bank has been carried out well and may deliver added value for the company, in 2017, the Bank has successfully retained the title of "Indonesia Most Trusted Company" by CGPI Award (Corporate Governance Perception Index) for the sixth time.

## REVIEW ON THE EFFECTIVENESS OF RISK MANAGEMENT SYSTEM

Oversight function and evaluation of risk management are performed by various committees related to risk management and the Internal Audit unit. As the executive of internal control and risk assurance, Internal Audit will actively conduct evaluation and recommendations on the quality and processes of risk governance at the Bank. In addition to internal evaluation, independent risk management evaluation is also obtained from the external auditor and other external parties. Based on assessment conducted in 2017, Internal Audit considers that the overall risk management system implemented by the Bank has been generally acceptable.

## RISK MANAGEMENT MOVING FORWARD

In line with the development of more diverse and complex banking activities coupled with an increasing risk potential, the Bank constantly improves the risk management in terms of organization structure and human resources, policy and procedure, supporting system, and methodology.

For future risk management of the Bank, the Risk Management Group had a key strategy that focused on six issues, which are:

1. Maintenance of the Bank's assets quality.
2. Improvement of loan recovery rate.
3. Effectiveness of the three-line defense to support sustainable growth.
4. Strengthening the operational risk management framework.
5. Optimization of the Bank's balance sheet and infrastructure improvement.
6. Strengthening integrated risk management for financial conglomeration.

With a sound risk management planning within the Bank, the Bank will be able to anticipate various challenges and constraints in running its daily business activities, enabling it to provide the best service to all customers.

	Inherent Risk Rating	Risk Management Implementation Quality Rating	Risk Rating Q4-2017	Risk Rating in Previous Year Q4-2016
<b>Credit Risk</b>	Low to Moderate	Strong	Low to Moderate*	Low to Moderate*
<b>Market Risk</b>	Low to Moderate	Strong	Low	Low
<b>Liquidity Risk</b>	Low to Moderate	Strong	Low	Low
<b>Operational Risk</b>	Low to Moderate	Satisfactory	Low to Moderate	Low to Moderate
<b>Legal Risk</b>	Low	Satisfactory	Low	Low
<b>Strategic Risk</b>	Low	Strong	Low	Low
<b>Compliance Risk</b>	Low	Strong	Low	Low to Moderate
<b>Reputation Risk</b>	Low	Strong	Low	Low
<b>Composite Risk Rating</b>			Low	Low

\* adjusted

The Bank's overall risk profile for the fourth quarter of 2017 stood at "Low" composite risk rating, similar to each quarterly assessment throughout 2017. This rating indicates that the Bank has successfully conducted a relatively stable risk management. In the future, the Bank has committed to constantly maintain and improve the risk management implementation within the Bank in order to optimize sustainable performance of the Bank.

TABLES OF RISK MANAGEMENT

Table 1: Disclosure of Net Receivables Risk Weighted after Credit Risk Mitigation - Bank Individually

(in million Rp)

No	Portfolio Category	December 31, 2017										RWA	Capital Charge
		Net Receivable After Credit Risk Mitigation											
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others		
<b>A. Balance Sheet Exposures</b>													
1.	Claims on Government/ Sovereign	31,730,803	-	-	-	-	-	-	-	-	-	-	-
2.	Claims on Public Sector Entities	-	-	-	-	-	1,169,163	-	-	-	-	584,582	46,767
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-
4.	Claims on Banks	-	2,070,816	-	-	-	2,399,339	-	-	-	-	1,613,392	129,071
5.	Claims Secured by Residential Property	-	-	6,282,172	-	-	-	-	-	-	-	2,198,760	175,901
6.	Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	37,238,199	-	-	36,811,465	2,944,917
7.	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	-	-	-	-	-	-	3,779,053	-	-	-	2,789,212	223,137
9.	Claims on Corporates	-	1,178,025	-	-	-	353,312	-	60,263,876	-	-	58,179,263	4,654,341
10.	Claims on Past Due Exposures	-	-	-	-	-	-	-	79,799	643,786	-	1,044,128	83,530
11.	Other Assets	-	-	-	-	-	-	-	4,027,416	511,982	-	3,805,500	304,440
	<b>Total Balance Sheet Exposures</b>	<b>31,730,803</b>	<b>3,248,841</b>	<b>6,282,172</b>	<b>-</b>	<b>-</b>	<b>3,921,814</b>	<b>3,779,053</b>	<b>101,609,290</b>	<b>1,155,768</b>	<b>-</b>	<b>107,026,302</b>	<b>8,562,104</b>
<b>B. Commitment and Contingencies Liabilities Exposures on Administrative Account</b>													
1.	Claims on Government/ Sovereign	-	-	-	-	-	-	-	-	-	-	-	-
2.	Claims on Public Sector Entities	-	-	-	-	-	125,000	-	-	-	-	62,500	5,000
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-
4.	Claims on Banks	-	-	-	-	-	1,726	-	61,175	-	-	31,450	2,516
5.	Claims Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-	-
6.	Claims Secured by Commercial Real Estate	-	8,800	-	-	-	1,566,374	-	-	-	-	1,575,174	126,014
7.	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	-	44,480	-	-	-	169,311	-	224,698	-	-	328,867	26,309
9.	Claims on Corporates	-	780,266	-	-	-	3,429,028	-	1,718,988	-	-	5,928,281	474,262
10.	Claims on Past Due Exposures	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Exposures on Administrative Accounts</b>	<b>-</b>	<b>833,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,291,439</b>	<b>-</b>	<b>2,004,861</b>	<b>-</b>	<b>-</b>	<b>7,926,272</b>	<b>634,101</b>
<b>C. Counterparty Credit Risk Exposure</b>													
1.	Claims on Government/ Sovereign	-	-	-	-	-	-	-	-	-	-	-	-
2.	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-
4.	Claims on Banks	-	188,818	-	-	-	389,391	-	-	-	-	232,459	18,597
5.	Claims on Micro, Small, and Retail Portfolio	-	-	-	-	-	-	22,661	-	-	-	16,995	1,360
6.	Claims on Corporates	-	-	-	-	-	-	-	108,583	-	-	108,583	8,687
	<b>Total Counterparty Credit Risk Exposure</b>	<b>-</b>	<b>188,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>389,391</b>	<b>22,661</b>	<b>108,583</b>	<b>-</b>	<b>-</b>	<b>358,037</b>	<b>28,644</b>

Table 2: Disclosure of Net Receivable and Credit Risk Mitigation Technique – Bank Individually

(in million Rp)

No	Portfolio Category	December 31, 2017					
		Net Receivable	Portion Secured By				Unsecured Portion
			Collateral	Guarantee	Credit Insurance	Others	
<b>A. Balance Sheet Exposures</b>							
1.	Claims on Government/Sovereign	31,730,803	-	-	-	31,730,803	
2.	Claims on Public Sector Entities	1,169,163	-	-	-	1,169,163	
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	
4.	Claims on Banks	4,470,155	882	-	-	4,469,273	
5.	Claims Secured by Residential Property	6,282,172	-	-	-	6,282,172	
6.	Claims Secured by Commercial Real Estate	37,238,199	521,706	-	-	36,716,493	
7.	Claims on Pension Loans	-	-	-	-	-	
8.	Claims on Micro, Small, and Retail Portfolio	3,779,053	60,263	-	-	3,718,790	
9.	Claims on Corporates	61,795,213	2,680,044	-	-	59,115,169	
10.	Claims on Past Due Exposures	723,585	900	-	-	722,685	
11.	Other Assets	4,539,398	-	-	-	4,539,398	
	<b>Total Balance Sheet Exposures</b>	<b>151,727,741</b>	<b>3,263,795</b>	-	-	<b>148,463,946</b>	
<b>B. Commitment and Contingencies Liabilities Exposures on Administrative Account</b>							
1.	Claims on Government/Sovereign	-	-	-	-	-	
2.	Claims on Public Sector Entities	125,000	-	-	-	125,000	
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	
4.	Claims on Banks	62,901	-	-	-	62,901	
5.	Claims Secured by Residential Property	-	-	-	-	-	
6.	Claims Secured by Commercial Real Estate	1,575,174	-	-	-	1,575,174	
7.	Claims on Pension Loans	-	-	-	-	-	
8.	Claims on Micro, Small, and Retail Portfolio	438,489	-	-	-	438,489	
9.	Claims on Corporates	5,928,281	-	-	-	5,928,281	
10.	Claims on Past Due Exposures	-	-	-	-	-	
	<b>Total Exposures on Administrative Accounts</b>	<b>8,129,845</b>	-	-	-	<b>8,129,845</b>	
<b>C. Counterparty Credit Risk Exposure</b>							
1.	Claims on Government/Sovereign	-	-	-	-	-	
2.	Claims on Public Sector Entities	-	-	-	-	-	
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	
4.	Claims on Banks	578,209	-	-	-	578,209	
5.	Claims on Micro, Small, and Retail Portfolio	22,661	-	-	-	22,661	
6.	Claims on Corporates	108,583	-	-	-	108,583	
	<b>Total Counterparty Credit Risk Exposure</b>	<b>709,453</b>	-	-	-	<b>709,453</b>	
	<b>Total (A+B+C)</b>	<b>160,567,038</b>	<b>3,263,795</b>	-	-	<b>157,303,243</b>	

**Table 3: Exposure of Asset in Balance Sheet**

(in million Rp)

No	Portfolio Category	December 31, 2017		
		Net Receivable	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation
1.	Claims on Government/Sovereign	31,730,803	-	-
2.	Claims on Public Sector Entities	1,169,163	584,582	584,582
3.	Claims on Multilateral Development Banks and International Entities	-	-	-
4.	Claims on Banks	4,470,155	1,613,833	1,613,392
5.	Claims Secured by Residential Property	6,282,172	2,198,760	2,198,760
6.	Claims Secured by Commercial Real Estate	37,238,199	37,238,199	36,811,465
7.	Claims on Pension Loans	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	3,779,053	2,834,290	2,789,212
9.	Claims on Corporates	61,795,213	60,676,136	58,179,263
10.	Claims on Past Due Exposures	723,585	1,045,478	1,044,128
11.	Other Assets	4,539,398	-	3,805,500
	<b>Total</b>	<b>151,727,741</b>	<b>106,191,278</b>	<b>107,026,302</b>

**Table 4: Exposure of Commitment/Contingency Liabilities on Administrative Accounts**

(in million Rp)

No	Portfolio Category	December 31, 2017		
		Net Receivable	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation
1.	Claims on Government/Sovereign	-	-	-
2.	Claims on Public Sector Entities	125,000	62,500	62,500
3.	Claims on Multilateral Development Banks and International Entities	-	-	-
4.	Claims on Banks	62,901	31,450	31,450
5.	Claims Secured by Residential Property	-	-	-
6.	Claims Secured by Commercial Real Estate	1,575,174	1,575,174	1,575,174
7.	Claims on Pension Loans	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	438,489	328,867	328,867
9.	Claims on Corporates	5,928,281	5,928,281	5,928,281
10.	Claims on Past Due Exposures	-	-	-
	<b>Total</b>	<b>8,129,845</b>	<b>7,926,272</b>	<b>7,926,272</b>

**Table 5: Exposure of Counterparty Credit Risk**

(in million Rp)

No	Portfolio Category	December 31, 2017		
		Net Receivable	RWA Before Credit Risk Mitigation	RWA After Credit Risk Mitigation
1.	Claims on Government/Sovereign	-	-	-
2.	Claims on Public Sector Entities	-	-	-
3.	Claims on Multilateral Development Banks and International Entities	-	-	-
4.	Claims on Banks	578,209	232,459	232,459
5.	Claims on Micro, Small, and Retail Portfolio	22,661	16,995	16,995
6.	Claims on Corporates	108,583	108,583	108,583
	<b>Total</b>	<b>709,453</b>	<b>358,037</b>	<b>358,037</b>

**Table 6: Exposure in Sharia Business Unit**

In million Rp

No	Type of Transaction	Deducting Factor Capital	RWA
1	Total Exposure	-	-

**Table 7: Total Measurement of Credit Risk**

(in million Rp)

December 31, 2017	
RISK WEIGHTED ASSETS CREDIT RISK	115,433,763
CAPITAL CHARGE FACTOR	-

**Table 8: Disclosure of Net Receivables Based on Region – Bank Individually**

In million Rp

No	Portfolio Category	December 31, 2017					
		Net Receivable Based on Region					
		Jawa Bali	Sumatera	Kalimantan	Sulawesi	Others	Total
1.	Claims on Government/Sovereign	31,730,803	-	-	-	-	31,730,803
2.	Claims on Public Sector Entities	1,294,163	-	-	-	-	1,294,163
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4.	Claims on Banks	5,111,264	1	-	-	-	5,111,265
5.	Claims Secured by Residential Property	5,241,014	765,678	138,439	123,286	13,755	6,282,172
6.	Claims Secured by Commercial Real Estate	33,629,108	3,631,498	927,717	599,395	25,655	38,813,373
7.	Claims on Pension Loans	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	3,532,457	510,686	98,575	94,439	4,046	4,240,203
9.	Claims on Corporates	61,385,011	5,031,397	570,809	803,048	41,812	67,832,077
10.	Claims on Past Due Exposures	502,518	114,593	30,802	75,377	295	723,585
11.	Other Assets	4,275,615	153,779	31,712	74,236	4,056	4,539,398
	<b>Total</b>	<b>146,701,953</b>	<b>10,207,632</b>	<b>1,798,054</b>	<b>1,769,781</b>	<b>89,619</b>	<b>160,567,038</b>

**Table 9: Disclosure of Net Receivables Based on Maturity Term– Bank Individually**

(In million Rp)

No	Portfolio Category	December 31, 2017					
		Net Receivable Based on Maturity					
		< 1 year	>1 - 3 years	>3 - 5 years	>5 years	Non Contractual	Total
1.	Claims on Government/Sovereign	20,715,758	8,262,163	42,165	2,710,717	-	31,730,803
2.	Claims on Public Sector Entities	307,251	-	300,174	686,738	-	1,294,163
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4.	Claims on Banks	4,417,564	584,629	9,782	99,290	-	5,111,265
5.	Claims Secured by Residential Property	668	26,975	50,603	6,203,926	-	6,282,172
6.	Claims Secured by Commercial Real Estate	10,778,508	6,009,146	2,118,256	19,907,463	-	38,813,373
7.	Claims on Pension Loans	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	554,735	333,051	581,325	2,771,092	-	4,240,203
9.	Claims on Corporates	29,247,367	8,125,101	10,201,491	20,258,118	-	67,832,077
10.	Claims on Past Due Exposures	223,369	143,327	48,492	308,397	-	723,585
11.	Other Assets	-	-	-	-	4,539,398	4,539,398
	<b>Total</b>	<b>66,245,220</b>	<b>23,484,392</b>	<b>13,352,288</b>	<b>52,945,741</b>	<b>4,539,398</b>	<b>160,567,038</b>

**Table 10: Disclosure of Net Receivable Based on Economic Sector - Bank Individually**

(in million Rp)

No	Economic Sector	Claims on Government /Sovereign	Claims on Public Sector Entities	Claims on Multilateral Development Banks and International Entities	Claims on Banks	Claims Secured by Residential Property	Claims Secured by Commercial Real Estate	Claims on Pension Loans	Claims on Micro, Small, and Retail Portfolio	Claims on Corporates	Claims on Past Due Exposures	Other Assets
<b>December 31, 2017</b>												
1.	Agricultures, hunting and forestry	-	-	-	-	-	5,318,069	-	4,747	4,292,091	474	-
2.	Fisheries	-	-	-	-	-	47,653	-	2,015	65,444	-	-
3.	Mining and Quarrying	-	-	-	-	-	323,348	-	3,733	4,378,495	87	-
4.	Processing industry	-	993,989	-	-	-	14,594,339	-	89,513	12,601,067	163,053	-
5.	Electricity, gas, and water	-	-	-	-	-	9,091	-	1,963	604,052	109	-
6.	Construction	-	300,174	-	-	-	1,567,643	-	28,192	1,530,769	19,611	-
7.	Big and retail trade	-	-	-	-	-	9,295,559	-	313,598	15,139,193	292,542	-
8.	Provision of accommodation and food supply drinking	-	-	-	-	-	1,260,257	-	5,027	506,195	1,628	-
9.	Transportation, warehousing and communications	-	-	-	-	-	1,465,689	-	23,352	4,675,311	61,718	-
10.	Transitional Finance	31,730,803	-	-	5,111,265	-	4,330	-	664	1,282,416	-	-
11.	Real estate, Rental Business, and services company	-	-	-	-	-	3,472,653	-	23,104	6,494,125	18,813	-
12.	Government administration, the defense and compulsory social security	-	-	-	-	-	-	-	-	-	-	-
13.	Education services	-	-	-	-	-	96,291	-	1,271	292,276	470	-
14.	Health and social services	-	-	-	-	-	273,280	-	4,840	186,792	196	-
15.	Community, Sociocultural, Entertainment and Other Individual Services	-	-	-	-	-	138,519	-	12,247	165,355	384	-
16.	Individual services which serve households	-	-	-	-	-	-	-	-	-	-	-
17.	International agency and other international extra agency	-	-	-	-	-	-	-	-	-	-	-
18.	Business Activities which are not clearly defined	-	-	-	-	-	6,286	-	2,130	7,222	-	-
19.	Credit Recipients Non Industrial Origin	-	-	-	-	-	-	-	-	-	-	-
20.	Others	-	-	-	-	6,282,172	940,366	-	3,723,806	15,611,274	164,500	4,539,398
	<b>Total</b>	<b>31,730,803</b>	<b>1,294,163</b>	<b>-</b>	<b>5,111,265</b>	<b>6,282,172</b>	<b>38,813,373</b>	<b>-</b>	<b>4,240,202</b>	<b>67,832,077</b>	<b>723,585</b>	<b>4,539,398</b>

**Table 11: Disclosure of Receivables and Allowance Based on Region - Bank Individually**

(in million Rp)

No	Portfolio Category	December 31, 2017					
		Net Receivables Based on Region					
		Jawa Bali	Sumatera	Kalimantan	Sulawesi	Others	Total
1.	Receivables	138,374,312	10,203,478	1,783,492	1,788,792	90,958	152,241,032
2.	Impaired Receivables	968,019	24,617	8,215	24,434	-	1,025,285
	a. Non Past Due	44,071	-	17	3,662	-	47,750
	b. Past Due	923,948	24,617	8,198	20,772	-	977,535
3.	Allowance for Impairment Losses – Individual	968,019	24,617	8,215	24,434	-	1,025,285
4.	Allowance for Impairment Losses – Collective	2,717,233	327,371	28,527	59,831	1,367	3,134,329
5.	Claims written off	250,466	2,082	1,439	898	-	254,885

**Table 12: Disclosure of Receivables and Allowance Based on Economic Sector - Bank Individually**

(in million Rp)

No.	Economic Sector	Receivables	Impaired Receivables		Allowance for Impairment Losses – Individual	Allowance for Impairment Losses – Collective	Claims written off
			Non Past Due	Past Due			
<b>December 31, 2017</b>							
1.	Agricultures, hunting and forestry	9,615,381	-	-	-	243,527	-
2.	Fisheries	115,112	-	4,312	4,312	776	-
3.	Mining and Quarrying	4,705,663	-	-	-	139,075	1,224
4.	Processing industry	28,441,961	20,673	136,223	156,896	873,196	141,567
5.	Electricity, gas, and water	615,215	-	-	-	690	-
6.	Construction	3,446,389	17	8,565	8,582	50,449	-
7.	Big and retail trade	25,040,892	25,651	660,747	686,398	1,131,688	37,590
8.	Provision of accommodation and food supply drinking	1,773,107	-	-	-	34,435	-
9.	Transportation, warehousing and communications	6,226,070	-	107,026	107,026	287,342	-
10.	Transitional Finance	38,129,478	-	-	-	1,520	-
11.	Real estate, Rental Business, and services company	10,008,695	-	55,103	55,103	212,526	8,753
12.	Government administration, the defense and compulsory social security	-	-	-	-	-	-
13.	Education services	390,308	-	-	-	2,246	-
14.	Health and social services	465,108	-	-	-	1,821	-
15.	Community, Sociocultural, Entertainment and Other Individual Services	316,505	-	-	-	4,994	252
16.	Individual services which serve households	-	-	-	-	-	-
17.	International agency and other international extra agency	-	-	-	-	-	-
18.	Business Activities which are not clearly defined	15,638	-	-	-	155	-
19.	Credit Recipients Non Industrial Origin	-	58	71	129	21,969	50,280
20.	Others	32,665,676	1,351	5,488	6,839	127,920	15,219
	<b>Total</b>	<b>161,971,198</b>	<b>47,750</b>	<b>977,535</b>	<b>1,025,285</b>	<b>3,134,329</b>	<b>254,885</b>

**Table 13: Disclosure of Details on Movements of Allowance for Impairment Losses - Bank Individually**

(In million Rp)

No	Portfolio Category	December 31, 2017	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
1.	Beginning Balance - Allowance for Impairment Losses	944,904	2,170,083
2.	Allowance/(reversal) for impairment losses during the year (Net)		
2.a.	Allowance for impairment losses during the year	269,189	1,010,238
2.b.	Reversal for impairment losses during the year	-	-
3.	Allowance for impairment losses used to claims written off during the year	(196,227)	(58,658)
4.	Other allowance/(reversal) during the year Ending Balance	7,419	12,666
	<b>Ending Balance</b>	<b>1,025,285</b>	<b>3,134,329</b>

Table 14: Disclosure of Net Receivables Based on Portfolio Category and Individual Rating Scale – Bank Individually

(In million Rp)

		31 December 2017																			
		Net Receivables																			
No	Portfolio Category	Rating Agency	Long-Term Rating							Short-Term Rating							Unrated	Total			
			AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	Less than B-	A-1	A-2	A-3	Less than A-3	Fitch Rating	Moody's	PT PITCH Ratings Indonesia			PT ICRA Indonesia	PT Pemeringkat Efek Indonesia	
1.	Claims on Government/ Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,730,803	31,730,803
2.	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,294,163	1,294,163
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	Claims on Banks	-	868,399	205,568	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,037,298	5,111,265
5.	Claims Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.	Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Claims on Corporates	-	561,154	616,871	353,312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,300,740	67,832,077
10.	Claims on Past Due Exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	723,585	723,585
11.	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	-	<b>1,429,553</b>	<b>822,439</b>	<b>353,312</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>104,086,589</b>	<b>106,691,893</b>

**Table 15: Disclosure of Counterparty Credit Risk Derivative Transactions – Bank Individually**

(In million Rp)

No	Underlying Variables	December 31, 2017							
		Notional Amount			Derivative Receivable	Derivative Payable	Net Receivables Before Credit Risk Mitigation	Credit Risk Mitigation	Net Receivables After Credit Risk Mitigation
		< 1 year	>1-5 years	> 5 years					
1.	Interest Rate	1,245,611	7,563,247	-	27,925	29,999	37,816	-	37,816
2.	Foreign Exchange	31,150,692	1,379,969	-	161,660	57,417	380,506	-	380,506
3.	Others	-	-	-	101,546	54,025	-	-	-
	<b>Total</b>	<b>32,396,303</b>	<b>8,943,216</b>	<b>-</b>	<b>291,131</b>	<b>141,441</b>	<b>418,322</b>	<b>-</b>	<b>418,322</b>

**Table 16: Disclosure of Counterparty Credit Risk: Repo Transaction – Bank Individually**

(In million Rp)

No	Portfolio Category	December 31, 2017			
		Fair Value of Repo Securities	Repo Payable	Net Receivable	Risk Weighted Asset
1.	Claims on Government/Sovereign	-	-	-	-
2.	Claims on Public Sector Entities	-	-	-	-
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-
4.	Claims on Banks	-	-	-	-
5.	Claims on Micro, Small, and Retail Portfolio	-	-	-	-
6.	Claims on Corporates	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 17: Disclosure of Counterparty Credit Risk: Reverse Repo Transaction – Bank Individually**

(In million Rp)

No	Portfolio Category	December 31, 2017			Risk Weighted Asset After Credit Risk Mitigation
		Net Receivables	Credit Risk Mitigation Value	Net Receivables after Credit Risk Mitigation	
1.	Claims on Government/Sovereign	-	-	-	-
2.	Claims on Public Sector Entities	-	-	-	-
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-
4.	Claims on Banks	-	-	-	-
5.	Claims on Micro, Small, and Retail Portfolio	-	-	-	-
6.	Claims on Corporates	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 18: VaR**

Full amount (Rp)

IDR	2017			
	Year End	Average	Minimum	Maximum
IR VAR	3,749,445,724	7,147,901,006	2,185,430,448	16,716,222,630
FX VAR	3,481,646,820	2,813,453,673	317,448,719	7,980,174,140
<b>TOTAL VaR</b>	<b>5,832,248,504</b>	<b>8,253,160,522</b>	<b>1,893,570,657</b>	<b>22,445,181,542</b>

**Table 19: PVo1**

(In thousand Rp)

IDR	2017			
	Year End	Average	Minimum	Maximum
PV01 - trading book*	571,675	468,851	94,747	956,695

\*Absolut value

**Table 20. Market Risk-Weighted Assets (RWA)**

(In million Rp)

No	Risk type	December 31, 2017	
		Bank	
		Capital Charge	RWA
<b>Interest Rate Risk</b>			
1.	a. Specific Risk	22,170	277,125
	b. General Risk	83,556	1,044,450
2.	Foreign Exchange Risk	62,908	786,350
3.	Equity Risk *)	-	-
4.	Commodity Risk *)	-	-
5.	Option Risk	-	-
	<b>Total</b>	<b>168,634</b>	<b>2,107,925</b>

\*)For banks having subsidiaries with with above risk exposure

Table 21: Maturity Profile - Rupiah Currency

(In million Rp)

No	Portfolio category	December 31, 2017						
		Maturity						
		<=1M	>1 - 3M	>3 - 6M	>6 - 12M	>1 - 3Y	>3 - 5Y	>5Y
<b>A. Assets</b>								
1.	Cash	858,017	-	-	-	-	-	-
2.	Current account with Bank Indonesia	1,309,114	-	-	-	-	-	4,436,578
3.	Loans to Customers	4,546,071	9,046,241	7,447,875	6,986,966	14,920,397	10,228,574	28,877,915
4.	Placement with Bank Indonesia	2,289,376	-	-	-	-	-	-
5.	Placement with Other Banks	221,914	675,566	279,496	1,324,847	126	-	-
6.	Marketable Securities:	10,032,601	2,534,895	330,047	501,180	3,692,742	44,241	3,322,161
	6.1 Hold to Maturity (HTM)	-	-	-	-	-	-	-
	6.2 Available for Sale (AFS)	9,498,515	654,696	330,047	501,180	3,692,742	44,241	3,322,161
	6.3 Trading	534,086	1,880,199	-	-	-	-	-
7.	Other Asset	155,688	447,498	27,514	788,344	25,983	100,423	(313,502)
	<b>Total Assets</b>	<b>19,412,781</b>	<b>12,704,200</b>	<b>8,084,932</b>	<b>9,601,337</b>	<b>18,639,248</b>	<b>10,373,238</b>	<b>36,323,152</b>
<b>B. Liabilities</b>								
1.	Current Account	1,667,516	1,148,566	915,719	1,122,128	3,029,347	3,029,347	1,609,938
2.	Saving Account	1,557,968	969,494	954,914	1,195,805	3,583,418	3,583,418	1,808,121
3.	Time Deposits	3,757,423	3,816,980	2,965,953	3,956,203	16,851,245	16,851,245	8,425,620
4.	Borrowing from Bank Indonesia	-	-	-	-	-	-	-
5.	Interbank Borrowing	1,421,138	1,146	-	513	-	-	-
6.	Debt Securities Issued	-	1,235,000	380,000	2,223,000	2,321,000	-	-
7.	Borrowing	77,629	48,778	7,108	-	-	-	-
8.	Other Liabilities	465,126	1,882,803	-	45,821	6,214	-	601,785
	<b>Total Liabilities</b>	<b>8,946,800</b>	<b>9,102,767</b>	<b>5,223,694</b>	<b>8,543,469</b>	<b>25,791,224</b>	<b>23,464,010</b>	<b>12,265,464</b>
<b>Capital</b>								
	On Balance Sheet Gap	10,465,981	3,601,433	2,861,238	1,057,869	(7,151,976)	(13,090,772)	2,256,227
	On Balance Sheet Cumulative Gap	10,465,981	14,067,414	16,928,652	17,986,521	10,834,545	(2,256,227)	-
<b>C. Administrative Accounts</b>								
	Derivative Inflows	5,735,596	3,756,476	1,579,151	3,818,083	943,480	607,500	-
	Derivative Outflows	7,393,102	2,608,440	1,115,132	909,255	133,250	-	3,311,084
	Administratif/Off Balance Sheet Gap	(1,657,506)	1,148,036	464,019	2,908,828	810,230	607,500	(3,311,084)
	Gap (A+B+C)	8,808,475	15,215,450	17,392,671	20,895,349	11,644,775	(1,648,727)	(3,311,084)
	Cummulative Gap (A+B+C)	8,808,475	24,023,925	41,416,596	62,311,945	73,956,720	72,307,993	68,996,909

Table 22: Maturity Profile - Foreign Currency

(In million Rp)

No	Portfolio category	December 31, 2017						
		Maturity						
		<=1M	>1 - 3M	>3 - 6M	>6 - 12M	>1 - 3Y	>3 - 5 Y	> 5 Y
<b>A. Assets</b>								
1.	Cash	131,872	-	-	-	-	-	-
2.	Current account with Bank Indonesia	3,385	-	-	-	-	-	3,156,899
3.	Loans to Customers	2,086,403	3,733,400	1,829,760	3,228,192	5,025,935	7,596,442	(3,364,378)
4.	Placement with Bank Indonesia	189,945	-	-	-	-	-	-
5.	Placement with Other Banks	553,926	-	-	-	-	-	-
6.	Marketable Securities:	3,880,497	1,371,705	156,866	276,487	175,494	81,944	1,215,463
	6.1 Hold to Maturity (HTM)	-	-	-	-	-	-	-
	6.2 Available for Sale (AFS)	3,352,007	212,652	156,866	276,487	175,494	81,944	1,215,463
	6.3 Trading	528,491	1,159,052	-	-	-	-	-
7.	Other Asset	179,084	114,284	111,253	24,423	-	-	2,929,486
	<b>Total Assets</b>	<b>7,025,112</b>	<b>5,219,389</b>	<b>2,097,879</b>	<b>3,529,102</b>	<b>5,201,430</b>	<b>7,678,386</b>	<b>3,937,470</b>
<b>B. Liabilities</b>								
1.	Current Account	4,238,907	2,178,781	1,438,167	1,411,022	1,739,415	1,739,415	869,707
2.	Saving Account	334,835	191,172	180,925	239,560	1,192,512	1,192,512	596,256
3.	Time Deposits	2,144,028	2,016,048	1,191,506	1,424,061	2,600,587	2,600,587	1,300,293
4.	Borrowing from Bank Indonesia	-	-	-	-	-	-	-
5.	Interbank Borrowing	204,740	-	-	-	-	-	-
6.	Debt Securities Issued	-	-	-	-	-	-	-
7.	Borrowing	3,474,508	-	-	-	-	-	-
8.	Other Liabilities	139,037	(186,756)	-	3,087	1,506	-	239,101
	<b>Total Liabilities</b>	<b>10,536,055</b>	<b>4,199,245</b>	<b>2,810,598</b>	<b>3,077,730</b>	<b>5,534,021</b>	<b>5,532,514</b>	<b>3,005,357</b>
	<b>Capital</b>	-	-	-	-	-	-	<b>(6,753)</b>
	On Balance Sheet Gap	(3,510,943)	1,020,144	(712,719)	451,372	(332,592)	2,145,872	938,866
	On Balance Sheet Cumulative Gap	(3,510,943)	(2,490,799)	(3,203,518)	(2,752,146)	(3,084,378)	(938,866)	-
<b>C. Administrative Accounts</b>								
	Derivative Inflows	12,929,183	3,033,820	1,123,766	1,557,045	135,675	-	-
	Derivative Outflows	12,173,810	6,452,771	2,106,937	3,952,615	1,628,875	610,538	736,630
	Administratif/Off Balance Sheet Gap	755,373	(3,418,951)	(983,171)	(2,395,570)	(1,493,200)	(610,538)	(736,630)
	Gap (A+B+C)	(2,755,570)	(5,909,750)	(4,186,689)	(5,147,716)	(4,577,938)	(1,549,404)	(736,630)
	Cummulative Gap (A+B+C)	(2,755,570)	(8,665,320)	(12,852,009)	(17,999,725)	(22,577,663)	(24,127,067)	(24,863,697)

Table 23: Maturity Profile - All Currencies

(In million Rp)

No	Portfolio category	December 31, 2017						
		Maturity						
		<=1M	>1 - 3M	>3 - 6M	>6 - 12M	>1 - 3Y	>3 - 5Y	>5Y
<b>A. Assets</b>								
1.	Cash	989,889	-	-	-	-	-	-
2.	Current account with Bank Indonesia	1,312,499	-	-	-	-	-	7,593,477
3.	Loans to Customers	6,632,474	12,779,641	9,277,635	10,215,158	19,946,332	17,825,016	25,513,537
4.	Placement with Bank Indonesia	2,479,321	-	-	-	-	-	-
5.	Placement with Other Banks	775,840	675,566	279,496	1,324,847	126	-	-
6.	Marketable Securities:	13,913,098	3,906,600	486,913	777,667	3,868,236	126,185	4,537,624
	6.1 Hold to Maturity (HTM)	-	-	-	-	-	-	-
	6.2 Available for Sale (AFS)	12,850,522	867,348	486,913	777,667	3,868,236	126,185	4,537,624
	6.3 Trading	1,062,577	3,039,251	-	-	-	-	-
7.	Other Asset	334,772	561,782	138,767	812,767	25,983	100,423	2,615,984
	<b>Total Assets</b>	<b>26,437,893</b>	<b>17,923,589</b>	<b>10,182,811</b>	<b>13,130,439</b>	<b>23,840,677</b>	<b>18,051,624</b>	<b>40,260,622</b>
<b>B. Liabilities</b>								
1.	Current Account	5,906,423	3,327,347	2,353,886	2,533,150	4,768,762	4,768,762	2,479,645
2.	Saving Account	1,892,803	1,160,666	1,135,839	1,435,365	4,775,930	4,775,930	2,404,377
3.	Time Deposits	5,901,451	5,833,028	4,157,459	5,380,264	19,451,832	19,451,832	9,545,913
4.	Borrowing from Bank Indonesia	-	-	-	-	-	-	-
5.	Interbank Borrowing	1,625,878	1,146	-	513	-	-	-
6.	Debt Securities Issued	-	1,235,000	380,000	2,223,000	2,321,000	-	-
7.	Borrowing	3,552,137	48,778	7,108	-	-	-	-
8.	Other Liabilities	604,163	1,696,047	-	48,906	7,720	-	840,886
	<b>Total Liabilities</b>	<b>19,482,855</b>	<b>13,302,012</b>	<b>8,034,292</b>	<b>11,621,198</b>	<b>31,325,245</b>	<b>28,996,524</b>	<b>15,270,821</b>
<b>Capital</b>								
	On Balance Sheet Gap	6,955,038	4,621,577	2,148,519	1,509,241	(7,484,568)	(10,944,900)	3,195,093
	On Balance Sheet Cumulative Gap	6,955,038	11,576,615	13,725,134	15,234,375	7,749,807	(3,195,093)	-
<b>C. Administrative Accounts</b>								
	Derivative Inflows	18,664,779	6,790,296	2,702,917	5,375,128	1,079,155	607,500	-
	Derivative Outflows	19,566,912	9,061,211	3,222,069	4,861,870	1,762,125	610,538	4,047,714
	Administratif/Off Balance Sheet Gap	(902,133)	(2,270,915)	(519,152)	513,258	(682,970)	(3,038)	(4,047,714)
	Gap (A+B+C)	6,052,905	9,305,700	13,205,982	15,747,633	7,066,837	(3,198,131)	(4,047,714)
	Cummulative Gap (A+B+C)	6,052,905	15,358,605	28,564,587	44,312,220	51,379,057	48,180,926	44,133,212

Tabel 24: Liquidity Ratio

No	Liquidity Ratio	December 31, 2017
1	Loan to Funding Ratio	91.24%
2	Secondary Reserve Ratio	22.86%
3	Net Interbank Borrowing Ratio	2.86%
4	Medium Term Funding Ratio	121.57%
5	Liquidity Coverage Ratio	149.95%

**Table 25: Repricing Gap - All Currencies**

(In million Rp)

No	Portfolio Category	December 31, 2017										
		Repricing									Non interest bearing	Total
		< = 1 Month	> 1M - 3M	> 3M - 1Y	> 1Y - 2Y	> 2Y - 3Y	> 3Y - 4Y	> 4Y - 5Y	> 5Y			
<b>A. ASSETS</b>												
	Cash	-	-	-	-	-	-	-	-	989,889	989,889	
	Current account with Bank Indonesia	1,312,499	-	-	-	-	-	-	-	7,593,477	8,905,976	
	Current account with other banks	698,856	-	-	-	-	-	-	-	-	698,856	
	Placements with other banks and Bank Indonesia	2,557,744	675,483	1,603,114	-	-	-	-	-	-	4,836,341	
	Marketable securities	1,578,156	2,759,930	4,764,143	1,269,542	1,805,512	372	23,680	188,264	(18,241)	12,371,358	
	Government bonds	3,236,570	202,877	1,117,838	7,109,837	1,378,436	751,206	328,620	316,037	-	14,441,421	
	Derivative receivables	-	-	-	-	-	-	-	-	291,131	291,131	
	Acceptance receivables	61,067,406	24,996,779	12,595,759	2,136,204	1,178,581	883,366	1,446,686	338,459	(2,453,446)	102,189,794	
	Loans	-	-	-	-	-	-	-	-	3,998,241	3,998,241	
	Other assets	44,853	49,706	133,086	-	-	-	-	-	877,004	1,104,649	
	<b>Total Assets</b>	<b>70,496,084</b>	<b>28,684,775</b>	<b>20,213,940</b>	<b>10,515,583</b>	<b>4,362,529</b>	<b>1,634,944</b>	<b>1,798,986</b>	<b>842,760</b>	<b>11,278,055</b>	<b>149,827,656</b>	
<b>B. LIABILITIES</b>												
	Obligations Due-Immediately	-	-	-	-	-	-	-	-	659,281	659,281	
	Deposits from Customers											
	Current Accounts	26,137,974	-	-	-	-	-	-	-	-	26,137,974	
	Saving Accounts	14,202,570	616,794	2,265,187	309,436	143,529	20,515	22,864	21	-	17,580,916	
	Time Deposit	47,988,890	14,496,163	7,236,716	13	-	-	-	-	-	69,721,782	
	Deposits from other Banks											
	Current Accounts and Saving Accounts	175,723	-	-	-	-	-	-	-	-	175,723	
	Interbank call money	4,609,713	-	-	-	-	-	-	-	-	4,609,713	
	Time Deposit	192,050	-	500	-	-	-	-	-	-	192,550	
	Derivative Payables	-	-	-	-	-	-	-	-	141,441	141,441	
	Acceptance Payables	-	-	-	-	-	-	-	-	4,046,274	4,046,274	
	Accrued Expenses	-	-	-	-	-	-	-	-	391,404	391,404	
	Marketable Securities Issued	-	1,235,000	2,603,000	1,258,000	1,063,000	-	-	-	(10,389)	6,148,611	
	Other Liabilities	-	-	-	-	-	-	-	-	901,236	901,236	
	<b>Total Liabilities</b>	<b>93,306,920</b>	<b>16,347,957</b>	<b>12,105,403</b>	<b>1,567,449</b>	<b>1,206,529</b>	<b>20,515</b>	<b>22,864</b>	<b>21</b>	<b>6,129,247</b>	<b>130,706,905</b>	
	<b>Repricing Gap</b>	<b>(22,810,836)</b>	<b>12,336,818</b>	<b>8,108,537</b>	<b>8,948,134</b>	<b>3,156,000</b>	<b>1,614,429</b>	<b>1,776,122</b>	<b>842,739</b>	<b>5,148,808</b>	<b>19,120,751</b>	

**Table 26: Disclosure of Operational Risk - Bank Individually**

(In million Rp)

No	Approach Used	December 31, 2017		
		Gross Income (Average, in the past 3 years)	Capital Charge	RWA
1.	Basic Indicator Approach	5,665,297	849,795	10,622,431

# 07

## CORPORATE SOCIAL RESPONSIBILITY



The Bank is aware that the company's business continuity is not merely measured by the success in managing financial aspect, but also other aspects related to contribution and benefit to community and surroundings. Therefore, the Bank constantly installs the CSR programs as the key part of organization that shall be continually conducted and developed every year.

# Corporate Social Responsibility

Carrying out its big vision “become a world class Bank of choice recognized for its concern and trustworthy”, the Bank attempts to provide contribution and optimal synergy to the environment and community as a concern of life quality improvement on earth.

## PRINCIPLE AND POLICY

In line with Sustainable Development Goals (SDGs) which consists of 17 goals, the triple bottom line concept or 3P (people, planet, profit) has grown where the sustainable development is currently based on five main pillars or 5P (people, planet, prosperity, peace, and partnership). Based on that, the Bank realizes that the presence of all stakeholders is the key issue in realizing the company goals. The Bank constantly considers that the Bank’s presence should be positively perceived by all stakeholders and ensures that all of operational activities will never give negative impact on the environment.

Aside from giving attention to create sustainable environment climate and community, the Bank also manages Human Capital aspect and determines consumer-related policy. The Bank implements a series of Corporate Social Responsibility/CSR activities based on the following principles:

- Building Partnership with all stakeholders based on the equality principle.
- Creating added value in every program and community development activities in order to promote self-reliance.
- Providing sustainable benefit for all stakeholders both in short term and long-term period.

Having 76 years of experience in running the business amidst of community, even being optimistic for its sustainability in the future, the Bank constantly realizes that its presence is inseparable with the support, involvement, and contribution of all stakeholders. For the Bank, the existence of stakeholders is not merely to provide business opportunities, but also as a partner to complete each other, side by side and cooperate to create various opportunities in order to improve the community welfare and meaningful life quality.

Therefore, the Bank constantly puts CSR activities as a key part of the organization that shall be continually developed every year. This is supported by a special unit which is responsible in coordinating various initiatives of CSR activities under Corporate Communication Division. Each initiative being conducted through CSR programs or activities is supported by the comprehension, review, and solution process on each condition to get results right on target. (G4-DMA)

The Bank’s CSR activities are focusing on two fields namely improvement of people welfare and sustainable environment. In 2017, total beneficiaries of CSR activities were 8,493 people with 1,226 employees engaged as volunteers. The more complete data can be seen on the table below:

	2017	2016
Total Volunteers	1,226	1,779
Total Beneficiaries	8,493	8,262

## VISION, MISSION, AND PHILOSOPHY OF CSR

Vision, mission and philosophy in conducting all of CSR activities constantly refer to the Bank’s big vision “to become a world class Bank of choice recognized for its concern and trustworthy”. One of the Bank’s efforts to realize such vision is to deliver maximum contribution and synergy to the environment and community as a concern of the Bank to life quality improvement on earth. The Bank has committed to grow with the community and deliver added value in each stage of life. Therefore, the Bank’s CSR program always covers the various stages of life, from children, youth, adult and elderly.

## RESPONSIBILITIES FOR LIVING ENVIRONMENT

### Policy Related to Environment

Although the Bank's business operational is unlike any other industries in terms of natural resources use such as energy, material and its impact on the environment, the Bank has committed to actively take a role to preserve the environment. One of which by implementing Bank of Indonesia Regulation No. 14/15/PBI/2012 on Assessment of Commercial Banks' Assets Quality which drives the National banking to consider the environment feasibility factor in business prospect assessment. The Bank is able to reduce through credit granting policy on debtors who potentially harm the environment. As a part of OCBC Group, the Bank teams up with OCBC Singapore in conducting all CSR programs and activities related to the living environment in order to improve the community access to sustainable and renewable energy resources. (G4-DMA)(G4-15)

### Impact of Activities

Through the issued policy and provisions, the Bank invites all parties, both internal and external to understand and have concern about the importance of environmental preservation. The Bank has managed to reduce the consumption of electricity, non-environmental friendly plastic materials, and water. The Bank believes that all CSR activities during 2017 have given positive impact on the community life improvement.

### Implementation of Activities in 2017

#### Policy of Reduce, Reuse, Recycle

Eventhough the Bank's activities causes no significant impacts to the environmental damage, the Bank endeavors to give contribution to environmental preservation by saving materials through Reduce, Reuse, Recycle (3R). The activities related to 3R, among others:

#### 1. Waste Management

To manage the document waste from daily operational activities, the Bank works closely with third party as a partner who is responsible to remove expired documents. The documents removal process is conducted in trustworthy, documented and environmental friendly manner. Such document waste is destroyed to paper pulp, witnessed by the Bank official in order to ensure that there is no document missed from removal process. Furthermore, the pulp paper is processed and reused by the Bank's partner as raw material for recycled paper.

### Initiatives to reduce plastic waste

In line with the Bank's commitment in terms of waste management in order to preserve the environmental, since 2011, the Bank has implemented the policy for employees to bring their own drinking bottle at the meeting, while the mineral water packs are only for the Bank's guests. With this commitment, the Bank has managed to reduce the plastic bottle waste.

#### 2. The Use of Paper Materials (G4-EN27)

As a manifestation of the Bank's effort in maintaining the environmental balance, since 2011 the Bank has committed to reduce the paper consumption due to the negative impact resulting from logging massively and large waste of paper production process, in liquid, gas, and solid forms. Therefore, the Bank has implemented policy of paper consumption efficiency within the Bank by eliminating the use of printed forms for transactions at branch offices through implementation of Pro Teller application which covers: cash deposit, cash withdrawal, fund transfer, and cheque clearing. Then, in carrying out daily operations, the Bank also optimizes the non-confidential scrap paper to be reused on the other blank side for internal memo purpose. The Bank has gradually conducted paperless office concept by optimizing online application for various office administration activities, such as:

- Request and approval of printed goods and inventory order.
- Proposal and approval of out of town business trip.
- Proposal and approval of employee annual leave.
- Proposal and approval of employee performance assessment.
- Records of employees attendance.
- Proposal and approval of hardware/software/user id various systems, and others.

Following is the amount of paper usage within the Bank in Jakarta region which includes +/- 95 Jakarta branches and +/- 60 working units, in the last 2 (two) years:

MATERIAL	2016	2017
Paper Usage (Rim)	18,187.5	16,257.7
Equal to number of trees (unit)*	1,136.7	1,016.1

\* 1 Tree can produce 16 Rim of paper.

As the table above shows, the Bank's capability to improve its performance as reflected in the increase of total assets in 2017, did not spontaneously drive the paper consumption increase.

3. **Energy Consumption and Saving (G4-EN3)(G4-EN6)**

The Bank has consistently showed its commitment to conduct a number of CSR activities in living environment, particularly in energy savings, as follows:

a. **Electricity Saving**

Since 2011, the Bank has committed to conduct electricity consumption efficiency by switching to use electronic devices which are more efficient to reduce significant carbon footprint in daily operation activities. One of the Bank's efforts to save electricity is by converting the use of TL lamps to LED lamps to avoid the hazardous waste material from the broken TL lamps. Until 2017, almost all of the Bank's offices have used the LED lamps. In addition, the Bank also changed the pattern of electrical use policy within the office by reducing one TL lamp on double lamp for office corridor lighting and switching off the air conditioned at 17.30 and entirely at 18.00 unless there is special request, making it to switch off at 24.00 at certain locations. In 2017, electricity cost was Rp564,895,111/month, relatively stable compared to the previous year. The Bank has consistently conducted a series of electricity saving efforts for the past few years as can be seen on average electricity consumption at head office for the last 2 (two) years:

Electricity Consumption (at Head Office)	2016	2017
Electricity (kWh)	15,709,700	15,134,100

b. **Air Conditioner Energy Saving**

Head office at OCBC NISP Tower has utilized the air conditioner with Variable Refrigerant Volume (VRV) technology with inverter compressor which is reliable and energy saving, as well as using R-410A Freon considered as ozone friendly since it has Ozone Depleting Potential = 0.

c. **Fuel Energy Saving**

In order to support the Government program in fuel saving, the Bank has implemented shuttle car policy to arrange the high mobility of employees at working days (Monday – Friday). The shuttle cars are addressed to the Bank's

employees stationed at 2 (two) Big Offices in Jakarta, Head Office at OCBC NISP Tower in South Jakarta and Gunung Sahari Branch Office in North Jakarta. The Bank provides 2 (two) operational cars which are always ready to depart to those two offices with an hour departure time interval. The Bank also implements car pooling policy, an optimization of operational cars usage based on the mobility needs fulfillment, not based on cars allotment per each division, allowing the Bank's operational activities to be effectively conducted and keeping an efficient fuel usage.

In addition, since 2014, the Bank has introduced ON Meeting facility which is a video conference facility using PC/Notebook that can be carried out by the employees from their own desk without attending the meeting at the office, allowing the employees to exchange their files each other, to conduct presentation, to chat, to vote, to draw or to write something on digital whiteboard provided. The Bank considers that implementation of facility platform has indirectly affected to the energy use reduction such as AC, electricity and fuel.

4. **Water Saving (G4-EN8)**

The Bank has conducted water saving, one of which is realized through water saving campaign and water supply system refinement at the Bank's offices. Until 2017, the water availability for offices with available network was supplied by Regional Drinking Water Company (PDAM), and some of them were supplied from groundwater in which the usage was under the local regulations on groundwater management. Moreover, the efforts to save the clean water usage is also conducted by the Bank such as switching the manual water faucet to automatic faucet gradually where the flowing water will stop in. The average water usage at head office for the past 2 (two) years can be seen on the table below:

Water Usage (at Head Office)	2016	2017
PDAM Water Volume (m³)	130,654	105,196
Groundwater Volum (m³)	2,430	2,715



Providing the lighting to 100 houses of Girmukti village-Bandung which has not been reached by electricity.



Electricity installation in the community's houses by involving employees as volunteers.

### Environmental Aspect Consideration in Loans Granting to Customers

To support the balance and preservation of living environment, the Bank as financial services player takes a role to minimize business practices that adversely affect the community and environment. Such commitment is realized through Sustainable Finance Policy, an environmental friendly criteria in business loans requirement, so as the Bank may limit the potential of environment devastation performed by candidates of debtors. **(G4-DMA) (G4-FS2)**

Some of the parameters used as criteria for granting loans are:

- a) Fulfilling the Questionnaires that indicate how many potential debtors would pay attention and minimize the environmental and social impacts that may occur during business operations.
- b) Reviewing AMDAL (Environmental Impact Study Analysis) documents as one of the measurements in compliance and concern for the environment.
- c) Reviewing Performance Rating Program (PROPER) on the debtors, if the debtor rating is black or red, the Bank will ask the debtors to explain their efforts for improvement.
- d) Establishing covenants/clauses in credit agreements, relating the debtor's commitment to minimize environmental impact, and impose a penalty if the debtor does not improve as written in the recovery commitment document to meet AMDAL.

### Complaint, Sanction, and Penalty due to Environmental Impact **(G4-EN29, G4-EN30, G4-EN33, G4-EN34)**

During 2017, the Bank did not receive any complaint, sanction, and penalty due to environmental impact derived from operational activities of the company.

### Certification of Living Environment

Until 2017, the Bank has no living environment certification.

## RESPONSIBILITIES TO OCCUPATIONAL HEALTH AND SAFETY (OHS)

### Policy on OHS **(G4-DMA)**

The Bank realizes that employees are the main asset that can support the company business sustainability. Therefore, the Bank constantly refers to Law of Republic of Indonesia No. 13 of 2003 concerning Manpower and Collective Labor Agreement to provide maximum protection for all employees within their work environment and develops sustainable Human Capital potential.

The clauses on employees' health security are stated in the Sharing Agreement article 28 until 33 which stipulate health security, outpatient/inpatient allowance, glasses, maternity check-up, miscarriage, giving birth by caesarean section as well as medical check-up program.

### Impact of Activities

The empowerment of qualified human capital is highly needed to achieve the Bank's business target that needs a series of sustainable and directed efforts to develop human capital of Bank OCBC NISP of becoming "With You" for all Stakeholders which corresponds with the Bank's vision and mission.

### Occupational Aspect

The Bank is being aware that a proper management of Human Capital is needed to ensure that each manpower within the Bank is treated as valuable human being who can deliver maximum contribution to the Bank's goal achievement. To realize such commitment, the Bank has drawn up a range of policies related to Human Capital Management to ensure that the occupational management has been running well, among others:

1. Policy of HC-00011-L4 on Employee Scholarship.
2. Policy of HC-00007-L4 on Employee Training and Development.
3. Policy of HC-00013-L4 on Employee Leave.
4. Decree of BOD No. KPTS/DIR/HCPEE/HK.02.02/069/2015 on Pension Fund Program.

### Gender Equality and Job Opportunity **(G4-LA11, G4-LA12)**

At the end of 2017, the Bank recorded 6,477 employees scattered throughout Indonesia. Of this number, a total of 2,701 people (42%) were male employees and 3,776 (58%) were female employees. Such composition describes that in recruitment and corporate governance, gender is not an issue to detain someone to work within the Bank. On regular basis, the Bank conducts assessment and provides facilities of training/competency development to each employee that meets the needs in each division without gender discrimination. It shows the Bank's commitment to uphold the gender equality and job opportunity without discriminating male and female employees as can be seen on the following table of employee composition:

a) Composition of Male and Female Employees

	2016		2017	
	Male	Female	Male	Female
Number of employees	2,871	3,925	2,701	3,776
%	42%	58%	42%	58%

b) Composition of the Board of Commissioners and the Board of Directors

	2016		2017	
	Male	Female	Male	Female
The Board of Commissioners and the Board of Directors	15	3	14	4
%	77%	23%	70%	30%

c) Composition of Employees Based on Age

	2016			2017		
	< 30 th	30 - 50 th	> 50 th	< 30 th	30 - 50 th	> 50 th
Number of Employees	3,002	3,618	176	2,695	3,595	187
%	44%	53%	3%	42%	55%	3%

Employee Turnover (G4-LA1)

The employee engagement with the Bank is one of the key issues in Human Capital Management scheme. The employee turnover in 2017 was 1,144 people or 17.3% from the total average of the employees. The demography of employee turnover during 2017 can be seen on the following table:

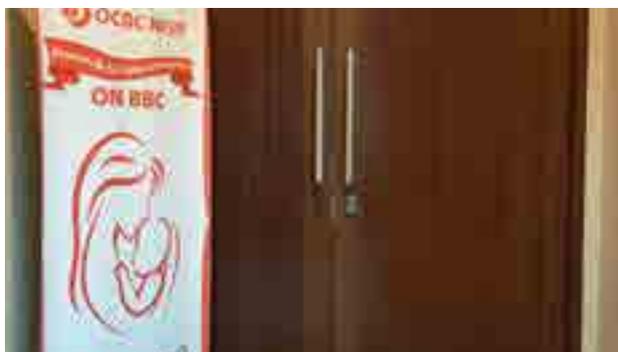
a) Composition of Employee Turnover Based on Age and Gender (G4-LA1)

	2016			2017		
	Male	Female	Total	Male	Female	Total
17 – 25	157	254	411	98	169	267
26 – 35	347	381	728	326	379	705
36 – 45	88	79	167	89	32	168
46 - 55	59	22	81	37	32	69
> 55	1	-	1	-	-	-
<b>Total</b>	<b>652</b>	<b>736</b>	<b>1,388</b>	<b>411</b>	<b>493</b>	<b>904</b>

b) Composition of Employee Turnover Based on Region and Gender (G4-LA1)

	2016			2017		
	Male	Female	Total	Male	Female	Total
Region 1	38	70	108	49	54	103
Region 2	137	159	296	145	178	323
Region 3	43	47	90	35	41	76
Region 4	96	86	182	72	86	158
Region 5	54	39	93	27	45	72
Region 6	35	38	73	22	32	54
Region 7	20	38	58	21	32	53
Region 8	36	39	75	37	31	68
Region 9	44	56	100	34	40	74
Region 10	31	40	71	29	31	60
Region 11	43	59	102	35	50	85
Region 12	51	48	99	32	31	63
No Region *	24	17	41	12	8	20
<b>Total</b>	<b>652</b>	<b>736</b>	<b>1,388</b>	<b>550</b>	<b>659</b>	<b>1,209</b>

\*employee was not included in the Region, such as Learning Center



The Bank provides lactation room to support breastfeeding for female employees.

### Education and/or Training (G4-LA10)

The Bank constantly endeavors to improve and develop employees' competencies through various comprehensive training programs that meet the company's needs and development plan. The trainings are given to all of employee levels scattered in twelve regions in Indonesia. In order to achieve the effective trainings for employees at branch offices, the Bank has provided e-learning facility that can be accessed by all employees of the Bank. With this internet based training program, the Bank expected that the program can be more efficient in reaching the employees to participate in trainings to support the daily operational activities.

### Mechanism of Occupational Complaints Handling (G4-LA16)

In order to simplify the employees to submit their occupational quires, the Bank opens the access for employees to connect easily with Human Capital. The employees may access HC Helpdesk in integrated information system through their computers. Through HC Helpdesk, the employees may raise questions, complaints, employee data changes, and other issues related to the occupational.

### Industrial Relations (G4-LA4)

To accommodate the employees' aspiration on their relationship with the company, the Bank recognizes the existence of United Workers in the workplace of the Bank as the official body representing and acting for and on behalf of all its members. Each permanent employee has the rights and freedom to become a member of the United Workers.

The United Workers was established by the Bank's employees based on Decree of Manpower and Transmigration Minister No. Kep16/Men/2001 article 2 clause (1) dated February 15, 2001 which has been relisted at Manpower Office in Bandung with recording proof No. 250/SP.NIBA-SPSI/BANK.ON-CTT.15-Disnaker/2010.

In implementing such action, the Bank and the United Workers have agreed with the necessity of joint guidelines for realizing



The Bank provides healthcare clinic and Doctor for employees at the Headquarters.

harmonious, dynamic, and fair industrial relations. The agreement was stated in the Collective Labor Agreement that is constantly reviewed once in every two years. In 2017, the Collective Labor Agreement was renewed and registered to Ministry of Manpower, Republic of Indonesia based on Decree of Directorate General of Industrial Relations and Social Security No. Kep.124/PHIJSK-PK/PKB/VIII/2017. The dissemination of Collective Labor Agreement is conducted to all employees through face-to-face forum and e-learning.

To support the freedom of rights for association of trade union and collective labor agreement, the Bank held a routine meeting with United Workers management every month. Moreover, there were also meetings held by Bipartite Cooperation Institutes with United Workers Management by inviting employee representatives from several branches held every 4 (four) months.

In the event of operational changes as referred to in the Collective Labor Agreement, then the negotiation and consultation may be conducted based on deliberation and consensus and will be disseminated in advance prior to the implementation. In 2017, there was no incident related to discrimination at the Bank.

### Facilities

In order to support activities of all employees to keep them contributing optimally the Bank has provided several facilities for its employees, among others: (G4-LA2)

#### a) Lactation Room

To run the Government Regulation No. PP33/2012 concerning Exclusive Breastfeeding, the Bank has provided special room of lactation as a support for the female employees equipped with sufficient breastmilk storage facility.

#### b) Flexible Working Hours

With due observance of traffic flow and density condition and in greater Jakarta, the Bank provides working hours flexibility for employees to opt their arrival and departure time according to the Bank's provision.

#### c) Employee Health Clinic

The Bank has built health clinic facility for employees at head office who need health consultation from doctor.



Refreshment training for floor commanders on the usage of firefighter equipment in case of emergency condition.



Refreshment training for floor commanders on the first aid in the event of emergency.

**d) Transportation for Overtime Employee**

For the employees who take overtime until 20.00 pm and above, the Bank provides transportation for taking them home. This facility is applied for employees at certain levels.

**Other Facilities and Benefits for Employees**

The Bank provides other facilities and benefits for employees, including loans, pension fund, pensioner training, scholarship, communication facility, transportation and accommodation, additional leave, etc. The clearer information on other facilities and benefits for the employees can be seen on Human Capital section on page 70-71.

**Work Safety Aspect (G4-LA8)**

The Bank believes that one of the main factors to create a favorable and comfortable working environment is by providing facilities and supporting facilities for all employees in carrying out their duties. In addition, the Bank also demonstrates its commitment to protect the Work Health and Safety of each employee by stating Article 44 in Collective Labor Agreement related to Work Health and Safety Code of Conduct, covering:

1. The worker shall observe the work health and safety rule.
2. The worker shall maintain the cleanliness, discipline, work health and safety.
3. The worker shall report in case of incidents that may injure the safety of employees and company.
4. Prohibition of smoking at work.
5. The worker shall inspect his/her equipment prior to and after working.
6. The company may request the worker to check up on his/her physical health if he/she is considered unhealthy.

In order to ensure the quality of health and safety of all stakeholders, the Bank has designed the following policies:

1. OR-0001-L3 on Business Continuity Management which functions to ensure all of main business resources are in good condition which are needed to support the critical business activities by:
  - Facilitating identification on prevention action for continuity risk that can be managed routinely by related parties at the Bank; and

- Establishing a comprehensive Business Continuity Plan (BCP) of the organization to anticipate the consequences if all the precautions have failed.
2. QR-00014-L4 on Crisis Management policy which has direct systematic responses against unexpected events that threatens life, property, staff and continuation of operations of Bank OCBC NISP.
  3. OR-00012-L4 on segregation principle which aims at ensuring that the Bank is able to manage the significant crisis and/or business process in case of crisis due to unavailability of critical resources (human, system, and physical resource) since they are located at the similar concentration point.

**Level of Work Accident (G4-LA6)**

The Bank has had the standard of procedures and management of work safety stipulated and agreed in order to minimize risks occurred at any time when employees are carrying out their duties and responsibilities. In 2017, the Bank recorded zero accident that led to working accident ratio of 0%. The Bank's success in achieving zero accident level was inseparable with the support of comprehensive and effective socialization process at all levels of the organization.

**Business Continuity Plan**

In order to guarantee the accomplishment of all work safety aspects, the Operation Risk Management Division is responsible to ensure that the Bank has had a proper and comprehensive Business Continuity Plan (BCP) even in anticipating the consequences if all the precautions have failed. The BCP is a set of recovery procedure, resources demand and employee activation plan to execute recovery strategy stipulated by the Work Unit. On regular basis, the Bank has scheduled the emergency training to prepare all employees in case of accident or disaster within the Bank.

**Emergency Protection Procedure of the Employee**

By issuing the procedure, it is expected to have equal treatment in giving response on emergency situation, both by the employees, Building Coordinator, Floor Commander, and all elements involved in the framework of emergency handling.

### Implementation of CSR Activities in Work Safety in 2017

In 2017, the Bank's Head Office has conducted a number of activities related to reminder of work safety aspect, among others:

1. Training of emergency response readiness simulation: Simulation training related to employees' work safety:
  - a) Re-fresh Floor Commander on October 30, 2017 with the following material:
    - Duties and responsibilities of floor commander in case of emergency
    - First Aid Basics
    - All Floor Commanders as the participants
  - b) Test alarm for ONT emergency condition on December 16, 2017.
  - c. Routine test of firefighters in November 2017 by replacing fire extinguisher, while the testing has not yet conducted by Jakarta Fire Department, and is planned to be run in January 2018.
2. The Bank routinely held blood donor activities in January, April, June, July and October every year. In 2017, the blood donor activities have been carried out as scheduled in the region of Jakarta and Bandung in which 1,596 employees of the Bank have participated.

### Health Aspect (G4-LA2)

#### Medical Check-Up Facility

The Bank considers that health quality of the employees is one of key concerns in supporting the optimization of the entire company performance. Therefore, the Bank has provided medical check-up package routinely conducted every year by working closely with the appointed laboratory along with type of medical check-up. This benefit is only given to permanent employees.

#### Insurance Facility

The Bank provides health protection to each employee by giving health compensation to the employees and their nuclear family through the appointed insurance company. The health compensation given by the Bank to permanent employees consists of inpatient, outpatient, dental treatment, maternity benefit, give birth and miscarriage as well as glasses compensation and medical check-up benefit. Meanwhile, the non-permanent employees also receive health compensation including inpatient, surgery, outpatient and dental treatment.

#### Healthcare Social Security Agency

In addition, the Bank also enrolls the employees in Healthcare Social Security Agency, allowing the employees to have option aside from using insurance from the company, in case the health facility is required.



Blood donation were regularly conducted in several Bank offices.

#### Employment Social Security Agency (G4-LA10)

The Bank also enrolls the employees in Employment Social Security Agency which consists of working accident security, death social security, old age and pension security. This benefit has met the regulations to ensure the security and certainty for employees to social economic risk. For retirement, the Bank provides Pension Fund to permanent employees. With this program, the employees are expected to obtain a better benefit when retired.

## RESPONSIBILITIES TO SOCIAL AND COMMUNITY

### Policy Related to Community Development

The Bank constantly maintains its commitment not merely for the sake of the company's profit, but also to realize the welfare of the community and surroundings. Therefore, as a partner who supports the community to flourish continuously, the Bank attempts to conduct various CSR activities in terms of community welfare improvement. A number of CSR programs held in 2017 were addressed to improve the quality of community welfare in a holistic manner by keep referring to the Bank's CSR implementation pillars. The CSR programs cover: Education Program, Entrepreneurship Program, Health Program and other philanthropies. (G4-DMA)

#### Impact of Activities (G4-EC7) (G4-SO1)

The Bank believes that a series of CSR activities held by the Bank every year can deliver sustainable benefits for the community, mostly in terms of quality improvement of education and quality life of community aspect as defined by the Bank on education as a life process in developing self-potential of each individual to continue their life.

### Implementation of Activities in 2017

In 2017, the Bank has organized a number of CSR activities related to Education Program, Entrepreneurship Program, Health Program and other philanthropies as the Bank's commitment to widen its contribution in the community, among others:



Financial literacy education program for community including vocational high schoolers in various cities.



Health education to school dropout teenagers from Greater Jakarta and Bandung through bootcamp activities.

## Education Program

The Bank considers that education aspect is one of the key factors to improve the quality of community life. Therefore, the Bank strives to open the access to higher education level and provides financial literacy education which is expected to support the community to enhance the opportunities in order to improve their quality of life.

### 1. Financial Literation Education (G4-FS16)

The Bank as financial institution that carries out duty in managing the community fund, considers the urgency to support and make efforts in delivering financial management to the community. Therefore, as the Bank's support to the Government in order to organize banking education to the community, the Bank has created education tools namely Smart Future, a financial literacy education tool which is expected to deliver fun and easy-learned financial management.

During 2017, the Bank has given financial literacy education to 457 people reaching all of community segments, from vocational high school students, university students, employees, SMEs, housewives, up to journalists which scattered in four cities including Jakarta, Tangerang, Bandung, and Kupang.

### 2. Scholarship Program

The Bank has scholarship program in collaboration with Karya Salemba Empat (KSE) which has run for around 16 years (since 2001), prioritizing to students from underprivileged family and are required to have good academic and non-academic records. The Bank provides education fund of Rp600,000 per month for a year (total Rp7,200,000 per year/student). Since 2016-2017, the Bank has donated 48 students from 10 Public Universities, among others University of Indonesia (UI), Bogor Institute of Agriculture (IPB), University of Andalas, university of Padjajaran (Unpad), Bandung Institute of Technology (IPB), University of Gajah Mada (UGM), Sepuluh November Institute of Technology, University of Sumatera Utara (USU), University of Diponegoro (Undip), and Public University of Jakarta. Statistically, the achievement progress of the scholarship has been improved every year as reflected in the data for the period of 2016-2017, indicating that academic achievement of the scholarship

improved by 71%. Aside from partnering with KSE, the Bank also distributes scholarship to the Wives of Retired Indonesian Navy Union for their children.

## Entrepreneurship Program

As the Bank with commitment to grow together with community by knowledge sharing, the Bank is also focused on young entrepreneurship coaching through YES program (Young Entrepreneurship Spirit). The YES program naturally aims at driving the college students and scholarship alumnus to create their own working field after graduation. The YES program also promotes the growth of new young entrepreneurs through the process of participants selection, business unit verification in various regions in Indonesia by conducting site visits directly to the business locations. The chosen participants will be provided debriefing through workshops with various materials both soft skill and hard skill. Furthermore, after debriefing, the YES participants will obtain mentoring from entrepreneur practitioners for 6 (six) months. During their business activities, the YES participants will earn revolving fund such as soft loans.

## Health Program

As a part of community life quality improvement, the health aspect has become the main focus of the Bank. Since 2011, the Bank has distributed educational and health support to more than 750 children suffered from Thalassaemia in Indonesia. In 2017, the Bank strengthened its commitment to reach more Thalassaemia sufferers in the region of Tasikmalaya, Garut and Palembang.

### 1. Peduli Thalassaemia

The Bank has committed to put special attention to the thalassaemia sufferers starting from children to teenagers. The Bank's concern showed one of them by providing opportunities for employees to share and work closely to realize the children's dreams particularly those who are underprivileged. This year, the Bank teamed up with Thalassaemia Sufferers Parents Union to distribute donation in the form of education and welfare fund to 100 thalassaemia sufferers in Tasikmalaya, Garut and Palembang.

## 2. Health Education to School Dropout Teenagers

Aside from showing its concern to thalassaemia sufferers, the Bank also provides health and motivational education to be a better person for 50 school dropout teenagers from Greater Jakarta and Bandung through 2 day bootcamp activities at OCBC NISP Learning Center in Bandung.

## Lighting for 100 Residents of Girimukti (G4-EC7) (G4-SO1)

Electricity is an important source of energy to support the daily life. The Bank realizes that there are still many villages in Indonesia which are lack of electricity facility in the midst of rapid growth of technology, Girimukti Village in Bandung is an example. Therefore, through joint CSR program of Bank OCBC NISP and OCBC Group, the Bank carried out its role amidst the community to provide electricity facility and lighting for people in Girimukti Village which has 100 households, majority of them work as farm workers and fish cage keepers. In the implementation, such activity involved around 50 employees of Bank OCBC NISP and OCBC Group as volunteers to install the electricity and lighting at 100 houses. Bank OCBC NISP and OCBC Group provided donation of one LIMAR package in collaboration with Ukologi Foundation to each head of the family at the village. In addition, to support the lighting in residents' houses, the Bank also provided genset, accu, and analog charger to Head of the Village as well as provided Creative Room specially designed for the children at Girimukti Village in order to motivate each child to love reading activity.

## Other CSR Programs

The Bank also actively participates in distributing donation to the people in need through various CSR activities, such as:

### 1. Sharing (Berbagi Kasih)

An activity of giving food packages to people who live near the Bank's offices, such as cleaning service, security, parking attendants, and others. These activities were held simultaneously at each office twice in a year, on Bank OCBC NISP Anniversary dated on April 4, 2017 and in the fasting month of Ramadhan 1438 H, 5 – 16 June, 2017.



Free groceries distribution in six cities for underprivileged people who live around the Bank's office.

## 2. Sharing of Cheap and Free Groceries

An activity of delivering 2,800 groceries packages in fasting month of Ramadhan 1438 H on 12 – 16 June, 2017, specially addressed to underprivileged people such as widows, orphans, civilian defense units and mosque and watchmen near the office. These activities were held in 6 cities/8 locations which were at OCBC NISP Tower Head Office – Jakarta, Gunung Sahari Jakarta Branch Office, Cibeunying Bandung Branch Office, Asia Afrika Bandung Branch Office, Surabaya Branch Office, Medan Branch Office, Palembang Branch Office and Makassar Branch Office.

### 3. Fast-Breaking Event

An activity of celebrating the holy month of Ramadhan 1438 H by giving donation for breakfasting held in June by people at 5 (five) locations near the office which were Jami' Baitur Rahmah Mosque, Jami Raudatul Falah Mosque, Al Wustho Mosque, Al Syuhada Mosque, and Youth Organization at Karet Kuningan, Jakarta.

### 4. Sharing of 2,000 Snacks (Takjil)

In the holy month of Ramadhan 1438 H, the Bank distributes 2,000 snacks to people at Raya Bandung Mosque. The activity was held towards the fast-breaking time in June 2017.

### 5. Eid-Al Adha

The Bank provided its support at Eid-Al Adha Celebration by donating sacrificial animals to four mosques near the OCBC NISP Tower and Gunung Sahari. Each mosque received 2 (two) goats.

### 6. Homecoming (Mudik Asyik)

In order to welcome the Eid Mubarak 1438 H on 19 and 20 June 2017, the Bank held homecoming activities called Mudik Asyik 2017 in association with Sharia OCBC NISP. The activity was a free homecoming from 2 (two) cities, Jakarta and Bandung. On this occasion, the Sharia Business Unit sent off 220 participants to their home villages in several cities in Central Java. The participants were residents near the Bank's office.

### 7. Sport Facility Repairment

Bank OCBC NISP also considers the public amenities, sport facilities in particular. OCBC NISP in Kupang gave assistance to repair the sport facilities such as Naka Futsal Field and Basketball Court as well as to provide trash cans at jogging track of Taman Nostalgia in Kupang.



Homecoming activities (Mudik Asyik 2017) for people around the Bank OCBC NISP offices in Jakarta and Bandung.

## CSR BUDGET REALIZATION 2017

As a form of the Bank's commitment to conduct CSR activities and programs throughout the year, the CSR budget realization in 2017 can be seen on the following table:

	in million Rp
<b>Educational Program</b>	
- Financial Literation Education – Smart Future in Jakarta, Tangerang, Bandung and Kupang	Rp167
- Scholarship	Rp1,294
<b>Entrepreneurship Program</b>	
Young Entrepreneurship Spirit (YES)	Rp250
<b>Health Program</b>	
Thalassaemia	Rp294
<b>Public Amenities Refinement</b>	
Renovation of Sport Facilities (Futsal field and Basketball Court) in Kupang	Rp25
<b>Other Social Programs (Religious)</b>	
- Sharing of 2,800 free and cheap groceries packages during Ramadhan in Jakarta, Bandung, Surabaya, Palembang, Medan, Makassar	Rp379
- Sharing of lunch box packages for community around the branch offices	Rp244
- Eid Al-Adha Celebration Support	Rp28
- Mudik Asyik (Homecoming)	Rp219
<b>Environmental Program</b>	
Lighting for 100 households at Girmukti Village, Bandung	Rp474
<b>Donation and Sponsorship</b>	
Donation	Rp25
Sponsorship	Rp339
<b>Total</b>	<b>Rp3,738</b>

### Complaint, Sanction, and Penalty (G4-S08)(G4-S011)

Throughout 2017, the Bank did not receive any complaints on business activities or anything considered to deliver negative impact on community.

## RESPONSIBILITIES TO PRODUCT AND CUSTOMERS

The Bank always strives to deliver the best for its customers and ensures that each product and service given to the customers have met the existing regulations. The Bank constantly delivers clear and complete information through information labelling on each product and service. The information of products and services is also available on website [www.ocbcnisp.com](http://www.ocbcnisp.com) and each branch office. In addition, the Bank pays attention to the Customers' privacy protection in conducting daily business activities as proven by no violations related to products and services information occurred that caused the customers' losses during the reporting period. (G4-DMA)(G4-PR3)(G4-PR8)

### Customers' Complaint Handling Policy (G4-PR5)

With reference to Bank Indonesia Regulation No. 7/7/PBI/2005 on Customers Complaints Settlement as amended to Bank Indonesia Regulation No. 10/10/PBI/2008 on Customers Protection and FSA Regulation No. 1/POJK.03/2017 on Protection for Financial Services Customers, the Bank consistently attempts to settle each customers' complaint. Such commitment is due to the Bank's awareness of the importance of customers' presence to sustain the Bank's business activities as well as a strong commitment of the Bank to always deliver the best products and services for the customers every time. Such strong commitment is naturally reflected in the company's culture called One PIC: OCBC NISP One, Professionalism, Integrity and Customer Focus. The last corporate culture namely Customer Focus has a meaning that the Bank's elements always focused on the customers' needs fulfillment and expectation in carrying out every action in order to deliver customer experience beyond their expectation.

Finally, the corporate culture also served as the fundamental for the Bank in handling customers' complaints on products, services, process and channel. Through Service Quality & Contact Center Unit, the Bank continuously ensures that every customers' complaints were handled and managed systematically and comprehensively in accordance with Bank Indonesia and FSA regulations summarized on Customer's Complaint Handling Procedure which is always renewed regularly.

### Impact of Activities

The Bank delivers the best services for the customers with due observance of easiness, comfort and security of transactions through services, product innovation and facilities.

### Customer Complaint Facilities

To realize a reliable and trustworthy banking institution, the Bank facilitates the customers through complaints media, among others:

- Call OCBC NISP ready to serve 24 hours via the number 1500-999 or +62-21-26506300 from overseas
- Website: [www.ocbcnisp.com](http://www.ocbcnisp.com) on menu "Help & Support", sub-menu "Enquiries, Complaints & Feedback"

- Email: [callcenter@ocbcnisp.com](mailto:callcenter@ocbcnisp.com)
- Social media accounts:
  - Twitter (username @bankocbcnisp), Instagram (username @ocbc\_nisp) and Facebook named Bank OCBC NISP
- The readers' column on mass media both print and electronic
- Official letter addressed to Bank OCBC NISP
- Site visit to Bank OCBC NISP branch offices throughout Indonesia

## Mechanism of Customer Complaints Handling Process

### Cycle of Customer Complaints Handling



In order to ensure the speed and accuracy of customer complaints settlement, the Service Quality & Contact Center Work Unit conducts monitoring through Customer Handling Management system which manages the customer complaints, starting from receiving complaints, recording, information progress, until the complaints settlement. The CHM system is continually developed in line with the banking products and services development. In 2017, the CHM system could be used to manage the customer request on the Bank's features and services. It is also considered as quality improvement to the Customers in order to ensure that their requests have been administered and processed by the Bank. The customers' current status of their request may also be tracked and expected to anticipate the customers complaints on their requests which have not yet or were not being processed. Automatically, the customers will be informed by short message service (SMS)/email on their complaints/request status which have been recorded in CHM system. With the newest CHM system, the inter-work unit within the Bank's internal will synergize each other to follow-up the complaints, and to maintain the complaints settlement carried out in accordance with Service Level Agreement and prevailing regulations.

On regular basis, each working unit teams up each other to conduct the evaluation and analysis in detecting the problem root caused which then be followed up by recovery action and prevention effort through product development, refinement, and improvement program, process and services to customers in order to improve the satisfaction of customers with more dynamic needs.

In addition, the Bank also aligns the service development with customers' protection effort realized in education activities and programs such as financial literacy program, education program related to the necessity of maintaining confidentiality of customers' data to avoid banking crimes mode as well as giving education program to employees continuously on risk understanding which aims at protecting the customers and the company. Such protection effort is carried out through various channels, such as events, website, branch offices, social media, SMS, letter/email, internet/ Mobile Banking, ATM and others.

**Number of Customer Complaints, Complaints Handling Effort and Settlement Status in 2017**

As a manifestation of the Bank's prime service principle to the customers, total customer complaints settlement according to Service Level Agreement reached 99.21% or rose 0.61% over the previous year as indicated by the following table:

Indicator	2016	2017
Number of Customer Complaints	6,662	7,559
Number of Customer Complaints Settlement according to Service Level Agreement	97.60%	98.21%

**Customer Satisfaction Survey**

As a sustainable effort to deliver services beyond the Customers' expectation, the Bank conducts customer satisfaction survey on regular basis to get inputs for service quality improvement.

In 2017, the Bank conducted surveys to more than 8,000 customers throughout Indonesia with a focus on indicator of customers' engagement.

The overall measurement result of customer satisfaction level in 2017 on the services of Bank OCBC NISP increased to 88% compared to 2016 which stood at 78%.

**Implementation of Activities in 2017**

In order to strengthen the relations between the Bank and customers, in 2017 the Bank has held 2x (two times) customer gatherings, the first event was called One Wealth on April 20, 2017 and Market Outlook on October 25, 2017. Those activities held by the Bank were considered as a vessel to educate the customers regarding the Bank's products and services.



Market Outlook and Customer Gathering activities to deliver information to the Customers on the current financial condition as well as products and services education.

# 08

## FINANCIAL STATEMENTS

**PT BANK OCBC NISP Tbk**

**LAPORAN KEUANGAN/  
*FINANCIAL STATEMENTS***

**31 DESEMBER/*DECEMBER* 2017 DAN/*AND* 2016**



**SURAT PERNYATAAN DIREKSI  
TENTANG TANGGUNG JAWAB ATAS  
LAPORAN KEUANGAN PADA TANGGAL  
31 DESEMBER 2017 DAN 2016  
SERTA UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2017 DAN 2016**

**PT BANK OCBC NISP Tbk**

Kami yang bertanda tangan dibawah ini:

1. Nama : Parwati Surjaudaja  
Alamat Kantor : Jl. Prof. Dr. Satrio Kav. 25,  
Jakarta  
Alamat Rumah : Jl. Maluku No. 29, Jakarta  
Nomor Telepon : 021-25533888  
Jabatan : Presiden Direktur
2. Nama : Hartati  
Alamat Kantor : Jl. Prof. Dr. Satrio Kav. 25,  
Jakarta  
Alamat Rumah : Jl. Amethyst 6 No. 15 Jakarta  
Nomor Telepon : 021-25533888  
Jabatan : Direktur *Financial & Planning*

Menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT Bank OCBC NISP Tbk ("Bank");
2. Laporan keuangan Bank telah disusun dan disajikan sesuai dengan standar akuntansi keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan Bank telah dimuat secara lengkap dan benar;  
b. Laporan keuangan Bank tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Kami bertanggung jawab atas sistem pengendalian internal Bank.

Demikian pernyataan ini dibuat dengan sebenarnya.

**DIRECTORS' STATEMENT  
REGARDING THE RESPONSIBILITY FOR  
THE FINANCIAL STATEMENTS AS AT  
31 DECEMBER 2017 AND 2016  
AND FOR THE YEARS ENDED  
31 DECEMBER 2017 AND 2016**

**PT BANK OCBC NISP Tbk**

We, the undersigned:

1. Name : Parwati Surjaudaja  
Office address : Jl. Prof. Dr. Satrio No. 25,  
Jakarta  
Residential address : Jl. Maluku No. 29, Jakarta  
Telephone : 021-25533888  
Title : President Director
2. Name : Hartati  
Office address : Jl. Prof. Dr. Satrio Kav. 25,  
Jakarta  
Residential address : Jl. Amethyst 6 No. 15 Jakarta  
Telephone : 021-25533888  
Title : *Financial & Planning Director*

Declare that:

1. We are responsible for the preparation and the presentation of the financial statements of PT Bank OCBC NISP Tbk ("Bank");
2. The financial statements of the Bank has been prepared and presented in accordance with Indonesian financial accounting standards;
3. a. All information has been fully and correctly disclosed in the financial statements of the Bank;  
b. The financial statements of the Bank do not contain false material information or facts, nor do they omit material information or facts;
4. We are responsible for the Bank's internal control system.

*This statement has been made truthfully.*

JAKARTA, 25 Januari/January 2018

Atas nama dan mewakili Direksi/For and on behalf of the Board of Directors



**Parwati Surjaudaja**  
Presiden Direktur/  
President Director

**Hartati**  
Direktur/  
Director

PT Bank OCBC NISP Tbk

OCBC NISP Tower Jl. Prof. Dr. Satrio Kav. 25 Jakarta 12940, Indonesia  
Tel : 62-21 25533888 Fax: 62-21 57944000, www.ocbcnisp.com



**LAPORAN AUDITOR INDEPENDEN  
KEPADA PARA PEMEGANG SAHAM**

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF**

**PT BANK OCBC NISP Tbk**

Kami telah mengaudit laporan keuangan PT Bank OCBC NISP Tbk ("Bank") terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2017, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

*We have audited the accompanying financial statements of PT Bank OCBC NISP Tbk (the "Bank"), which comprise the statement of financial position as of 31 December 2017, and the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.*

**Tanggung jawab manajemen atas laporan keuangan**

***Management's responsibility for the financial statements***

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan ini 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.

*Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.*

**Tanggung jawab auditor**

***Auditors' responsibility***

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan bebas dari kesalahan penyajian material.

*Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.*

**Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan**

Plaza 89, Jl. H.R. Rasuna Said Kav. X-7 No.6 Jakarta 12940 - INDONESIA, P.O. Box 2473 JKP 10001  
T: +62 21 5212901, F: +62 21 52905555 / 52905050, [www.pwc.com/id](http://www.pwc.com/id)

Nomor Izin Usaha: KEP-041/KM.1/2015  
A180125004/DC2/LLS/2018



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 OCBC NISP Tbk pada tanggal 31 Desember 2017, serta kinerja keuangan dan arus kas untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

*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 considers 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 OCBC NISP Tbk as of 31 December 2017, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.*

JAKARTA,  
25 Januari/January 2018

**Lucy Luciana Suhenda, S.E., Ak., CPA**  
Ijin Akuntan Publik/License of Public Accountant No. AP. 0229

PT BANK OCBC NISP Tbk

LAPORAN POSISI KEUANGAN  
PER 31 DESEMBER 2017 DAN 2016

(Dinyatakan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah,  
unless otherwise stated)

	2017	Catatan/ Notes	2016	
<b>ASET</b>				<b>ASSETS</b>
Kas	989,889	2c,2f,5	881,749	Cash
Giro pada Bank Indonesia	8,905,976	2c,2g,6	8,018,546	Current accounts with Bank Indonesia
Giro pada bank lain		2c,2g,7		Current accounts with other banks
- Pihak berelasi	109,380	2e,43	106,434	Related parties -
- Pihak ketiga	<u>589,476</u>		<u>379,158</u>	Third parties -
	698,856		485,592	
Penempatan pada bank lain dan Bank Indonesia	4,836,341	2c,2h,8	3,442,070	Placements with other banks and Bank Indonesia
Efek-efek	12,389,599	2c,2i,9	14,353,517	Marketable securities
Dikurangi: Cadangan kerugian penurunan nilai	<u>(18,241)</u>		<u>(6,762)</u>	Less: Allowance for impairment losses
	12,371,358		14,346,755	
Obligasi pemerintah	14,441,421	2c,2j,10	12,372,750	Government bonds
Tagihan derivatif		2c,2l,11		Derivative receivables
- Pihak berelasi	64,290	2e,43	11,568	Related parties -
- Pihak ketiga	<u>226,841</u>		<u>340,371</u>	Third parties -
	291,131		351,939	
Pinjaman yang diberikan		2c,2m,12		Loans
- Pihak berelasi	628,926	2e,43	346,679	Related parties -
- Pihak ketiga	105,348,344		92,711,298	Third parties -
Pendapatan bunga yang masih akan diterima	372,138		304,662	Accrued interest income
Dikurangi: Cadangan kerugian penurunan nilai	<u>(4,159,614)</u>		<u>(3,114,987)</u>	Less: Allowance for impairment losses
	102,189,794		90,247,652	
Tagihan akseptasi				Acceptance receivables
- Pihak ketiga	4,046,274	2c,2n,13	3,513,459	Third parties -
Dikurangi: Cadangan kerugian penurunan nilai	<u>(48,033)</u>		<u>(27,694)</u>	Less: Allowance for impairment losses
	3,998,241		3,485,765	
Beban dibayar dimuka		2o,14		Prepayments
- Pihak berelasi	246	2e,43	2,119	Related parties -
- Pihak ketiga	<u>396,011</u>		<u>416,338</u>	Third parties -
	396,257		418,457	
Aset tetap	3,012,979	2p,15	2,987,170	Fixed assets
Dikurangi: Akumulasi penyusutan	<u>(566,520)</u>		<u>(573,183)</u>	Less: Accumulated depreciation
	2,446,459		2,413,987	
Aset lain-lain	1,654,377	2c,2q,16	1,365,301	Other assets
Dikurangi: Cadangan kerugian penurunan nilai	<u>(3,615)</u>		<u>(4,247)</u>	Less: Allowance for impairment losses
	1,650,762		1,361,054	
Aset pajak tangguhan	<u>557,472</u>	2y,21c	<u>370,025</u>	Deferred tax assets
<b>JUMLAH ASET</b>	<u><u>153,773,957</u></u>		<u><u>138,196,341</u></u>	<b>TOTAL ASSETS</b>

Halaman - 1/1 - Page

Catatan atas laporan keuangan merupakan bagian tak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

## PT BANK OCBC NISP Tbk

LAPORAN POSISI KEUANGAN  
PER 31 DESEMBER 2017 DAN 2016(Dinyatakan dalam jutaan Rupiah,  
kecuali dinyatakan lain)STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017 AND 2016(Expressed in millions of Rupiah,  
unless otherwise stated)

	2017	Catatan/ Notes	2016	
<b>LIABILITAS DAN EKUITAS</b>				<b>LIABILITIES AND EQUITY</b>
<b>LIABILITAS</b>				<b>LIABILITIES</b>
Liabilitas segera	659,281	2c,2r,17	444,398	Obligations due immediately
Simpanan nasabah		2c,2s,18		Deposits from customers
Giro				Current accounts
- Pihak berelasi	198,518	2e,43	148,643	Related parties -
- Pihak ketiga	25,939,456		24,363,252	Third parties -
	26,137,974		24,511,895	
Tabungan				Saving accounts
- Pihak berelasi	76,437	2e,43	67,828	Related parties -
- Pihak ketiga	17,504,479		16,221,646	Third parties -
	17,580,916		16,289,474	
Deposito berjangka				Time deposits
- Pihak berelasi	637,928	2e,43	401,052	Related parties -
- Pihak ketiga	69,083,854		62,357,539	Third parties -
	69,721,782		62,758,591	
Simpanan dari bank lain		2c,2s,19		Deposits from other banks
Giro dan tabungan				Current and saving accounts
- Pihak berelasi	94,928	2e,43	32,276	Related parties -
- Pihak ketiga	80,795		64,097	Third parties -
	175,723		96,373	
Inter-bank call money				Inter-bank call money
- Pihak berelasi	3,252,200	2e,43	-	Related parties -
- Pihak ketiga	1,357,513		2,378,000	Third parties -
	4,609,713		2,378,000	
Deposito berjangka				Time deposits
- Pihak ketiga	192,550		32,667	Third parties -
Liabilitas derivatif		2c,2l,11		Derivative payables
- Pihak berelasi	3,102	2e,43	71,907	Related parties -
- Pihak ketiga	138,339		232,411	Third parties -
	141,441		304,318	
Liabilitas akseptasi		2c,2n,20		Acceptance payables
- Pihak berelasi	222,028	2e,43	116,383	Related parties -
- Pihak ketiga	3,824,246		3,397,076	Third parties -
	4,046,274		3,513,459	
Utang pajak				Tax payables
- Pajak penghasilan	57,352	2y,21a	72,589	Corporate income tax -
- Pajak lain-lain	97,722		112,384	Other taxes -
	155,074		184,973	
Beban yang masih harus dibayar		2c,22		Accrued expenses
- Pihak berelasi	3	2e,43	502	Related parties -
- Pihak ketiga	391,401		392,042	Third parties -
	391,404		392,544	
Efek-efek yang dijual dengan janji dibeli kembali	-	2c,2k,23	1,345,723	Securities sold under repurchase agreements
Efek-efek yang diterbitkan	6,148,611	2c,2u,24	3,898,991	Marketable securities issued
Liabilitas imbalan kerja	812,471	2z,41	657,326	Employee benefits obligations
Liabilitas lain-lain	1,216,389	2c,25	1,001,662	Other liabilities
Obligasi subordinasi	-	2c,2v,26	879,371	Subordinated bonds
<b>JUMLAH LIABILITAS</b>	<b>131,989,603</b>		<b>118,689,765</b>	<b>TOTAL LIABILITIES</b>

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Catatan atas laporan keuangan merupakan bagian tak  
terpisahkan dari laporan keuangan secara keseluruhan.The accompanying notes form an integral part of these  
financial statements.

PT BANK OCBC NISP Tbk

LAPORAN POSISI KEUANGAN  
PER 31 DESEMBER 2017 DAN 2016

(Dinyatakan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017 AND 2016

(Expressed in millions of Rupiah,  
unless otherwise stated)

	2017	Catatan/ Notes	2016	
<b>LIABILITAS DAN EKUITAS</b> (lanjutan)				<b>LIABILITIES AND EQUITY</b> (continued)
<b>EKUITAS</b>				<b>EQUITY</b>
Modal saham -				Share capital -
Modal dasar				Authorised capital
28.000.000.000 lembar saham				28,000,000,000 shares
pada tanggal 31 Desember 2017				as at 31 December 2017,
dan 2016 dengan nilai nominal				and 2016 with par value Rp 125
Rp 125 (nilai penuh) per saham				(full amount) per share
Modal ditempatkan dan disetor penuh				Issued and fully paid
11.472.648.486 lembar saham				11,472,648,486 shares
pada tanggal 31 Desember 2017				as at 31 December 2017,
dan 2016	1,434,081	1b,1i,27	1,434,081	and 2016
Tambahan modal disetor/agio saham	6,829,361	27	6,829,361	Additional paid-in capital/agio
Keuntungan/(kerugian) bersih yang				Unrealised gain/(loss) from increase/ (decrease) in fair
belum direalisasi dari kenaikan/ (penurunan) nilai wajar efek-efek				value of available for sale
dan obligasi pemerintah yang tersedia				marketable securities
untuk dijual setelah dikurangi				and government bonds
pajak tangguhan	94,064	2c	(26,211)	net of deferred tax
Surplus revaluasi aset tetap	1,258,402	2p,15	1,258,402	Revaluation surplus of fixed asset
Saldo laba				Retained earnings
- Sudah ditentukan penggunaannya	2,050	28	1,950	Appropriated -
- Belum ditentukan penggunaannya	<u>12,166,396</u>		<u>10,008,993</u>	Unappropriated -
Jumlah saldo laba	<u>12,168,446</u>		<u>10,010,943</u>	Total retained earnings
<b>JUMLAH EKUITAS</b>	<u>21,784,354</u>		<u>19,506,576</u>	<b>TOTAL EQUITY</b>
<b>JUMLAH LIABILITAS DAN EKUITAS</b>	<u>153,773,957</u>		<u>138,196,341</u>	<b>TOTAL LIABILITIES AND EQUITY</b>

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Catatan atas laporan keuangan merupakan bagian tak terpisahkan dari laporan keuangan secara keseluruhan.

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## PT BANK OCBC NISP Tbk

**LAPORAN LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAINNYA  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2017 DAN 2016**  
(Dinyatakan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEARS ENDED  
31 DECEMBER 2017 AND 2016**  
(Expressed in millions of Rupiah,  
unless otherwise stated)

	2017	Catatan/ Notes	2016	
<b>PENDAPATAN/(BEBAN) BUNGA DAN SYARIAH</b>				<b>INTEREST AND SHARIA INCOME/(EXPENSE)</b>
Pendapatan bunga	10,790,837	2e,2w,2x, 29,43	9,969,869	Interest income
Pendapatan syariah	246,334	29	234,472	Sharia income
Beban bunga	(4,901,293)	2e,2w,2x, 30,43	(4,696,173)	Interest expense
Beban syariah	<u>(96,623)</u>	30	<u>(114,881)</u>	Sharia expense
<b>PENDAPATAN BUNGA DAN SYARIAH BERSIH</b>	<u>6,039,255</u>		<u>5,393,287</u>	<b>NET INTEREST AND SHARIA INCOME</b>
<b>PENDAPATAN OPERASIONAL LAINNYA</b>				<b>OTHER OPERATING INCOME</b>
Provisi dan komisi	874,584	2x,31	736,579	Fee and commissions
Kerugian dari perubahan nilai wajar instrumen keuangan	(4,249)	2c	(3,067)	Loss from changes in fair value of financial instruments
Keuntungan dari penjualan instrumen keuangan	322,445	2c,32	245,891	Gain from sale of financial instruments
Laba selisih kurs - bersih	<u>319,738</u>	2d,33	<u>436,103</u>	Foreign exchange gain - net
Jumlah pendapatan operasional lainnya	<u>1,512,518</u>		<u>1,415,506</u>	Total other operating income
Cadangan kerugian penurunan nilai atas aset keuangan	(1,311,727)	2c,34	(1,316,742)	Allowance for impairment losses on financial assets
Pembalikan penyisihan - lainnya	44	2q,35	1,086	Reversal of possible losses-others
<b>BEBAN OPERASIONAL LAINNYA</b>				<b>OTHER OPERATING EXPENSES</b>
Gaji dan tunjangan	(2,071,176)	2e,2z,36	(1,906,514)	Salaries and benefits
Umum dan administrasi	(1,136,754)	2e,37,43	(1,095,567)	General and administrative
Lain-lain	<u>(154,633)</u>	38	<u>(148,595)</u>	Others
Jumlah beban operasional lainnya	<u>(3,362,563)</u>		<u>(3,150,676)</u>	Total other operating expenses
<b>LABA OPERASIONAL</b>	2,877,527		2,342,461	<b>INCOME FROM OPERATIONS</b>
Pendapatan bukan operasional - bersih	<u>127</u>	39	<u>8,641</u>	Non operating income - net
<b>LABA SEBELUM PAJAK PENGHASILAN</b>	2,877,654		2,351,102	<b>INCOME BEFORE TAX</b>
<b>PAJAK PENGHASILAN</b> (Beban)/manfaat pajak penghasilan		2y, 21b		<b>INCOME TAX</b> Income tax (expense)/benefit
- Kini	(923,262)		(776,497)	Current -
- Tangguhan	<u>221,432</u>		<u>215,295</u>	Deferred -
Beban pajak penghasilan - bersih	<u>(701,830)</u>		<u>(561,202)</u>	Income tax expense - net
<b>LABA BERSIH</b>	<u>2,175,824</u>		<u>1,789,900</u>	<b>NET INCOME</b>

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Catatan atas laporan keuangan merupakan bagian tak terpisahkan dari laporan keuangan secara keseluruhan.

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PT BANK OCBC NISP Tbk

**LAPORAN LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAINNYA  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2017 DAN 2016**  
(Dinyatakan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEARS ENDED  
31 DECEMBER 2017 AND 2016**  
(Expressed in millions of Rupiah,  
unless otherwise stated)

	<u>2017</u>	<u>Catatan/ Notes</u>	<u>2016</u>	
<b>PENGHASILAN/(BEBAN) KOMPREHENSIF LAIN:</b>				<b>OTHER COMPREHENSIVE INCOME/(EXPENSES):</b>
Pos-pos yang akan direklasifikasi ke laba rugi				<i>Items that will be reclassified subsequently to profit or loss</i>
Aset keuangan tersedia untuk dijual		2c		<i>Available for sale financial assets</i>
- Keuntungan/(kerugian) untuk tahun berjalan	49,208		3,775	<i>Gain/(loss) for the - year</i>
- Perubahan nilai wajar yang ditransfer ke laporan laba rugi	111,159		45,407	<i>Fair value changes - transferred to profit or loss</i>
Pajak penghasilan terkait	<u>(40,092)</u>		<u>(12,296)</u>	<i>Related income tax</i>
	<u>120,275</u>		<u>36,886</u>	
Pos-pos yang tidak akan direklasifikasi ke laba rugi				<i>Items that will not be reclassified subsequently to profit or loss</i>
Surplus revaluasi aset tetap	-	2p,15	1,258,402	<i>Revaluation surplus of fixed asset</i>
Pengukuran kembali atas liabilitas imbangan pasca kerja	(24,428)	2z,41	13,387	<i>Remeasurements from post employment benefits obligations</i>
Pajak penghasilan terkait	<u>6,107</u>		<u>(3,346)</u>	<i>Related income tax</i>
	<u>(18,321)</u>		<u>1,268,443</u>	
<b>PENGHASILAN/(BEBAN) KOMPREHENSIF LAIN TAHUN BERJALAN, SETELAH PAJAK</b>	<u>101,954</u>		<u>1,305,329</u>	<b>OTHER COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR, NET OF TAX</b>
<b>TOTAL LABA KOMPREHENSIF TAHUN BERJALAN, SETELAH PAJAK</b>	<u>2,277,778</u>		<u>3,095,229</u>	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>
<b>LABA BERSIH PER SAHAM (Nilai penuh)</b>	<u>189,65</u>	2ab,42	<u>156,01</u>	<b>EARNINGS PER SHARE (Full amount)</b>

PT BANK OCBC NISP Tbk

LAPORAN PERUBAHAN EKUITAS  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2017 DAN 2016

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED  
31 DECEMBER 2017 AND 2016  
(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal saham/ Share capital	Tambahan modal disetor/ Additional paid in capital	Keuntungan/ (kerugian) bersih yang belum direalisasi dari kenaikan/ (penurunan) nilai wajar efek-efek dan obligasi pemerintah yang tersedia untuk dijual/ Unrealised gain/(loss) from increase/ (decrease) in fair value of available for sale marketable securities and government bonds	Surplus revaluasi aset tetap/ Revaluation surplus of fixed asset	Saldo laba/Retained earnings	Jumlah ekuitas/ Total equity
Saldo awal 1 Januari 2017	1,434,081	6,829,361	(26,211)	1,258,402	10,008,993	19,506,576
Pendapatan komprehensif tahun berjalan	-	-	-	-	-	-
- Laba tahun berjalan	-	-	-	-	2,175,824	2,175,824
- Pendapatan komprehensif lain	-	-	-	-	-	-
Aset keuangan yang tersedia untuk dijual	-	-	49,208	-	-	49,208
- Keuntungan untuk tahun berjalan	-	-	111,159	-	-	111,159
- Transfer kerugian ke laba rugi	-	-	-	-	-	-
Pengukuran kembali atas liabilitas	-	-	-	-	(24,428)	(24,428)
Imbalan pasca kerja	-	-	(40,092)	-	6,107	(33,985)
Beban pajak penghasilan terkait	-	-	-	-	-	-
Total pendapatan komprehensif untuk tahun berjalan	-	-	120,275	-	2,157,503	2,277,778
Penyisihan cadangan wajib	-	-	-	-	(100)	-
Total transaksi dengan pemilik yang dicatat langsung ke ekuitas	-	-	-	-	(100)	-
Saldo akhir 31 Desember 2017	1,434,081	6,829,361	94,064	1,258,402	12,166,396	21,784,354

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Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

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PT BANK OCBC NISP Tbk

LAPORAN PERUBAHAN EKUITAS  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2017 DAN 2016

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED  
31 DECEMBER 2017 AND 2016  
(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal saham/ Share capital	Tambahan modal disetor/ Additional paid in capital	Keuntungan/(kerugian) bersih yang belum direalisasi dari kenaikan/(penurunan) nilai wajar efek-efek pemerintah yang tersedia untuk dijual/ Unrealised gain/(loss) from increase/decrease in fair value of available for sale marketable securities and government bonds	Surplus revaluasi aset tetap/ Revaluation surplus of fixed asset	Cadangan umum/ General and statutory reserves	Saldo laba/Retained earnings	Jumlah ekuitas/ Total equity
Saldo awal 1 Januari 2016	1,434,081	6,829,361	(63,097)	-	1,850	8,209,152	16,411,347
Pendapatan komprehensif tahun berjalan	-	-	-	-	-	-	-
- Laba tahun berjalan	-	-	-	-	-	1,789,900	1,789,900
- Pendapatan komprehensif lain	-	-	3,775	-	-	-	3,775
- Aset keuangan yang tersedia untuk dijual	-	-	45,407	-	-	-	45,407
- Keuntungan untuk tahun berjalan	-	-	-	1,258,402	-	-	1,258,402
- Transfer kerugian ke laba rugi	-	-	-	-	-	-	-
- Surplus revaluasi aset tetap	-	-	-	-	-	-	-
Pengukuran kembali atas liabilitas	-	-	-	-	-	13,387	13,387
imbitan pasca kerja	-	-	-	-	-	(3,346)	(15,642)
Beban pajak penghasilan terkait	-	-	(12,296)	-	-	-	-
Total pendapatan komprehensif untuk tahun berjalan	-	-	36,886	1,258,402	-	1,799,941	3,095,229
Penyisihan cadangan wajib	-	-	-	-	100	(100)	-
Total transaksi dengan pemilik yang dicatat langsung ke ekuitas	-	-	-	-	100	(100)	-
Saldo akhir 31 Desember 2016	1,434,081	6,829,361	(26,211)	1,258,402	1,950	10,008,993	19,506,576

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements.

## PT BANK OCBC NISP Tbk

**LAPORAN ARUS KAS  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2017 DAN 2016**

 (Dinyatakan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**CASH FLOWS STATEMENTS  
FOR THE YEARS ENDED  
31 DECEMBER 2017 AND 2016**

 (Expressed in millions of Rupiah,  
unless otherwise stated)

	2017	Catatan/ Notes	2016	
<b>Arus kas dari aktivitas operasi:</b>				<b>Cash flows from operating activities:</b>
Penerimaan bunga dan komisi	10,804,844		9,795,343	<i>Interest and commissions received</i>
Penerimaan pendapatan syariah	246,334	29	234,472	<i>Sharia income received</i>
Pembayaran bunga	(4,893,010)		(4,677,534)	<i>Interest paid</i>
Pembayaran beban syariah	(96,623)	30	(114,881)	<i>Sharia expense paid</i>
Penerimaan lainnya	1,523,602		1,401,349	<i>Other revenues received</i>
Pembayaran beban operasional lainnya	(3,108,227)		(2,896,459)	<i>Operational expenses paid</i>
Penerimaan dari pinjaman yang diberikan yang telah dihapusbukukan	8,057	12m	10,290	<i>Bad debt recoveries</i>
Penurunan/(kenaikan) dalam aset operasi:				<i>Decrease/(increase) in operating assets:</i>
Penempatan pada bank lain dan Bank Indonesia	519,580		(2,156,858)	<i>Placements with other banks and Bank Indonesia</i>
Efek-efek dan obligasi pemerintah untuk diperdagangkan dan pinjaman yang diberikan dan piutang	(2,245,295)		(239,967)	<i>Marketable securities and government bonds trading and loans and receivables portfolio</i>
Pinjaman yang diberikan	(12,986,769)		(7,483,620)	<i>Loans</i>
Tagihan derivatif	60,808		192,901	<i>Derivative receivables</i>
Aset lain-lain	(535,769)		(535,749)	<i>Other assets</i>
Kenaikan/(penurunan) dalam liabilitas operasi:				<i>Increase/(decrease) in operating liabilities:</i>
Simpanan nasabah	9,880,712		16,279,716	<i>Deposits from customers</i>
Simpanan dari bank lain	2,470,946		1,028,494	<i>Deposits from other banks</i>
Efek-efek yang dijual dengan janji dibeli kembali	(1,345,723)		1,345,723	<i>Securities sold under repurchase agreement</i>
Liabilitas derivatif dan liabilitas lain-lain	295,126		(512,052)	<i>Derivative liabilities and others liabilities</i>
Pembayaran pajak penghasilan badan:		21b		<i>Payment of corporate income tax:</i>
- tahun berjalan	(865,910)		(703,908)	<i>current year -</i>
- tahun lalu	(72,588)		(80,627)	<i>prior year -</i>
<b>Arus kas (digunakan untuk)/diperoleh dari aktivitas operasi</b>	<b>(339,906)</b>		<b>10,886,633</b>	<b>Net cash flows (used in)/provided from operating activities</b>
<b>Arus kas dari aktivitas investasi:</b>				<b>Cash flows from investing activities:</b>
Pembelian aset tetap	(206,112)	15	(232,281)	<i>Acquisitions of fixed assets</i>
Hasil penjualan aset tetap	3,942	15	11,760	<i>Proceeds from sale of fixed assets</i>
Pembelian efek-efek dan obligasi pemerintah tersedia untuk dijual	(13,627,915)		(20,208,064)	<i>Purchase of marketable securities and government bonds available for sale</i>
Penjualan efek-efek dan obligasi pemerintah tersedia untuk dijual	15,928,825		5,773,726	<i>Sale of marketable securities and government bonds available for sale</i>
<b>Arus kas bersih diperoleh dari/ (digunakan untuk) aktivitas investasi</b>	<b>2,098,740</b>		<b>(14,654,859)</b>	<b>Net cash flow provided from/ (used in) investing activities</b>

PT BANK OCBC NISP Tbk

**LAPORAN ARUS KAS  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2017 DAN 2016**  
(Dinyatakan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**CASH FLOWS STATEMENTS  
FOR THE YEARS ENDED  
31 DECEMBER 2017 AND 2016**  
(Expressed in millions of Rupiah,  
unless otherwise stated)

	2017	Catatan/ Notes	2016	
<b>Arus kas dari aktivitas pendanaan:</b>				<b>Cash flows from financing activities:</b>
Pelunasan Obligasi Berkelanjutan I Tahap I Tahun 2013 Seri C	-	24	(1,498,000)	Redemption of Continuous Bond I Phase I Year 2013 Series C
Pelunasan Obligasi Berkelanjutan I Tahap II Tahun 2015 Seri A	-	24	(1,095,000)	Redemption of Continuous Bond I Phase II Year 2015 Series A
Penerimaan dari penerbitan Obligasi Berkelanjutan II Tahap I Tahun 2016	-	24	2,000,000	Proceeds from issuance of Continuous Bond II Phase I Year 2016
Biaya emisi Obligasi Berkelanjutan II Tahap I Tahun 2016	-	2aa,24	(7,250)	Continuous Bond II Phase I Year 2016 issuance cost
Pelunasan <i>Medium Term Notes</i> I	-	1h	(900,000)	Redemption of Medium Term Notes I
Pelunasan pinjaman yang diterima	-	23	(2,757,000)	Repayment of borrowings
Penerimaan dari penerbitan Obligasi Berkelanjutan II Tahap II Tahun 2017 Seri A	1,248,000	24	-	Proceeds from issuance of Continuous Bond II Phase II Year 2017 Series A
Penerimaan dari penerbitan Obligasi Berkelanjutan II Tahap II Tahun 2017 Seri B	300,000	24	-	Proceeds from issuance of Continuous Bond II Phase II Year 2017 Series B
Penerimaan dari penerbitan Obligasi Berkelanjutan II Tahap II Tahun 2017 Seri C	454,000	24	-	Proceeds from issuance of Continuous Bond II Phase II Year 2017 Series C
Biaya emisi Obligasi Berkelanjutan II Tahap II Tahun 2017	(5,387)	2aa,24	-	Continuous Bond II Phase II Year 2017 issuance cost
Penerimaan dari penerbitan Obligasi Berkelanjutan II Tahap III Tahun 2017 Seri A	975,000	24	-	Proceeds from issuance of Continuous Bond II Phase III Year 2017 Series A
Penerimaan dari penerbitan Obligasi Berkelanjutan II Tahap III Tahun 2017 Seri B	175,000	24	-	Proceeds from issuance of Continuous Bond II Phase III Year 2017 Series B
Penerimaan dari penerbitan Obligasi Berkelanjutan II Tahap III Tahun 2017 Seri C	609,000	24	-	Proceeds from issuance of Continuous Bond II Phase III Year 2017 Series C
Biaya emisi Obligasi Berkelanjutan II Tahap III Tahun 2017	(4,762)	2aa,24	-	Continuous Bond II Phase III Year 2017 issuance cost
Pelunasan Obligasi Berkelanjutan II Tahap I Tahun 2016 Seri A	(837,000)	24	-	Redemption of Continuous Bond II Phase I Year 2016 Series A
Pelunasan Obligasi Berkelanjutan I Tahap II Tahun 2015 Seri B	(670,000)	24	-	Redemption of Continuous Bond I Phase II Year 2015 Series B
Pelunasan Obligasi Subordinasi III	(880,000)	24	-	Redemption of Subordinated Bond III
<b>Arus kas diperoleh dari/(digunakan untuk) aktivitas pendanaan</b>	<b>1,363,851</b>		<b>(4,257,250)</b>	<b>Net cash flows provided/(used in) from financing activities</b>
<b>Kenaikan/(penurunan) bersih kas dan setara kas</b>	<b>3,122,685</b>		<b>(8,025,476)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>
<b>Kas dan setara kas awal tahun</b>	<b>10,029,780</b>		<b>18,055,256</b>	<b>Cash and cash equivalents at beginning of year</b>
<b>Kas dan setara kas akhir tahun</b>	<b>13,152,465</b>		<b>10,029,780</b>	<b>Cash and cash equivalents at end of year</b>
<b>Pengungkapan tambahan</b>				<b>Supplementary disclosures</b>
Kas dan setara kas terdiri dari:				Cash and cash equivalents consist of:
Kas	989,889	5	881,749	Cash
Giro pada Bank Indonesia	8,905,976	6	8,018,546	Current accounts with Bank Indonesia
Giro pada bank lain	698,856	7	485,592	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia *)	2,557,744	8	643,893	Placements with other banks and Bank Indonesia *)
<b>Jumlah kas dan setara kas</b>	<b>13,152,465</b>		<b>10,029,780</b>	<b>Total cash and cash equivalents</b>

\*) Penempatan pada bank lain dan Bank Indonesia, Sertifikat Bank Indonesia dan Efek-efek dan Obligasi Pemerintah dengan jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehannya, diklasifikasikan sebagai kas dan setara kas (Catatan 2a)

Placements with other banks and Bank Indonesia, \*) Certificates of Bank Indonesia and Marketable Securities and Government Bonds with maturity of three months or less from the date of acquisition, are classified as cash and cash equivalents (Note 2a)

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## 1. INFORMASI UMUM

## a. Pendirian dan informasi umum

PT Bank OCBC NISP Tbk ("Bank") (dahulu PT Bank NISP Tbk) didirikan pada tahun 1941 berdasarkan akta No. 6 tanggal 4 April 1941 dari notaris Theodoor Johan Indewey Gerlings dengan nama NV. Nederlandsch Indische Spaar En Deposito Bank. Akta pendirian ini telah didaftarkan di Pengadilan Negeri dengan No. A 42/6/9 tanggal 28 April 1941. Pada awal pendiriannya, Bank beroperasi sebagai bank tabungan. Bank memperoleh izin untuk beroperasi sebagai bank umum dari Menteri Keuangan Republik Indonesia dengan Keputusan No. D.15.6.2.27 tanggal 20 Juli 1967.

Berdasarkan Keputusan Deputi Gubernur Bank Indonesia No. 11/11/Kep.DpG/2009 tanggal 8 September 2009 tentang pemberian ijin unit usaha syariah, Bank OCBC NISP mulai melakukan kegiatan perbankan berdasarkan prinsip syariah pada tanggal 12 Oktober 2009.

Anggaran Dasar Bank telah mengalami beberapa kali perubahan, terakhir dengan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan Perseroan Terbatas PT Bank OCBC NISP Tbk. No. 23 tanggal 15 Desember 2017 tentang perubahan susunan Direksi dan Dewan Komisaris dimana pemberitahuan perubahan data bank tersebut telah diterima dan dicatat di dalam database Sistem Administrasi Badan Hukum – Kementerian Hukum Dan Hak Asasi Manusia Republik Indonesia dengan No. AHU-AH.01.03-0201968 tanggal 18 Desember 2017. Akta tersebut dibuat dihadapan Notaris Fathiah Helmi.

Berdasarkan Pasal 3 ayat (1) Anggaran Dasar Bank, maksud dan tujuan Bank adalah melakukan usaha di bidang bank umum termasuk kegiatan perbankan yang melaksanakan usaha syariah sesuai dengan ketentuan peraturan perundang-undangan yang berlaku.

Kantor pusat Bank beralamat di Jl. Prof. Dr. Satrio Kav. 25 (Casablanca), Jakarta. Pada tanggal 31 Desember 2017 dan 2016, Bank mempunyai kantor cabang, kantor cabang pembantu, kantor fungsional, kantor kas, kantor cabang syariah, *payment point* dan ATM sebagai berikut di seluruh Indonesia (tidak diaudit):

	2017	2016	
Kantor cabang	46	46	Branch offices
Kantor cabang pembantu	249	249	Sub-branch offices
Kantor kas	24	22	Cash offices
Kantor cabang syariah	10	10	Sub-branch sharia office
<i>Payment point</i>	8	12	Payment point
ATM	758	763	ATM

## 1. GENERAL INFORMATION

## a. Establishment and general information

PT Bank OCBC NISP Tbk (the "Bank") (formerly PT Bank NISP Tbk) was established in 1941 based on deed No. 6 dated 4 April 1941 of notary Theodoor Johan Indewey Gerlings, under the name NV. Nederlandsch Indische Spaar En Deposito Bank. The deed of establishment was registered at the State Court under No. A 42/6/9 dated 28 April 1941. On the establishment date, the Bank started its operations as saving bank. The Bank obtained its operating license as a general banking from the Ministry of Finance in its Decision Letter No. D.15.6.2.27 dated 20 July 1967.

Based on the Decision letter of Deputy Governor of Bank Indonesia No.11/11/Kep.DpG/2009 dated 8 September 2009 regarding approval in conducting sharia business unit, Bank OCBC NISP started its banking activities based on the sharia principles on 12 October 2009.

The Bank's Articles of Association have been amended several times, the latest by the Deed of Resolution of Annual General Meeting of Shareholders of PT Bank OCBC NISP Tbk. No. 23 dated 15 December 2017 regarding the changes of the Board of Directors and Board of Commissioners whereby the bank's data amendment notification has been accepted and recorded in Legally Entity Administration System database of the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0201968 dated 18 December 2017. The Deeds was made by Fathiah Helmi Notary in Jakarta.

Pursuant to Article 3 Paragraph (1) of the Bank's Articles of Association, the Bank's purposes and objectives are to carry out the business of commercial bank, including banking activities that carry out sharia business in accordance with the prevailing laws and regulations.

The Bank's head office is located in Jl. Prof. Dr. Satrio Kav. 25 (Casablanca), Jakarta. As at 31 December 2017 and 2016, the Bank has the following number of branch offices, sub-branch offices, functional offices, cash offices, sub-branch sharia branch offices, payment point and ATMs in Indonesia (unaudited):

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**1. INFORMASI UMUM (lanjutan)**

**b. Penawaran Umum Saham Bank dan Obligasi Subordinasi Bank**

Penawaran Umum Saham Bank

Pada tanggal 16 September 1994, Bank melakukan Penawaran Umum Perdana atas 62.500.000 lembar saham biasa dengan nilai nominal per lembar saham Rp 1.000 (nilai penuh) dan harga penawaran sebesar Rp 3.100 (nilai penuh) per lembar saham. Pada tanggal 20 Oktober 1994, saham tersebut telah dicatatkan pada Bursa Efek Indonesia (dahulu Bursa Efek Jakarta).

Penawaran Umum Perdana dan Terbatas, perubahan modal saham melalui berbagai tindakan korporasi yang telah dilakukan oleh Bank adalah sebagai berikut:

**1. GENERAL INFORMATION (continued)**

**b. Public Offering of the Bank's Shares and Subordinated Bonds**

Public Offering of the Bank's Shares

On 16 September 1994, the Bank undertook an Initial Public Offering of 62,500,000 ordinary shares with a par value of Rp 1,000 (full amount) per share and an offering price of Rp 3,100 (full amount) per share. On 20 October 1994, the Bank's shares were listed on the Indonesia Stock Exchange (formerly Jakarta Stock Exchange).

The details of the Bank's Initial and Limited Public Offerings, changes in share capital through various corporate actions are as follows:

	Jenis efek/ Type of shares	Tanggal pencatatan/ Registration date	Tanggal efektif/ Effective date	Surat efektif/ Effective letter	Jumlah saham yang ditawarkan (nilai penuh)/ Number of offered shares (full amount)	Nilai nominal per saham (nilai penuh)/ Par value per share (full amount)	Tempat tercatat efek/ The place of share listed	
Penawaran Umum Perdana	Saham biasa/ Common share	20 Oktober/ October 1994	16 September/ September 1994	S-1601/PM/1994	62,500,000	1,000	Bursa Efek Indonesia/Indonesia Stock Exchange	Initial Public Offering
Penurunan nilai saham melalui stock split	Saham biasa/ Common share	3 Februari/ February 1997	-	-	62,500,000	500	Bursa Efek Indonesia/Indonesia Stock Exchange	Decrease in par value per share through stock split
Kapitalisasi agio saham (Bonus saham)	Saham biasa/ Common share	28 Februari/ February 1997	-	-	50,000,000	500	Bursa Efek Indonesia/Indonesia Stock Exchange	Capitalisation of additional paid in capital (Bonus share)
Dividen saham	Saham biasa/ Common share	4 Desember/ December 1998	-	-	63,000,000	500	Bursa Efek Indonesia/Indonesia Stock Exchange	Share dividend
Kapitalisasi agio saham (Bonus saham)	Saham biasa/ Common share	4 Desember/ December 1998	-	-	57,750,000	500	Bursa Efek Indonesia/Indonesia Stock Exchange	Capitalisation of additional paid in capital (Bonus share)
Penawaran Umum Terbatas I	Saham biasa/ Common share	18 Desember/ December 1998	15 Desember/ December 1998	S-2570/PM/1998	253,471,865	500	Bursa Efek Indonesia/Indonesia Stock Exchange	Pre-emptive Rights Issue I
Penurunan nilai saham melalui stock split	Saham biasa/ Common share	4 November/ November 1999	-	-	549,221,865	250	Bursa Efek Indonesia/Indonesia Stock Exchange	Decrease in par value per share through stock split
Penawaran Umum Terbatas II	Saham biasa/ Common share	18 Januari/ January 2001	18 Desember/ December 2000	S-3670/PM/2000	117,432,571	250	Bursa Efek Indonesia/Indonesia Stock Exchange	Pre-emptive Rights Issue II
Penawaran Umum Terbatas III	Saham biasa/ Common share	2 Juli/July 2002	14 Juni/June 2002	S-1271/PM/2002	810,584,200	250	Bursa Efek Indonesia/Indonesia Stock Exchange	Pre-emptive Rights Issue III
Penurunan nilai saham melalui stock split	Saham biasa/ Common share	13 Februari/ February 2003	-	-	2,026,460,501	125	Bursa Efek Indonesia/Indonesia Stock Exchange	Decrease in par value per share through stock split
Dividen saham	Saham biasa/ Common share	7 Oktober/ October 2003	-	-	81,058,420	125	Bursa Efek Indonesia/Indonesia Stock Exchange	Share dividend
Penawaran Umum Terbatas IV	Saham biasa/ Common share	24 November/ November 2005	10 November/ November 2005	S-3145/PM/2005	801,992,008	125	Bursa Efek Indonesia/Indonesia Stock Exchange	Pre-emptive Rights Issue IV
Penawaran Umum Terbatas V	Saham biasa/ Common share	8 Mei/May 2007	24 April/April 2007	S-1871/BL/2007	878,602,915	125	Bursa Efek Indonesia/Indonesia Stock Exchange	Pre-emptive Rights Issue V
Penawaran saham baru berkaitan dengan Merger	Saham biasa/ Common share	3 Januari/ January 2011	-	-	1,227,368,320	125	Bursa Efek Indonesia/Indonesia Stock Exchange	New share issued in relation with Merger
Penawaran Umum Terbatas VI	Saham biasa/ Common share	5 Juni/June 2012	22 Mei/May 2012	S-6103/BL/2012	1,506,975,730	125	Bursa Efek Indonesia/Indonesia Stock Exchange	Pre-emptive Rights Issue VI
Penawaran Umum Terbatas VII	Saham biasa/ Common share	22 November/ November 2013	29 Oktober/ October 2013	S-340/D.04/2013	2,923,730,091	125	Bursa Efek Indonesia/Indonesia Stock Exchange	Pre-emptive Rights Issue VII

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**1. INFORMASI UMUM (lanjutan)**
**b. Penawaran Umum Saham Bank dan Obligasi Subordinasi Bank (lanjutan)**
Penawaran Umum Saham Bank (lanjutan)

Pada tanggal 31 Desember 2017 dan 2016 sejumlah 11.357.888.016 lembar saham Bank telah dicatat di Bursa Efek Indonesia dan sejumlah 114.760.470 lembar saham merupakan saham pendiri yang tidak tercatat di Bursa Efek Indonesia.

Penawaran Umum Obligasi Subordinasi

Pada tanggal 27 Februari 2003, Bank memperoleh pernyataan efektif dari Ketua Badan Pengawas Pasar Modal dengan suratnya No. S-406/PM/2003 untuk melakukan penawaran umum Obligasi Subordinasi I Bank NISP tahun 2003 dengan nilai nominal sebesar Rp 455.000 untuk Obligasi Subordinasi Seri A dan 5 juta Dolar Amerika Serikat untuk Obligasi Subordinasi seri B. Pada tanggal 14 Maret 2003, obligasi tersebut telah dicatat pada Bursa Efek Surabaya.

Pada tanggal 12 Maret 2008, Bank telah melakukan pelunasan seluruh pokok (opsi beli) Obligasi Subordinasi I Bank NISP tahun 2003.

Pada tanggal 28 Februari 2008, Bank memperoleh pernyataan efektif dari Ketua Badan Pengawas Pasar Modal dan Lembaga Keuangan dengan suratnya No. S-1219/BL/2008 untuk melakukan penawaran umum Obligasi Subordinasi II Bank NISP tahun 2008 dengan nilai nominal sebesar Rp 600.000. Pada tanggal 12 Maret 2008, obligasi tersebut telah dicatat pada Bursa Efek Indonesia.

Pada tanggal 12 Maret 2013, Bank telah melakukan pelunasan seluruh pokok (opsi beli) Obligasi Subordinasi II Bank NISP tahun 2008.

Pada tanggal 24 Juni 2010, Bank memperoleh pernyataan efektif dari Ketua Badan Pengawas Pasar Modal dan Lembaga Keuangan dengan suratnya No. S-5685/BL/2010 untuk melakukan penawaran umum Obligasi Subordinasi III Bank OCBC NISP tahun 2010 dengan nilai nominal sebesar Rp 880.000. Pada tanggal 1 Juli 2010, obligasi tersebut telah dicatat pada Bursa Efek Indonesia (lihat Catatan 26).

Pada tanggal 22 Juni 2017, Bank telah melakukan pembayaran pokok Obligasi Subordinasi III Bank OCBC NISP Tahun 2010 (lihat Catatan 26).

**1. GENERAL INFORMATION (continued)**
**b. Public Offering of the Bank's Shares and Subordinated Bonds (continued)**
Public Offering of the Bank's Shares (continued)

As at 31 December 2017 and 2016, the Bank's shares totalling 11,357,888,016 shares are listed on the Indonesia Stock Exchange and founder's shares totalling 114,760,470 shares are not listed on the Indonesian Stock Exchange.

Public Offering of Subordinated Bonds

On 27 February 2003, the Bank obtained the notice of effectivity from the Chairman of Capital Market Supervisory Board in his letter No. S-406/PM/2003 for the public offering of Bank NISP Subordinated Bond I year 2003 with Rp 455,000 nominal value for series A Subordinated Bonds and United States Dollars 5 million nominal value for Series B Subordinated Bonds. On 14 March 2003, these bonds were listed on the Surabaya Stock Exchange.

As at 12 March 2008, the Bank had redeemed the entire principal (call option) of the Bank NISP Subordinated Bonds I year 2003.

On 28 February 2008, the Bank obtained the notice of effectivity from the Chairman of Capital Market and Financial Institution Supervisory Board in his letter No. S-1219/BL/2008 for the public offering of Bank NISP Subordinated Bond II year 2008 with Rp 600,000 nominal value. On 12 March 2008, these bonds were listed on the Indonesia Stock Exchange.

On 12 March 2013, the Bank had redeemed the entire principal (call option) of Bank NISP Subordinated Bond II 2008.

On 24 June 2010, the Bank obtained the notice of effectivity from the Chairman of Capital Market and Financial Institution Supervisory Board in his letter No. S-5685/BL/2010 for the public offering of Bank OCBC NISP Subordinated Bond III year 2010 with Rp 880,000 nominal value. On 1 July 2010, these bonds were listed on the Indonesia Stock Exchange (refer to Note 26).

As at 22 June 2017, the Bank had paid the principal of Bank OCBC NISP Subordinated Bonds III Year 2010 (refer to Note 26).

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**1. INFORMASI UMUM (lanjutan)****c. Obligasi Berkelanjutan I OCBC NISP Tahap I Tahun 2013**

Pada tanggal 19 Februari 2013, Bank menerbitkan Obligasi Berkelanjutan I OCBC NISP Tahap I Tahun 2013 sebesar Rp 3.000.000 dan diterbitkan dengan 3 seri yaitu (lihat Catatan 24):

- Seri A untuk jangka waktu 370 hari sebesar Rp 973.000 dengan bunga 6,40%;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 529.000 dengan bunga 6,90%; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 1.498.000 dengan bunga 7,40%.

Bank telah melakukan pembayaran pokok dan pelunasan bunga Obligasi Berkelanjutan I OCBC NISP Tahap I Tahun 2013 Seri A sebesar Rp 990.644 pada tanggal 28 Februari 2014 dan Seri B sebesar Rp 538.125 pada tanggal 19 Februari 2015 dan Seri C sebesar Rp 1.525.713 pada tanggal 19 Februari 2016.

**d. Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015**

Pada tanggal 10 Februari 2015, Bank menerbitkan Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015 sebesar Rp 3.000.000 dan diterbitkan dengan 3 seri yaitu (lihat Catatan 24):

- Seri A untuk jangka waktu 370 hari sebesar Rp 1.095.000 dengan bunga 9,00%;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 670.000 dengan bunga 9,40%; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 1.235.000 dengan bunga 9,80%.

Bank telah melakukan pembayaran pokok dan pelunasan bunga Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015 Seri A, sebesar Rp 1.122.375 pada tanggal 20 Februari 2016 dan Seri B sebesar Rp 685.745 pada tanggal 9 Februari 2017.

Untuk tahun yang berakhir 31 Desember 2017, Bank telah membayar bunga Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015 sebesar Rp 121.030 untuk Seri C secara tepat waktu dan tepat jumlah.

**e. Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016**

Pada tanggal 11 Mei 2016, Bank menerbitkan Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016 sebesar Rp 2.000.000 dan diterbitkan dengan 3 seri yaitu (lihat Catatan 24):

- Seri A untuk jangka waktu 370 hari sebesar Rp 837.000 dengan bunga 7,50%;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 380.000 dengan bunga 8,00%; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 783.000 dengan bunga 8,25%.

**1. GENERAL INFORMATION (continued)****c. Continuous Bonds I OCBC NISP Phase I Year 2013**

On 19 February 2013, the Bank issued Continuous Bond I OCBC NISP Phase I Year 2013 offered in amount of Rp 3,000,000 which issued in 3 series (refer to Note 24):

- Series A for 370 days period amounted to Rp 973,000 with interest of 6.40%;
- Series B for 2 years period amounted to Rp 529,000 with interest of 6.90%; and
- Series C for 3 years period amounted to Rp 1,498,000 with interest of 7.40%.

The Bank had paid the principal and interest of Continuous Bond I OCBC NISP Phase I Year 2013 Series A with total amount Rp 990,644 on 28 February 2014 and Series B with total amount Rp 538,125 on 19 February 2015 and Series C total amount Rp 1,525,713 on 19 February 2016.

**d. Continuous Bonds I OCBC NISP Phase II Year 2015**

On 10 February 2015, the Bank issued Continuous Bond I OCBC NISP Phase II Year 2015 offered in amount of Rp 3,000,000 which issued in 3 series (refer to Note 24):

- Series A for 370 days period amounted to Rp 1,095,000 with interest of 9.00%;
- Series B for 2 years period amounted to Rp 670,000 with interest of 9.40%; and
- Series C for 3 years period amounted to Rp 1,235,000 with interest of 9.80%.

The Bank had paid the principal and interest of Continuous Bond I OCBC NISP Phase II Year 2015 Series A with total amount Rp 1,122,375 on 20 February 2016 and Series B with total amount Rp 685,745 on 9 February 2017.

For the year ended 31 December 2017, the Bank had paid the Interest of Continuous Bond I OCBC NISP phase II Year 2015, Series C Rp 121,030 on a timely and accurate.

**e. Continuous Bonds II OCBC NISP Phase I Year 2016**

On 11 May 2016, the Bank issued Continuous Bond II OCBC NISP Phase I Year 2016 offered in amount of Rp 2,000,000 which issued in 3 series (refer to Note 24):

- Series A for the 370 days amounted to Rp 837,000 with interest of 7.50%;
- Series B for the 2 years amounted to Rp 380,000 with interest of 8.00%; and
- Series C for the 3 years amounted to Rp 783,000 with interest of 8.25%.

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**1. INFORMASI UMUM (lanjutan)**
**e. Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016 (lanjutan)**

Bank telah melakukan pembayaran pokok dan bunga Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016 Seri A, sebesar Rp 854.437 pada tanggal 21 Mei 2017.

Untuk tahun yang berakhir 31 Desember 2017, Bank telah membayar bunga Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016, Seri B sebesar Rp 30.400 dan Seri C sebesar Rp 64.598 secara tepat waktu dan tepat jumlah.

**f. Obligasi Berkelanjutan II OCBC NISP Tahap II Tahun 2017**

Pada tanggal 22 Agustus 2017, Bank menerbitkan Obligasi Berkelanjutan II OCBC NISP Tahap II Tahun 2017 sebesar Rp 2.002.000 dan diterbitkan dengan 3 seri yaitu (lihat Catatan 24):

- Seri A untuk jangka waktu 370 hari sebesar Rp 1.248.000 dengan bunga 6,75%;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 300.000 dengan bunga 7,30%; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 454.000 dengan bunga 7,70%.

Bunga obligasi ini dibayarkan setiap triwulan. Tanggal pembayaran bunga obligasi pertama dilakukan pada tanggal 22 November 2017, dan jatuh tempo pada tanggal 2 September 2018 untuk Seri A, 22 Agustus 2019 untuk Seri B dan 22 Agustus 2020 untuk Seri C.

Untuk tahun yang berakhir 31 Desember 2017, Bank telah membayar bunga Obligasi Berkelanjutan II OCBC NISP Tahap II Tahun 2017, Seri A sebesar Rp 21.060, Seri B sebesar Rp 5.475 dan Seri C sebesar Rp 87.740 secara tepat waktu dan tepat jumlah.

**g. Obligasi Berkelanjutan II OCBC NISP Tahap III Tahun 2017**

Pada tanggal 12 Desember 2017, Bank menerbitkan Obligasi Berkelanjutan II OCBC NISP Tahap III Tahun 2017 sebesar Rp 1.759.000 dan diterbitkan dengan 3 seri yaitu (lihat Catatan 24):

- Seri A untuk jangka waktu 370 hari sebesar Rp 975.000 dengan bunga 6,15%;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 175.000 dengan bunga 6,75%; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 609.000 dengan bunga 7,20%.

**1. GENERAL INFORMATION (continued)**
**e. Continuous Bonds II OCBC NISP Phase I Year 2016 (continued)**

The Bank had paid the principal and interest of Continuous Bond II OCBC NISP Phase I Year 2016 Series A with total amount Rp 854,437 on 21 May 2017.

For the year ended 31 December 2017, the Bank has paid the interest of Continuous Bond II OCBC NISP Phase I Year 2016, Series B Rp 30,400 and Series C Rp 64,598 on a timely and accurate.

**f. Continuous Bonds II OCBC NISP Phase II Year 2017**

On 22 August 2017, the Bank issued Continuous Bond II OCBC NISP Phase II Year 2017 offered in amount of Rp 2,002,000 which issued in 3 series (refer to Note 24):

- Series A for the 370 days amounted to Rp 1,248,000 with interest of 6.75%;
- Series B for the 2 years amounted to Rp 300,000 with interest of 7.30%; and
- Series C for the 3 years amounted to Rp 454,000 with interest of 7.70%.

The Bonds interest are payable quarterly. The first interest payment was on 22 November 2017, and mature on 2 September 2018 for Series A, 22 August 2019 for Series B and 22 August 2020 for Series C.

For the year ended 31 December 2017, the Bank has paid the interest of Continuous Bond II OCBC NISP Phase II Year 2017, Series A Rp 21,060, Series B Rp 5,475 and Series C Rp 87,740 on a timely and accurate.

**g. Continuous Bonds II OCBC NISP Phase III Year 2017**

On 12 December 2017, the Bank issued Continuous Bond II OCBC NISP Phase III Year 2017 offered in amount of Rp 1,759,000 which issued in 3 series (refer to Note 24):

- Series A for the 370 days amounted to Rp 975,000 with interest of 6.15%;
- Series B for the 2 years amounted to Rp 175,000 with interest of 6.75%; and
- Series C for the 3 years amounted to Rp 609,000 with interest of 7.20%.

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## 1. INFORMASI UMUM (lanjutan)

## g. Obligasi Berkelanjutan II OCBC NISP Tahap III Tahun 2017 (lanjutan)

Bunga obligasi ini dibayarkan setiap triwulan. Tanggal pembayaran bunga obligasi pertama akan dilakukan pada tanggal 12 Maret 2018, dan jatuh tempo pada tanggal 22 Desember 2018 untuk Seri A, 12 Desember 2019 untuk Seri B dan 12 Desember 2020 untuk Seri C.

## h. Medium Term Notes I Bank OCBC NISP Tahun 2013

Pada tanggal 26 Maret 2013, Bank memperoleh surat dari Bank Indonesia dengan No. 15/12/DPB2/PB2-2/Rahasia perihal penerbitan produk *Medium Term Notes* ("MTN") di mana MTN tersebut telah dicatat pada administrasi pengawasan Bank Indonesia. Pada tanggal 18 April 2013, Bank menerbitkan *Medium Term Notes* sebesar Rp 900.000 dengan jangka waktu 3 tahun. MTN yang diterbitkan berjangka waktu 3 tahun terhitung sejak tanggal emisi dengan tingkat bunga tetap 7% per tahun.

Bank telah melakukan pembayaran pokok dan pelunasan bunga *Medium Term Notes*, sebesar Rp 915.750 pada tanggal 18 April 2016.

## i. Penggabungan Usaha PT Bank OCBC Indonesia ke dalam PT Bank OCBC NISP Tbk

Pada tanggal 22 September 2010, Dewan Komisaris dan Direksi Bank OCBC NISP dan PT Bank OCBC Indonesia ("Bank OCBC Indonesia") menyetujui Rancangan Penggabungan terkait dengan rencana penggabungan Bank OCBC Indonesia ke dalam Bank OCBC NISP dimana Bank OCBC NISP akan menjadi bank yang menerima penggabungan. Pada tanggal 24 September 2010, rancangan tersebut telah diserahkan kepada Badan Pengawas Pasar Modal dan lembaga Keuangan ("Bapepam-LK").

Pada tanggal 8 November 2010, Bank telah menerima surat dari Bapepam-LK tentang pemberitahuan efektifnya Pernyataan Penggabungan Usaha yang tertuang dalam surat No. S-10125/BL/2010.

Tanggal efektif penggabungan usaha Bank dengan Bank OCBC Indonesia ditetapkan pada 1 Januari 2011 berdasarkan Akta No. 10 tanggal 9 November 2010, yang dibuat dihadapan Fathiah Helmi, SH, notaris di Jakarta. Selain menetapkan tanggal efektif penggabungan usaha, akta ini juga menetapkan perubahan komposisi Dewan Komisaris dan Direksi.

## 1. GENERAL INFORMATION (continued)

## g. Continuous Bonds II OCBC NISP Phase III Year 2017 (continued)

The Bonds interest are payable quarterly. The first interest payment will be on 12 March 2018, and mature on 22 December 2018 for Series A, 12 December 2019 for Series B and 12 December 2020 for Series C.

## h. Medium Term Notes I Bank OCBC NISP Year 2013

On 26 March 2013, the Bank obtained letter from Bank Indonesia No. 15/12/DPB2/PB2-2/Rahasia regarding issuance of *Medium Term Notes* ("MTN") where the MTN has been recorded in Bank Indonesia's administration supervision. On 18 April 2013, the Bank issued *Medium Term Notes* amounted Rp 900,000 with term of 3 years. MTN issued have a term of 3 years from emission date and with fixed interest rate 7% per annum.

The Bank had paid the principal and interest of *Medium Term Notes*, with total amount Rp 915,750 on 18 April 2016.

## i. Merger of PT Bank OCBC Indonesia into PT Bank OCBC NISP Tbk

On 22 September 2010, the Board of Commissioners and Directors of Bank OCBC NISP and PT Bank OCBC Indonesia ("Bank OCBC Indonesia") approved the Merger Plan related to the merger of Bank OCBC Indonesia into Bank OCBC NISP where Bank OCBC NISP will become the surviving bank. On 24 September 2010, this Merger Plan was submitted to Capital Market Supervisory Board and Financial Institution ("Bapepam-LK").

On 8 November 2010, the Bank has received a letter from the Bapepam-LK concerning the effectivity of Merger through its letter No. S-10125/BL/2010.

The effective date of the merger of the Bank with Bank OCBC Indonesia was determined on 1 January 2011 based on Notary Deed No. 10 dated 9 November 2010 of Fathiah Helmi, SH, notary in Jakarta. This notary deed also set out the change in the composition of the Board of Commissioners and Directors.

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## 1. INFORMASI UMUM (lanjutan)

## i. Penggabungan Usaha PT Bank OCBC Indonesia ke dalam PT Bank OCBC NISP Tbk (lanjutan)

Perubahan anggaran dasar Bank berkaitan dengan penggabungan usaha, yang dibuat dihadapan Notaris Fathiah Helmi, SH dan dituangkan dalam dengan Akta Notaris No. 11 tanggal 9 November 2010 telah diterima dan dicatat di dalam *database* Sisminbakum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia melalui surat No. AHU-AH.01.10-31518, tertanggal 9 Desember 2010 dan berlaku efektif pada tanggal 1 Januari 2011.

Pada tanggal 23 Desember 2010, Bank Indonesia telah menyetujui rencana penggabungan usaha PT Bank OCBC Indonesia ke dalam PT Bank OCBC NISP Tbk melalui Surat Keputusan Gubernur BI No. 12/86/KEP.GBI/ 2010.

Pada tanggal 21 April 2011, Bank mengajukan permohonan kepada Direktorat Jenderal Pajak untuk menggunakan nilai buku atas pengalihan harta Bank OCBC Indonesia kepada Bank OCBC NISP. Permohonan tersebut telah disetujui berdasarkan Keputusan Direktur Jenderal Pajak ("DJP") No. 92/WPJ.19/2011 tanggal 15 Juli 2011 tentang persetujuan penggunaan nilai buku atas pengalihan harta dalam rangka penggabungan usaha.

Berdasarkan laporan Penilai Independen KJPP Antonius Setiady & Rekan No. KJPP ASR 2010-102 A2-SF tanggal 2 November 2011 dan KJPP Nirboyo A., Dewi A. & Rekan No. 10-0259/BOI/E/LR/Ind tanggal 2 November 2010, untuk keperluan konversi saham, manajemen menetapkan nilai pasar wajar dari saham Bank OCBC Indonesia dan Bank OCBC NISP masing-masing adalah sebesar Rp 2.898.803 (nilai penuh) dan Rp 1.880 (nilai penuh) per saham.

Oleh karena itu, konversi saham Bank OCBC Indonesia dengan Bank OCBC NISP dilakukan dengan ketentuan bahwa para pemegang saham Bank OCBC Indonesia masing-masing akan memperoleh 1.541,92 saham baru di Bank OCBC NISP untuk setiap saham di Bank OCBC Indonesia.

## 1. GENERAL INFORMATION (continued)

## i. Merger of PT Bank OCBC Indonesia into PT Bank OCBC NISP Tbk (continued)

*The amendment of article of association concerning the merger as stipulated in Notary Deed of Fathiah Helmi, SH, No.11 dated 9 November 2010 was received and recorded in Sisminbakum Administration of Ministry of Law and Human Rights of Republic of Indonesia through its letter No. AHU-AH.01.10-31518 on 9 December 2010 and became effective on 1 January 2011.*

*On 23 December 2010, Bank Indonesia approved the merger plan of PT Bank OCBC Indonesia into PT Bank OCBC NISP Tbk through its letter No. 12/86/KEP.GBI/2010.*

*On 21 April 2011, the Bank submitted an application to the Directorate General of Taxation for using net book value of Bank OCBC Indonesia's assets transferred to Bank OCBC NISP. This application was approved based on the decision letter of the Director General of Taxation ("DGT") No. 92/WJP.19/2011 dated 15 July 2011 concerning the approval for using net book value relating to the merger.*

*Based on the Independent Appraisal reports of KJPP Antonius Setiady & Rekan No. KJPP ASR 2010-102 A2-SF dated 2 November 2011 and KJPP Nirboyo A., Dewi A. & Rekan No. 10-0259/BOI/E/LR/Ind dated 2 November 2010, for shares conversion purposes, management decided that the fair value of Bank OCBC Indonesia and Bank OCBC NISP shares were Rp 2,898,803 (full amount) and Rp 1,880 (full amount) per share, respectively.*

*Therefore, the shares conversion of Bank OCBC Indonesia with Bank OCBC NISP was made with an arrangement in which the shareholders of Bank OCBC Indonesia will receive 1,541.92 new shares of Bank OCBC NISP for each share of Bank OCBC Indonesia.*

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**1. INFORMASI UMUM (lanjutan)**

**i. Penggabungan Usaha PT Bank OCBC Indonesia ke dalam PT Bank OCBC NISP Tbk (lanjutan)**

Susunan pemegang saham Bank sebelum dan pada tanggal penggabungan usaha adalah sebagai berikut:

**1. GENERAL INFORMATION (continued)**

**i. Merger of PT Bank OCBC Indonesia into PT Bank OCBC NISP Tbk (continued)**

The shareholders composition of the Bank before and at the merger date were as follow:

	Pemegang saham Bank OCBC NISP sebelum penggabungan usaha/ Bank OCBC NISP shareholders before the merger		Pemegang saham Bank OCBC Indonesia sebelum penggabungan usaha/ Bank OCBC Indonesia's shareholders before the merger		Pemegang saham Bank pada tanggal penggabungan usaha/The Bank's shareholders at the merger date			
	Jumlah saham/ Number of shares	%	Jumlah saham sebelum konversi/ Number of shares before conversion	%	Jumlah saham setelah konversi/ Number of shares after conversion	Jumlah saham/ Number of shares		
- OCBC Overseas Investments Pte. Ltd.	4,762,413,412	81.90	-	-	-	4,762,413,412	67.63	OCBC Overseas - Investments Pte. Ltd.
- Oversea-Chinese Banking Corporation Limited	-	-	788,040	99.00	1,215,094,637	1,215,094,637	17.26	Oversea-Chinese Banking Corporation Limited
- PT Bank OCBC NISP Tbk	-	-	7,960	1.00	12,273,683	12,273,683	0.17	PT Bank OCBC - NISP Tbk
- Pemegang saham lainnya/masyarakat (kepemilikan masing-masing dibawah 5%)	1,052,160,933	18.10	-	-	-	1,052,160,933	14.94	Other shareholders/- public (ownership interest below 5%)
	<u>5,814,574,345</u>	<u>100.00</u>	<u>796,000</u>	<u>100</u>	<u>1,227,368,320</u>	<u>7,041,942,665</u>	<u>100.00</u>	

Penambahan modal saham Bank OCBC NISP yang berasal dari konversi saham Bank OCBC Indonesia dilakukan dengan menggunakan harga pasar saham Bank OCBC NISP pada tanggal penggabungan usaha terjadi. Dengan demikian, pada tanggal 1 Januari 2011 terdapat penambahan modal ditempatkan dan disetor penuh dan tambahan modal disetor Bank masing-masing sebesar Rp 153.421 dan Rp 1.933.105.

The additional share capital of Bank OCBC NISP resulted from Bank OCBC Indonesia's shares conversion is calculated using the market price of Bank OCBC NISP shares at the date of merger. As a result, as at 1 January 2011, the Bank's issued and fully paid share capital and additional paid-in capital increased by Rp 153,421 and Rp 1,933,105, respectively.

Pada tanggal 3 Januari 2011, semua saham Bank sejumlah 12.273.683 saham yang berasal dari konversi penyertaan di Bank OCBC Indonesia dijual kepada Oversea-Chinese Banking Corporation Limited ("OCBC Limited") dengan harga Rp 1.504 (nilai penuh) per saham. Pada tanggal 6 Januari 2011, Bank telah menerima pembayaran atas penjualan saham tersebut sejumlah Rp 18.377 setelah dikurangkan dengan biaya sebesar Rp 83 dan mencatat keuntungan atas penjualan penyertaan sebesar Rp 10.186.

On 3 January 2011, all Bank's shares of 12,273,683 shares resulted from the conversion of shares investment in Bank OCBC Indonesia was sold to Oversea-Chinese Banking Corporation Limited ("OCBC Limited") at price of Rp 1,504 (full amount) per share. On 6 January 2011, the Bank received the proceed from the sales of these shares amounted to Rp 18,377 net of expenses in amount of Rp 83 and recorded gain from sale of investment of Rp 10,186.

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## 1. INFORMASI UMUM (lanjutan)

## i. Penggabungan Usaha PT Bank OCBC Indonesia ke dalam PT Bank OCBC NISP Tbk (lanjutan)

Pada tanggal 13 Juni 2011, OCBC Limited telah mengalihkan kepemilikan saham di PT Bank OCBC NISP Tbk kepada OCBC Overseas Investment Pte. Ltd sejumlah 1.227.368.320 lembar saham atau 17,43% sehingga kepemilikan OCBC Overseas Investment Pte. Ltd menjadi 85,06%.

Bank OCBC NISP dan Bank OCBC Indonesia berada dalam pengendalian entitas yang sama, yaitu OCBC Singapore. Oleh karena itu transaksi penggabungan usaha kedua bank dilakukan dengan menggunakan metode penyatuan kepemilikan. Sesuai dengan PSAK 38 (Revisi 2012) - Kombinasi Bisnis Entitas Sepengendali, selisih antara harga pengalihan dengan nilai buku Bank yang digabungkan pada transaksi restrukturisasi antar entitas sepengendali sebesar Rp 781.874 dibukukan sebagai bagian dari tambahan modal disetor/agio saham.

## j. Dewan Komisaris, Direksi, Komite Audit, Divisi Internal Audit, Karyawan Kunci dan Corporate Secretary

Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan Perseroan Terbatas PT Bank OCBC NISP Tbk. No. 88 tanggal 30 Maret 2017, yang dibuat di hadapan Fathiah Helmi Sarjana Hukum, pemegang saham telah menyetujui perubahan susunan Dewan Komisaris, Dewan Pengawas Syariah, dan Direksi.

Pada tanggal 31 Desember 2017 dan 2016, susunan Dewan Komisaris Bank adalah sebagai berikut:

	2017	2016	
Presiden Komisaris	Pramukti Surjaudaja	Pramukti Surjaudaja	President
Wakil Presiden			Commissioner
Komisaris	Peter Eko Sutioso*	Peter Eko Sutioso*	Deputy President
Komisaris	Samuel Nag Tsien	Samuel Nag Tsien	Commissioner
Komisaris	Jusuf Halim*	Jusuf Halim*	Commissioner
Komisaris	Kwan Chiew Choi*	Kwan Chiew Choi*	Commissioner
Komisaris	Lai Teck Poh (Dua Teck Poh)	Lai Teck Poh (Dua Teck Poh)	Commissioner
Komisaris	Hardi Juganda*	Hardi Juganda	Commissioner
Komisaris	Betti S. Alisjahbana*	-	Commissioner
Komisaris	-	Roy Karaoglan*	Commissioner

\* Komisaris Independen

Independent Commissioner \*

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**1. INFORMASI UMUM (lanjutan)**

**j. Dewan Komisaris, Direksi, Komite Audit, Divisi Internal Audit, Karyawan Kunci dan Corporate Secretary (lanjutan)**

Pada tanggal 31 Desember 2017 dan 2016 susunan Direksi Bank adalah sebagai berikut:

**1. GENERAL INFORMATION (continued)**

**j. Board of Commissioners, Directors, Audit Committee, Internal Audit Division, Key Employee and Corporate Secretary (continued)**

As at 31 December 2017 and 2016, the Bank's Board of Directors are as follows:

**2017**

Presiden Direktur dan  
Direktur *Human Capital*  
Direktur *Operation* dan IT  
Direktur Kepatuhan dan  
*Corporate Communication*  
Direktur *Enterprise* dan  
*Commercial Banking*  
Direktur *Financial & Planning*  
Direktur *Wholesale*  
Direktur *Network*  
Direktur *Treasury*  
Direktur *Retail Banking*  
Direktur Manajemen Risiko

Parwati Surjaudaja  
Yogadharma Ratnapalasari  
  
Rama P. Kusumaputra  
  
Emilya Tjahjadi  
Hartati\*)  
Martin Widjaja  
Andrae Krishnawan W  
Johannes Husin  
Low Seh Kiat  
Joseph Chan Fook Onn

*President Director and  
Human Capital Director  
Operation and IT Director  
Compliance and Corporate  
Communication Director  
Enterprise and Commercial  
Banking Director  
Financial & Planning Director  
Wholesale Director  
Network Director  
Treasury Director  
Retail Banking Director  
Risk Management Director*

\*) Direktur Independen

*Independent Director \*)*

**2016**

Presiden Direktur dan  
Direktur *Human Capital*  
Direktur *Operation* dan IT  
Direktur Kepatuhan dan  
*Corporate Communication*  
Direktur *Enterprise* dan  
*Commercial Banking*  
Direktur *Financial & Planning*  
Direktur *Wholesale*  
Direktur *Network*  
Direktur *Treasury*  
Direktur *Retail Banking*  
Direktur Manajemen Risiko

Parwati Surjaudaja  
Yogadharma Ratnapalasari  
  
Rama P. Kusumaputra  
  
Emilya Tjahjadi  
Hartati\*)  
Martin Widjaja  
Andrae Krishnawan W  
Johannes Husin  
Low Seh Kiat  
Joseph Chan Fook Onn

*President Director and  
Human Capital Director  
Operation and IT Director  
Compliance and Corporate  
Communication Director  
Enterprise and Commercial  
Banking Director  
Financial & Planning Director  
Wholesale Director  
Network Director  
Treasury Director  
Retail Banking Director  
Risk Management Director*

\*) Direktur Independen

*Independent Director \*)*

Susunan Komite Audit Bank pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

The Bank's Audit Committee as at 31 December 2017 and 2016 is comprised of:

**2017**

**2016**

Ketua  
Anggota  
Anggota

Kwan Chiew Choi  
Kurnia Irwansyah  
Rufina Tinawati Marianto

Jusuf Halim  
Made Rugeh Ramia  
Kurnia Irwansyah

*Chairman  
Member  
Member*

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**1. INFORMASI UMUM (lanjutan)**
**j. Dewan Komisaris, Direksi, Komite Audit,  
Divisi Internal Audit, Karyawan Kunci dan  
Corporate Secretary (lanjutan)**

Pembentukan Komite Audit Bank telah sesuai dengan Peraturan Otoritas Jasa Keuangan ("POJK") No. 55/POJK.04/2015 tanggal 23 Desember 2015 tentang Pembentukan dan Pedoman Pelaksanaan Kerja Komite Audit.

Susunan Dewan Pengawas Syariah pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

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**2017 dan/and 2016**


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Ketua	Dr. Muhammad Anwar Ibrahim	Chairman
Anggota	Muhammad Bagus Teguh Perwira, Lc, MA	Member

Kepala Divisi Internal Audit Bank pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

*The Bank's Internal Audit Division Head as at 31 December 2017 and 2016 is as follows:*

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**2017 dan/and 2016**


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Kepala Divisi Internal Audit	Sani Effendy	Internal Audit Division Head
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*Corporate Secretary Bank pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:*

*Corporate Secretary Bank as at 31 December 2017 and 2016 is as follows:*

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**2017 dan/and 2016**


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<i>Corporate Secretary</i>	Ivonne Purnama Chandra	<i>Corporate Secretary</i>
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Pada tanggal 31 Desember 2017 dan 2016, Bank memiliki karyawan masing-masing sebanyak 6.477 dan 6.796 karyawan (tidak diaudit).

*As at 31 December 2017 and 2016, the Bank had 6,477 and 6,796 employees, respectively (unaudited).*

**2. KEBIJAKAN AKUNTANSI**

Laporan keuangan PT Bank OCBC NISP Tbk diselesaikan dan diotorisasi untuk terbit oleh Direksi tanggal 25 Januari 2018.

Kebijakan akuntansi utama yang diterapkan dalam penyusunan laporan keuangan adalah seperti dijabarkan dibawah ini:

**2. ACCOUNTING POLICIES**

*The financial statements of PT Bank OCBC NISP Tbk were completed and authorised for issuance by the Directors on 25 January 2018.*

*The principal accounting policies adopted in preparing the financial statements are set out below:*

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**2. KEBIJAKAN AKUNTANSI (lanjutan)****a. Dasar pengukuran dan penyusunan laporan keuangan**

Laporan keuangan untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 disusun dan disajikan sesuai dengan standar akuntansi keuangan di Indonesia dan Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tanggal 25 Juni 2012 yaitu Peraturan No. VIII.G.7 tentang "Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik".

Laporan keuangan Bank untuk unit usaha syariah juga disusun dan disajikan berdasarkan Pernyataan Standar Akuntansi Keuangan ("PSAK") 101 (Revisi 2014) - Penyajian Laporan Keuangan Syariah, PSAK 102 (Revisi 2013) - Akuntansi Murabahah, PSAK 104 - Akuntansi Istishna, PSAK 105 - Akuntansi Mudharabah, PSAK 106 - Akuntansi Musyarakah, PSAK 107 - Akuntansi Ijarah, PSAK 110 (Revisi 2015) - Akuntansi Sukuk, dan PSAK lain selama tidak bertentangan dengan prinsip syariah serta Pedoman Akuntansi Perbankan Syariah Indonesia (PAPSI) (Revisi 2013).

Laporan keuangan disusun berdasarkan harga perolehan, kecuali untuk aktiva tetap - kelompok tanah dan bangunan, aset keuangan yang diklasifikasikan sebagai tersedia untuk dijual, aset dan liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi dan kontrak derivatif yang diukur berdasarkan nilai wajar.

Laporan keuangan disusun dengan basis akrual, kecuali laporan arus kas.

Laporan arus kas disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas ke dalam aktivitas operasi, investasi dan pendanaan. Untuk tujuan laporan arus kas, kas dan setara kas mencakup kas, giro pada Bank Indonesia, giro pada bank lain dan investasi jangka pendek likuid lainnya dengan jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan sepanjang tidak digunakan sebagai jaminan atas pinjaman atau dibatasi penggunaannya.

Penyusunan laporan keuangan sesuai dengan Standar Akuntansi Keuangan di Indonesia mengharuskan penggunaan beberapa estimasi dan asumsi dan mengharuskan manajemen untuk membuat pertimbangan dalam menentukan metodologi yang tepat. Area yang kompleks atau memerlukan tingkat pertimbangan yang lebih tinggi atau area di mana asumsi dan estimasi dapat berdampak signifikan terhadap laporan keuangan diungkapkan di Catatan 4.

**2. ACCOUNTING POLICIES (continued)****a. Basis of measurement and preparation of the financial statements**

*The financial statements for years ended 31 December 2017 and 2016 were prepared in accordance with Indonesian financial accounting standards and the Decree of the Chairman of Bapepam-LK No. KEP 347/BL/2012 dated 25 June 2012 which is Regulation No. VIII.G.7 regarding "Financial Statements Preparation and Presentation of Public Company".*

*The Bank's financial statements for sharia business unit were prepared and presented under the Statement of Financial Accounting Standards ("SFAS") 101 (Revised 2014) - Presentation of Sharia Financial Statement, SFAS 102 (Revised 2013) - Murabahah Accounting, SFAS 104 - Istishna Accounting, SFAS 105 - Mudharabah Accounting, SFAS 106 - Musyarakah Accounting, SFAS 107 - Ijarah Accounting, SFAS 110 (Revised 2015) - Sukuk Accounting, and other Statements of Financial Accounting Standards of Accountants, as long as not contradict with Sharia principle also Accounting Guidelines for Indonesian Sharia Banking (PAPSI) (Revised 2013).*

*The financial statements are prepared under the historical cost convention, except for fixed assets – land and buildings group, financial assets classified as available for sale, financial assets and liabilities held at fair value through profit or loss and all derivative contracts which are measured at fair value.*

*The financial statements are prepared based on accrual basis, except for the statements of cash flows.*

*The statements of cash flows are prepared based on the direct method by classifying cash flows into 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, current accounts with other banks and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition as long as they are not being pledged as collateral for borrowings or restricted.*

*The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain estimates and assumptions and requires management to exercise its judgment in determining the appropriate methodology. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.*

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**2. KEBIJAKAN AKUNTANSI (lanjutan)**
**a. Dasar pengukuran dan penyusunan laporan keuangan (lanjutan)**

Untuk memberikan pemahaman yang lebih baik atas kinerja keuangan Bank, karena sifat dan jumlahnya yang signifikan, beberapa pos-pos pendapatan dan beban telah disajikan secara terpisah.

Laporan keuangan dijabarkan dalam mata uang Rupiah, yang merupakan mata uang fungsional dan pelaporan Bank. Seluruh angka dalam laporan keuangan ini dibulatkan menjadi dan disajikan dalam jutaan Rupiah yang terdekat, kecuali dinyatakan secara khusus.

**b. Perubahan kebijakan akuntansi**

Kecuali dinyatakan di bawah ini, kebijakan akuntansi telah diterapkan secara konsisten dengan laporan keuangan pada tanggal 31 Desember 2016, yang telah sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Perubahan kebijakan akuntansi di tahun 2016 sehubungan aset tetap yang berkaitan dengan Peraturan Menteri Keuangan No 191/PMK.010/2015 dapat dilihat di Catatan 16. Perubahan ini terkait dengan perubahan kebijakan akuntansi atas tanah dan bangunan dari model biaya menjadi model revaluasi, dan diterapkan secara prospektif.

Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK-IAI) telah menerbitkan standar baru, revisi dan interpretasi yang relevan yang berlaku efektif pada atau setelah tanggal 1 Januari 2017 sebagai berikut:

- Amandemen PSAK 1 "Penyajian laporan keuangan"
- ISAK 31: "Interpretasi atas ruang lingkup PSAK 13 : Properti Investasi".
- ISAK 32: "Definisi dan hierarki standar akuntansi keuangan"
- PSAK 3 "Laporan keuangan interim"
- PSAK 24 "Imbalan kerja"
- Amandemen PSAK 58 "Aset tidak lancar yang dimiliki untuk dijual dan operasi yang dihentikan"
- Amandemen PSAK 60 "Instrumen keuangan: pengungkapan"

Penerapan standar baru, revisi dan interpretasi baru tidak berdampak substansial terhadap kebijakan akuntansi dan atas jumlah yang dilaporkan pada tahun berjalan atau tahun sebelumnya.

**2. ACCOUNTING POLICIES (continued)**
**a. Basis of measurement and preparation of the financial statements (continued)**

*In order to provide further understanding of the financial performance of the Bank, due to the significance of their nature or amount, several items of income or expense have been shown separately.*

*The financial statements are presented in Rupiah, which is the functional and reporting currency of the Bank. Figures in these financial statements are rounded to and stated in millions of Rupiah, unless otherwise stated.*

**b. Changes in accounting policies**

*Except as described below, the accounting policies applied are consistent with those of the financial statements as at 31 Desember 2016, which conform to the Indonesian Financial Accounting Standards.*

*Change in accounting policy in 2016 with respect to fixed asset which related to Ministry of Finance Decision No 191/PMK.010/2015 are explained in Note 16. The change relates with change of accounting policy for land and buildings from cost model to revaluation model, and is applied prospectively.*

*Financial Accounting Standard Board of Indonesian Institute of Accountant (DSAK-IAI) has issued the following new standards, amendments and interpretations which relevant which were effective on or after 1 January 2017 as follows:*

- *Amendment SFAS 1 "Presentation of financial statement";*
- *ISFAS 31 "Interpretation on the scope of SFAS 13 : Investment property".*
- *ISFAS 32 "Interpretation on definition and hierarchy of financial accounting standards*
- *SFAS 3 "Interim financial statements"*
- *SFAS 24 "Employee benefits"*
- *Amendment SFAS 58 "Non-current assets held for sale and discontinued operation"*
- *Amendment SFAS 60 "Financial instrument: disclosure"*

*The implementation of new standards, revision and interpretation do not have substantial changes to the Bank's accounting policies and had no material effect on the amount reported for current or prior financial years.*

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**2. KEBIJAKAN AKUNTANSI (lanjutan)**
**c. Instrumen keuangan**
**A. Aset keuangan**

Bank mengklasifikasikan aset keuangannya dalam kategori (a) aset keuangan yang diukur pada nilai wajar melalui laba rugi, (b) pinjaman yang diberikan dan piutang, (c) aset keuangan dimiliki hingga jatuh tempo, dan (d) aset keuangan tersedia untuk dijual. Klasifikasi ini tergantung dari tujuan perolehan aset keuangan tersebut. Manajemen menentukan klasifikasi aset keuangan tersebut pada saat awal pengakuannya.

**(a) Aset keuangan yang diukur pada nilai wajar melalui laba rugi**

Kategori ini terdiri dari dua sub-kategori: aset keuangan yang diklasifikasikan dalam kelompok diperdagangkan dan aset keuangan yang pada saat pengakuan awal telah ditetapkan oleh Bank untuk diukur pada nilai wajar melalui laba rugi.

Aset keuangan diklasifikasikan dalam kelompok diperdagangkan jika diperoleh atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat atau jika merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek (*short term profit-taking*) yang terkini. Derivatif juga dikategorikan dalam kelompok diperdagangkan, kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai.

Instrumen keuangan yang dikelompokkan ke dalam kategori ini diakui pada nilai wajarnya pada saat pengakuan awal; biaya transaksi diakui secara langsung ke dalam laporan laba rugi. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar dan penjualan instrumen keuangan diakui di dalam laporan laba rugi dan dicatat masing-masing sebagai "Keuntungan/(kerugian) dari perubahan nilai wajar instrumen keuangan" dan "Keuntungan/(kerugian) dari penjualan instrumen keuangan". Pendapatan bunga dari instrumen keuangan dalam kelompok diperdagangkan dicatat sebagai "Pendapatan bunga".

**2. ACCOUNTING POLICIES (continued)**
**c. Financial instruments**
**A. Financial assets**

The Bank classifies its financial assets in the category of (a) financial assets at fair value through profit or loss, (b) loans and receivables, (c) held-to-maturity financial assets, and (d) available-for-sale financial assets. The classification depends on the purpose for which the financials assets were acquired. Management determines the classification of its financial assets at initial recognition.

**(a) Financial assets at fair value through profit or loss**

This category comprises two sub-categories: financial assets classified as held for trading and financial assets designated by the Bank as at fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments.

Financial instruments classified in this category are recognised initially at fair value; transaction costs are taken directly to the statement of profit or loss. Gains and losses arising from changes in fair value and sales of these financial instruments are included directly in the statement of profit or loss and are reported respectively as "Gains/(losses) from changes in fair value of financial instruments" and "Gains/(losses) from sale of financial instruments". Interest income on financial instruments held for trading are included in "Interest income".

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## c. Instrumen keuangan (lanjutan)

## A. Aset keuangan (lanjutan)

(b) Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuota di pasar aktif, kecuali:

- yang dimaksudkan oleh Bank untuk dijual dalam waktu dekat, yang diklasifikasikan dalam kelompok diperdagangkan, serta yang pada saat pengakuan awal ditetapkan pada nilai wajar melalui laba rugi;
- yang pada saat pengakuan awal ditetapkan dalam kelompok tersedia untuk dijual; atau
- dalam hal pemilik mungkin tidak akan memperoleh kembali investasi awal secara substansial kecuali yang disebabkan oleh penurunan kualitas pinjaman yang diberikan dan piutang.

Pada saat pengakuan awal, pinjaman yang diberikan dan piutang diakui pada nilai wajarnya ditambah biaya transaksi dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif dikurangi cadangan kerugian penurunan nilai. Pendapatan dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang dicatat di dalam laporan laba rugi dan dilaporkan sebagai "Pendapatan bunga". Dalam hal terjadi penurunan nilai, kerugian penurunan nilai dilaporkan sebagai pengurang dari nilai tercatat dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang, dan diakui di dalam laporan laba rugi sebagai "Cadangan kerugian penurunan nilai atas aset keuangan".

(c) Aset keuangan dimiliki hingga jatuh tempo

Aset keuangan dalam kelompok dimiliki hingga jatuh tempo adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan, serta Bank mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo, kecuali:

## 2. ACCOUNTING POLICIES (continued)

c. *Financial instruments (continued)*A. *Financial assets (continued)*(b) Loans and receivables

*Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:*

- *those that the Bank intends to sell immediately or in the short term, which are classified as held for trading, and those that the Bank upon initial recognition designates as at fair value through profit or loss;*
- *those that the Bank upon initial recognition designates as available for sale; or*
- *those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.*

*Loans and receivables are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method less allowance for impairment losses. Interest income on financial assets classified as loans and receivables is included in the statement of profit or loss and reported as "Interest income". In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the financial assets classified as loan and receivables and recognised in the statement of profit or loss as "Allowance for impairment losses on financial assets".*

(c) Held-to-maturity financial assets

*Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank has the positive intention and ability to held to maturity, other than:*

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## c. Instrumen keuangan (lanjutan)

## A. Aset keuangan (lanjutan)

(c) Aset keuangan dimiliki hingga jatuh tempo (lanjutan)

- investasi yang pada saat pengakuan awal ditetapkan sebagai aset keuangan yang diukur pada nilai wajar melalui laba rugi;
- investasi yang ditetapkan oleh Bank dalam kelompok tersedia untuk dijual; dan
- investasi yang memiliki definisi pinjaman yang diberikan dan piutang.

Pada saat pengakuan awal, aset keuangan dimiliki hingga jatuh tempo diakui pada nilai wajarnya ditambah biaya transaksi dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan suku bunga efektif dikurangi cadangan kerugian penurunan nilai.

Pendapatan bunga dari investasi dimiliki hingga jatuh tempo dicatat dalam laporan laba rugi komprehensif dan diakui sebagai "Pendapatan bunga". Ketika penurunan nilai terjadi, kerugian penurunan nilai diakui sebagai pengurang dari nilai tercatat investasi dan diakui di dalam laporan keuangan sebagai "Cadangan kerugian penurunan nilai atas aset keuangan".

(d) Aset keuangan tersedia untuk dijual

Aset keuangan dalam kelompok tersedia untuk dijual adalah aset keuangan non-derivatif yang ditetapkan dimiliki untuk periode tertentu dimana akan dijual dalam rangka pemenuhan likuiditas atau perubahan suku bunga atau valuta asing atau yang tidak diklasifikasikan sebagai pinjaman yang diberikan atau piutang, aset keuangan yang diklasifikasikan dalam kelompok dimiliki hingga jatuh tempo atau aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

## 2. ACCOUNTING POLICIES (continued)

## c. Financial instruments (continued)

## A. Financial assets (continued)

(c) Held-to-maturity financial assets (continued)

- those that the Bank upon initial recognition designates as at fair value through profit or loss;
- those that the Bank designates as available for sale; and
- those that meet the definition of loans and receivables.

Held-to-maturity financial assets are initially recognised at fair value including transaction costs and subsequently measured at amortised cost, using the effective interest rate method less allowance for impairment loss.

Interest income on held-to-maturity investments is included in the statements of comprehensive income and reported as "Interest income". In the case of impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the financial statements as "Allowance for impairment losses on financial assets".

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are intended to be held for indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates or exchange rates or that are not classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value through statement of profit or loss.

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## c. Instrumen keuangan (lanjutan)

## A. Aset keuangan (lanjutan)

(d) Aset keuangan tersedia untuk dijual  
(lanjutan)

Pada saat pengakuan awalnya, aset keuangan tersedia untuk dijual diakui pada nilai wajarnya ditambah biaya transaksi dan selanjutnya diukur pada nilai wajarnya dimana keuntungan atau kerugian diakui pada laporan laba rugi komprehensif kecuali untuk kerugian penurunan nilai dan laba rugi selisih kurs, hingga aset keuangan dihentikan pengakuannya. Jika aset keuangan tersedia untuk dijual mengalami penurunan nilai, akumulasi laba atau rugi yang sebelumnya diakui pada pendapatan/(beban) komprehensif lainnya, diakui pada laba rugi. Pendapatan bunga dihitung menggunakan metode suku bunga efektif dan keuntungan atau kerugian yang timbul akibat perubahan nilai tukar dari aset moneter yang diklasifikasikan sebagai kelompok tersedia untuk dijual diakui pada laporan laba rugi.

(e) Pengakuan

Bank menggunakan akuntansi tanggal perdagangan untuk mencatat seluruh transaksi aset keuangan yang lazim (reguler). Aset keuangan yang dialihkan kepada pihak ketiga tetapi tidak memenuhi syarat penghentian pengakuan disajikan di dalam laporan posisi keuangan sebagai "Aset yang dijaminkan", jika pihak penerima memiliki hak untuk menjual atau mentransfer kembali.

## B. Liabilitas keuangan

Bank mengklasifikasikan liabilitas keuangan dalam kategori (a) liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi dan (b) liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Liabilitas keuangan dihentikan pengakuannya ketika liabilitas telah dilepaskan atau dibatalkan atau kadaluwarsa.

## 2. ACCOUNTING POLICIES (continued)

c. *Financial instruments* (continued)A. *Financial assets* (continued)(d) *Available-for-sale financial assets*  
(continued)

*Available-for-sale financial assets are initially recognised at fair value, plus transaction costs, and measured subsequently at fair value with gains and losses being recognised in statement of comprehensive income, except for impairment losses and foreign exchange gains or losses, until the financial assets is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income will be recognised as the profit or loss. Interest income is calculated using the effective interest rate method, and foreign currency gains or losses on monetary assets classified as available-for-sale are recognised in the statement of profit or loss.*

(e) *Recognition*

*The Bank uses trade date accounting for regular way contracts when recording financial assets transactions. Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statements of financial position as "Pledged assets", if the transferee has the right to sell or repledge them.*

B. *Financial liabilities*

*The Bank classifies its financial liabilities in the category of (a) financial liabilities at fair value through profit or loss and (b) financial liabilities measured at amortised cost. Financial liabilities are derecognised when they have redeemed or otherwise extinguished.*

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## c. Instrumen keuangan (lanjutan)

## B. Liabilitas keuangan (lanjutan)

(a) Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi

Kategori ini terdiri dari dua sub-kategori: liabilitas keuangan diklasifikasikan sebagai diperdagangkan dan liabilitas keuangan yang pada saat pengakuan awal telah ditetapkan oleh Bank untuk diukur pada nilai wajar melalui laba rugi. Pada saat pengakuan awal dan selanjutnya dicatat pada nilai wajar.

Liabilitas keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat atau jika merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek (*short-term profit-taking*) yang terkini. Derivatif diklasifikasikan sebagai instrumen diperdagangkan kecuali ditetapkan dan efektif sebagai instrumen lindung nilai.

Keuntungan dan kerugian yang timbul dari perubahan nilai wajar liabilitas keuangan yang diklasifikasikan sebagai diperdagangkan dicatat dalam laporan laba rugi sebagai "Keuntungan/(kerugian) dari perubahan nilai wajar instrumen keuangan". Beban bunga dari liabilitas keuangan diklasifikasikan sebagai diperdagangkan dicatat sebagai "Beban bunga".

Jika Bank pada pengakuan awal telah menetapkan instrumen utang tertentu sebagai nilai wajar melalui laba rugi (opsi nilai wajar), maka selanjutnya, penetapan ini tidak dapat diubah. Berdasarkan PSAK 55 (Revisi 2011), instrumen utang yang diklasifikasikan sebagai opsi nilai wajar, terdiri dari kontrak utama dan derivatif melekat yang harus dipisahkan.

## 2. ACCOUNTING POLICIES (continued)

c. *Financial instruments* (continued)B. *Financial liabilities* (continued)(a) *Financial liabilities at fair value through profit or loss*

*This category comprises two sub-categories: financial liabilities classified as held for trading and financial liabilities designated by the Bank as at fair value through profit or loss upon initial recognition. At the initial and subsequent recognition, this is recorded at fair value.*

*A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading instrument unless they are designated and effective as hedging instruments.*

*Gains and losses arising from changes in fair value of financial liabilities classified held for trading are included in the statement of profit or loss and reported as "Gains/(losses) from changes in fair value of financial instruments". Interest expenses on financial liabilities held for trading are included in "Interest expenses".*

*If the Bank designated certain debt securities upon initial recognition as at fair value through profit or loss (fair value option), then this designation cannot be changed subsequently. According to SFAS 55 (Revised 2011), the fair value option is applied on the debt securities consists of debt host and embedded derivatives that must otherwise be separated.*

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**c. Instrumen keuangan (lanjutan)**
**B. Liabilitas keuangan (lanjutan)**

- (a) Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi (lanjutan)

Perubahan nilai wajar terkait dengan liabilitas keuangan yang ditetapkan untuk diukur pada nilai wajar melalui laba rugi diakui di dalam "Keuntungan/(kerugian) dari perubahan nilai wajar instrumen keuangan".

- (b) Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi

Liabilitas keuangan yang tidak diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi dikategorikan dan diukur dengan biaya perolehan diamortisasi.

Pada saat pengakuan awal, liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi diukur pada nilai wajar ditambah biaya transaksi (jika ada).

Setelah pengakuan awal, Bank mengukur seluruh liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

**C. Penentuan nilai wajar**

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur (*orderly transaction*) antara pelaku pasar (*market participants*) pada tanggal pengukuran di pasar utama atau, jika tidak terdapat pasar utama, di pasar yang paling menguntungkan dimana Bank memiliki akses pada tanggal tersebut. Nilai wajar liabilitas mencerminkan risiko wanprestasinya.

Jika tersedia, Bank mengukur nilai wajar instrumen keuangan dengan menggunakan harga kuotasi di pasar aktif untuk instrumen tersebut.

**2. ACCOUNTING POLICIES (continued)**
**c. Financial instruments (continued)**
**B. Financial liabilities (continued)**

- (a) Financial liabilities at fair value through profit or loss (continued)

*Fair value changes relating to financial liabilities designated at fair value through profit or loss are recognised in "Gains/(losses) from changes in fair value of financial instruments".*

- (b) Financial liabilities at amortised cost

*Financial liabilities that are not classified as at fair value through profit and loss fall into this category and are measured as amortised cost.*

*Financial liabilities at amortised cost are initially recognised at fair value plus transaction costs (if any).*

*After initial recognition, the Bank measures all financial liabilities at amortised cost using effective interest rates method.*

**C. Determination of fair value**

*Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.*

*When available, the Bank measures the fair value of a financial instrument using the quoted price in an active market for that instrument.*

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**c. Instrumen keuangan (lanjutan)**
**C. Penentuan nilai wajar (lanjutan)**

Instrumen keuangan dianggap memiliki kuotasi di pasar aktif jika harga kuotasi tersedia sewaktu-waktu dan dapat diperoleh secara rutin dari bursa, pedagang efek (*dealer*), perantara efek (*broker*), kelompok industri, badan pengawas (*pricing service* atau *regulatory agency*), dan harga tersebut mencerminkan transaksi pasar yang aktual dan rutin dalam suatu transaksi yang wajar. Jika kriteria di atas tidak terpenuhi, maka pasar aktif dinyatakan tidak tersedia. Indikasi-indikasi dari pasar tidak aktif adalah terdapat selisih yang besar antara harga penawaran dan permintaan atau kenaikan signifikan dalam selisih harga penawaran dan permintaan dan hanya terdapat beberapa transaksi terkini.

Bukti terbaik atas nilai wajar instrumen keuangan pada saat pengakuan awal adalah harga transaksi, yaitu nilai wajar dari pembayaran yang diberikan atau diterima. Jika Bank menetapkan bahwa nilai wajar pada pengakuan awal berbeda dengan harga transaksi dan nilai wajar tidak dapat dibuktikan dengan harga kuotasi di pasar aktif untuk aset atau liabilitas yang sejenis atau berdasarkan teknik penilaian yang hanya menggunakan data dari pasar yang dapat diobservasi, maka nilai wajar instrumen keuangan pada saat pengakuan awal disesuaikan untuk menanggulangi perbedaan antara nilai wajar pada saat pengakuan awal dan harga transaksi. Setelah pengakuan awal, perbedaan tersebut diamortisasi dan diakui dalam laba rugi sepanjang umur dari instrumen tersebut.

Untuk instrumen keuangan yang tidak mempunyai harga pasar, estimasi atas nilai wajar ditetapkan dengan mengacu pada nilai wajar instrumen lain yang substansinya sama atau dihitung berdasarkan arus kas yang diharapkan terhadap aset bersih efek-efek tersebut.

Nilai wajar untuk semua instrumen keuangan lainnya ditentukan dengan menggunakan teknik penilaian. Dengan teknik ini, nilai wajar merupakan suatu estimasi yang dihasilkan dari data yang dapat diobservasi dari instrumen keuangan yang sama, menggunakan model-model untuk mendapatkan estimasi nilai kini dari arus kas masa depan yang diharapkan atau teknik penilaian lainnya menggunakan *input* (sebagai contoh *LIBOR yield curve*, nilai tukar mata uang asing, volatilitas, dan *counterparty spreads*) yang tersedia pada tanggal laporan posisi keuangan.

**2. ACCOUNTING POLICIES (continued)**
**c. Financial instruments (continued)**
**C. Determination of fair value (continued)**

*A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.*

*The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is amortised and recognised in profit or loss on over the life of the instrument.*

*For financial instruments with no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which substantially have the same characteristic or calculated based on the expected cash flows of the underlying net asset base of the marketable securities.*

*For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, foreign exchange rates, volatilities and counterparty spreads) existing at the dates of the statement of financial position.*

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## c. Instrumen keuangan (lanjutan)

## D. Penghentian pengakuan

Penghentian pengakuan aset keuangan dilakukan ketika hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir, atau ketika aset keuangan tersebut telah ditransfer dan secara substansial seluruh risiko dan manfaat atas kepemilikan aset telah ditransfer (jika, secara substansial seluruh risiko dan manfaat tidak ditransfer, maka Bank melakukan evaluasi untuk memastikan keterlibatan berkelanjutan atas kontrol yang masih dimiliki tidak mencegah penghentian pengakuan). Liabilitas keuangan dihentikan pengakuannya ketika liabilitas telah dilepaskan atau dibatalkan atau kadaluwarsa.

## E. Reklasifikasi aset keuangan

Aset keuangan yang tidak lagi dimiliki untuk tujuan penjualan atau pembelian kembali aset keuangan dalam waktu dekat dapat direklasifikasikan ke pinjaman yang diberikan dan piutang jika memenuhi definisi pinjaman yang diberikan dan piutang dan entitas memiliki intensi dan kemampuan memiliki aset keuangan untuk masa mendatang yang dapat diperkirakan atau hingga jatuh tempo.

Bank tidak boleh mengklasifikasikan aset keuangan sebagai investasi dimiliki hingga jatuh tempo jika dalam tahun berjalan atau dalam kurun waktu dua tahun sebelumnya, telah menjual atau mereklasifikasi investasi dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan sebelum jatuh tempo (lebih dari jumlah yang tidak signifikan dibandingkan dengan total nilai investasi dimiliki hingga jatuh tempo), kecuali penjualan atau reklasifikasi tersebut:

- (a) dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali di mana perubahan suku bunga tidak akan berpengaruh secara signifikan terhadap nilai wajar aset keuangan tersebut;
- (b) terjadi setelah Bank memperoleh secara substansial seluruh jumlah pokok aset keuangan tersebut sesuai jadwal pembayaran atau Bank telah memperoleh pelunasan dipercepat; atau
- (c) terkait dengan kejadian tertentu yang berada di luar kendali Bank, tidak berulang, dan tidak dapat diantisipasi secara wajar oleh Bank.

## 2. ACCOUNTING POLICIES (continued)

## c. Financial instruments (continued)

## D. Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Bank tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

## E. Reclassification of financial assets

Financial assets that are no longer held for trading or repurchase of financial assets in the near future could be reclassified as loans and receivables if it met the definition of loans and receivables and entity has the intention and ability to hold the financial assets for foreseeable future or until maturity date.

The Bank shall not classify any financial assets as held-to-maturity if during the current financial year or during the two preceding financial years, the Bank has sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that:

- (a) are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- (b) occur after the Bank has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or
- (c) are attributable to an isolated event that is beyond the Bank's control, is non-recurring and could not have been reasonably anticipated by the Bank.

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**2. ACCOUNTING POLICIES (continued)**

**c. Instrumen keuangan (lanjutan)**

**c. Financial instruments (continued)**

**E. Reklasifikasi aset keuangan (lanjutan)**

**E. Reclassification of financial assets  
(continued)**

Reklasifikasi aset keuangan dari kelompok dimiliki hingga jatuh tempo ke kelompok tersedia untuk dijual dicatat sebesar nilai wajarnya. Keuntungan atau kerugian yang belum direalisasi tetap diakui dalam pendapatan komprehensif lainnya sampai aset keuangan tersebut dihentikan pengakuannya, dan pada saat itu, keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam pendapatan komprehensif lainnya harus direklasifikasi dari ekuitas ke laporan laba rugi sebagai penyesuaian reklasifikasi.

*Reclassification of financial assets from held-to-maturity classification to available-for-sale are recorded at fair value. Unrealised gains or losses shall be recognised in other comprehensive income until the financial assets is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from equity to statement of income as a reclassification adjustment.*

**F. Klasifikasi aset dan liabilitas keuangan**

**F. Classification of financial assets and liabilities**

Bank mengklasifikasikan instrumen keuangan ke dalam klasifikasi tertentu yang mencerminkan sifat dari informasi dan mempertimbangkan karakteristik dari instrumen keuangan tersebut. Klasifikasi ini dapat dilihat pada tabel di bawah ini.

*The Bank classifies the financial instruments into classes that reflects the nature of information and take into account the characteristic of those financial instruments. The classification can be seen in the table below.*

Klasifikasi aset keuangan/ <i>Financial assets classification</i>		Golongan (ditentukan oleh Bank)/ <i>Class (as determined by the Bank)</i>	Subgolongan/ <i>Subclasses</i>
Aset keuangan/ <i>Financial assets</i>	Aset keuangan yang diukur pada nilai wajar melalui laba rugi/ <i>Financial assets at fair value through profit or loss</i>	Aset keuangan dalam kelompok diperdagangkan/ <i>Financial assets held for trading</i>	Efek-efek/ <i>Marketable securities</i>
	Pinjaman yang diberikan dan piutang/ <i>Loans and receivables</i>		Obligasi Pemerintah/ <i>Government Bonds</i>
Tagihan derivatif - tidak terkait lindung nilai/ <i>Derivative receivables – non hedging related</i>			
Kas/ <i>Cash</i>			
Giro pada Bank Indonesia/ <i>Current accounts with Bank Indonesia</i>			
Giro pada bank lain/ <i>Current accounts with other banks</i>			
Penempatan pada bank lain dan Bank Indonesia/ <i>Placements with other banks and Bank Indonesia</i>			
Pinjaman yang diberikan/ <i>Loans</i>			
Tagihan akseptasi/ <i>Acceptance receivables</i>			
Efek-efek/ <i>Marketable securities</i>	Efek-efek yang dibeli dengan janji dijual kembali/ <i>Securities purchased under resale agreements</i>		

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## c. Instrumen keuangan (lanjutan)

F. Klasifikasi aset dan liabilitas keuangan  
(lanjutan)

## 2. ACCOUNTING POLICIES (continued)

## c. Financial instruments (continued)

F. Classification of financial assets and  
liabilities (continued)

Klasifikasi aset keuangan/ <i>Financial assets classification</i>		Golongan (ditentukan oleh Bank)/ <i>Class</i> (as determined by the Bank)	Subgolongan/ <i>Subclasses</i>		
Aset keuangan/ <i>Financial assets</i> (lanjutan/ <i>continued</i> )	Pinjaman yang diberikan dan piutang/ <i>Loans and receivables</i> (lanjutan/ <i>continued</i> )	Aset lain-lain/ <i>Other assets</i>	Tagihan transaksi <i>Letter of Credit/Letter of Credit transaction receivables</i>		
			Piutang bunga/ <i>Interest receivables</i>		
			Piutang penjualan efek-efek yang masih harus diterima/ <i>Receivables from sale of marketable securities</i>		
			Tagihan transaksi ATM dan kartu kredit/ <i>ATM and credit card transaction receivables</i>		
			Lain-lain/ <i>Others</i>		
	Aset keuangan dimiliki hingga jatuh tempo/ <i>Held-to-maturity financial assets</i>	Efek-efek/ <i>Marketable securities</i>			
Aset keuangan tersedia untuk dijual/ <i>Available-for-sale financial assets</i>	Efek-efek/ <i>Marketable securities</i>				
Aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain/ <i>Financial assets at fair value through other comprehensive income</i>	Obligasi Pemerintah/ <i>Government bonds</i>				
Liabilitas keuangan/ <i>Financial liabilities</i>	Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi/ <i>Financial liabilities at fair value through profit or loss</i>	Liabilitas keuangan dalam kelompok diperdagangkan/ <i>Financial liabilities held for trading</i>	Liabilitas derivatif bukan lindung nilai/ <i>Derivative payables - non hedging</i>		
	Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi/ <i>Financial liabilities at amortised cost</i>	Liabilitas segera/ <i>Obligations due immediately</i>			
		Simpanan nasabah/ <i>Deposits from customers</i>			
		Simpanan dari bank lain/ <i>Deposits from other banks</i>			
		Liabilitas akseptasi/ <i>Acceptance payables</i>			
		Pinjaman yang diterima/ <i>Borrowings</i>			
		Beban yang masih harus dibayar/ <i>Accrued expenses</i>			
		Efek-efek yang dijual dengan janji dibeli kembali/ <i>Securities sold under repurchase agreements</i>			
		Liabilitas lain-lain/ <i>Other liabilities</i>	Setoran jaminan/ <i>Security deposits</i>		
			Kewajiban transaksi <i>Letter of Credit</i> dan <i>remittance</i> yang masih harus dibayar/ <i>Letter of Credit and remittance transactions payable</i>		
			Utang pembelian efek-efek yang masih harus dibayar/ <i>Payables from purchase of marketable securities</i>		
			Lain-lain/ <i>Others</i>		
		Obligasi subordinasi/ <i>Subordinated bonds</i>			
Efek-efek yang diterbitkan/ <i>Marketable securities issued</i>					

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F. Klasifikasi aset dan liabilitas keuangan  
(lanjutan)

## 2. ACCOUNTING POLICIES (continued)

## c. Financial instruments (continued)

F. Classification of financial assets and  
liabilities (continued)

Klasifikasi liabilitas keuangan/ <i>Financial liabilities classification</i>	Golongan (ditentukan oleh Bank)/ <i>Class</i> (as determined by the Bank)	Subgolongan/ <i>Subclasses</i>
Komitmen dan kontinjensi/ <i>Commitment and contingency financial instruments</i>		Fasilitas pinjaman yang diberikan yang belum digunakan/ <i>Unused loan facilities granted</i>
		<i>Letters of credit</i> yang tidak dapat dibatalkan/ <i>Irrevocable letters of credit</i>
		<i>Money market commitment</i>
		Garansi yang diberikan/ <i>Guarantees issued</i>
		<i>Standby letters of credit</i>

## G. Saling hapus instrumen keuangan

Aset keuangan dan liabilitas keuangan yang saling hapus beserta nilai bersihnya disajikan dalam laporan posisi keuangan jika memiliki hak yang berkekuatan hukum untuk melakukan saling hapus buku atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan liabilitasnya secara simultan. Dalam situasi tertentu, meskipun terdapat perjanjian utama *netting*, keterbatasan dari niat manajemen untuk melakukan penyelesaian dengan basis neto menghasilkan aset keuangan dan liabilitas keuangan yang disajikan secara gross pada laporan posisi keuangan.

## H. Kontrak jaminan keuangan dan tagihan komitmen lainnya

Kontrak jaminan keuangan adalah kontrak yang mengharuskan penerbit untuk melakukan pembayaran yang ditetapkan untuk mengganti uang pemegang kontrak atas kerugian yang terjadi karena debitur tertentu gagal untuk melakukan pembayaran pada saat jatuh tempo, sesuai dengan ketentuan dari instrumen utang. Jaminan keuangan tersebut diberikan kepada bank-bank, lembaga keuangan dan badan-badan lainnya atas nama debitur untuk menjamin kredit dan fasilitas-fasilitas perbankan lainnya, dan penyediaan dana yang belum ditarik.

Jaminan keuangan awalnya diakui dalam laporan keuangan sebesar nilai wajar pada tanggal jaminan diberikan. Nilai wajar dari jaminan keuangan pada saat dimulainya transaksi pada umumnya sama dengan provisi yang diterima untuk jaminan diberikan dengan syarat dan kondisi normal dan nilai wajar awal diamortisasi sepanjang umur jaminan keuangan.

## G. Offsetting financial instruments

*Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right of set-off and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. In certain situations, even though master netting agreements exist, the lack of management intention to settle on a net basis results in the financial assets and liabilities being reported gross on the statement of financial position.*

## H. Financial guarantee contracts and other commitment receivables

*Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor defaulted to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other institutions on behalf of customers to secure loans and other banking facilities, and unused provision of funds facilities.*

*Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at inception is likely to equal the premium received because all guarantees are agreed on arm's length terms and the initial fair value is amortised over the life of the financial guarantees.*

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**c. Instrumen keuangan (lanjutan)**
**H. Kontrak jaminan keuangan dan tagihan komitmen lainnya (lanjutan)**

Setelah pengakuan awal kontrak, jaminan keuangan dicatat pada nilai yang lebih tinggi antara nilai wajar amortisasi dengan nilai kini atas pembayaran kewajiban yang diharapkan akan terjadi (ketika pembayaran atas jaminan menjadi *probable*), dan selisihnya dibebankan sebagai biaya operasi lain-lain pada laporan laba rugi.

Cadangan kerugian penurunan nilai atas kontrak jaminan keuangan yang memiliki risiko kredit dihitung berdasarkan kerugian historis.

**I. Cadangan kerugian penurunan nilai aset keuangan**

(A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi

Pada setiap tanggal laporan posisi keuangan, Bank mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai telah terjadi, jika dan hanya jika, terdapat bukti yang obyektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut ("peristiwa yang merugikan"), dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara handal.

Kriteria yang digunakan oleh Bank untuk menentukan bukti obyektif dari penurunan nilai adalah sebagai berikut:

- a) kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam;
- b) pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga;
- c) pihak pemberi pinjaman, dengan alasan ekonomi atau hukum sehubungan dengan kesulitan keuangan yang dialami pihak peminjam, memberikan keringanan (konsesi) pada pihak peminjam yang tidak mungkin diberikan jika pihak peminjam tidak mengalami kesulitan tersebut;

**2. ACCOUNTING POLICIES (continued)**
**c. Financial instruments (continued)**
**H. Financial guarantee contracts and other commitment receivables (continued)**

Subsequently they are measured at the higher of amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable) and the difference is charged to other operating expense in statement of profit or loss.

Allowance for impairment on financial guarantee contracts with credit risk are calculated based on historical experience.

**I. Allowance for impairment losses of financial assets**

(A) Financial assets carried at amortised cost

The Bank assesses at each statement of financial position date whether there is an objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred, only and if only, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

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**2. KEBIJAKAN AKUNTANSI (lanjutan)**
**c. Instrumen keuangan (lanjutan)**
**I. Cadangan kerugian penurunan nilai aset keuangan (lanjutan)**

(A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

- d) terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya;
- e) hilangnya pasar aktif dari aset keuangan akibat kesulitan keuangan; atau
- f) data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi.

Khusus untuk pinjaman yang diberikan yang signifikan, Bank menggunakan kriteria tambahan untuk menentukan bukti obyektif penurunan nilai sebagai berikut:

1. Pinjaman yang diberikan dengan kolektibilitas Kurang Lancar, Diragukan dan Macet (kredit *non-performing*) sesuai dengan ketentuan Bank Indonesia;
2. Semua kredit yang direstrukturisasi dan mempunyai indikasi penurunan nilai.

Bank pertama kali menentukan apakah terdapat bukti obyektif penurunan nilai atas aset keuangan. Penilaian secara individual dilakukan atas aset keuangan yang secara individual signifikan dan mengalami penurunan nilai, dengan menggunakan metode *discounted cash flows*. Aset keuangan yang tidak signifikan namun mengalami penurunan nilai dimasukkan dalam kelompok aset keuangan yang memiliki karakteristik risiko yang serupa dan dilakukan penilaian secara kolektif.

Jika Bank menentukan tidak terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, maka akun atas aset keuangan tersebut akan masuk ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang serupa dan menilai penurunan nilai kelompok tersebut secara kolektif. Akun yang penurunan nilainya dinilai secara individual, dan untuk itu kerugian penurunan nilai diakui atau tetap diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

**2. ACCOUNTING POLICIES (continued)**
**c. Financial instruments (continued)**
**I. Allowance for impairment losses of financial assets (continued)**

(A) *Financial assets carried at amortised cost (continued)*

- d) *it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;*
- e) *the disappearance of an active market for that financial asset because of financial difficulties; or*
- f) *observable data indicating that there is a measurable decrease in the estimation.*

*The Bank has determined specific objective evidence of an impairment loss for significant loans including:*

1. *Loans classified as Sub-standard, Doubtful and Loss (non performing loans) in accordance with Bank Indonesia regulation;*
2. *All restructured loans that have impairment indication.*

*The Bank initially assesses whether objective evidence of impairment for financial asset exists as described above. The individual assessment is performed on the individually significant and impaired financial asset, using discounted cash flows method. The insignificant impaired financial assets are included in group of financial asset with similar credit risk characteristics and collectively assessed.*

*If the Bank assesses that there is no objective evidence of impairment for financial assets as individual, that account of financial asset will be included in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Accounts that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.*

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## c. Instrumen keuangan (lanjutan)

## I. Cadangan kerugian penurunan nilai aset keuangan (lanjutan)

(A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Perhitungan penurunan nilai secara individu

Jumlah kerugian penurunan nilai diukur berdasarkan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang (tanpa memperhitungkan kerugian penurunan nilai di masa datang yang belum terjadi) yang didiskontokan menggunakan tingkat suku bunga efektif awal dari aset keuangan tersebut. Nilai tercatat aset tersebut dikurangi melalui akun cadangan kerugian penurunan nilai dan beban kerugian diakui pada laporan laba rugi. Jika pinjaman yang diberikan atau aset keuangan dimiliki hingga jatuh tempo memiliki suku bunga variabel, maka tingkat diskonto yang digunakan untuk mengukur setiap kerugian penurunan nilai adalah suku bunga efektif yang berlaku yang ditetapkan dalam kontrak.

Perhitungan nilai kini dari estimasi arus kas masa datang atas aset keuangan dengan agunan (*collateralised financial asset*) mencerminkan arus kas yang dapat dihasilkan dari pengambilalihan agunan dikurangi biaya-biaya untuk memperoleh dan menjual agunan, terlepas apakah pengambilalihan tersebut berpeluang terjadi atau tidak.

Perhitungan penurunan nilai secara kolektif

Untuk tujuan evaluasi penurunan nilai secara kolektif, aset keuangan dikelompokkan berdasarkan kesamaan karakteristik risiko kredit seperti mempertimbangkan segmentasi kredit dan status tunggakan. Karakteristik yang dipilih adalah relevan dengan estimasi arus kas masa datang dari kelompok aset tersebut yang mengindikasikan kemampuan debitur atau rekanan untuk membayar seluruh liabilitas yang jatuh tempo sesuai persyaratan kontrak dari aset yang dievaluasi.

## 2. ACCOUNTING POLICIES (continued)

## c. Financial instruments (continued)

## I. Allowance for impairment losses of financial assets (continued)

(A) Financial assets carried at amortised cost (continued)

Individual impairment calculation

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the allowance for impairment losses account and the amount of the loss is recognised in the statement of profit or loss. If a loan or held-to-maturity financial assets has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Collective impairment calculation

For the purpose of a collective evaluation of impairment, financial asset are grouped on the basis of similar credit risk characteristics such by considering credit segmentation and past due status. Those characteristics are relevant to the estimation of future cash flows for groups of such assets which indicate debtors' or counterparties' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## c. Instrumen keuangan (lanjutan)

## I. Cadangan kerugian penurunan nilai aset keuangan (lanjutan)

- (A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Perhitungan penurunan nilai secara kolektif (lanjutan)

Arus kas masa datang dari kelompok aset keuangan yang penurunan nilainya dievaluasi secara kolektif, diestimasi berdasarkan kerugian historis yang pernah dialami atas aset-aset yang memiliki karakteristik risiko kredit yang serupa dengan karakteristik risiko kredit kelompok tersebut di dalam Bank. Kerugian historis yang pernah dialami kemudian disesuaikan berdasarkan data terkini yang dapat diobservasi untuk mencerminkan kondisi saat ini yang tidak berpengaruh pada periode terjadinya kerugian historis tersebut, dan untuk menghilangkan pengaruh kondisi yang ada pada periode historis namun sudah tidak ada lagi saat ini.

Bank menggunakan *statistical model analysis method*, yaitu *roll rates* dan *migration analysis method* untuk penilaian penurunan nilai aset keuangan secara kolektif dengan menggunakan data historis minimal 3 (tiga) tahun.

Pada *migration analysis method*, manajemen menentukan estimasi periode antara terjadinya peristiwa dan teridentifikasinya kerugian untuk setiap portofolio yang diidentifikasi, yaitu 12 bulan.

Ketika pinjaman yang diberikan tidak tertagih, kredit tersebut dihapus buku dengan menjurnal balik cadangan kerugian penurunan nilai. Kredit tersebut dapat dihapus buku setelah semua prosedur yang diperlukan telah dilakukan dan jumlah kerugian telah ditentukan. Beban penurunan nilai yang terkait dengan aset keuangan dengan kategori dimiliki hingga jatuh tempo dan pinjaman yang diberikan dan piutang diklasifikasikan ke dalam "Cadangan kerugian penurunan nilai".

## 2. ACCOUNTING POLICIES (continued)

## c. Financial instruments (continued)

## I. Allowance for impairment losses of financial assets (continued)

- (A) Financial assets carried at amortised cost (continued)

Collective impairment calculation (continued)

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

The Bank uses statistical model analysis methods, namely roll rates and migration analysis method for financial assets impairment which collectively assessed, using at the minimum of 3 (three) years historical data.

In migration analysis method, management determines 12 months as the estimated and identification period between a loss occurring for each identified portfolio, which is 12 months.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to financial assets category as held-to-maturity and loans and receivables are classified in "Allowance for impairment losses".

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**2. KEBIJAKAN AKUNTANSI (lanjutan)**
**c. Instrumen keuangan (lanjutan)**
**I. Cadangan kerugian penurunan nilai aset keuangan (lanjutan)**

(A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Perhitungan penurunan nilai secara kolektif (lanjutan)

Jika, pada tahun berikutnya, jumlah kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui (seperti meningkatnya peringkat kredit debitur), maka kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan, dengan menyesuaikan akun cadangan. Jumlah pembalikan aset keuangan diakui pada laporan laba rugi.

Penerimaan kemudian atas pinjaman yang diberikan yang telah dihapusbukukan dikreditkan dengan menyesuaikan akun cadangan kerugian penurunan nilai.

(B) Aset keuangan yang tersedia untuk dijual

Pada setiap tanggal laporan posisi keuangan, Bank mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Penurunan yang signifikan atau penurunan jangka panjang atas nilai wajar dari investasi dalam instrumen utang di bawah biaya perolehannya merupakan bukti obyektif terjadinya penurunan nilai dan menyebabkan pengakuan kerugian penurunan nilai. Ketika terdapat bukti tersebut di atas untuk aset yang tersedia untuk dijual, kerugian kumulatif, yang merupakan selisih antara biaya perolehan dengan nilai wajar kini, dikurangi kerugian penurunan nilai aset keuangan yang sebelumnya telah diakui pada laporan laba rugi komprehensif, dikeluarkan dari ekuitas dan diakui pada laporan laba rugi.

**2. ACCOUNTING POLICIES (continued)**
**c. Financial instruments (continued)**
**I. Allowance for impairment losses of financial assets (continued)**

(A) Financial assets carried at amortised cost (continued)

Collective impairment calculation (continued)

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of profit or loss.

Subsequent recoveries of loans written off are credited to the allowance for impairment losses account.

(B) Financial assets classified as available-for-sale

The Bank assesses at each statement of financial position date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of debt instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial assets previously recognised in statement of comprehensive income - is removed from equity and recognised in the statement of profit or loss.

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## c. Instrumen keuangan (lanjutan)

## I. Cadangan kerugian penurunan nilai aset keuangan (lanjutan)

## (B) Aset keuangan yang tersedia untuk dijual (lanjutan)

Jika, pada tahun berikutnya, nilai wajar instrumen utang yang diklasifikasikan dalam kelompok tersedia untuk dijual meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian penurunan nilai pada laporan laba rugi komprehensif, maka kerugian penurunan nilai tersebut harus dipulihkan melalui laporan laba rugi komprehensif.

Cadangan kerugian penurunan nilai aset keuangan atas kontrak jaminan keuangan

Bank menentukan cadangan kerugian penurunan nilai aset keuangan atas kontrak jaminan keuangan yang memiliki risiko kredit berdasarkan selisih antara nilai amortisasi (nilai tercatat) dan nilai kini atas pembayaran kewajiban yang diharapkan akan terjadi (ketika pembayaran atas jaminan tersebut menjadi *probable*).

Cadangan kerugian penurunan nilai aset non-produktif

Aset non-produktif adalah aset Bank, antara lain dalam bentuk agunan yang diambil alih, rekening antar kantor dan *suspense account*.

Bank membentuk cadangan kerugian penurunan nilai atas agunan yang diambil-alih pada nilai yang lebih rendah antara nilai tercatat dan nilai wajar setelah dikurangi biaya untuk menjual. Sedangkan untuk rekening antar kantor dan *suspense account*, pada nilai yang lebih rendah antara nilai tercatat dan nilai pemulihan.

## d. Penjabaran mata uang asing

Laporan keuangan disajikan dalam Rupiah yang merupakan mata uang fungsional dan penyajian Bank.

## 2. ACCOUNTING POLICIES (continued)

## c. Financial instruments (continued)

## I. Allowance for impairment losses of financial assets (continued)

## (B) Financial assets classified as available-for-sale (continued)

If, in a subsequent year, the fair value of a debt instruments classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in statement of comprehensive income, the impairment loss is reversed through the statements of comprehensive income.

Allowance for possible losses on guarantee contracts

The Bank determines allowance for possible losses on financial guarantee contracts with credit risk based on the difference between the amortised amount (carrying amount) and the present value of any expected payment (when a payment under the guarantee has become probable).

Allowance for possible losses on non-earning assets

Non-earning assets consist of foreclosed assets, inter-office accounts and suspense accounts.

The Bank provided an allowance for impairment losses of foreclosed assets to the value of the lower of carrying amount and fair value net of costs to sell. As for the inter-office account and suspense account, the value of the lower of carrying value and the recovery value.

## d. Foreign currency translation

The financial statements are presented in Rupiah, which is the functional and presentation currency of the Bank.

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## d. Penjabaran mata uang asing (lanjutan)

Transaksi dalam mata uang asing dijabarkan ke dalam mata uang Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada tanggal laporan posisi keuangan, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam mata uang Rupiah dengan kurs tengah Reuters pada pukul 16:00 WIB pada tanggal laporan posisi keuangan.

Keuntungan atau kerugian selisih kurs yang berasal dari penyelesaian transaksi dalam mata uang asing dan dari penjabaran aset dan liabilitas moneter dalam mata uang asing menggunakan nilai tukar pada akhir tahun diakui dalam laporan laba rugi, kecuali ketika ditangguhkan di ekuitas sebagai keuntungan atau kerugian dari transaksi yang memenuhi syarat sebagai instrumen lindung nilai arus kas dan lindung nilai investasi neto.

Seluruh keuntungan dan kerugian selisih kurs yang diakui dalam laporan laba rugi disajikan bersih dalam laporan laba rugi.

Perubahan nilai wajar efek moneter yang didenominasikan dalam mata uang asing yang diklasifikasikan sebagai tersedia untuk dijual dipisahkan antara selisih penjabaran yang timbul dari perubahan biaya perolehan diamortisasi efek dan perubahan nilai tercatat efek lainnya. Selisih penjabaran terkait dengan perubahan biaya perolehan diamortisasi diakui di dalam laporan laba rugi, dan perubahan nilai tercatat lainnya diakui pada penghasilan komprehensif lainnya.

Selisih penjabaran aset dan liabilitas keuangan non-moneter yang dicatat pada nilai wajar diakui sebagai bagian keuntungan atau kerugian perubahan nilai wajar. Sebagai contoh, selisih penjabaran aset dan liabilitas keuangan non-moneter seperti ekuitas yang dimiliki dan dicatat pada nilai wajar melalui laporan laba rugi diakui pada laporan laba rugi sebagai bagian keuntungan atau kerugian nilai wajar dan selisih penjabaran pada aset non-moneter seperti ekuitas yang diklasifikasikan sebagai tersedia untuk dijual diakui dalam pendapatan komprehensif lainnya.

Berikut ini adalah kurs mata uang asing utama yang digunakan untuk penjabaran ke dalam Rupiah bersumber dari *Reuters* pada tanggal 31 Desember 2017 dan 2016 (Rupiah penuh).

## 2. ACCOUNTING POLICIES (continued)

## d. Foreign currency translation (continued)

Transactions denominated in foreign currencies are converted into Rupiah at the exchange rate prevailing at the date of the transaction. At statement of financial position date, monetary assets and liabilities in foreign currencies are translated into Rupiah using Reuters middle rates at 16:00 hours Western Indonesian Time prevailing at statement of financial position date.

Foreign exchange gains or losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

All foreign exchange gains and losses recognised in the statement of income are presented net in the statement of profit or loss.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

Below are the major foreign currencies exchange rates used for translation into Rupiah from Reuters at 31 December 2017 and 2016 (full Rupiah).

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**2. KEBIJAKAN AKUNTANSI (lanjutan)**

**2. ACCOUNTING POLICIES (continued)**

**d. Penjabaran mata uang asing (lanjutan)**

**d. Foreign currency translation (continued)**

	<u>2017</u>	<u>2016</u>	
Dolar Amerika Serikat	13,567.50	13,472.50	United States Dollars
Yen	120.52	115.07	Yen
Euro	16,236.23	14,175.77	Euro
Dolar Singapura	10,154.56	9,311.93	Singapore Dollars
Pound Sterling	18,325.62	16,555.01	Pound Sterling
Dolar Hong Kong	1,736.21	1,737.34	Hong Kong Dollars
Dolar Australia	10,594.19	9,723.11	Australian Dollars
Yuan	2,083.64	1,939.19	Yuan
Frank Swiss	13,901.13	13,208.98	Swiss Franc
Dolar Kanada	10,821.97	9,986.29	Canadian Dollars
Dolar Selandia Baru	9,650.57	9,362.72	New Zealand Dollars

Penjabaran mata uang asing dicatat sesuai dengan PSAK 10 (Revisi 2010) - Pengaruh Perubahan Nilai Tukar Valuta Asing.

Foreign currency translation is recorded in accordance with SFAS 10 (Revised 2010) - The Effects of Changes in Foreign Exchange Rates.

**e. Transaksi dengan pihak berelasi**

**e. Transactions with related parties**

Bank melakukan transaksi dengan pihak berelasi. Sesuai dengan PSAK 7 (Revisi 2015) - Pengungkapan Pihak-pihak Berelasi, yang dimaksud dengan pihak berelasi adalah orang atau entitas yang berelasi dengan entitas pelapor sebagai berikut:

The Bank has transactions with related parties. In accordance with SFAS 7 (Revised 2015) - Related Party Disclosure, the meaning of a related party is a person or entity that is related to a reporting entity as follow:

- a. Orang atau anggota keluarga terdekatnya berelasi dengan entitas pelapor jika orang tersebut:
  - i. memiliki pengendalian atau pengendalian bersama terhadap entitas pelapor;
  - ii. memiliki pengaruh signifikan terhadap entitas pelapor; atau
  - iii. personal manajemen kunci entitas pelapor atau entitas induk pelapor;
- b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi hal-hal sebagai berikut:
  - i. entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak dan entitas anak berikutnya terkait dengan entitas lain);
  - ii. suatu entitas adalah entitas asosiasi atau ventura bersama bagi entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, dimana entitas lain tersebut adalah anggotanya);
  - iii. kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
  - iv. suatu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;

- a. A person or a close member of that person's family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is member of the key management personel of the reporting entity of a parent of the reporting entity;
- b. An entity is related to a reporting entity if any of the following conditions applies:
  - i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of member of a company of which the other entity is a member);
  - iii. both entities are joint ventures of the same third party;
  - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## e. Transaksi dengan pihak berelasi (lanjutan)

- b. Suatu entitas berelasi dengan entitas pelapor jika memenuhi hal-hal sebagai berikut: (lanjutan)
- v. entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari suatu entitas pelapor atau entitas yang terkait dengan entitas pelapor;
  - vi. entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam butir (a);
  - vii. orang yang diidentifikasi, dalam butir (a) (i) memiliki pengaruh signifikan terhadap entitas atau anggota manajemen kunci entitas (atau entitas induk dari entitas).

Jenis transaksi dan saldo dengan pihak berelasi diungkapkan pada Catatan 43.

## f. Kas dan setara kas

Kas dan setara kas mencakup kas, giro pada Bank Indonesia, giro pada bank lain dan investasi jangka pendek likuid lainnya dengan jangka waktu jatuh tempo tiga bulan atau kurang.

Tidak terdapat kas yang digunakan sebagai jaminan atau dibatasi penggunaannya.

## g. Giro pada Bank Indonesia dan bank lain

Giro pada Bank Indonesia dan bank lain disajikan sebesar nilai nominal atau nilai saldo bruto, dikurangi dengan cadangan kerugian penurunan nilai, jika diperlukan.

Giro pada Bank Indonesia dan bank lain diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2c untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

## h. Penempatan pada bank lain dan Bank Indonesia

Penempatan pada bank lain dan Bank Indonesia merupakan penanaman dana dalam bentuk Fasilitas Simpanan Bank Indonesia ("FASBI"), Fasilitas Simpanan Bank Indonesia Syariah ("FASBIS"), *inter-bank call money*, penempatan "*fixed-term*", deposito berjangka, *negotiable certificate of deposit* dan lain - lain.

## 2. ACCOUNTING POLICIES (continued)

## e. Transactions with related parties (continued)

- b. An entity is related to a reporting entity if any of the following conditions applies: (continued)
- v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
  - vi. the entity controlled or jointly controlled by a person identified in (a);
  - vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

*The nature of transactions and balances of accounts with related parties are disclosed in the Note 43.*

## f. Cash and cash equivalents

*Cash and cash equivalents includes cash, current accounts with Bank Indonesia, current accounts with other banks and other short-term highly liquid investments with original maturities of three months or less.*

*There is no cash that used as collateral or restricted.*

## g. Current accounts with Bank Indonesia and other banks

*Current accounts with Bank Indonesia and other banks are stated at face value or the gross value of the outstanding balance, less allowance for impairment losses, where appropriate.*

*Current accounts with Bank Indonesia and other banks are classified as loans and receivables. Refer to Note 2c for the accounting policy of loans and receivables.*

## h. Placements with other banks and Bank Indonesia

*Placements with other banks and Bank Indonesia represent placements in the form of Bank Indonesia deposit facility ("FASBI"), Bank Indonesia deposit facility - Sharia ("FASBIS"), inter-bank call money, "fixed-term" placements, time deposits, negotiable certificate of deposit and others.*

## PT BANK OCBC NISP Tbk

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31 DESEMBER 2017 DAN 2016**

(Dinyatakan dalam jutaan Rupiah,  
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**2. KEBIJAKAN AKUNTANSI (lanjutan)****h. Penempatan pada bank lain dan Bank Indonesia (lanjutan)**

Penempatan pada bank lain dan Bank Indonesia disajikan sebesar biaya perolehan diamortisasi dengan menggunakan suku bunga efektif dikurangi dengan cadangan kerugian penurunan nilai.

Penempatan pada bank lain dan Bank Indonesia diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2c untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

**i. Efek-efek**

Efek-efek yang dimiliki terdiri dari efek-efek yang diperdagangkan di pasar uang seperti Sertifikat Bank Indonesia ("SBI"), Obligasi Korporasi, wesel tagih dan efek-efek yang diperdagangkan di bursa efek.

Efek-efek diklasifikasikan sebagai aset keuangan dalam kelompok diperdagangkan, tersedia untuk dijual, pinjaman yang diberikan dan piutang dan dimiliki hingga jatuh tempo. Lihat Catatan 2c untuk kebijakan akuntansi atas aset keuangan dalam kelompok diperdagangkan, tersedia untuk dijual, pinjaman yang diberikan dan piutang dan dimiliki hingga jatuh tempo.

**j. Obligasi pemerintah**

Obligasi pemerintah adalah surat utang yang diterbitkan oleh Pemerintah Republik Indonesia yang dibeli dari pasar.

Obligasi pemerintah diklasifikasikan sebagai aset keuangan dalam kelompok diperdagangkan dan tersedia untuk dijual. Lihat Catatan 2c untuk kebijakan akuntansi atas aset keuangan dalam kelompok diperdagangkan dan tersedia untuk dijual.

Investasi pada sukuk diklasifikasikan sebagai aset keuangan yang diukur pada: (i). nilai wajar melalui penghasilan komprehensif lain dan (ii) nilai wajar melalui laba rugi, sesuai dengan PSAK 110 (Revisi 2014), "Akuntansi Sukuk".

Untuk investasi pada sukuk yang diklasifikasikan sebagai diukur pada nilai wajar melalui penghasilan komprehensif lain, pada saat pengakuan awal, Bank mencatat investasi pada sukuk sebesar biaya perolehan ditambah biaya transaksi yang dapat diatribusikan secara langsung untuk perolehan investasi pada sukuk. Setelah pengakuan awal, investasi pada sukuk yang diukur pada nilai wajar melalui penghasilan komprehensif lain dinyatakan sebesar nilai wajar. Selisih antara biaya perolehan dan nilai nominal diamortisasi secara garis lurus selama jangka waktu sukuk dan diakui dalam laba rugi. Keuntungan atau kerugian dari perubahan nilai wajar diakui dalam penghasilan komprehensif lain.

**2. ACCOUNTING POLICIES (continued)****h. Placements with other banks and Bank Indonesia (continued)**

*Placements with other banks and Bank Indonesia are stated at amortised cost using effective interest rate less any allowance for impairment losses.*

*Placements with other banks and Bank Indonesia are classified as loans and receivables. Refer to Note 2c for the accounting policy of loans and receivables.*

**i. Marketable securities**

*Marketable securities consist of securities traded in the money market such as Certificates of Bank Indonesia ("SBI"), Corporate Bond, export bills and securities traded on the stock exchanges.*

*Marketable securities are classified as financial assets held for trading, available for sale, loans and receivable and held to maturity. Refer to Note 2c for the accounting policy of financial assets held for trading, available for sale, loans and receivable and held to maturity.*

**j. Government bonds**

*Government bonds represent bonds issued by the Government of the Republic of Indonesia purchased from the market.*

*Government bonds are classified as financial assets held for trading and available for sale. Refer to Note 2c for the accounting policy of financial assets held for trading and available for sale.*

*Investments in sukuk are classified as financial asset and measured at (i). fair value through other comprehensive income and (ii). fair value through profit or loss, in accordance with SFAS 110 (Revised 2014), "Accounting for Sukuk".*

*For investments in sukuk classified as measured at fair value through other comprehensive income, the Bank records investments in sukuk initially at acquisition cost plus directly attributable transaction costs. Subsequent to initial recognition, investments in sukuk measured at fair value through other comprehensive income are stated at fair value. Difference between acquisition cost and nominal value is amortised using straight line during the sukuk time period and recognised in profit or loss. Gain or loss from fair value changes recognised in other comprehensive income.*

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**2. KEBIJAKAN AKUNTANSI (lanjutan)**
**j. Obligasi pemerintah (lanjutan)**

Untuk investasi pada sukuk yang diklasifikasikan sebagai diukur pada nilai wajar melalui laba rugi, pada saat pengakuan awal, Bank mencatat investasi pada sukuk sebesar nilai wajarnya dan biaya transaksi diakui secara langsung ke dalam laporan laba rugi. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar dan penjualan instrumen keuangan diakui di dalam laporan laba rugi dan dicatat masing-masing sebagai "Keuntungan/(kerugian) dari perubahan nilai wajar instrumen keuangan" dan "Keuntungan/(kerugian) dari penjualan instrumen keuangan".

**k. Efek-efek yang dibeli/dijual dengan janji dijual/dibeli kembali**

Efek-efek yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset dalam laporan posisi keuangan sebesar harga beli ditambah dengan piutang bunga, dikurangi dengan cadangan kerugian penurunan nilai. Selisih antara harga beli dan harga jual kembali diperlakukan sebagai pendapatan bunga dan diakui sebagai pendapatan selama periode sejak efek-efek tersebut dibeli hingga dijual kembali menggunakan metode suku bunga efektif.

Efek-efek yang dibeli dengan janji untuk dijual kembali diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2c untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

Efek-efek yang dijual dengan janji untuk dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar harga pembelian kembali, dikurangi dengan bunga dibayar dimuka yang belum diamortisasi. Selisih antara harga jual dan harga beli kembali diperlakukan sebagai biaya dibayar dimuka dan diakui sebagai beban selama jangka waktu sejak efek-efek tersebut dijual hingga dibeli kembali menggunakan metode suku bunga efektif.

Efek-efek yang dijual dengan janji untuk dibeli kembali diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Lihat Catatan 2c untuk kebijakan akuntansi atas liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

**2. ACCOUNTING POLICIES (continued)**
**j. Government bonds (continued)**

*For investments in sukuk classified as measured at fair value through profit and loss, at initial recognition, the Bank records investments in sukuk at fair value and transaction costs are taken directly to the statement of profit or loss. Gains and losses arising from changes in fair value and sales of these financial instruments are included directly in the statement of income and are reported respectively as "Gain/(loss) from changes in fair value of financial instruments" and "Gain/(loss) from sale of financial instruments".*

**k. Securities purchased/sold under resale/repurchase agreements**

*Securities purchased under resale agreements are presented as an asset in the statement of financial position at the purchase price added with accrued interest, less allowance for impairment losses. The difference between the purchase price and the agreed selling price is treated as interest income and recognised as income over the period, commencing from the acquisition date to the resale date using effective interest rate method.*

*Securities purchased under resale agreements are classified as loans and receivables. Refer to Note 2c for the accounting policy of loans and receivables.*

*Securities sold subject to repurchase agreements is presented as liabilities in the statement of financial position at the agreed repurchase price less unamortised prepaid interest. The difference between the selling price and the agreed repurchase price is treated as prepaid interest and is recognised as an expense over the period, commencing from the selling date to the repurchase date using effective interest rate method.*

*Securities sold under repurchase agreements are classified as financial liabilities at amortised cost. Refer Note 2c for the accounting policy of financial liabilities at amortised cost.*

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## I. Instrumen keuangan derivatif dan akuntansi lindung nilai

Instrumen derivatif diakui pertama-tama pada nilai wajar pada saat kontrak tersebut dilakukan, dan selanjutnya diukur pada nilai wajarnya. Nilai wajar didapatkan dari nilai pasar yang ada dalam pasar aktif, termasuk transaksi yang baru terjadi di pasar dan teknik penilaian, termasuk penggunaan analisa arus kas yang didiskonto dan penggunaan *option pricing model*. Derivatif dicatat sebagai aset apabila memiliki nilai wajar positif dan sebagai liabilitas apabila memiliki nilai wajar negatif.

Metode pengakuan keuntungan atau kerugian perubahan nilai wajar tergantung apakah derivatif dirancang dan memenuhi syarat sebagai instrumen lindung nilai, dan jika demikian, sifat dari *item* yang dilindungi/nilaikan. Bank menetapkan derivatif tertentu sebagai salah satu dari:

- a) Lindung nilai atas nilai wajar terhadap aset atau liabilitas yang telah diakui atau komitmen pasti perusahaan (lindung nilai atas nilai wajar); dan
- b) Lindung nilai atas arus kas masa depan yang kemungkinan besar terjadi yang dapat diatribusikan dengan aset atau liabilitas yang telah diakui, atau sebuah prakiraan transaksi yang kemungkinan besar terjadi (lindung nilai atas arus kas).

## (a) Lindung nilai atas nilai wajar

Perubahan dari nilai wajar atas derivatif yang ditujukan dan memenuhi kualifikasi sebagai lindung nilai atas nilai wajar, diakui pada laporan laba rugi, termasuk dengan perubahan nilai wajar dari aset atau liabilitas yang di lindung nilai yang diatribusikan sebagai risiko yang di lindung nilai. Nilai bersih dimasukkan kedalam bagian tidak efektif dalam akun "Laba/(rugi) selisih kurs".

Ketika instrumen lindung nilai tidak lagi memenuhi kriteria lindung nilai secara akuntansi, perubahan nilai tercatat dari *item* yang dilindung nilai yang menggunakan metode suku bunga efektif diamortisasi melalui laporan laba rugi selama periode hingga jatuh tempo dan dicatat sebagai pendapatan bunga.

## 2. ACCOUNTING POLICIES (continued)

## I. Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date of which a derivative contract is entered into and are subsequently remeasured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques, including discounted cash flow and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged. The Bank designates certain derivatives as either:

- a) Hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges); and
- b) Hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedges).

## (a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The net result is included as ineffectiveness in the "Foreign exchange gain/(loss)".

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortised to statement of profit or loss over the period to maturity and recorded as interest income.

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

I. Instrumen keuangan derivatif dan akuntansi  
lindung nilai (lanjutan)

## (b) Lindung nilai atas arus kas

Bagian yang efektif atas perubahan nilai wajar derivatif yang ditujukan dan memenuhi kualifikasi sebagai lindung nilai arus kas diakui pada pendapatan komprehensif lainnya. Keuntungan atau kerugian atas bagian yang tidak efektif diakui langsung pada laporan laba rugi.

Jumlah akumulasi dalam ekuitas dibebankan ke laporan laba rugi ketika unsur yang dilindungi nilainya mempengaruhi laba bersih.

Ketika instrumen lindung nilai kadaluwarsa atau dijual atau ketika suatu lindung nilai tidak lagi memenuhi persyaratan sebagai akuntansi lindung nilai, akumulasi keuntungan maupun kerugian yang ada pada ekuitas saat itu dibebankan dalam laporan laba rugi komprehensif. Ketika suatu transaksi lindung nilai perkiraan tidak lagi mungkin terjadi, akumulasi keuntungan atau kerugian yang ada pada ekuitas saat itu dibebankan dalam laporan laba rugi.

## (c) Lindung nilai yang tidak memenuhi kriteria lindung nilai secara akuntansi

Beberapa instrumen derivatif tidak memenuhi kriteria lindung nilai secara akuntansi. Perubahan nilai wajar dari instrumen derivatif yang tidak memenuhi kriteria lindung nilai secara akuntansi diakui langsung ke dalam laporan laba rugi dalam akun "Laba/(rugi) selisih kurs". Keuntungan dan kerugian yang timbul karena perubahan dari nilai wajar derivatif yang dikelola bersama dengan aset keuangan atau liabilitas keuangan ditetapkan pada nilai wajar dicatat dalam akun "Laba/(rugi) selisih kurs".

## m. Pinjaman yang diberikan

Pinjaman yang diberikan adalah penyediaan uang atau tagihan yang dapat disetarakan dengan kas, berdasarkan persetujuan atau kesepakatan pinjam-meminjam dengan debitur yang mewajibkan debitur untuk melunasi utang berikut bunganya setelah jangka waktu tertentu.

Pinjaman sindikasi, pinjaman dalam rangka pembiayaan langsung dan pembiayaan bersama serta penerusan dicatat sesuai dengan porsi pinjaman yang risikonya ditanggung oleh Bank dinyatakan sebesar biaya perolehan diamortisasi.

## 2. ACCOUNTING POLICIES (continued)

I. Derivative financial instruments and hedge  
accounting (continued)

## (b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss.

Amounts accumulated in equity are recycled to the statement of profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of profit or loss.

(c) Derivatives that do not qualify for hedge  
accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statement of profit or loss under "Foreign exchange gain/(loss)". The gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with financial assets or financial liabilities designated at fair value are included in "Foreign exchange gain/(loss)".

## m. Loans

Loans represent provision of cash or cash equivalent based on agreements with borrowers, where borrowers are required to repay their debts with interest after a specified period.

Syndicated loans, direct financing and joint financing, and channeling loans are recorded according to the proportion of risks borne by the Bank and stated at amortised cost.

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**2. KEBIJAKAN AKUNTANSI (lanjutan)****m. Pinjaman yang diberikan (lanjutan)**

Pinjaman yang diberikan diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2c untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

Restrukturisasi pinjaman dilakukan terhadap debitur yang mengalami kesulitan untuk memenuhi kewajibannya, yang dilakukan antara lain melalui penurunan suku bunga pinjaman, perpanjangan jangka waktu pinjaman, dan perubahan fasilitas pinjaman.

Kerugian yang timbul dari restrukturisasi pinjaman yang berkaitan dengan modifikasi persyaratan pinjaman diakui bila nilai sekarang dari jumlah penerimaan kas yang akan datang yang telah ditentukan dalam persyaratan pinjaman yang baru, termasuk penerimaan yang diperuntukkan sebagai bunga maupun pokok, adalah lebih kecil dari nilai pinjaman yang diberikan yang tercatat sebelum restrukturisasi.

**n. Tagihan dan liabilitas akseptasi**

Tagihan akseptasi diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2c untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

Liabilitas akseptasi diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Lihat Catatan 2c untuk kebijakan akuntansi atas liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

**o. Beban dibayar dimuka**

Beban dibayar dimuka adalah beban yang telah dikeluarkan tetapi belum diakui sebagai biaya pada periode terjadinya. Beban dibayar dimuka akan diakui sebagai biaya pada laporan laba rugi pada saat diamortisasi sesuai dengan masa manfaatnya.

**p. Aset tetap**

Pada tanggal 31 Mei 2016, Bank melakukan perubahan kebijakan akuntansi untuk kelas tanah dan bangunan dari aset tetap, dari model biaya ke model revaluasi, yang diterapkan secara prospektif (lihat Catatan 2b dan 15).

**2. ACCOUNTING POLICIES (continued)****m. Loans (continued)**

*Loans are classified as loans and receivables. Refer to Note 2c for the accounting policy of loans and receivables.*

*Loan restructuring is performed for debtors who facing difficulties fulfilling their obligation, which is done through interest rate discount, extension of loan period, and changes of loan facilities.*

*Losses on loan restructuring in respect of modification of the terms of the loans are recognised only if the present value of total future cash receipts specified by the new terms of the loans, including both receipts designated as interest and those designated as loan principal, are less than the carrying amount of loans before restructuring.*

**n. Acceptance receivables and payables**

*Acceptance receivables are classified as loans and receivables. Refer to Note 2c for the accounting policy of loans and receivables.*

*Acceptance payables are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy of financial liabilities at amortised cost.*

**o. Prepayments**

*Prepayments are expenses which have been incurred but have not been recognised as expense in the related period. Prepayments are recognised as expenses in the statement of profit or loss during the amortisation in accordance with the expected period of benefit.*

**p. Fixed assets**

*On 31 May 2016, the Bank changed their accounting policies on land and buildings class of fixed asset, from cost model to the revaluation model, and is applied prospectively (refer to Note 2b and 15).*

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## p. Aset tetap (lanjutan)

Tanah dan bangunan Bank disajikan sebesar nilai wajar, dikurangi akumulasi penyusutan dan cadangan kerugian penurunan nilai (jika ada). Penilaian terhadap tanah dan bangunan tetap 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 bersihnya disajikan kembali sebesar nilai revaluasi aset tetap.

Selisih atas revaluasi aset tetap dikreditkan ke akun "surplus revaluasi aset tetap" yang disajikan pada bagian ekuitas. Surplus revaluasi aset tetap selanjutnya dialihkan kepada saldo laba saat aset tersebut dihentikan pengakuannya. Penurunan yang menghapus nilai kenaikan yang sebelumnya atas aset yang sama dibebankan terhadap "surplus revaluasi aset tetap" sebagai bagian dari laba komprehensif, penurunan lainnya dibebankan pada laporan laba rugi.

Aset tetap, selain tanah dan bangunan, diakui sebesar harga perolehan setelah dikurangi akumulasi penyusutan.

Sebelum 31 Mei 2016, seluruh aset tetap di catat sebesar biaya perolehan, setelah dikurangi dengan akumulasi penyusutannya.

Kecuali tanah, semua aset tetap disusutkan dengan menggunakan metode garis lurus sepanjang estimasi masa manfaat aset yang bersangkutan sebagai berikut:

	<u>Tahun/ Years</u>	<u>Tarif/ Rates</u>	
Bangunan	20	5%	<i>Buildings</i>
Peralatan kantor	4 – 8	12.5% - 25%	<i>Office equipment</i>
Kendaraan bermotor	4	25%	<i>Motor vehicles</i>

Nilai sisa aset, masa manfaat dan metode penyusutan ditelaah dan jika perlu disesuaikan, pada setiap akhir periode pelaporan.

## 2. ACCOUNTING POLICIES (continued)

## p. Fixed assets (continued)

The Bank's land and buildings are shown at fair value, less subsequent depreciation less accumulated impairment losses (if any). Valuation of fixed assets are 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.

The difference resulting from the revaluation of such fixed assets is credited to the "revaluation surplus of fixed asset" account presented in the equity section. The revaluation surplus of fixed assets is transferred directly to retained earnings when the asset is derecognised. Decreases that offset previous increases of the same asset are debited against "revaluation surplus of fixed asset" as part of other comprehensive income; all other decreases are charged to the profit or loss.

Fixed assets besides land and buildings are recognised at cost less accumulated depreciation.

Before 31 May 2016, all fixed assets are stated at cost, less accumulated depreciation.

Fixed assets, except land, are depreciated using the straight line method based on the estimated useful lives as follows:

The assets' residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

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**2. KEBIJAKAN AKUNTANSI (lanjutan)****p. Aset tetap (lanjutan)**

Biaya-biaya setelah pengakuan awal diakui sebagai bagian dari nilai tercatat aset atau sebagai aset yang terpisah sebagaimana mestinya, hanya jika kemungkinan besar Bank akan mendapatkan manfaat ekonomis masa depan berkenaan dengan aset tersebut dan biaya perolehan aset dapat diukur dengan handal. Nilai tercatat komponen yang diganti tidak lagi diakui. Biaya perbaikan dan pemeliharaan dibebankan ke dalam laporan laba rugi pada saat terjadinya.

Apabila nilai tercatat aset lebih besar dari nilai yang dapat diperoleh kembali, nilai tercatat aset diturunkan menjadi sebesar nilai yang dapat diperoleh kembali, dengan menggunakan nilai tertinggi antara harga jual neto dan nilai pakai.

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 pada periode aset tersebut dihentikan pengakuannya.

Akumulasi biaya konstruksi bangunan, biaya pengembangan/implementasi perangkat lunak, dan pemasangan peralatan kantor, dikapitalisasi sebagai aset dalam penyelesaian. Biaya tersebut direklasifikasi ke akun aset tetap pada saat proses konstruksi/pemasangan selesai atau aset tersebut siap digunakan. Penyusutan mulai dibebankan pada tanggal yang sama.

**q. Aset lain-lain**

Aset lain-lain terdiri dari tagihan transaksi *Letter of Credit*, agunan yang diambil alih, piutang bunga, uang muka, rekening antar kantor, *suspense accounts* dan lain-lain.

Aset lain-lain disajikan sebesar nilai tercatat setelah dikurangi dengan cadangan kerugian penurunan nilai.

Bank mengakui kerugian penurunan nilai aset apabila taksiran jumlah yang dapat diperoleh kembali (*recoverable amount*) dari suatu aset lebih rendah dari nilai tercatatnya. Pada setiap tanggal laporan posisi keuangan, Bank melakukan penelaahan untuk menentukan apakah terdapat indikasi penurunan nilai. Pembalikan penurunan nilai diakui sebagai keuntungan di laporan laba rugi pada saat terjadinya pembalikan.

**2. ACCOUNTING POLICIES (continued)****p. Fixed assets (continued)**

*Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance costs are charged to the statement of profit or loss when incurred.*

*When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount, which is determined as the higher of net selling price or value in use.*

*An item of premises and equipment is derecognised 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 statement of profit or loss in the period such asset is derecognised.*

*The accumulated costs of the construction of buildings, costs of the software development/implementation, and the installation of office equipments are capitalised as construction in progress. These costs are reclassified to fixed assets accounts when the construction/installation is complete or the assets are ready to be used. Depreciation is charged from such date.*

**q. Other assets**

*Other assets include of Letter of Credit transaction receivables, foreclosed collateral, interest receivables, advances, inter-office account, suspense accounts and others.*

*Other assets are stated at the carrying amounts less allowance for impairment losses.*

*The Bank recognised impairment value of assets if the recoverable amount of assets is lower than the carrying amount. At the statement of financial position date, the Bank evaluates the recoverable amount of assets to determine whether there is or not any indication of assets impairment. Reversal of the recoverable amount of assets is recognised as gain in the statements of profit or loss when incurred.*

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**2. KEBIJAKAN AKUNTANSI (lanjutan)**
**q. Aset lain-lain (lanjutan)**
**Agunan yang diambil alih**

Agunan yang diambil alih merupakan jaminan kredit yang diberikan yang telah diambil alih sebagai bagian dari penyelesaian kredit yang diberikan. Bank memiliki kebijakan untuk selalu berusaha menjual agunan yang diambil alih.

Pada saat pengakuan awal, agunan yang diambil alih sehubungan dengan penyelesaian kredit dicatat sebesar nilai wajar setelah dikurangi biaya untuk menjualnya tetapi tidak melebihi nilai tercatat kredit yang diberikan. Bank tidak mengakui keuntungan pada saat pengambilalihan agunan. Selisih lebih antara saldo kredit yang tidak dapat ditagih dengan nilai bersih agunan yang diambil alih yang dapat direalisasikan dibebankan pada penyisihan penghapusan.

Setelah pengakuan awal, agunan yang diambil alih dicatat pada nilai yang lebih rendah antara nilai tercatat dan nilai wajar setelah dikurangi biaya untuk menjual. Selisih antara nilai agunan yang diambil alih dengan sisa pokok pinjaman yang diberikan, jika ada, dibebankan ke laporan laba rugi tahun berjalan. Selisih antara nilai agunan yang diambil alih dan hasil penjualannya diakui sebagai keuntungan atau kerugian pada saat penjualan agunan yang bersangkutan.

Biaya-biaya yang berkaitan dengan pemeliharaan agunan yang diambil alih dibebankan ke laporan laba rugi pada saat terjadinya.

Bila terjadi penurunan nilai yang bersifat permanen, maka nilai tercatatnya dikurangi untuk mengakui penurunan tersebut dan kerugiannya dibebankan pada laporan laba rugi tahun berjalan.

**r. Liabilitas segera**

Liabilitas segera dicatat pada saat timbulnya liabilitas atau diterima perintah dari pemberi amanat, baik dari masyarakat maupun dari bank lain.

Liabilitas segera diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Lihat Catatan 2c, untuk kebijakan akuntansi atas liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

**2. ACCOUNTING POLICIES (continued)**
**q. Other assets (continued)**
**Foreclosed collateral**

*Foreclosed assets represent loan collateral acquired in settlement of loans. The Bank has policy to sell foreclosed assets to settle debtors' liabilities.*

*Initially, foreclosed assets acquired in conjunction with settlement of loans are initially recorded at their fair value less costs to sell but not exceeding the carrying value of the loans. The Bank does not recognize any gains relating to the acquisition of foreclosed assets. The excess between uncollectible loans balance and net realizable value of foreclosed assets is charged to allowance for losses.*

*Subsequent to initial recognition, foreclosed collateral is stated at the lower of carrying amount and fair value less costs to sell. The difference between the value of the foreclosed collateral and the outstanding loan principal, if any, is charged to the current year statement of profit or loss. Any difference between the value of the foreclosed collateral and the proceeds from its sale is recognised as a gain or loss on sale of the foreclosed collateral.*

*The cost of maintenance of foreclosed collateral is charged to the statements of profit or loss when incurred.*

*The carrying amount is written down to recognise a permanent diminution in value, which is charged to the current year statement of profit or loss.*

**r. Obligations due immediately**

*Obligations due immediately are recorded at the time of the obligations occurred or receipt of transfer order from customers or other banks.*

*Obligations due immediately classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy of financial liabilities at amortised cost.*

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**2. KEBIJAKAN AKUNTANSI (lanjutan)****s. Simpanan nasabah dan simpanan dari bank lain**

Simpanan nasabah adalah dana yang dipercayakan oleh masyarakat (di luar bank) kepada Bank berdasarkan perjanjian penyimpanan dana. Termasuk dalam pos ini adalah giro, tabungan, deposito berjangka dan sertifikat deposito.

Tabungan *wadiah* merupakan simpanan pihak ketiga yang mendapatkan bonus berdasarkan kebijaksanaan Bank. Tabungan *wadiah* dinyatakan sebesar nilai nominal pemegang tabungan di Bank.

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain, baik lokal maupun luar negeri, dalam bentuk giro, tabungan, deposito berjangka dan *inter-bank call money*.

Simpanan nasabah dan simpanan dari bank lain diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan simpanan nasabah dan simpanan dari bank lain dikurangkan dari jumlah simpanan nasabah dan simpanan dari bank lain. Lihat Catatan 2c untuk kebijakan akuntansi atas liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

**t. Pinjaman yang diterima**

Pinjaman yang diterima merupakan dana yang diterima dari bank lain, Bank Indonesia atau pihak lain dengan kewajiban pembayaran kembali sesuai dengan persyaratan perjanjian pinjaman.

Pinjaman yang diterima diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan pinjaman dikurangkan dari pinjaman yang diterima. Lihat Catatan 2c untuk kebijakan akuntansi atas liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

**u. Efek-efek yang diterbitkan**

Efek-efek yang diterbitkan pada pengukuran awal disajikan sebesar nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan langsung dengan perolehan/penerbitan efek-efek yang diterbitkan. Biaya transaksi kemudian diamortisasi dengan suku bunga efektif sampai dengan jatuh tempo dari efek-efek yang diterbitkan.

**2. ACCOUNTING POLICIES (continued)****s. Deposits from customers and deposits from other banks**

*Deposits from customers are the fund trusted by customers (exclude banks) to the Bank based on fund deposits agreements. Included in this accounts are current accounts, saving accounts, time deposits and certificates of deposits.*

*Wadiah savings deposits represent third party funds which earn bonus based on the Bank's policy. Wadiah savings deposits are stated at the nominal value placed by the depositors.*

*Deposits from other banks represent liabilities to other banks, both domestic and overseas banks, in the form of current and saving accounts, time deposits and inter-bank call money.*

*Deposits from customers and deposits from other banks are classified as financial liabilities at amortised cost. Incremental costs directly attributable to acquisition of deposits from customers and deposits from other banks are deducted from the amount of deposits from customers and deposits from other banks. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.*

**t. Borrowings**

*Borrowings represent funds received from other banks, Bank Indonesia or other parties with the obligation of repayment in accordance with the requirement of the loan agreement.*

*Borrowings are classified as financial liabilities at amortised cost. Instrument costs directly attributable to acquisition of borrowings are deducted from the amount of borrowings. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.*

**u. Marketable securities issued**

*Marketable securities issued are initially measured at fair value plus directly attributable transaction costs. Subsequently transactions costs are amortised using the effective interest rate up to the maturity of marketable securities issued.*

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**2. KEBIJAKAN AKUNTANSI (lanjutan)****u. Efek-efek yang diterbitkan (lanjutan)**

Efek-efek yang diterbitkan diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Lihat catatan 2c untuk kebijakan akuntansi atas liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

**v. Obligasi subordinasi**

Obligasi subordinasi diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Biaya tambahan yang dapat diatribusikan secara langsung dengan penerbitan obligasi subordinasi dikurangkan dari jumlah obligasi subordinasi yang diterima. Lihat Catatan 2c untuk kebijakan akuntansi atas liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

**w. Pendapatan bunga dan pendapatan syariah, dan beban bunga dan bagi hasil syariah****(i) Konvensional**

Pendapatan dan beban bunga untuk semua instrumen keuangan dengan *interest bearing* dicatat dalam "Pendapatan bunga" dan "Beban bunga" di dalam laporan laba rugi menggunakan metode suku bunga efektif.

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari aset keuangan atau liabilitas keuangan dan metode untuk mengalokasikan pendapatan bunga atau beban bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari instrumen keuangan, atau jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset keuangan atau liabilitas keuangan. Pada saat menghitung suku bunga efektif, Bank mengestimasi arus kas dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, namun tidak mempertimbangkan kerugian kredit di masa datang. Perhitungan ini mencakup seluruh komisi, provisi, dan bentuk lain yang diterima oleh para pihak dalam kontrak yang merupakan bagian tak terpisahkan dari suku bunga efektif, biaya transaksi, dan seluruh premi atau diskon lainnya.

**2. ACCOUNTING POLICIES (continued)****u. Marketable securities issued (continued)**

*Marketable securities issued are classified as financial liabilities at amortised cost. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.*

**v. Subordinated bonds**

*Subordinated bonds are classified as financial liabilities at amortised cost. Incremental costs directly attributable to the issuance of subordinated bonds are deducted from the amount of subordinated bonds. Refer to Note 2c for the accounting policy for financial liabilities at amortised cost.*

**w. Interest income and sharia income, and interest expense and sharia profit sharing expense****(i) Conventional**

*Interest income and expense for all interest-bearing financial instruments are recognised within "Interest income" and "Interest expense" in the statement of profit or loss using the effective interest rate method.*

*The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees, commissions and other fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.*

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

w. Pendapatan bunga dan pendapatan syariah,  
dan beban bunga dan bagi hasil syariah  
(lanjutan)

## (i) Konvensional (lanjutan)

Jika aset keuangan atau kelompok aset keuangan serupa telah diturunkan nilainya sebagai akibat kerugian penurunan nilai, maka pendapatan bunga yang diperoleh setelahnya diakui berdasarkan suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam menghitung kerugian penurunan nilai.

Pada saat pinjaman yang diberikan diklasifikasikan sebagai bermasalah, bunga yang telah diakui tetapi belum tertagih akan dibatalkan pengakuannya. Selanjutnya bunga yang dibatalkan tersebut diakui sebagai tagihan kontinjensi.

Penerimaan tunai atas pinjaman yang diberikan yang diklasifikasikan sebagai diragukan atau macet dipergunakan terlebih dahulu untuk mengurangi pokok pinjaman yang diberikan. Kelebihan penerimaan dari pokok pinjaman yang diberikan diakui sebagai pendapatan bunga dalam laporan laba rugi.

## (ii) Syariah

Pendapatan syariah terdiri dari keuntungan *murabahah*, pendapatan *ijarah muntahiyah bittamlik* bagi hasil pembiayaan *mudharabah* dan *musyarakah* serta pendapatan *qardh*.

Keuntungan *murabahah* dan pendapatan *ijarah muntahiyah bittamlik* diakui selama periode akad berdasarkan konsep akrual. Pendapatan bagi hasil pembiayaan *mudharabah* dan *musyarakah* diakui pada saat diterima atau dalam periode terjadinya hak bagi hasil sesuai porsi bagi hasil (*nisbah*) yang disepakati. Pendapatan dari transaksi *qardh* diakui pada saat diterima.

Hak pihak ketiga atas bagi hasil milik nasabah didasarkan pada prinsip *mudharabah*. Pendapatan yang dibagikan adalah pendapatan yang telah diterima. Pembagian laba dilakukan berdasarkan prinsip bagi hasil yaitu dihitung dari pendapatan yang diterima berupa laba bruto (*gross profit margin*).

## x. Pendapatan dan beban provisi dan komisi

Pendapatan provisi dan komisi yang dapat diatribusikan secara langsung kepada aktivitas peminjaman diakui sebagai pengurang biaya pinjaman dan nilai tercatat atas pinjaman tersebut akan diamortisasi sebagai pendapatan bunga dengan menggunakan metode suku bunga efektif.

## 2. ACCOUNTING POLICIES (continued)

w. Interest income and sharia income, and  
interest expense and sharia profit sharing  
expense (continued)

## (i) Conventional (continued)

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

When a loan is classified as non-performing, any interest income previously recognised but not yet collected is reversed against interest income. The reversed interest income is recognised as a contingent receivable.

Cash receipts from loans that are classified as doubtful or loss are first applied to the loan principal. The excess of cash receipts over loan principal is recognised as interest income in the statement of profit or loss.

## (ii) Sharia

Sharia income represents profit from *murabahah*, *ijarah muntahiyah bittamlik*, *mudharabah* and *musyarakah* financing profit sharing income and *qardh* income.

*Murabahah* and *ijarah muntahiyah bittamlik* income is recognised over the period of the agreement based on accrual basis. *Mudharabah* and *musyarakah* income is recognised when cash is received or in a period where the right of revenue sharing is due based on agreed portion. *Qardh* income is recognised upon receipt.

Third parties' share on the return of fund owners' share is based on the principle of *Mudharabah*. The profit sharing is determined on a cash basis. Distribution of profit sharing is based on profit sharing principle which calculated from the UUS's gross profit margin.

## x. Fee and commission income and expense

Fees and commissions income directly attributable to lending activity are recognised as a deduction of lending cost and will be recognised as interest income by amortising the carrying value of loan using effective interest rate method.

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**2. KEBIJAKAN AKUNTANSI (lanjutan)**
**x. Pendapatan dan beban provisi dan komisi (lanjutan)**

Pada umumnya pendapatan provisi dan komisi diakui menggunakan basis akrual pada saat jasa telah diberikan. Pendapatan provisi atas komitmen memberikan pinjaman yang kemungkinan besar akan dicairkan (bersama-sama dengan biaya transaksi lain yang terkait langsung) diakui sebagai penyesuaian atas suku bunga efektif atas pinjaman yang diberikan. Pendapatan provisi atas pinjaman sindikasi diakui sebagai pendapatan ketika proses sindikasi telah selesai dan Bank tidak ambil bagian dalam pinjaman sindikasi atau telah mengambil bagian atas pinjaman sindikasi dengan suku bunga efektif yang sama dengan peserta lainnya.

Pendapatan provisi dan komisi yang tidak berkaitan dengan kegiatan pemberian pinjaman dan jangka waktu tertentu diakui sebagai pendapatan pada saat terjadinya transaksi.

Pendapatan provisi dan komisi yang timbul dari negosiasi atau partisipasi dalam negosiasi atas transaksi dengan pihak ketiga diakui pada saat penyelesaian transaksi yang mendasarinya.

**y. Perpajakan**

Beban pajak terdiri dari pajak kini dan pajak tangguhan. Pajak diakui dalam laporan laba rugi, kecuali jika pajak tersebut terkait dengan transaksi atau kejadian yang diakui di pendapatan komprehensif lain atau langsung diakui ke ekuitas. Dalam hal ini, pajak tersebut masing-masing diakui dalam pendapatan komprehensif lain atau ekuitas.

Semua perbedaan temporer antara jumlah tercatat aset dan liabilitas dengan dasar pengenaan pajaknya diakui sebagai pajak tangguhan dengan metode liabilitas laporan keuangan (*balance sheet liability method*). Tarif pajak yang berlaku saat ini dipakai untuk menentukan pajak tangguhan.

Aset pajak tangguhan diakui apabila besar kemungkinan bahwa jumlah laba fiskal pada masa mendatang akan memadai untuk mengkompensasi perbedaan temporer yang menimbulkan aset pajak tangguhan tersebut.

Aset dan liabilitas pajak penghasilan tangguhan dapat saling hapus apabila terdapat hak yang berkekuatan hukum untuk melakukan saling hapus antara aset pajak kini dengan liabilitas pajak kini dan apabila aset dan liabilitas pajak penghasilan tangguhan dikenakan oleh otoritas perpajakan yang sama, baik atas entitas kena pajak yang sama ataupun berbeda dan adanya niat untuk melakukan penyelesaian saldo-saldo tersebut secara neto.

Perpajakan dicatat sesuai dengan PSAK 46 (Revisi 2013) – Pajak Penghasilan.

**2. ACCOUNTING POLICIES (continued)**
**x. Fee and commission income and expense (continued)**

*Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down (together with related direct costs) are recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants.*

*Fees and commissions income which are not related to lending activities and a specific period are recognised as revenues at the transaction date.*

*Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.*

**y. Taxation**

*The tax expense comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.*

*Deferred income tax is provided using the balance sheet liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Current enacted tax rates are used to determine deferred income tax.*

*A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset arising from temporary differences can be utilised.*

*Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.*

*Taxation is recorded in accordance with SFAS 46 (Revised 2013) – Income Taxes.*

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**2. KEBIJAKAN AKUNTANSI (lanjutan)****z. Liabilitas Imbalan pasca kerja**Kewajiban pensiun

Bank harus menyediakan program pensiun dengan imbalan minimal tertentu sesuai dengan UU Ketenagakerjaan No. 13/2003. Karena UU Ketenagakerjaan menentukan rumus tertentu untuk menghitung jumlah minimal imbalan pensiun, pada dasarnya, program pensiun berdasarkan UU Ketenagakerjaan adalah program imbalan pasti.

Program pensiun imbalan pasti adalah program pensiun yang menetapkan jumlah imbalan pensiun yang akan diterima oleh karyawan pada saat pensiun, biasanya berdasarkan pada satu faktor atau lebih seperti usia, masa kerja atau kompensasi.

Liabilitas imbalan pasca kerja yang diakui di laporan posisi keuangan adalah nilai kini kewajiban imbalan pasti pada tanggal laporan posisi keuangan dikurangi nilai wajar aset program, serta disesuaikan dengan keuntungan/kerugian aktuarial dan biaya jasa lalu yang belum diakui. Liabilitas imbalan pasca kerja dihitung setiap tahun oleh aktuaris independen menggunakan metode *projected unit credit*. Nilai kini liabilitas imbalan pasca kerja ditentukan dengan mendiskontokan estimasi arus kas keluar masa depan dengan menggunakan tingkat bunga obligasi pemerintah (dengan pertimbangan saat ini tidak ada pasar aktif untuk obligasi korporasi 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.

Perubahan liabilitas imbalan kerja yang timbul atas liabilitas imbalan pasca kerja dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui penghasilan komprehensif lainnya. Akumulasi pengukuran kembali dilaporkan di saldo laba.

Biaya jasa lalu yang timbul dari amandemen atau kurtailmen program diakui sebagai beban dalam laba rugi pada saat terjadinya.

Bank menyelenggarakan program pensiun iuran pasti untuk karyawan tetap. Iuran dana pensiun yang ditempatkan pada entitas terpisah ditanggung bersama oleh karyawan dan Bank. Jumlah kontribusi dari bank dan hasil pengembangan investasinya diperhitungkan sebagai bagian dari kewajiban imbalan pasti sesuai dengan UU No.13/2003.

Imbalan kerja dicatat sesuai dengan PSAK 24 (Revisi 2015) – Imbalan Kerja.

**2. ACCOUNTING POLICIES (continued)****z. Post-employee benefits**Pension obligations

The Bank is required to provide a minimum amount of pension benefits in accordance with Labor Law No. 13/2003. Since the Labor Law sets the formula for determining the minimum amount of benefits, in substance, pension plans under Labor Law represent defined benefit plans.

A defined benefit plan is a pension plan programs where the pension amount to be received by employees at the time of retirement will depend on one or more factors such as age, years of service or compensation.

The post-employee benefits liability recognised in the statement of financial position in respect of defined pension benefit plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of the plan assets, adjusted for unrecognised actuarial gains or losses and past service costs. The present value of defined benefit obligation is calculated annually by independent actuaries 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 government bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefit will be paid, and that have the terms to maturity approximating the terms of the related pension liability.

Change in employee benefits liability from post-employee benefits liability arising from experience adjustments and changes in actuarial assumptions are directly recognised in other comprehensive income. Accumulated remeasurements reported in retained earnings.

Past service costs arising from amendment or curtailment programs are recognised as expense in profit or loss when incurred.

The Bank has implemented a defined contribution retirement program for its permanent employees. Contribution to the retirement funds were placed into a separate entity are paid by the employees and the Bank. Total contribution from the Bank and its investment growth result is accounted as part of defined benefit liabilities in accordance with Labor Law No. 13/2003.

Employee benefits is recorded in accordance with SFAS 24 (Revised 2015) – Employee Benefits.

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## 2. KEBIJAKAN AKUNTANSI (lanjutan)

## aa. Biaya emisi

Biaya emisi saham

Biaya emisi saham disajikan sebagai pengurang dari tambahan modal disetor.

Biaya emisi efek-efek yang diterbitkan

Biaya emisi efek-efek yang diterbitkan langsung dikurangi dari hasil emisi dalam rangka menentukan hasil emisi bersih. Selisih antara hasil emisi bersih dan nilai nominal dari efek-efek yang diterbitkan merupakan biaya transaksi atau diskonto yang diamortisasi selama jangka waktu efek-efek yang diterbitkan tersebut dengan menggunakan metode suku bunga efektif.

## ab. Laba bersih per saham

Laba bersih per saham dasar dihitung dengan membagi laba yang dapat diatribusikan kepada pemegang saham dengan jumlah rata-rata tertimbang saham biasa yang beredar sepanjang tahun. Pada tanggal 31 Desember 2017 dan 2016, jumlah rata-rata tertimbang saham biasa yang beredar adalah 11.472.648.486 saham.

Laba bersih per saham dicatat sesuai dengan PSAK 56 (Revisi 2011) - Laba Per Saham.

## ac. Informasi segmen operasi

Segmen operasi adalah suatu komponen dari entitas:

- yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama).
- hasil operasinya dikaji ulang secara reguler oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- tersedia informasi keuangan yang dapat dipisahkan.

Bank menyajikan segmen operasi berdasarkan laporan internal bank yang disajikan kepada pengambil keputusan operasional sesuai PSAK 5 (Revisi 2015) - Segmen Operasi. Pengambil keputusan operasional Bank adalah Direksi.

Segmen operasi Bank disajikan berdasarkan segmen bisnis yang terdiri dari: *business banking*, perbankan konsumen, perbankan treasury dan lain-lain (lihat Catatan 44).

## 2. ACCOUNTING POLICIES (continued)

## aa. Issuance costs

Stock issuance costs

Stock issuance costs are deducted from additional paid-in capital.

Marketable security issuance costs

Marketable security issuance costs are deducted directly from the proceeds of the related securities to determine the net proceeds. The differences between the net proceeds and nominal values of the marketable securities are considered as transaction cost or discounts, which are amortised using the effective interest rate method over the term of the marketable securities.

## ab. Earnings per share

Basic earnings per share are calculated by dividing income attributable to stock holders for the year by the weighted average number of ordinary shares outstanding during the year. As at 31 December 2017 and 2016, weighted average numbers of ordinary share outstanding are 11,472,648,486 shares.

Earning per share is recorded in accordance with SFAS 56 (Revised 2011) - Earnings Per Share.

## ac. Operating segment information

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which separate financial information is available.

The Bank presents operating segment based on the Bank's internal reporting to the chief operating decision maker in accordance with SFAS 5 (Revised 2015) - Operating Segment. The Bank's chief operating decision maker is Board of Director.

The Bank disclose the operating segment based on business segments that consists of: *business banking*, consumer banking, treasury and others (refer to Note 44).

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**3. MANAJEMEN RISIKO KEUANGAN****Kerangka manajemen risiko**

Bank telah mengimplementasikan prosedur manajemen risiko sesuai dengan Peraturan Otoritas Jasa Keuangan No. 18/POJK.03/2016 tanggal 22 Maret 2016 tentang Penerapan Manajemen Risiko bagi Bank Umum dan Surat Edaran OJK No. 34/SEOJK.03/2016 tanggal 1 September 2016 tentang Penerapan Manajemen Risiko bagi Bank Umum. Menurut surat edaran tersebut, penerapan manajemen risiko harus dilakukan pada risiko kredit, risiko pasar, risiko operasional, risiko likuiditas, risiko hukum, risiko reputasi, risiko strategis dan risiko kepatuhan.

Bisnis Bank mencakup aktivitas pengambilan risiko dengan sasaran tertentu dengan pengelolaan yang profesional. Fungsi utama dari manajemen risiko Bank adalah untuk mengidentifikasi seluruh risiko kunci, mengukur risiko-risiko ini, mengelola posisi risiko dan menentukan alokasi modal. Bank secara rutin menelaah kebijakan dan sistem manajemen risiko untuk menyesuaikan dengan perubahan di pasar, produk dan praktek pasar terbaik.

Pengelolaan risiko di Bank mengacu pada praktik terbaik industri keuangan, dengan menyediakan kebijakan dan kerangka kerja serta struktur manajemen, perangkat dan proses yang jelas.

Aspek-aspek pengelolaan risiko yang efektif perlu ditanamkan dalam lingkungan Bank untuk memastikan bahwa risiko dapat ditangani secara langsung pada unit usaha yang bersangkutan. Pengelolaan risiko merupakan tanggung jawab bersama di Bank dan diemban oleh seluruh karyawan di setiap lini organisasi. Bank juga membangun budaya yang menitikberatkan kesadaran seluruh karyawan akan risiko guna mendorong konsistensi dan efektivitas proses manajemen risiko Bank. Budaya tersebut dibangun dan menjadi komitmen dari Dewan Komisaris dan Direksi (*tone from the top*).

Dengan menggunakan pendekatan *three lines of defense*, fungsi pengelolaan risiko dilakukan secara komprehensif oleh semua lini organisasi yang dimulai dengan *oversight*, yang dilakukan oleh Dewan Komisaris dan Direksi. *First Line of Defense* akan melaksanakan pertumbuhan usaha dengan tetap mempertimbangkan aspek risiko dalam setiap pengambilan keputusan, *Second Line of Defense* mengelola risiko secara independen, dan *Third Line of Defense* bertugas melaksanakan *risk assurance* dan melakukan pengawasan serta evaluasi secara berkala.

**3. FINANCIAL RISK MANAGEMENT****Risk management framework**

*The Bank has implemented risk management procedure in accordance with Financial Service Authority Regulation (POJK) No. 18/POJK.03/2016 dated 22 March 2016 concerning Risk Management Implementation for Commercial Bank and Financial Service Authority Circular Letter No. 34/SEOJK.03/2016 dated 1 September 2016 concerning Risk Management Implementation for Commercial Bank. As stipulated in the decree, processes for application of risk management shall be implemented for credit risk, market risk, operational risk, liquidity risk, legal risk, reputation risk, strategic risk, and compliance risk.*

*The Bank's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practices.*

*The Bank manages risk in accordance with best practices of leading financial institutions, with clearly-defined policies and framework, management structure, tools and processes.*

*Effective risk management necessitates sound practices to be embedded in the Bank's core systems and business processes, thus allowing management of risk of respective business units. At the Bank, managing risk is a responsibility that is shared by all employees at all levels of the organizational hierarchy. The Bank also adopts a strong and proactive risk awareness mindset, which is fundamental in attaining consistent and effective risk management. This culture is developed and is a commitment from Board of Commissioners and Board of Directors (*tone from the top*).*

*By the three lines of defense approach, risk management functions are performed comprehensively by all levels within the organization which is started from oversight and done by Board of Commissioners and Board of Directors. First Line of Defense will achieve business growth by considering risk aspects in every decision made, Second Line of Defense is in charge of managing risk independently, and Third Line of Defense is responsible for providing risk assurance as well as monitoring and periodic evaluation.*

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

**Kerangka manajemen risiko** (lanjutan)

Dalam melaksanakan fungsi pengawasan penerapan manajemen risiko, Dewan Komisaris mempunyai tugas dan tanggung jawab yang jelas diantaranya mengkaji dan menyetujui rekomendasi dari Komite Pemantau Risiko terkait dengan penerapan kebijakan dan limit pengelolaan risiko serta penerapan manajemen risiko terintegrasi dalam Konglomerasi Keuangan.

Terkait dengan penerapan Manajemen Risiko Terintegrasi bagi Konglomerasi Keuangan dimana Bank OCBC NISP bertindak sebagai Entitas Utama, Bank melakukan penerapan Manajemen Risiko Terintegrasi secara komprehensif. Dalam konglomerasi keuangan ini, Bank OCBC NISP terelasi dengan PT Great Eastern Life Indonesia dan PT OCBC Sekuritas Indonesia.

Risiko yang berasal dari instrumen keuangan Bank adalah risiko keuangan, termasuk di antaranya adalah risiko kredit, risiko likuiditas, risiko pasar dan risiko operasional.

## a. Risiko kredit

Risiko kredit adalah risiko kerugian keuangan yang timbul jika nasabah, klien atau rekanan Bank gagal memenuhi kewajiban kontraktualnya kepada Bank. Risiko kredit terutama berasal dari pinjaman yang diberikan, garansi, *letters of credit*, *endorsement* dan akseptasi.

## (i) Pengukuran risiko kredit

Untuk mendukung kuantifikasi risiko kredit, Bank memiliki metode untuk menghitung cadangan penurunan nilai berdasarkan kualitas kredit. Untuk kredit yang memiliki kolektibilitas lancar dan dalam perhatian khusus, cadangan penurunan nilai dihitung secara kolektif dengan mempertimbangkan dua komponen: (i) *'probability of default'* (PD) klien atau *counterpart* atas kewajiban kontraktualnya; and (ii) kemungkinan rasio pembalikan atas kewajiban yang telah wanprestasi (*'loss given default'*) (LGD).

Metode yang digunakan untuk menghitung PD adalah *Migration Analysis*. Metode ini dilakukan dengan menganalisis tingkat migrasi dari baki debit kredit, seperti yang digambarkan dengan jelas pada Pedoman Akuntansi Perbankan Indonesia (PAPI) 2008. Sementara itu, kerugian ekonomi yang dialami oleh Bank saat terjadi *default* (LGD) dihitung dari rata-rata *Loss* terhadap baki debit kredit.

## 3. FINANCIAL RISK MANAGEMENT (continued)

**Risk management framework** (continued)

*In implementing the risk management supervision function, Board of Commissioners has clear duties and responsibilities, which among others are reviewing and approving the recommendation from Risk Monitoring Committee in relation to implementation of risk management policies and limit, as well as the implementation of integrated risk management in Financial Conglomeration.*

*In the Integrated Risk Management implementation for Financial Conglomeration, wherein Bank OCBC NISP has been appointed as the Main Entity, the Bank has implemented the Integrated Risk Management comprehensively. In the Financial Conglomeration, Bank OCBC NISP is related with PT Great Eastern Life Indonesia and PT OCBC Sekuritas Indonesia.*

*Risks arising from financial instruments to which the Bank exposed to are financial risks, which include credit risk, liquidity risk, market risk and operational risk.*

## a. Credit risk

*Credit risk is the risk of financial losses, should any of the Bank's customers, clients or market counterparties fail to fulfill their contractual obligations to the Bank. Credit risk arises mainly from loans, guarantees, letters of credit, endorsements and acceptances.*

## (i) Credit risk measurement

*To support the quantification of credit risk, the Bank has a method to calculate the allowance for impairment based on the credit quality. For loans in the category of current and special mention, the allowance for impairment collectively calculated by considering two components: (i) the *'probability of default'* (PD) by the client or counterparty on its contractual obligations; and (ii) the likely recovery ratio on the defaulted obligations (the *'loss given default'*) (LGD).*

*The method used to calculate PD is the Migration Analysis. The method is done by analyzing the migration rate of outstanding as illustrated clearly in the Indonesian Banking Accounting Guidelines (PAPI) 2008. Meanwhile, the economic losses suffered by the Bank at the time of default (LGD) is calculated from the average of loss on rate of outstanding.*

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Kerangka manajemen risiko (lanjutan)

## a. Risiko kredit (lanjutan)

## (i) Pengukuran risiko kredit (lanjutan)

Sedangkan untuk kredit dengan kategori bermasalah, cadangan penurunan nilai dihitung dengan cara berbeda. Jika terbukti secara objektif terjadi penurunan nilai, maka cadangan penurunan nilai dihitung berdasarkan selisih dari baki debit dengan nilai sekarang arus kas yang nilainya berbeda untuk tiap segmen. Khusus untuk *unsecured loan* cadangan penurunan nilainya dihitung sebesar baki debit.

## (ii) Pengendalian batas risiko dan kebijakan mitigasi

Bank mengelola, membatasi dan mengendalikan konsentrasi risiko kredit di manapun risiko tersebut teridentifikasi - secara khusus, terhadap debitur individu dan kelompok, dan industri serta geografis.

Bank menentukan tingkat risiko kredit yang dimiliki dengan menetapkan batas jumlah risiko yang bisa diterima yang terkait dengan satu debitur, atau beberapa kelompok debitur, dan berdasarkan segmen geografis dan industri.

Batas pemberian kredit ditelaah mengikuti perubahan pada kondisi pasar dan ekonomi dan telaahan kredit secara periodik dan penilaian atas kemungkinan wanprestasi.

Agunan

Bank menerapkan berbagai kebijakan dan praktik untuk memitigasi risiko kredit. Praktik yang umum dilakukan adalah dengan meminta agunan sebagai jaminan. Bank menerapkan berbagai panduan atas jenis-jenis agunan yang dapat diterima dalam rangka memitigasi risiko kredit. Jenis-jenis agunan atas pinjaman yang diberikan antara lain adalah:

- Hipotek atas properti hunian,
- Agunan atas aset usaha seperti tanah dan bangunan, persediaan dan piutang usaha,
- Agunan atas instrumen keuangan.

## (iii) Cadangan kerugian penurunan nilai dan kebijakan pencadangan

Cadangan kerugian penurunan nilai yang diakui pada pelaporan keuangan hanyalah kerugian yang telah terjadi pada tanggal laporan posisi keuangan berdasarkan bukti obyektif atas penurunan nilai, dan untuk yang tidak mempunyai bukti obyektif penurunan nilai, pencadangan dihitung menggunakan penilaian secara kolektif berdasarkan data kerugian historis.

## 3. FINANCIAL RISK MANAGEMENT (continued)

Risk management framework (continued)

## a. Credit risk (continued)

## (i) Credit risk measurement (continued)

Meanwhile for credit with non-performing category, an allowance for impairment is calculated in a different way. If objectively proven to be impaired, the allowance is calculated based on the difference of the outstanding to the present value of cash flows whose value is different for each segment. Especially for unsecured loan, the impairment value is calculated as the outstanding value.

## (ii) Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified - in particular, to individual counterparties and group, and to industries and geographical.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one or a group of borrowers, and to geographic and industry segments.

Lending limits are reviewed in light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of this, is the taking of security for collateral, which is a common practice. The Bank implements guidelines on the acceptability of specific classes of collateral in terms of credit risk mitigation. The principal collateral types for loans are as follows:

- Mortgage over residential properties,
- Charges over business assets such as premises, inventory and accounts receivable,
- Charges over financial instruments.

## (iii) Allowance for impairment losses and provisioning policies

Allowance for impairment losses are recognised in financial reporting purposes are only for losses that have been incurred at the date of the statement of financial position based on objective evidence of impairment, and for those which do not have objective evidence of impairment, allowance are calculated using collective assessment based on historical loss data.

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## a. Risiko kredit (lanjutan)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif

Eksposur risiko kredit disajikan setelah cadangan kerugian penurunan nilai terhadap aset keuangan pada laporan posisi keuangan adalah sebagai berikut:

	Eksposur maksimum/ Maximum exposure	
	2017	2016
Kas	989,889	881,749
Giro pada Bank Indonesia	8,905,976	8,018,546
Giro pada bank lain	698,856	485,592
Penempatan pada bank lain dan Bank Indonesia	4,836,341	3,442,070
Efek - efek		
- Diperdagangkan	1,366,148	443,531
- Tersedia untuk dijual	10,848,243	13,711,072
- Pinjaman yang diberikan dan piutang	156,967	192,152
Obligasi pemerintah		
- Diperdagangkan	2,516,495	1,163,560
- Tersedia untuk dijual	11,924,926	11,209,190
Tagihan derivatif	291,131	351,939
Pinjaman yang diberikan		
- Modal kerja	45,480,042	41,008,114
- Investasi	42,699,709	36,096,647
- Konsumsi	14,010,043	13,142,891
Tagihan akseptasi	3,998,241	3,485,765
Aset lain-lain	1,104,649	897,403
	<u>149,827,656</u>	<u>134,530,221</u>

Eksposur risiko kredit terhadap rekening administratif:

	Eksposur maksimum/ Maximum exposure	
	2017	2016
Komitmen dan kontinjensi		
- Fasilitas pinjaman yang diberikan yang belum digunakan - committed	8,277,087	7,191,946
- Irrevocable letters of credit yang masih berjalan	4,090,235	3,328,721
- Garansi yang diberikan	3,805,960	3,930,492
- Standby letters of credit	582,183	448,990
	<u>16,755,465</u>	<u>14,900,149</u>

## 3. FINANCIAL RISK MANAGEMENT (continued)

## a. Credit risk (continued)

- (iv) Maximum exposure to credit risk on financial assets and administrative accounts

Credit risk exposures presented net after allowance for impairment losses relating to on-balance sheet financial assets on the statement of financial position are as follows:

	Eksposur maksimum/ Maximum exposure	
	2017	2016
Cash		
Current accounts with Bank Indonesia		
Current accounts with other banks		
Placements with other banks and Bank Indonesia		
Marketable securities		
Trading -		
Available for sale -		
Loans and receivables -		
Government bonds		
Trading -		
Available for sale -		
Derivative receivables		
Loans		
Working capital -		
Investment -		
Consumer -		
Acceptance receivables		
Other assets		

Credit risk exposures on administrative accounts:

	Eksposur maksimum/ Maximum exposure	
	2017	2016
Commitments and contingencies		
Undrawn loan facilities - committed -		
Outstanding irrevocable -		
letters of credit		
Guarantees issued -		
Standby letters of credit -		

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Risiko kredit (lanjutan)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif (lanjutan)

Manajemen yakin akan kemampuannya untuk mengendalikan dan memelihara eksposur risiko kredit.

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit

a) Sektor geografis

Tabel berikut menggambarkan rincian eksposur kredit Bank pada nilai tercatat setelah cadangan kerugian penurunan nilai (tanpa memperhitungkan agunan atau pendukung kredit lainnya), yang dikategorikan berdasarkan area geografis pada tanggal 31 Desember 2017 dan 2016. Untuk tabel ini, Bank telah mengalokasikan eksposur area berdasarkan wilayah geografis tempat mereka beroperasi.

3. FINANCIAL RISK MANAGEMENT (continued)

a. Credit risk (continued)

- (iv) Maximum exposure to credit risk on financial assets and administrative accounts (continued)

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk.

Concentration of risks of financial assets with credit risk exposure

a) Geographic sectors

The following table breaks down the Bank's credit exposure at their carrying amounts net after allowance for impairment losses (without taking into account any collateral held or other credit support), as categorised by geographic region as at 31 December 2017 and 2016. For this table, the Bank has allocated exposures to regions based on the geographic areas which activities are undertaken.

	2017					Jumlah/ Total	
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others		
Kas	795,941	110,118	27,911	51,882	4,037	989,889	Cash
Giro pada Bank Indonesia	8,905,976	-	-	-	-	8,905,976	Current accounts with Bank Indonesia
Giro pada bank lain	698,855	1	-	-	-	698,856	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	4,836,341	-	-	-	-	4,836,341	Placements with other banks and Bank Indonesia
Efek-efek							Marketable securities
- Diperdagangkan	1,366,148	-	-	-	-	1,366,148	Trading -
- Tersedia untuk dijual	10,848,243	-	-	-	-	10,848,243	Available for sale -
- Pinjaman yang diberikan dan piutang	156,967	-	-	-	-	156,967	Loans and receivables -
Obligasi pemerintah							Government bonds
- Diperdagangkan	2,516,495	-	-	-	-	2,516,495	Trading -
- Tersedia untuk dijual	11,924,926	-	-	-	-	11,924,926	Available for sale -
Tagihan derivatif	291,131	-	-	-	-	291,131	Derivative receivables
Pinjaman yang diberikan							Loans
- Modal kerja	37,898,153	5,533,371	927,418	1,083,127	37,973	45,480,042	Working capital -
- Investasi	39,349,796	2,688,950	454,749	195,725	10,489	42,699,709	Investment -
- Konsumsi	11,755,889	1,500,007	341,087	375,985	37,075	14,010,043	Consumer -
Tagihan akseptasi	3,998,241	-	-	-	-	3,998,241	Acceptance receivables
Aset lain-lain	1,104,618	26	5	-	-	1,104,649	Other assets
	<u>136,447,720</u>	<u>9,832,473</u>	<u>1,751,170</u>	<u>1,706,719</u>	<u>89,574</u>	<u>149,827,656</u>	

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## a. Risiko kredit (lanjutan)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif (lanjutan)

Konsentrasi risiko aset keuangan dengan  
eksposur risiko kredit (lanjutan)

## a) Sektor geografis (lanjutan)

	2016					Jumlah/ Total
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	
Kas	732,535	85,725	25,126	34,688	3,675	881,749
Giro pada Bank Indonesia	8,018,546	-	-	-	-	8,018,546
Giro pada bank lain	485,591	1	-	-	-	485,592
Penempatan pada bank lain dan Bank Indonesia	3,442,070	-	-	-	-	3,442,070
Efek-efek						
- Diperdagangkan	443,531	-	-	-	-	443,531
- Tersedia untuk dijual	13,711,072	-	-	-	-	13,711,072
- Pinjaman yang diberikan dan piutang	192,152	-	-	-	-	192,152
Obligasi pemerintah						
- Diperdagangkan	1,163,560	-	-	-	-	1,163,560
- Tersedia untuk dijual	11,209,190	-	-	-	-	11,209,190
Tagihan derivatif	351,939	-	-	-	-	351,939
Pinjaman yang diberikan						
- Modal kerja	34,030,004	5,055,278	866,340	1,021,678	34,814	41,008,114
- Investasi	32,430,491	2,775,240	482,434	396,792	11,690	36,096,647
- Konsumsi	10,918,837	1,539,596	326,343	313,406	44,709	13,142,891
Tagihan akseptasi	3,485,765	-	-	-	-	3,485,765
Aset lain-lain	897,394	4	5	-	-	897,403
	<u>121,512,677</u>	<u>9,455,844</u>	<u>1,700,248</u>	<u>1,766,564</u>	<u>94,888</u>	<u>134,530,221</u>

Eksposur risiko kredit atas komitmen dan kontinjensi berdasarkan wilayah geografis tempat Bank beroperasi adalah sebagai berikut:

Credit risk exposure relating to commitments and contingencies based on the geographic areas which the Bank's activities are undertaken are as follows:

	2017					Jumlah/ Total
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	
Komitmen dan kontinjensi						
- Fasilitas pinjaman yang diberikan yang belum digunakan - committed	8,100,391	133,361	42,925	410	-	8,277,087
- Irrevocable letters of credit yang masih berjalan	4,090,235	-	-	-	-	4,090,235
- Garansi yang diberikan	3,805,960	-	-	-	-	3,805,960
- Standby letters of credit	582,183	-	-	-	-	582,183
	<u>16,578,769</u>	<u>133,361</u>	<u>42,925</u>	<u>410</u>	<u>-</u>	<u>16,755,465</u>

	2016					Jumlah/ Total
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	
Komitmen dan kontinjensi						
- Fasilitas pinjaman yang diberikan yang belum digunakan - committed	6,861,134	234,821	68,489	27,502	-	7,191,946
- Irrevocable letters of credit yang masih berjalan	3,328,721	-	-	-	-	3,328,721
- Garansi yang diberikan	3,930,492	-	-	-	-	3,930,492
- Standby letters of credit	448,990	-	-	-	-	448,990
	<u>14,569,337</u>	<u>234,821</u>	<u>68,489</u>	<u>27,502</u>	<u>-</u>	<u>14,900,149</u>

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**3. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**3. FINANCIAL RISK MANAGEMENT (continued)**

**a. Risiko kredit (lanjutan)**

**a. Credit risk (continued)**

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif (lanjutan)

- (iv) Maximum exposure to credit risk on financial assets and administrative accounts (continued)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

Concentration of risks of financial assets with credit risk exposure (continued)

b) Sektor industri

b) Industry sectors

Tabel berikut ini menggambarkan rincian eksposur kredit Bank pada nilai tercatat setelah cadangan kerugian penurunan nilai (tanpa memperhitungkan agunan atau pendukung kredit lainnya), yang dikategorikan berdasarkan sektor industri.

The following table breaks down the Bank's credit exposure at carrying amounts net after allowance for impairment losses (without taking into account any collateral held or other credit support), as categorised by the industry sectors.

		2017							
	Pemerintah/ Government	Lembaga keuangan/ Financial institution	Industri/ Manufacturing	Pertanian/ Agriculture	Jasa dunia usaha/ Business services	Lain-lain/ Others	Jumlah/ Total		
Kas	-	-	-	-	-	989,889	989,889	Cash	
Giro pada Bank Indonesia	8,905,976	-	-	-	-	-	8,905,976	Current accounts with Bank Indonesia	
Giro pada bank lain	-	698,856	-	-	-	-	698,856	Current accounts with other banks	
Penempatan pada bank lain dan Bank Indonesia	2,479,321	2,357,020	-	-	-	-	4,836,341	Placements with other banks and Bank Indonesia	
Efek-efek	-	-	-	-	-	-	-	Marketable securities	
- Diperdagangkan	-	1,366,148	-	-	-	-	1,366,148	Trading -	
- Tersedia untuk dijual	8,254,143	2,594,100	-	-	-	-	10,848,243	Available for sale -	
- Pinjaman yang diberikan dan piutang	-	-	78,091	-	-	78,876	156,967	Loans and receivables -	
Obligasi pemerintah	-	-	-	-	-	-	-	Government bonds	
- Diperdagangkan	2,516,495	-	-	-	-	-	2,516,495	Trading -	
- Tersedia untuk dijual	11,924,926	-	-	-	-	-	11,924,926	Available for sale -	
Tagihan derivatif	-	259,762	-	-	-	31,369	291,131	Derivative receivables	
Pinjaman yang diberikan	-	882	27,264,557	13,622,794	18,022,948	43,278,613	102,189,794	Loans	
Tagihan akseptasi	-	-	2,940,933	1,437	244,781	811,090	3,998,241	Acceptance receivables	
Aset lain-lain	-	-	268,483	-	4,165	832,001	1,104,649	Other assets	
	<u>34,080,861</u>	<u>7,276,768</u>	<u>30,552,064</u>	<u>13,624,231</u>	<u>18,271,894</u>	<u>46,021,838</u>	<u>149,827,656</u>		
		2016							
	Pemerintah/ Government	Lembaga keuangan/ Financial institution	Industri/ Manufacturing	Pertanian/ Agriculture	Jasa dunia usaha/ Business services	Lain-lain/ Others	Jumlah/ Total		
Kas	-	-	-	-	-	881,749	881,749	Cash	
Giro pada Bank Indonesia	8,018,546	-	-	-	-	-	8,018,546	Current accounts with Bank Indonesia	
Giro pada bank lain	-	485,592	-	-	-	-	485,592	Current accounts with other banks	
Penempatan pada bank lain dan Bank Indonesia	315,000	3,127,070	-	-	-	-	3,442,070	Placements with other banks and Bank Indonesia	
Efek-efek	-	-	-	-	-	-	-	Marketable securities	
- Diperdagangkan	-	443,531	-	-	-	-	443,531	Trading -	
- Tersedia untuk dijual	11,737,368	1,973,704	-	-	-	-	13,711,072	Available for sale -	
- Pinjaman yang diberikan dan piutang	-	-	70,577	55,602	5,395	60,578	192,152	Loans and receivables -	
Obligasi pemerintah	-	-	-	-	-	-	-	Government bonds	
- Diperdagangkan	1,163,560	-	-	-	-	-	1,163,560	Trading -	
- Tersedia untuk dijual	11,209,190	-	-	-	-	-	11,209,190	Available for sale -	
Tagihan derivatif	-	324,291	-	-	-	27,648	351,939	Derivative receivables	
Pinjaman yang diberikan	-	20,872	25,568,514	11,665,058	14,824,171	38,169,037	90,247,652	Loans	
Tagihan akseptasi	-	-	2,576,248	26,264	278,292	604,961	3,485,765	Acceptance receivables	
Aset lain-lain	-	8,286	179,909	-	-	709,208	897,403	Other assets	
	<u>32,443,664</u>	<u>6,383,346</u>	<u>28,395,248</u>	<u>11,746,924</u>	<u>15,107,858</u>	<u>40,453,181</u>	<u>134,530,221</u>		

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## a. Risiko kredit (lanjutan)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif (lanjutan)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

## b) Sektor industri (lanjutan)

Eksposur risiko kredit atas komitmen dan kontinjensi berdasarkan sektor industri adalah sebagai berikut:

## 3. FINANCIAL RISK MANAGEMENT (continued)

## a. Credit risk (continued)

- (iv) Maximum exposure to credit risk on financial assets and administrative accounts (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

## b) Industry sectors (continued)

Credit risk exposure relating to commitments and contingencies based on the industry sectors are as follows:

		2017						
	Pemerintah/ Government	Lembaga keuangan/ Financial institution	Industri/ Manufacturing	Pertanian/ Agriculture	Jasa dunia usaha/ Business services	Lain-lain/ Others	Jumlah/ Total	
Komitmen dan kontinjensi								Commitments and contingencies
- Fasilitas pinjaman yang diberikan yang belum digunakan - committed	-	-	1,331,946	1,630,592	3,037,276	2,277,273	8,277,087	Undrawn loan facilities - committed
- Irrevocable letters of credit yang masih berjalan	-	-	2,328,935	123,596	1,006,798	630,906	4,090,235	Outstanding irrevocable - letters of credit
- Garansi yang diberikan	-	-	251,901	50,075	858,766	2,645,218	3,805,960	Guarantees issued - Standby letters - of credit
- Standby letters of credit	-	-	39,203	-	147,011	395,969	582,183	
			3,951,985	1,804,263	5,049,851	5,949,366	16,755,465	
		2016						
	Pemerintah/ Government	Lembaga keuangan/ Financial institution	Industri/ Manufacturing	Pertanian/ Agriculture	Jasa dunia usaha/ Business services	Lain-lain/ Others	Jumlah/ Total	
Komitmen dan kontinjensi								Commitments and contingencies
- Fasilitas pinjaman yang diberikan yang belum digunakan - committed	-	-	1,865,570	1,388,676	3,432,238	505,462	7,191,946	Undrawn loan facilities - committed
- Irrevocable letters of credit yang masih berjalan	-	-	1,917,573	108,098	817,590	485,460	3,328,721	Outstanding irrevocable - letters of credit
- Garansi yang diberikan	-	-	221,326	34,483	824,245	2,850,438	3,930,492	Guarantees issued - Standby letters - of credit
- Standby letters of credit	-	-	22,351	-	46,846	379,793	448,990	
			4,026,820	1,531,257	5,120,919	4,221,153	14,900,149	

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Risiko kredit (lanjutan)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif (lanjutan)

Konsentrasi risiko aset keuangan dengan  
eksposur risiko kredit (lanjutan)

c) Kualitas kredit dari aset keuangan

Pada tanggal 31 Desember 2017 dan 2016, eksposur risiko kredit-bersih atas aset keuangan terbagi atas:

3. FINANCIAL RISK MANAGEMENT (continued)

a. Credit risk (continued)

- (iv) Maximum exposure to credit risk on financial assets and administrative accounts (continued)

Concentration of risks of financial assets with  
credit risk exposure (continued)

c) Credit quality of financial assets

As at 31 December 2017 and 2016, credit risk exposure-net relating to financial assets are divided as follows:

	2017				
	Belum jatuh tempo atau tidak mengalami penurunan nilai/ <i>Neither past due nor impaired</i>	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
Kas	989,889	-	-	989,889	Cash
Giro pada Bank Indonesia	8,905,976	-	-	8,905,976	Current accounts with Bank Indonesia
Giro pada bank lain	698,856	-	-	698,856	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	4,836,341	-	-	4,836,341	Placements with other banks and Bank Indonesia
Efek-efek					Marketable securities
- Diperdagangkan	1,366,148	-	-	1,366,148	Trading -
- Tersedia untuk dijual	10,848,243	-	-	10,848,243	Available for sale -
- Pinjaman yang diberikan dan piutang	156,967	-	-	156,967	Loans and receivables -
Obligasi pemerintah					Government bonds
- Diperdagangkan	2,516,495	-	-	2,516,495	Trading -
- Tersedia untuk dijual	11,924,926	-	-	11,924,926	Available for sale -
Tagihan derivatif	291,131	-	-	291,131	Derivative receivables
Pinjaman yang diberikan					Loans
- Modal kerja	44,893,387	189,083	397,572	45,480,042	Working capital -
- Investasi	42,185,701	321,862	192,146	42,699,709	Investment -
- Konsumsi	13,447,657	383,984	178,402	14,010,043	Consumer -
Tagihan akseptasi	3,998,241	-	-	3,998,241	Acceptance receivables
Aset lain-lain	1,104,649	-	-	1,104,649	Other assets
	<u>148,164,607</u>	<u>894,929</u>	<u>768,120</u>	<u>149,827,656</u>	

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## a. Risiko kredit (lanjutan)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif (lanjutan)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

- c) Kualitas kredit dari aset keuangan (lanjutan)

## 3. FINANCIAL RISK MANAGEMENT (continued)

## a. Credit risk (continued)

- (iv) Maximum exposure to credit risk on financial assets and administrative accounts (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

	2016				
	Belum jatuh tempo atau tidak mengalami penurunan nilai/ <i>Neither past due nor impaired</i>	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
Kas	881,749	-	-	881,749	Cash
Giro pada Bank Indonesia	8,018,546	-	-	8,018,546	Current accounts with Bank Indonesia
Giro pada bank lain	485,592	-	-	485,592	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	3,442,070	-	-	3,442,070	Placements with other banks and Bank Indonesia
Efek-efek					Marketable securities
- Diperdagangkan	443,531	-	-	443,531	Trading -
- Tersedia untuk dijual	13,711,072	-	-	13,711,072	Available for sale -
- Pinjaman yang diberikan dan piutang	192,152	-	-	192,152	Loans and receivables -
Obligasi pemerintah					Government bonds
- Diperdagangkan	1,163,560	-	-	1,163,560	Trading -
- Tersedia untuk dijual	11,209,190	-	-	11,209,190	Available for sale -
Tagihan derivatif	351,939	-	-	351,939	Derivative receivables
Pinjaman yang diberikan					Loans
- Modal kerja	40,517,415	109,185	381,514	41,008,114	Working capital -
- Investasi	35,804,828	121,345	170,474	36,096,647	Investment -
- Konsumsi	12,627,998	349,451	165,442	13,142,891	Consumer -
Tagihan akseptasi	3,485,765	-	-	3,485,765	Acceptance receivables
Aset lain-lain	897,403	-	-	897,403	Other assets
	<u>133,232,810</u>	<u>579,981</u>	<u>717,430</u>	<u>134,530,221</u>	

Analisa umur kredit yang diberikan yang telah jatuh tempo tetapi tidak mengalami penurunan nilai pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

An aging analysis of loans that are 'past due but not impaired' on 31 December 2017 and 2016 are set out below:

	2017				
	Modal kerja/ <i>Working capital</i>	Investasi/ <i>Investment</i>	Konsumsi/ <i>Consumer</i>	Jumlah/ <i>Total</i>	
1 - 30 hari	111,555	222,637	194,672	528,864	1 - 30 days
31 - 60 hari	39,344	31,710	101,151	172,205	31 - 60 days
61 - 90 hari	38,184	67,515	88,161	193,860	61 - 90 days
	<u>189,083</u>	<u>321,862</u>	<u>383,984</u>	<u>894,929</u>	

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Risiko kredit (lanjutan)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif (lanjutan)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

- c) Kualitas kredit dari aset keuangan (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

a. Credit risk (continued)

- (iv) Maximum exposure to credit risk on financial assets and administrative accounts (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

2016

	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumer	Jumlah/ Total	
1 - 30 hari	53,632	39,739	200,955	294,326	1 - 30 days
31 - 60 hari	25,031	10,160	98,067	133,258	31 - 60 days
61 - 90 hari	30,522	71,446	50,429	152,397	61 - 90 days
	<u>109,185</u>	<u>121,345</u>	<u>349,451</u>	<u>579,981</u>	

Pada tanggal 31 Desember 2017 dan 2016, rincian kualitas kredit yang diberikan dan tagihan akseptasi yang belum jatuh tempo atau tidak mengalami penurunan nilai adalah sebagai berikut:

The credit quality of loans and acceptance receivables that are 'neither past due nor impaired' as at 31 December 2017 and 2016 are as follows:

2017

	Belum jatuh tempo dan tidak menunggak/ Neither past due nor in arrears	Belum jatuh tempo tetapi fasilitas lain terdapat tunggakan/ Not past due but other facilities are in arrears	Jumlah/ Total	
Pinjaman yang diberikan				Loans
- Modal kerja	44,605,465	287,922	44,893,387	Working capital -
- Investasi	41,485,976	699,725	42,185,701	Investment -
- Konsumsi	13,394,955	52,702	13,447,657	Consumer -
	99,486,396	1,040,349	100,526,745	
Tagihan akseptasi	3,998,241	-	3,998,241	Acceptance receivables
	<u>103,484,637</u>	<u>1,040,349</u>	<u>104,524,986</u>	

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## a. Risiko kredit (lanjutan)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif (lanjutan)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

- c) Kualitas kredit dari aset keuangan (lanjutan)

## 3. FINANCIAL RISK MANAGEMENT (continued)

## a. Credit risk (continued)

- (iv) Maximum exposure to credit risk on financial assets and administrative accounts (continued)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Credit quality of financial assets (continued)

	2016		Jumlah/ Total	
	Belum jatuh tempo dan tidak menunggak/ Neither past due nor in arrears	Belum jatuh tempo tetapi fasilitas lain terdapat tunggakan/ Not past due but other facilities are in arrears		
Pinjaman yang diberikan				Loans
- Modal kerja	40,394,929	122,486	40,517,415	Working capital -
- Investasi	35,392,998	411,830	35,804,828	Investment -
- Konsumsi	12,592,709	35,289	12,627,998	Consumer -
	88,380,636	569,605	88,950,241	
Tagihan akseptasi	3,485,765	-	3,485,765	Acceptance receivables
	<u>91.866.401</u>	<u>569.605</u>	<u>92.436.006</u>	

Penjelasan pembagian kualitas kredit pinjaman yang diberikan yang belum jatuh tempo atau tidak mengalami penurunan nilai adalah:

- Belum jatuh tempo dan tidak menunggak

Aset seluruhnya dipastikan akan diterima kembali karena belum jatuh tempo dan tidak menunggak pada tanggal pelaporan, sehingga tidak terdapat pertimbangan yang menjadi perhatian Bank;

- Belum jatuh tempo tetapi fasilitas lain terdapat tunggakan

Ada pertimbangan terkait dengan kemampuan *counterparty* dalam melakukan pembayaran pada saat jatuh tempo dikarenakan ada fasilitas lainnya yang telah menunggak. Dalam hal ini *counterparty* diharapkan dapat menyelesaikan seluruh pokok dan bunga atas fasilitas lain yang menunggak.

Details for credit quality of loans that are "neither past due nor impaired" are as follow:

- Neither past due nor in arrears

There is a high likelihood of the assets being fully recovered since the asset has not past due and not in arrears at reporting date, therefore, there is no concern from the Bank;

- Not past due but other facilities are in arrears

There is concern over the counterparty's ability to make payments when due since there is other overdue facilities. In this case, counterparty expected to settle all the outstanding amounts of principal and interests which in arrears.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

a. Risiko kredit (lanjutan)

a. Credit risk (continued)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif (lanjutan)

- (iv) Maximum exposure to credit risk on financial assets and administrative accounts (continued)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit (lanjutan)

Concentration of risks of financial assets with credit risk exposure (continued)

- c) Kualitas kredit dari aset keuangan (lanjutan)

- c) Credit quality of financial assets (continued)

Untuk bank dan lembaga keuangan, hanya yang secara independen dinilai dengan peringkat minimum "A" yang diterima. Peringkat atas Efek-efek dan Obligasi pemerintah dinyatakan di dalam Catatan 9 dan 10.

For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. Rating for Marketable securities and Government bonds is disclosed in Notes 9 and 10.

Pada tanggal 31 Desember 2017 dan 2016, perubahan cadangan kerugian penurunan pinjaman yang diberikan yang mengalami penurunan nilai adalah:

As at 31 December 2017 and 2016, movement in the allowance for impairment losses for loans that are "impaired" is as follow:

2017					
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumer	Jumlah/ Total	
Saldo awal	562,251	402,418	66,833	1,031,502	Beginning balance
Penyisihan selama periode berjalan	212,188	85,023	44,130	341,341	Allowance during the period
Penghapusan selama periode berjalan	(105,676)	(95,262)	(53,947)	(254,885)	Write-offs during the period
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	2,998	-	5,059	8,057	Bad debt recoveries
Lain-lain *)	3,032	1,768	279	5,079	Others *)
Saldo akhir	674,793	393,947	62,354	1,131,094	Ending balance

\*) Termasuk selisih kurs karena penjabaran mata uang asing

Includes effect of foreign exchange translation \*)

2016					
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumer	Jumlah/ Total	
Saldo awal	237,960	144,762	66,104	448,826	Beginning balance
Penyisihan selama periode berjalan	339,158	267,359	62,860	669,377	Allowance during the period
Penghapusan selama periode berjalan	(9,545)	(5,354)	(70,945)	(85,844)	Write-offs during the period
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	775	-	9,515	10,290	Bad debt recoveries
Lain-lain *)	(6,097)	(4,349)	(701)	(11,147)	Others *)
Saldo akhir	562,251	402,418	66,833	1,031,502	Ending balance

\*) Termasuk selisih kurs karena penjabaran mata uang asing

Includes effect of foreign exchange translation \*)

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## a. Risiko kredit (lanjutan)

(v) Pinjaman yang diberikan

Ikhtisar pinjaman yang diberikan adalah sebagai berikut:

	2017		Jumlah/ Total
	Tidak mengalami penurunan nilai/ Non impaired	Mengalami penurunan nilai/ Impaired	
Rupiah:			
Perdagangan	23,310,826	1,000,693	24,311,519
Perindustrian	19,701,592	257,902	19,959,494
Jasa	11,484,035	254,590	11,738,625
Pertanian dan pertambangan	4,658,016	5,937	4,663,953
Konstruksi	3,338,246	33,871	3,372,117
Lain-lain *)	14,110,222	240,871	14,351,093
Jumlah Rupiah	76,602,937	1,793,864	78,396,801
Mata uang asing:			
Perdagangan	3,035,085	23,812	3,058,897
Perindustrian	8,264,104	71,082	8,335,186
Jasa	6,970,521	10,456	6,980,977
Pertanian dan pertambangan	9,334,781	-	9,334,781
Konstruksi	16,001	-	16,001
Lain-lain *)	226,765	-	226,765
Jumlah mata uang asing	27,847,257	105,350	27,952,607
Jumlah	104,450,194	1,899,214	106,349,408
Dikurangi: Cadangan kerugian penurunan nilai	(3,028,520)	(1,131,094)	(4,159,614)
	101,421,673	768,121	102,189,794

\*) Termasuk dalam lain-lain adalah kredit konsumsi

## 3. FINANCIAL RISK MANAGEMENT (continued)

## a. Credit risk (continued)

(v) Loans

Loans are summarised as follows:

	2017		Jumlah/ Total
	Tidak mengalami penurunan nilai/ Non impaired	Mengalami penurunan nilai/ Impaired	
Rupiah:			
Perdagangan	23,310,826	1,000,693	24,311,519
Perindustrian	19,701,592	257,902	19,959,494
Jasa	11,484,035	254,590	11,738,625
Pertanian dan pertambangan	4,658,016	5,937	4,663,953
Konstruksi	3,338,246	33,871	3,372,117
Lain-lain *)	14,110,222	240,871	14,351,093
Jumlah Rupiah	76,602,937	1,793,864	78,396,801
Mata uang asing:			
Perdagangan	3,035,085	23,812	3,058,897
Perindustrian	8,264,104	71,082	8,335,186
Jasa	6,970,521	10,456	6,980,977
Pertanian dan pertambangan	9,334,781	-	9,334,781
Konstruksi	16,001	-	16,001
Lain-lain *)	226,765	-	226,765
Jumlah mata uang asing	27,847,257	105,350	27,952,607
Jumlah	104,450,194	1,899,214	106,349,408
Dikurangi: Cadangan kerugian penurunan nilai	(3,028,520)	(1,131,094)	(4,159,614)
	101,421,673	768,121	102,189,794

Included in others is consumer loan \*)

	2016		Jumlah/ Total
	Tidak mengalami penurunan nilai/ Non impaired	Mengalami penurunan nilai/ Impaired	
Rupiah:			
Perdagangan	20,661,933	703,168	21,365,101
Perindustrian	18,019,341	324,106	18,343,447
Jasa	9,370,036	238,857	9,608,893
Pertanian dan pertambangan	4,343,949	11,392	4,355,341
Konstruksi	2,037,602	32,468	2,070,070
Lain-lain *)	13,158,163	232,229	13,390,392
Jumlah Rupiah	67,591,024	1,542,220	69,133,244
Mata uang asing:			
Perdagangan	2,106,545	531	2,107,076
Perindustrian	8,119,653	42,137	8,161,790
Jasa	5,731,814	92,772	5,824,586
Pertanian dan pertambangan	7,551,690	71,272	7,622,962
Konstruksi	20,095	-	20,095
Lain-lain *)	492,886	-	492,886
Jumlah mata uang asing	24,022,683	206,712	24,229,395
Jumlah	91,613,707	1,748,932	93,362,639
Dikurangi: Cadangan kerugian penurunan nilai	(2,083,485)	(1,031,502)	(3,114,987)
	89,530,222	717,430	90,247,652

\*) Termasuk dalam lain-lain adalah kredit konsumsi

Included in others is consumer loan \*)

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## b. Risiko pasar

Bank memiliki eksposur terhadap risiko pasar, yaitu risiko dimana nilai wajar atau arus kas masa depan dari suatu instrumen keuangan berfluktuasi karena perubahan pada harga pasar. Risiko pasar berasal dari posisi terbuka yang terkait dengan produk-produk suku bunga dan mata uang asing, yang seluruhnya dipengaruhi oleh pergerakan pasar baik secara spesifik maupun umum. Bank memisahkan eksposur risiko pasar menjadi portofolio yang diperdagangkan dan portofolio tersedia untuk dijual (*AFS - Available For Sale*).

Untuk memastikan terselenggaranya manajemen risiko pasar yang baik, diperlukan pengawasan secara aktif oleh Direksi dan Dewan Komisaris Bank untuk mendukung fungsi pengawasan tersebut. Pada level Direksi dibentuk Komite Manajemen Risiko Pasar yang mendukung Komite Manajemen Risiko dan Presiden Direktur dalam mengelola keseluruhan eksposur risiko pasar secara menyeluruh. Pada level Dewan Komisaris fungsi pengawasan risiko dilakukan oleh Komite Pemantau Risiko yang antara lain memantau profil risiko pasar Bank, mengkaji dan mengesahkan kebijakan terkait risiko pasar serta mengkaji dan mengesahkan penetapan *market risk limit*.

## (i) Teknik pengelolaan risiko pasar

Dalam rangka pengelolaan risiko pasar, Bank melakukan kuantifikasi risiko melalui berbagai teknik pengukuran yang komprehensif seperti *Value at Risk* (VaR), sensitivitas risiko dan stress testing yang dianalisa dan dilaporkan secara harian dan berkala. Selain itu, untuk membatasi besarnya kerugian yang mungkin terjadi, Bank menetapkan berbagai limit atas risiko pasar yang dipantau secara harian.

## (ii) Risiko nilai tukar mata uang asing

Bank memiliki eksposur terhadap fluktuasi nilai tukar mata uang asing yang berlaku atas posisi keuangan dan arus kas. Direksi menetapkan batas atas tingkat eksposur berdasarkan mata uang dan secara agregat untuk posisi *overnight* dan *intra-day* yang dimonitor secara harian, menentukan batas maksimum kerugian (*stop loss limit*) dan *Management Action Trigger*, untuk kegiatan *trading* maupun *banking books*, serta melakukan lindung nilai (*hedging*) bila diperlukan. Bank memiliki *Value at Risk* limit terhadap nilai tukar dan suku bunga untuk membatasi potensi kerugian suatu eksposur terpengaruh oleh perubahan pada faktor risiko pasar yang mendasarinya. Selain itu, Bank memiliki limit sensitivitas untuk posisi *Trading* dan *Banking* yang dimonitor secara harian.

## 3. FINANCIAL RISK MANAGEMENT (continued)

## b. Market risk

The Bank takes on exposures to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and foreign currency, all of which are exposed to general and specific market movements. The Bank separates exposures to market risk into either trading or available for sale ("*AFS*") portfolios.

To ensure the adequacy of market risk management implementation, the Bank requires active supervision by Board of Director (BOD) and Board of Commissioners (BOC) to support the supervisory function. At the BOD level, the function is performed by Market Risk Management Committee (MRMC) to support Board Risk Committee and President Director in managing the overall market risk exposure on a wide basis. At BOC level, the oversight function is performed by Risk Monitoring Committee (RMC) which is designed, among others, to monitor the Bank's market risk profile, review and concur market risk related policies, and review and concur market risk limits.

## (i) Market risk management techniques

As part of market risk management, Bank quantifies the risk through a comprehensive measurement techniques such as *Value at Risk* (VaR), sensitivity and stress testing which are analyzed and reported daily and regularly. In addition, to cap the potential losses that might happened, Bank sets various market risk limit which are monitored on daily basis.

## (ii) Foreign exchange risk

The Bank takes on exposures to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both *overnight* and *intra-day* positions, which are monitored daily, the utilisation of maximum loss limits (*stop loss limits*) and *Management Action Trigger*, both for trading and banking books, as well as the hedging exposure mechanism (where necessary). Bank also sets *Value at Risk* limit to cap the potential losses of a portfolio which is affected by changes in the underlying factors. On top of that, Bank has determined sensitivity limit for *Trading* and *Banking* book which monitored on daily basis.

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## b. Risiko pasar (lanjutan)

## (ii) Risiko nilai tukar mata uang asing (lanjutan)

Tabel di bawah ini mengikhtisarkan eksposur Bank atas risiko nilai tukar mata uang asing (Posisi Devisa Neto) pada tanggal 31 Desember 2017 dan 2016 (ekuivalen Rupiah). Termasuk di dalamnya adalah instrumen keuangan Bank pada nilai tercatat, dikategorikan berdasarkan jenis mata uang.

## 3. FINANCIAL RISK MANAGEMENT (continued)

## b. Market risk (continued)

## (ii) Foreign exchange risk (continued)

The table below summarises the Bank's exposure to foreign currency exchange rate risk (Net Open Position) at 31 December 2017 and 2016 (Rupiah equivalent). Included in the table are the Bank's financial instruments by amounts carried, categorised by currency.

2017									
	Dolar Amerika Serikat/ United States Dollars	Yen	Euro	Dolar Hong Kong/ Hong Kong Dollars	Dolar Singapura/ Singapore Dollars	Pound Sterling	Dolar Australia/ Australian Dollars	Lain-lain/ Others	
<b>ASET</b>									<b>ASSETS</b>
Kas	42,909	1,665	13,503	1,084	49,601	3,856	14,695	4,559	Cash
Giro pada Bank Indonesia	3,160,284	-	-	-	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain dan Bank Indonesia	238,727	50,764	77,343	7,658	81,164	5,289	27,742	43,297	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	213,368	-	-	-	-	-	-	-	Placements with other banks and Bank Indonesia
Efek-efek	3,567,962	-	-	-	-	-	-	-	Marketable securities
Obligasi pemerintah	3,552,779	-	-	-	-	-	-	-	Government bonds
Tagihan derivatif	66,887	86	-	-	174	219	657	6	Derivative receivables
Pinjaman yang diberikan	27,252,975	61,764	5,238	3	632,627	-	-	-	Loans
Tagihan akseptasi	3,652,589	43,689	131,333	-	-	-	-	2,625	Acceptance receivables
Aset lain lain	309,518	33,168	19,583	-	470	215	2,568	1,920	Other assets
Cadangan kerugian penurunan nilai	(536,071)	(2,691)	(1,802)	-	(10,174)	-	-	(11)	Allowance for impairment losses
Jumlah aset	41,521,927	188,445	245,198	8,745	753,862	9,579	45,662	52,396	Total assets
<b>LIABILITAS</b>									<b>LIABILITIES</b>
Liabilitas segera	6,017	29,010	327	1,114	27,033	-	42,727	1,375	Obligations due immediately
Simpanan	29,843,783	372,784	464,354	7,390	2,220,535	486,412	586,955	190,176	Deposits
Liabilitas derivatif	39,063	133	127	-	780	677	893	84	Derivative liabilities
Liabilitas akseptasi	3,652,589	43,689	131,333	-	-	-	-	2,625	Acceptance payables
Beban yang masih harus dibayar	21,008	-	-	-	162	18	161	127	Accrued expenses
Liabilitas lain-lain	417,010	13,574	14,710	393	11,974	616	2,798	1,983	Other liabilities
Jumlah liabilitas	33,979,470	459,190	610,851	8,897	2,260,484	487,723	633,534	196,370	Total liabilities
Aset/(Liabilitas) Bersih	7,542,457	(270,745)	(365,653)	(152)	(1,506,622)	(478,144)	(587,872)	(143,974)	Net Assets/(Liabilities)
Jumlah								4,189,295	Total

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

b. Risiko pasar (lanjutan)

b. Market risk (continued)

(ii) Risiko nilai tukar mata uang asing

(ii) Foreign exchange risk

2017 (lanjutan/continued)

	Dolar Amerika Serikat/ United States Dollars	Yen	Euro	Dolar Hong Kong/ Hong Kong Dollars	Dolar Singapura/ Singapore Dollars	Pound Sterling	Dolar Australia/ Australian Dollars	Lain-lain/ Others	
<b>REKENING ADMINISTRATIF</b>									<b>ADMINISTRATIVE ACCOUNT</b>
Tagihan Kewajiban	18,516,942 (26,788,797)	329,820 (59,720)	539,377 (168,879)	-	2,075,107 (542,562)	935,255 (466,443)	1,217,491 (634,899)	201,083 (49,213)	Receivables Payables
Komitmen dan kontinjensi - bersih	(8,271,855)	270,100	370,498	-	1,532,545	468,812	582,592	151,870	Commitments and contingencies - net
Jumlah									Total
Posisi Devisa Neto	(729,398)	(645)	4,845	(152)	25,923	(9,332)	(5,280)	7,896	Net Open Position
Posisi Devisa Neto Absolut	729,398	645	4,845	152	25,923	9,332	5,280	10,782	Net Open Position Absolute
Jumlah								786,357	Total
Modal								22,485,314	Capital
Rasio PDN (Laporan posisi keuangan)								18.63%	NOP Ratio (On-Statement of financial position)
Rasio PDN (Keseluruhan)								3.50%	NOP Ratio (Overall)
Rasio maksimum PDN								20.00%	NOP maximum ratio

2016

	Dolar Amerika Serikat/ United States Dollars	Yen	Euro	Dolar Hong Kong/ Hong Kong Dollars	Dolar Singapura/ Singapore Dollars	Pound Sterling	Dolar Australia/ Australian Dollars	Lain-lain/ Others	
<b>ASET</b>									<b>ASSETS</b>
Kas	63,485	2,757	11,389	540	49,030	2,642	7,188	1,798	Cash
Giro pada Bank Indonesia	3,040,615	-	-	-	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain	131,259	34,817	35,197	6,096	72,265	7,570	28,232	32,896	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	28,893	-	-	-	-	-	-	-	Placements with other banks and Bank Indonesia
Efek-efek	5,560,703	-	-	-	-	-	-	-	Marketable securities
Obligasi pemerintah	3,265,531	-	-	-	-	-	-	-	Government bonds
Tagihan derivatif	17,559	-	328	-	20	-	67	16	Derivative receivables
Pinjaman yang diberikan	23,436,114	57,407	-	-	735,874	-	-	-	Loans
Tagihan akseptasi	3,035,452	21,280	61,754	-	2,149	-	-	-	Acceptance receivables
Aset lain lain	266,312	29,290	5,636	-	419	195	2,297	446	Other assets
Cadangan kerugian penurunan nilai	(459,001)	(998)	(626)	-	(19,073)	-	-	-	Allowance for impairment losses
Jumlah aset	38,386,922	144,553	113,678	6,636	840,684	10,407	37,784	35,156	Total assets
<b>LIABILITAS</b>									<b>LIABILITIES</b>
Liabilitas segera	21,916	407	17,195	-	2,600	-	20	14	Obligations due immediately
Simpanan	29,499,575	231,239	474,794	5,328	2,423,504	159,839	811,244	162,449	Deposits
Liabilitas derivatif	74,059	43	488	-	546	66	415	114	Derivative liabilities
Liabilitas akseptasi	3,035,452	21,280	61,754	-	2,149	-	-	-	Acceptance payables
Beban yang masih harus dibayar	12,471	-	3	-	47	2	173	46	Accrued expenses
Liabilitas lain-lain	356,077	16,822	4,977	288	12,298	2,876	5,061	8,444	Other liabilities
Jumlah liabilitas	32,999,550	269,791	559,211	5,616	2,441,144	162,783	816,913	171,067	Total liabilities
Aset/(Liabilitas) Bersih	5,387,372	(125,238)	(445,533)	1,020	(1,600,460)	(152,376)	(779,129)	(135,911)	Net Assets/(Liabilities)
Jumlah								2,149,745	Total

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## 3. FINANCIAL RISK MANAGEMENT (continued)

## b. Risiko pasar (lanjutan)

## b. Market risk (continued)

## (ii) Risiko nilai tukar mata uang asing (lanjutan)

## (ii) Foreign exchange risk (continued)

## 2016 (lanjutan/continued)

	Dolar Amerika Serikat/ United States Dollars	Yen	Euro	Dolar Hong Kong/ Hong Kong Dollars	Dolar Singapura/ Singapore Dollars	Pound Sterling	Dolar Australia/ Australian Dollars	Lain-lain/ Others	
<b>REKENING ADMINISTRATIF</b>									<b>ADMINISTRATIVE ACCOUNT</b>
Tagihan	11,799,890	370,815	556,631	-	2,104,600	152,842	1,096,356	206,837	Receivables
Kewajiban	(16,995,423)	(241,528)	(105,923)	-	(484,245)	(8,356)	(319,164)	(64,562)	Payables
Komitmen dan kontinjensi - bersih	(5,195,533)	129,287	450,708	-	1,620,355	144,486	777,192	142,275	Commitments and contingencies - net
Jumlah									Total
Posisi Devisa Neto	191,839	4,049	5,175	1,020	19,896	(7,890)	(1,937)	6,365	Net Open Position
Posisi Devisa Neto Absolut	191,839	4,049	5,175	1,020	19,896	7,890	1,937	16,725	Net Open Position Absolute
Jumlah								248,531	Total
Modal								20,341,833	Capital
Rasio PDN (Laporan posisi keuangan)								10.57%	NOP Ratio (On-Statement of financial position)
Rasio PDN (Keseluruhan)								1.22%	NOP Ratio (Overall)
Rasio maksimum PDN								20.00%	NOP maximum ratio

Sensitivitas Bank terhadap mata uang asing diperhitungkan dengan menggunakan informasi Posisi Devisa Neto yang ditranslasikan ke dalam mata uang asing utama Bank, yaitu USD. Tabel di bawah ini mengikhtisarkan sensitivitas laba sebelum pajak Bank atas perubahan nilai tukar mata uang asing pada tanggal 31 Desember 2017 dan 2016:

The Bank's sensitivity on foreign currencies is determined using the Net Open Position information that translated into the Bank's main foreign currency, which is USD. The table below shows the sensitivity of the Bank's income before tax to movement of foreign exchange rates on 31 December 2017 and 2016:

**Pengaruh pada laba  
sebelum pajak/  
Impact on income before tax**

	+5%	-5%
--	-----	-----

31 Desember 2017	(209,465)	209,465	31 December 2017
31 Desember 2016	(107,487)	107,487	31 December 2016

(iii) Risiko suku bunga dari posisi *Banking Book*(iii) Interest rate risk in *Banking Book*

Risiko tingkat bunga arus kas adalah risiko di mana arus kas masa depan dari suatu instrumen keuangan berfluktuasi karena perubahan suku bunga pasar. Risiko nilai wajar suku bunga adalah risiko di mana nilai dari suatu instrumen keuangan berfluktuasi karena perubahan suku bunga pasar. Bank memiliki eksposur terhadap fluktuasi tingkat suku bunga pasar yang berlaku baik atas risiko nilai wajar maupun arus kas. Margin bunga bisa meningkat sebagai hasil dari perubahan tersebut tetapi dapat menimbulkan kerugian ketika terdapat pergerakan yang tidak diharapkan.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may cause losses in the event that unexpected movements arise.

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**3. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**3. FINANCIAL RISK MANAGEMENT (continued)**

**b. Risiko pasar (lanjutan)**

**b. Market risk (continued)**

(iii) Risiko suku bunga dari posisi *Banking Book* (lanjutan)

(iii) *Interest rate risk in Banking Book (continued)*

Kebijakan yang dijalankan Bank dalam pengendalian terhadap risiko suku bunga:

*Policies adopted by the Bank in managing its interest rate risk include:*

- a) Melakukan pemantauan risiko suku bunga baik pada *trading book* maupun pada *ALM banking book (AFS)*.
- b) Mengukur sensitivitas nilai ekonomis laporan posisi keuangan terhadap perubahan suku bunga pasar menggunakan metode *Present Value of 1 Bp (PV01)* untuk mengantisipasi pergerakan suku bunga yang berpotensi merugikan.
- c) Melakukan pemantauan terhadap *Repricing Gap Profile Asset and Liabilities* secara keseluruhan dalam mengantisipasi pergerakan tren suku bunga pasar yang dapat menyebabkan kerugian.
- d) ALCO melakukan peninjauan ulang terhadap *Repriced Gap Strategy* setidaknya sekali dalam satu bulan.

- a) *Monitoring of interest rate risk for trading book and ALM banking book (AFS).*
- b) *Applying the Present Value of 1 Bp (PV01) methodology to measure the sensitivity of the Bank's statement of financial position and anticipate adverse movement of interest rate.*
- c) *Monitoring of overall Repricing Gap Profile Assets and Liabilities in order to anticipate adverse movement of interest rate.*
- d) *Regular review on Repriced Gap Strategy by ALCO at least once a month.*

Tabel di bawah ini mengikhtisarkan eksposur instrumen keuangan Bank terhadap risiko tingkat suku bunga yang dikategorikan menurut mana yang terlebih dahulu antara tanggal *repricing* atau tanggal jatuh tempo:

*The tables below summarise the Bank's exposure to interest rate risks which categorised by the earlier of contractual repricing or maturity dates:*

	2017									Jumlah/ Total	
	1 bulan atau kurang/ Less than 1 month	Lebih dari 1 bulan tapi tidak lebih dari 3 bulan/ Over 1 month to 3 months	Lebih dari 3 bulan tapi tidak lebih dari 1 tahun/ Over 3 months to 1 year	Lebih dari 1 tahun tapi tidak lebih dari 2 tahun/ 1 year to 2 years	Lebih dari 2 tahun tapi tidak lebih dari 3 tahun/ 2 years to 3 years	Lebih dari 3 tahun tapi tidak lebih dari 4 tahun/ 3 years to 4 years	Lebih dari 4 tahun tapi tidak lebih dari 5 tahun/ 4 years to 5 years	Lebih dari 5 tahun/ Over 5 years	Tidak dikenakan bunga/ Non interest bearing		
<b>Aset</b>											<b>Assets</b>
Kas	-	-	-	-	-	-	-	-	989,889	989,889	Cash
Giro pada Bank Indonesia	1,312,499	-	-	-	-	-	-	-	7,593,477	8,905,976	Current accounts with Bank Indonesia
Giro pada bank lain Penempatan pada bank lain	698,856	-	-	-	-	-	-	-	-	698,856	Current accounts with other banks
dan Bank Indonesia	2,557,744	675,483	1,603,114	-	-	-	-	-	-	4,836,341	Placements with other bank and Bank Indonesia
Efek – efek	1,578,156	2,759,930	4,764,143	1,269,542	1,805,512	372	23,680	188,264	(18,241)	12,371,358	Marketable securities
Obligasi pemerintah	3,236,570	202,877	1,117,838	7,109,837	1,378,436	751,206	328,620	316,037	-	14,441,421	Government bonds
Tagihan derivatif	-	-	-	-	-	-	-	-	291,131	291,131	Derivative receivables
Pinjaman yang diberikan	61,067,406	24,996,779	12,595,759	2,136,204	1,178,581	883,366	1,446,686	338,459	(2,453,446)	102,189,794	Loans
Tagihan akseptasi	-	-	-	-	-	-	-	-	3,998,241	3,998,241	Acceptance receivables
Aset lain-lain	44,853	49,706	133,086	-	-	-	-	-	877,004	1,104,649	Other assets
<b>Jumlah aset keuangan</b>	<b>70,496,084</b>	<b>28,684,775</b>	<b>20,213,940</b>	<b>10,515,583</b>	<b>4,362,529</b>	<b>1,634,944</b>	<b>1,798,986</b>	<b>842,760</b>	<b>11,278,055</b>	<b>149,827,656</b>	<b>Total financial assets</b>

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## 3. FINANCIAL RISK MANAGEMENT (continued)

## b. Risiko pasar (lanjutan)

## b. Market risk (continued)

(iii) Risiko suku bunga dari posisi *Banking Book*  
(lanjutan)(iii) Interest rate risk in *Banking Book* (continued)

		2017 (lanjutan/continued)										
		Lebih dari 1 bulan tapi tidak lebih dari 3 bulan/ Over 1 month to 3 months	Lebih dari 3 bulan tapi tidak lebih dari 1 tahun/ Over 3 months to 1 year	Lebih dari 1 tahun tapi tidak lebih dari 2 tahun/ 1 year to 2 years	Lebih dari 2 tahun tapi tidak lebih dari 3 tahun/ 2 years to 3 years	Lebih dari 3 tahun tapi tidak lebih dari 4 tahun/ 3 years to 4 years	Lebih dari 4 tahun tapi tidak lebih dari 5 tahun/ 4 years to 5 years	Lebih dari 5 tahun/ Over 5 years	Tidak dikenakan bunga/ Non interest bearing	Jumlah/ Total		
<b>Liabilitas</b>												
<b>Liabilities</b>												
Liabilitas segera	-	-	-	-	-	-	-	-	659,281	659,281	Obligations due immediately	
Simpanan dari nasabah	-	-	-	-	-	-	-	-	-	-	Deposits from customers	
- Giro	26,137,974	-	-	-	-	-	-	-	-	26,137,974	Current accounts -	
- Tabungan	14,202,570	616,794	2,265,187	309,436	143,529	20,515	22,864	21	-	17,580,916	Saving accounts -	
- Deposito berjangka	47,988,890	14,496,163	7,236,716	13	-	-	-	-	-	69,721,782	Time deposits -	
Simpanan dari bank lain	-	-	-	-	-	-	-	-	-	-	Deposits from other banks	
- Giro dan tabungan	175,723	-	-	-	-	-	-	-	-	175,723	Current and -	
- <i>Inter-bank call money</i>	4,609,713	-	-	-	-	-	-	-	-	4,609,713	saving accounts	
- Deposito berjangka	192,050	-	500	-	-	-	-	-	-	192,550	Inter-bank call money -	
Liabilitas derivatif	-	-	-	-	-	-	-	-	141,441	141,441	Time deposits -	
Liabilitas akseptasi	-	-	-	-	-	-	-	-	4,046,274	4,046,274	Derivative payables	
Beban yang masih harus dibayar	-	-	-	-	-	-	-	-	391,404	391,404	Acceptance payables	
Efek-efek yang diterbitkan	-	1,235,000	2,603,000	1,258,000	1,063,000	-	-	-	(10,389)	6,148,611	Accrued expenses	
Liabilitas lain-lain	-	-	-	-	-	-	-	-	901,236	901,236	Marketable securities issued	
<b>Jumlah liabilitas keuangan</b>	<b>93,306,920</b>	<b>16,347,957</b>	<b>12,105,403</b>	<b>1,567,449</b>	<b>1,206,529</b>	<b>20,515</b>	<b>22,864</b>	<b>21</b>	<b>6,129,247</b>	<b>130,706,905</b>	<b>Total financial liabilities</b>	
<b>Jumlah gap repricing suku bunga</b>	<b>(22,810,836)</b>	<b>12,336,818</b>	<b>8,108,537</b>	<b>8,948,134</b>	<b>3,156,000</b>	<b>1,614,429</b>	<b>1,776,122</b>	<b>842,739</b>	<b>5,148,808</b>	<b>19,120,751</b>	<b>Total interest repricing gap</b>	
<b>2016</b>												
<b>Aseset</b>												
<b>Assets</b>												
Kas	-	-	-	-	-	-	-	-	881,749	881,749	Cash	
Giro pada Bank Indonesia	170,872	-	-	-	-	-	-	-	7,847,674	8,018,546	Current accounts with Bank Indonesia	
Giro pada bank lain	485,592	-	-	-	-	-	-	-	-	485,592	Current accounts with other banks	
Penempatan pada bank lain dan Bank Indonesia	383,893	1,232,348	1,394,785	431,044	-	-	-	-	-	3,442,070	Placements with other bank and Bank Indonesia	
Efek – efek	454,192	2,031,811	9,849,606	789,684	1,228,224	-	-	-	(6,762)	14,346,755	Marketable securities	
Obligasi pemerintah	187,816	1,421,743	1,098,108	6,310,328	2,804,403	161,735	205,043	183,574	-	12,372,750	Government bonds	
Tagihan derivatif	-	-	-	-	-	-	-	-	351,939	351,939	Derivative receivables	
Pinjaman yang diberikan	64,670,803	18,344,543	2,238,239	3,131,478	1,261,825	234,294	820,734	900,286	(1,354,550)	90,247,652	Loans	
Tagihan akseptasi	-	-	-	-	-	-	-	-	3,485,765	3,485,765	Acceptance receivables	
Aset lain-lain	32,347	30,795	131,565	-	-	-	-	-	702,696	897,403	Other assets	
<b>Jumlah aset keuangan</b>	<b>66,385,515</b>	<b>23,061,240</b>	<b>14,712,303</b>	<b>10,662,534</b>	<b>5,294,452</b>	<b>396,029</b>	<b>1,025,777</b>	<b>1,083,860</b>	<b>11,908,511</b>	<b>134,530,221</b>	<b>Total financial assets</b>	

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

b. Risiko pasar (lanjutan)

b. Market risk (continued)

(iii) Risiko suku bunga dari posisi *Banking Book*  
(lanjutan)

(iii) Interest rate risk in *Banking Book* (continued)

2016 (lanjutan/continued)											
	1 bulan atau kurang/ Less than 1 month	Lebih dari 1 bulan tapi tidak lebih dari 3 bulan/ Over 1 month to 3 months	Lebih dari 3 bulan tapi tidak lebih dari 1 tahun/ Over 3 months to 1 year	Lebih dari 1 tahun tapi tidak lebih dari 2 tahun/ 1 year to 2 years	Lebih dari 2 tahun tapi tidak lebih dari 3 tahun/ 2 years to 3 years	Lebih dari 3 tahun tapi tidak lebih dari 4 tahun/ 3 years to 4 years	Lebih dari 4 tahun tapi tidak lebih dari 5 tahun/ 4 years to 5 years	Lebih dari 5 tahun/ Over 5 years	Tidak dikenakan bunga/ Non interest bearing	Jumlah/ Total	
<b>Liabilitas</b>											<b>Liabilities</b>
Liabilitas segera	-	-	-	-	-	-	-	-	444,398	444,398	Obligations due immediately
Simpanan dari nasabah	-	-	-	-	-	-	-	-	-	-	Deposits from customers
- Giro	24,511,895	-	-	-	-	-	-	-	-	24,511,895	Current accounts -
- Tabungan	14,955,257	196,348	1,066,993	69,674	-	-	-	-	1,202	16,289,474	Saving accounts -
- Deposito berjangka	45,094,560	14,213,608	3,217,199	233,224	-	-	-	-	-	62,758,591	Time deposits -
Simpanan dari bank lain	-	-	-	-	-	-	-	-	-	-	Deposits from other banks
- Giro dan tabungan	96,373	-	-	-	-	-	-	-	-	96,373	Current and -
- Inter-bank call money	2,378,000	-	-	-	-	-	-	-	-	2,378,000	saving accounts
- Deposito berjangka	11,667	20,000	1,000	-	-	-	-	-	-	32,667	Inter-bank call money -
Liabilitas derivatif	-	-	-	-	-	-	-	-	304,318	304,318	Time deposits -
Liabilitas akseptasi	-	-	-	-	-	-	-	-	3,513,459	3,513,459	Derivative payables
Efek-efek yang jual dengan janji dibeli kembali	1,345,723	-	-	-	-	-	-	-	-	1,345,723	Acceptance payables
Beban yang masih harus dibayar	-	-	-	-	-	-	-	-	392,544	392,544	Securities sold under repurchase agreements
Efek-efek yang diterbitkan	-	670,000	837,000	1,615,000	783,000	-	-	-	(6,009)	3,898,991	Accrued expenses
Liabilitas lain-lain	-	-	-	-	-	-	-	-	712,964	712,964	Marketable securities issued
Obligasi subordinasi	-	-	880,000	-	-	-	-	-	(629)	879,371	Other liabilities
	-	-	-	-	-	-	-	-	-	-	Subordinated bonds
<b>Jumlah liabilitas keuangan</b>	<b>88,393,475</b>	<b>15,099,956</b>	<b>6,002,192</b>	<b>1,917,898</b>	<b>783,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,362,247</b>	<b>117,558,768</b>	<b>Total financial liabilities</b>
<b>Jumlah gap repricing suku bunga</b>	<b>(22,007,960)</b>	<b>7,961,284</b>	<b>8,710,111</b>	<b>8,744,636</b>	<b>4,511,452</b>	<b>396,029</b>	<b>1,025,777</b>	<b>1,083,860</b>	<b>6,546,264</b>	<b>16,971,453</b>	<b>Total interest repricing gap</b>

Sebagai bagian dari manajemen risiko suku bunga, Bank menetapkan batasan risiko maksimum berupa limit eksposur PV01 yang secara aktif dimonitor dan dilaporkan oleh divisi manajemen risiko.

As part of interest rate risk management, the Bank set a limit of maximum risk PV01 exposure which is actively monitored and reported by risk management division.

Bank juga memonitor sensitivitas perubahan tingkat suku bunga terhadap pendapatan bunga bersih untuk 12 bulan ke depan.

The Bank also monitored sensitivity on the interest rate changes to the net interest income for the following 12 months.

Tabel berikut menyajikan sensitivitas pendapatan bunga bersih Bank terhadap peningkatan atau penurunan suku bunga. Untuk aset dan liabilitas keuangan dalam mata uang Rupiah, sensitivitas dihitung menggunakan peningkatan atau penurunan suku bunga sebesar 100 bps. Sedangkan, untuk aset dan liabilitas keuangan dalam mata uang USD, sensitivitas dihitung menggunakan peningkatan suku bunga sebesar 100 bps dan penurunan suku bunga sesuai tingkat minimum *yield curve* yang nilainya lebih rendah dari 100 bps.

This table presents a sensitivity of the Bank's net interest income due to an increase or decrease of interest rate. For financial assets and liabilities in Rupiah, sensitivity is calculated using the increase or decrease of interest rate by 100 bps. While, for financial assets and liabilities in USD, sensitivity is calculated using the increase of interest rate by 100 bps and decrease of interest rate in accordance with the minimum yield curve which is lower than 100 bps.

	Pendapatan bunga bersih/ Net interest income		
	Peningkatan suku bunga 100 bps/ Increase of interest rate by 100 bps	Penurunan suku bunga 100 bps/ Decrease of interest rate by 100 bps	
31 Desember 2017	(56,739)	56,739	31 December 2017
31 Desember 2016	(100,766)	81,890	31 December 2016

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## b. Risiko pasar (lanjutan)

(iii) Risiko suku bunga dari posisi *Banking Book*  
(lanjutan)Sensitivitas keuntungan/(kerugian) yang  
belum direalisasi atas efek-efek dan obligasi  
pemerintah dalam kelompok tersedia untuk  
dijualTabel di bawah ini mengikhtisarkan  
sensitivitas keuntungan/(kerugian) yang  
belum direalisasi atas efek-efek dalam  
kelompok tersedia untuk dijual Bank pada  
tanggal 31 Desember 2017 dan 2016 atas  
perubahan tingkat suku bunga terhadap  
pendapatan komprehensif lainnya yaitu:

Pengaruh terhadap keuntungan/(kerugian) yang belum direalisasi atas efek-efek dan obligasi pemerintah dalam kelompok tersedia untuk dijual/ <i>Impact to unrealised gains/(loss) on available for sale marketable securities and government bonds</i>	
Peningkatan/ Increase by 100bps	Penurunan/ Decrease by 100bps

31 Desember 2017

(207,536)

211,144

31 December 2017

31 Desember 2016

(233,091)

226,733

31 December 2016

Proyeksi di atas mengasumsikan bahwa  
seluruh variabel lainnya adalah konstan dan  
berdasarkan tanggal pelaporan yang konstan  
serta seluruh posisi hingga jatuh tempo.Sensitivitas atas laba bersih dan keuntungan  
yang belum direalisasi atas efek-efek dalam  
kelompok tersedia untuk dijual, tidak  
memperhitungkan efek dari lindung nilai dan  
tindakan-tindakan Bank untuk mengurangi  
risiko atas tingkat suku bunga. Dalam  
kenyataannya, Bank secara proaktif  
melakukan mitigasi atas efek prospektif  
pergerakan tingkat suku bunga.Tingkat suku bunga efektif rata-rata atas aset  
dan liabilitas keuangan Bank adalah sebagai  
berikut:

## 3. FINANCIAL RISK MANAGEMENT (continued)

## b. Market risk (continued)

(iii) Interest rate risk in *Banking Book* (continued)Sensitivity to unrealised gains/(loss) on  
available for sale marketable securities and  
government bondsThe table below shows the sensitivity of the  
Bank's unrealised gains/(loss) on available for  
sale marketable securities to movement of  
interest rates on 31 December 2017 and 2016  
to other comprehensive income:The projection above assumes that all other  
variables are held constant. It also assumes a  
constant reporting date position and that all  
positions run to maturity.The sensitivities of net income and unrealised  
gains on available for sale marketable  
securities, do not take into account the effects  
of hedging and do not incorporate actions that  
the Bank would take to mitigate the impact of  
this interest rate risks. In practice, the Bank  
proactively seeks to mitigate the effect of  
prospective interest movements.The average effective interest rate for the Bank  
financial assets and liabilities are as follows:

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**3. MANAJEMEN RISIKO KEUANGAN (lanjutan)**

**3. FINANCIAL RISK MANAGEMENT (continued)**

**b. Risiko pasar (lanjutan)**

**b. Market risk (continued)**

(iii) Risiko suku bunga dari posisi *Banking Book* (lanjutan)

(iii) *Interest rate risk in Banking Book (continued)*

	2017		2016		
	Rupiah/ Rupiah %	Mata uang asing/ Foreign currencies	Rupiah/ Rupiah %	Mata uang asing/ Foreign currencies	
<b>ASET</b>					<b>ASSETS</b>
Giro pada bank lain	0.47	0.19	0.48	0.04	<i>Current accounts with other banks</i>
Penempatan pada bank lain dan Bank Indonesia	6.42	1.06	7.20	0.42	<i>Placements with other banks and Bank Indonesia</i>
Efek-efek dan obligasi pemerintah	6.90	2.03	7.35	1.96	<i>Marketable securities and government bonds</i>
Pinjaman yang diberikan	10.74	5.32	11.77	5.30	<i>Loans</i>
<b>LIABILITAS</b>					<b>LIABILITIES</b>
Simpanan nasabah					<i>Deposits from customers</i>
- Giro	2.23	0.71	1.79	0.67	<i>Current accounts -</i>
- Tabungan	2.26	0.14	2.69	0.15	<i>Saving accounts -</i>
- Deposito berjangka	6.50	1.00	7.46	0.88	<i>Time deposits -</i>
Simpanan dari bank lain					<i>Deposits from other banks</i>
- Giro	1.30	-	1.44	-	<i>Current accounts -</i>
- Tabungan	0.49	-	0.75	-	<i>Saving accounts -</i>
- <i>Inter-bank call money</i>	4.85	1.26	5.07	0.49	<i>Inter-bank call money -</i>
- Deposito berjangka	5.34	0.08	6.13	0.43	<i>Time deposits -</i>
Pinjaman yang diterima	-	-	-	-	<i>Borrowings</i>
Efek-efek yang dijual dengan janji dibeli kembali	5.50	-	5.54	-	<i>Securities sold under repurchase agreements</i>
Efek-efek yang diterbitkan					<i>Marketable securities issued</i>
- Obligasi Berkelanjutan	8.60	-	9.06	-	<i>Continuous Bonds -</i>
- <i>Medium Term Notes</i>	-	-	7.55	-	<i>Medium Term Notes -</i>
Obligasi subordinasi	-	-	11.50	-	<i>Subordinated bonds</i>

**c. Risiko likuiditas**

**c. Liquidity risk**

Risiko likuiditas merupakan risiko yang muncul dari ketidakmampuan Bank dalam memenuhi kewajiban arus kas yang bersifat kontraktual baik untuk saat ini maupun di masa yang akan datang atau kewajiban yang diharuskan peraturan yang telah jatuh tempo tanpa mempengaruhi aktivitas harian dan menimbulkan kerugian yang tidak dapat diterima.

*Liquidity risk is defined as the current and prospective risk to earnings or capital arising from the Bank's inability to meet its current and future contractual cash flow or regulatory obligations when they are due without affecting daily operations and incurring unacceptable losses.*

Risiko ini mencakup ketidakmampuan dalam mengelola kekurangan atau perubahan sumber-sumber pendanaan yang tidak direncanakan dan kegagalan dalam mengenali atau mengatasi perubahan kondisi pasar yang kemudian mempengaruhi kemampuan untuk melikuidasi aset secara cepat dengan nilai kerugian yang minimal.

*This risk includes the inability to manage unplanned decreases or changes in funding sources and the failure to recognise or address changes in market conditions that affect the ability to liquidate assets quickly with minimal loss in value.*

Bank membuat laporan ketidaksesuaian arus kas berdasarkan arus kas sesuai waktu kontrak yang sebenarnya (dikenal sebagai "arus kas kontraktual"). Profil arus kas kontraktual mengalokasikan aset dan liabilitas ke dalam *time band* sesuai sisa jangka waktu jatuh temponya.

*The Bank prepares cash flow mismatch reports based on the actual contracted cash flows (known as "contractual cash flow"). The contractual cash flow profile allocates the Bank's assets and liabilities into time bands according to their remaining term to maturity.*

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## c. Risiko likuiditas (lanjutan)

Selain itu, Bank juga membuat laporan ketidaksesuaian arus kas berdasarkan asumsi *behavioural*. Arus kas ini (dikenal sebagai "arus kas *behavioural*") biasanya terkait dengan karakteristik produk, seperti waktu untuk aset yang telah jatuh tempo diperpanjang kembali, kemungkinan penarikan dini untuk deposito atau pola historis deposito yang diperpanjang. Untuk mengelola ketidaksesuaian arus kas, Bank menetapkan suatu batasan berupa *liquidity gap limit* yang disesuaikan dengan kebutuhan bisnis serta kemampuan Bank dalam memperoleh likuiditas segera.

Tabel berikut ini menyajikan arus kas kontraktual atas aset dan liabilitas keuangan - bruto Bank berdasarkan sisa periode sampai tanggal jatuh tempo sesuai kontrak.

## 3. FINANCIAL RISK MANAGEMENT (continued)

## c. Liquidity risk (continued)

In addition, the Bank also prepares cash flow mismatch reports based on behavioural assumptions. These cash flows (known as "behavioural cash flow") are typically associated with product characteristics, such as the time beyond, which maturing assets are rolled over, the likelihood of premature withdrawals of fixed deposits or the historical deposit rollover patterns. For managing cash flow mismatch, the Bank sets a liquidity gap limit align with its business requirements and its ability to obtain immediate liquidity.

The following tables show cash flows on the Bank's financial assets and liabilities - gross based on the remaining period to the contractual maturity date.

		2017							
	Nilai tercatat/ Carrying value <sup>*)</sup>	Tidak mempunyai kontrak jatuh tempo/ No contractual maturity	Sampai dengan 1 bulan/ Up to 1 month	> 1 bulan s/d 3 bulan/ > 1 month - 3 months	> 3 bulan s/d 12 bulan/ > 3 months - 12 months	> 1 tahun s/d 2 tahun/ > 1 year - 2 years	> 2 tahun s/d 5 tahun/ > 2 years - 5 years	Lebih dari 5 tahun/ More than 5 years	
<b>ASET</b>									<b>ASSETS</b>
Kas	989,889	-	989,889	-	-	-	-	-	Cash
Giro pada Bank Indonesia	8,905,976	-	8,905,976	-	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain	698,856	-	698,856	-	-	-	-	-	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	4,836,341	-	2,557,744	675,483	1,603,114	-	-	-	Placements with other banks and Bank Indonesia
Efek-efek	12,389,599	-	1,578,155	2,759,929	4,764,146	1,269,542	1,829,563	188,264	Marketable securities
Obligasi pemerintah	14,441,421	-	3,236,570	202,877	1,117,839	7,109,837	2,458,262	316,036	Government bonds
Tagihan derivatif	291,131	-	86,812	36,696	118,556	16,609	14,973	17,485	Derivative receivables
Pinjaman yang diberikan	106,349,408	-	6,831,184	9,674,048	28,690,888	5,443,915	27,844,851	27,864,522	Loans
Tagihan akseptasi	4,046,274	-	794,003	2,025,469	1,223,179	3,623	-	-	Acceptance receivables
Aset lain-lain	1,105,186	-	922,394	49,706	133,086	-	-	-	Other assets
Jumlah aset	154,054,081	-	26,601,583	15,424,208	37,650,808	13,843,526	32,147,649	28,386,307	Total assets
<b>LIABILITAS</b>									<b>LIABILITIES</b>
Liabilitas segera	659,281	-	659,281	-	-	-	-	-	Obligations due immediately
Simpanan nasabah	113,440,672	-	90,393,089	14,646,114	7,798,876	247,987	327,731	26,875	Deposits from customers
Simpanan dari bank lain	4,977,986	-	4,977,486	-	500	-	-	-	Deposits from other banks
Liabilitas derivatif	141,441	-	48,378	10,070	44,162	604	19,858	18,369	Derivative payables
Liabilitas akseptasi	4,046,274	-	794,003	2,025,469	1,223,179	3,623	-	-	Acceptance payables
Beban yang masih harus dibayar	391,404	-	391,404	-	-	-	-	-	Accrued expenses
Efek-efek yang diterbitkan	6,148,611	-	-	1,234,848	2,597,993	1,255,486	1,060,284	-	Marketable securities issued
Liabilitas lain-lain	901,236	-	901,236	-	-	-	-	-	Other liabilities
Jumlah liabilitas	130,706,905	-	98,164,877	17,916,501	11,664,710	1,507,700	1,407,873	45,244	Total liabilities
Aset Bersih	23,347,176	-	(71,563,294)	(249,245)	25,985,868	12,335,826	30,739,776	28,341,063	Net Asset

\*) Tidak termasuk cadangan kerugian penurunan nilai.

Excluding allowance for impairment losses \*)

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

c. Risiko likuiditas (lanjutan)

c. Liquidity risk (continued)

		2016							
	Nilai tercatat/ Carrying value <sup>*)</sup>	Tidak mempunyai kontrak jatuh tempo/ No contractual maturity	Sampai dengan 1 bulan/ Up to 1 month	> 1 bulan s/d 3 bulan/ > 1 month - 3 months	> 3 bulan s/d 12 bulan/ > 3 months 12 months	> 1 tahun s/d 2 tahun/ > 1 year - 2 years	> 2 tahun s/d 5 tahun/ > 2 years - 5 years	Lebih dari 5 tahun/ More than 5 years	
<b>ASET</b>									
Kas	881,749	-	881,749	-	-	-	-	-	ASSETS
Giro pada Bank Indonesia	8,018,546	-	8,018,546	-	-	-	-	-	Cash
Giro pada bank lain	485,592	-	485,592	-	-	-	-	-	Current accounts with Bank Indonesia
Penempatan pada bank lain dan Bank Indonesia	3,442,070	-	383,893	1,232,348	1,394,785	431,044	-	-	Current accounts with other banks
Efek-efek	14,353,517	-	454,192	2,031,811	9,849,606	789,684	1,228,224	-	Placements with other banks and Bank Indonesia
Obligasi pemerintah	12,372,750	-	187,816	1,421,743	1,098,107	6,310,329	3,171,180	183,575	Marketable securities
Tagihan derivatif	351,939	-	32,914	63,998	158,479	89,288	7,260	-	Government bonds
Pinjaman yang diberikan	93,362,639	-	4,921,947	8,055,525	28,519,818	5,763,756	22,232,120	23,869,473	Derivative receivables
Tagihan akseptasi	3,513,459	-	1,058,822	1,585,975	823,462	45,200	-	-	Loans
Aset lain-lain	898,519	-	737,357	29,597	131,565	-	-	-	Acceptance receivables
									Other assets
Jumlah aset	137,680,780	-	17,162,828	14,420,997	41,975,822	13,429,301	26,638,784	24,053,048	Total assets
<b>LIABILITAS</b>									
Liabilitas segera	444,398	-	444,398	-	-	-	-	-	LIABILITIES
Simpanan nasabah	103,559,960	-	84,607,056	14,317,685	3,648,460	634,177	315,582	37,000	Obligations due immediately
Simpanan dari bank lain	2,507,040	-	2,486,040	20,000	1,000	-	-	-	Deposits from customers
Liabilitas derivatif	304,318	-	83,803	51,049	111,203	54,330	3,933	-	Deposits from other banks
Liabilitas akseptasi	3,513,459	-	1,058,822	1,585,975	823,462	45,200	-	-	Derivative payables
Beban yang masih harus dibayar	392,544	-	392,544	-	-	-	-	-	Acceptance payables
Pinjaman yang diterima									Accrued expenses
Efek-efek yang dijual dengan janji dibeli kembali	1,345,723	-	1,345,723	-	-	-	-	-	Borrowings
Efek-efek yang diterbitkan	3,898,991	-	-	669,882	835,815	1,612,589	780,705	-	Securities sold under repurchase agreements
Liabilitas lain-lain	712,964	-	712,964	-	-	-	-	-	Marketable securities issued
Obligasi subordinasi	879,371	-	-	-	879,371	-	-	-	Other liabilities
Jumlah liabilitas	117,558,768	-	91,131,350	16,644,591	6,299,311	2,346,296	1,100,220	37,000	Subordinated bonds
Aset Bersih	20,122,012	-	(73,968,522)	(2,223,594)	35,676,511	11,083,005	25,538,564	24,016,048	Total liabilities
									Net Asset

\*) Tidak termasuk cadangan kerugian penurunan nilai.

Excluding allowance for impairment losses \*)

Perkiraan arus kas Bank atas instrumen-instrumen tersebut berbeda dengan analisa ini. Sebagai contoh, simpanan nasabah diharapkan untuk memiliki saldo yang stabil atau meningkat sedangkan fasilitas pinjaman yang diberikan yang belum digunakan tidak semua diharapkan untuk digunakan secepatnya.

The Bank's expected cash flows on these instruments vary significantly from this analysis. For example, deposits from customers are expected to maintain a stable or increasing balance, and unused committed loan facilities are not all expected to be drawn immediately.

Tabel jatuh tempo berikut ini menyajikan informasi mengenai perkiraan jatuh tempo dari liabilitas sesuai arus kas kontraktual yang tidak didiskontokan tanggal 31 Desember 2017 dan 2016.

The maturity tables below provide information about maturities on contractual undiscounted cash flows of liabilities on 31 December 2017 and 2016.

		2017					
	Jumlah/ Total	Kurang dari/ Less than 1 bulan/month	1 - 3 bulan/ months	3 - 12 bulan/ months	1 - 5 tahun/ years	Lebih dari/ More than 5 tahun/years	
<b>Liabilitas segera</b>							
Simpanan nasabah	659,281	659,281	-	-	-	-	Obligations due immediately
Giro	26,139,110	26,139,110	-	-	-	-	Deposits from customers
Tabungan	17,626,934	16,266,555	150,830	571,591	606,441	31,517	Current accounts
Deposito berjangka	70,146,256	48,098,592	14,627,195	7,420,455	14	-	Saving accounts
Simpanan dari bank lain	4,977,617	4,977,617	-	521	-	-	Time deposits
Liabilitas derivatif	150,952	53,831	29,843	69,342	20,462	18,398	Deposits from other banks
Liabilitas akseptasi	4,046,274	794,003	2,025,469	1,223,179	3,623	-	Derivative payables
Beban yang masih harus dibayar	391,404	391,404	-	-	-	-	Acceptance payables
Efek-efek yang diterbitkan	6,707,742	-	1,353,035	2,829,528	2,525,179	-	Accrued expenses
Liabilitas lain-lain	901,236	901,236	-	-	-	-	Marketable securities issued
							Other liabilities
Jumlah liabilitas	131,746,806	98,281,629	18,186,372	12,114,616	3,155,719	49,915	

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## 3. FINANCIAL RISK MANAGEMENT (continued)

## c. Risiko likuiditas (lanjutan)

## c. Liquidity risk (continued)

		2016						
	Jumlah/ Total	Kurang dari/ Less than 1 bulan/month	1 – 3 bulan/ months	3 – 12 bulan/ months	1 – 5 tahun/ years	Lebih dari/ More than 5 tahun/years		
Liabilitas segera	444,398	444,398	-	-	-	-	Obligations due immediately	
Simpanan nasabah							Deposits from customers	
Giro	24,512,775	24,512,775	-	-	-	-	Current accounts	
Tabungan	16,346,539	15,000,969	104,697	439,928	758,320	42,625	Saving accounts	
Deposito berjangka	63,101,770	45,191,385	14,351,816	3,318,397	240,172	-	Time deposits	
Simpanan dari bank lain	2,508,291	2,487,073	20,172	1,046	-	-	Deposits from other banks	
Liabilitas derivatif	596,810	127,913	114,339	279,878	74,680	-	Derivative payables	
Liabilitas akseptasi	3,513,459	1,058,822	1,585,975	823,462	45,200	-	Acceptance payables	
Beban yang masih harus dibayar	394,544	394,544	-	-	-	-	Accrued expenses	
Efek-efek yang dijual dengan janji dibeli kembali	1,345,723	1,345,723	-	-	-	-	Securities sold under repurchase agreements	
Efek-efek yang diterbitkan	4,312,258	-	755,446	1,016,458	2,540,354	-	Marketable securities issued	
Liabilitas lain-lain	712,964	712,964	-	-	-	-	Other liabilities	
Obligasi subordinasi	929,940	-	24,970	904,970	-	-	Subordinated bonds	
	<u>118,719,471</u>	<u>91,276,566</u>	<u>16,957,415</u>	<u>6,784,139</u>	<u>3,658,726</u>	<u>42,625</u>		

Informasi mengenai perkiraan cash outflow dari rekening administratif pada tanggal 31 Desember 2017 dan 2016.

The tables below provide information about estimated cash outflow of off-balance sheet as at 31 December 2017 and 2016.

		2017						
	Jumlah/ Total	Kurang dari/ Less than 1 bulan/month	1 – 3 bulan/ months	3 – 12 bulan/ months	1 – 5 tahun/ years	Lebih dari/ More than 5 tahun/years		
Fasilitas pinjaman yang diberikan yang belum ditarik - committed	8,277,087	30,000	-	257,534	3,077,543	4,912,010	Undrawn loan facilities - committed	
Irrevocable letters of credit yang masih berjalan	4,090,235	1,432,597	1,922,823	734,815	-	-	Outstanding irrevocable letters of credit	
Garansi yang diberikan	3,805,960	1,242,664	479,174	1,599,443	482,172	2,507	Guarantees issued	
Standby letter of credit	582,183	85,838	268,651	205,685	22,009	-	Standby letter of credit	
	<u>16,755,465</u>	<u>2,791,099</u>	<u>2,670,648</u>	<u>2,797,477</u>	<u>3,581,724</u>	<u>4,914,517</u>		

		2016						
	Jumlah/ Total	Kurang dari/ Less than 1 bulan/month	1 – 3 bulan/ months	3 – 12 bulan/ months	1 – 5 tahun/ years	Lebih dari/ More than 5 tahun/years		
Fasilitas pinjaman yang diberikan yang belum ditarik - committed	7,191,946	36,038	12,625	337,630	2,465,873	4,339,780	Undrawn loan facilities - committed	
Irrevocable letters of credit yang masih berjalan	3,328,721	701,475	1,805,137	570,764	251,345	-	Outstanding irrevocable letters of credit	
Garansi yang diberikan	3,930,492	778,188	843,078	1,903,100	406,126	-	Guarantees issued	
Standby letter of credit	448,990	51,754	131,842	195,876	69,518	-	Standby letter of credit	
	<u>14,900,149</u>	<u>1,567,455</u>	<u>2,792,682</u>	<u>3,007,370</u>	<u>3,192,862</u>	<u>4,339,780</u>		

## d. Risiko operasional

## d. Operational risk

Risiko Operasional merupakan risiko atas kerugian dari ketidakcukupan/kegagalan proses internal, manusia, sistem dan manajemen atau kerugian dari kejadian eksternal.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, system and management or losses from external events.

Bank telah melakukan pengelolaan risiko operasional yang meliputi *risk identification*, *risk assessment*, *risk treatment*, *risk monitoring* dan *reporting* dengan tujuan agar eksposur risiko atau kerugian yang mungkin timbul dapat dikendalikan secara memadai dan masih dalam batas *Risk Appetite* Bank.

The Bank has implemented operational risk management covering *risk identification*, *risk assessment*, *risk treatment*, *risk monitoring* and *reporting* in order to properly control and keep risk exposure or potential loss within the Bank's *risk appetite*.

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

## d. Risiko operasional (lanjutan)

Bank telah memiliki infrastruktur yang memadai untuk mendukung pelaksanaan proses manajemen risiko, antara lain tersedianya sistem aplikasi atau database pengelolaan risiko operasional, *tools* pengelolaan risiko operasional, personil yang mendukung pengelolaan risiko operasional pada berbagai unit kerja serta dukungan *top management* dalam pelaksanaan risiko operasional.

Identifikasi, *assessment* dan mitigasi risiko dilakukan antara lain dengan menerapkan kebijakan *New Product Approval Process* (NPAP) sebelum produk/program diimplementasi, pelaporan kejadian risiko operasional, pengujian *Risk and Control Self Assessment* (RCSA), *Key Risk Indicator* (KRI) serta hasil analisa *emerging risk*. Monitoring atas perbaikan kontrol dilakukan secara berkesinambungan terhadap kejadian risiko operasional yang telah teridentifikasi.

Pengawasan secara aktif oleh Direksi dan Komisaris Bank atas laporan profil risiko dan pelaksanaan manajemen risiko dilakukan secara berkala melalui berbagai rapat komite, seperti Komite Manajemen Risiko Operasional, *Board Risk Committee* dan *Risk Monitoring Committee*.

Untuk pengelolaan risiko *fraud*, Bank telah memiliki dokumen kebijakan dan prosedur penanganan *fraud* yang dikinikan secara berkala. Selain itu Bank mendorong seluruh karyawan untuk melaporkan indikasi kejadian *fraud* (*whistleblower*) apabila mengetahuinya. Direksi Bank terlibat aktif dalam pengelolaan risiko *fraud* antara lain memberikan pengarahan atas strategi pengelolaan risiko *fraud*, pengawasan penanganan kejadian *fraud*, pemberian sanksi dan monitoring perkembangan perbaikan kontrol untuk memastikan kejadian yang sama dapat dicegah atau diminimalisir. Hal ini dilakukan melalui Komite *Fraud* yang diketuai oleh Presiden Direktur maupun dalam rapat *Board Risk Committee* atau Komite Manajemen Risiko Operasional. Apabila ada kejadian yang sifatnya signifikan, maka ketua Tim Penanganan *Fraud* dapat melaporkannya secara langsung kepada ketua Komite *Fraud* atau Komisaris. Untuk memitigasi dampak finansial akibat kejadian *fraud*, Bank telah memiliki asuransi perlindungan terhadap *fraud*.

## 3. FINANCIAL RISK MANAGEMENT (continued)

## d. Operational risk (continued)

The Bank has the infrastructure to support such risk management process, such as application system or operational risk management database, operational risk management tools, staffs supporting the management of operational risk in all working units and support from top management in managing operational risk.

Risk identification, assessment and mitigation have been implemented such as by implementing New Product Approval Process (NPAP) before implementing such product/program, operational risk event reporting, assessment of Risk and Control Self Assessment (RCSA), Key Risk Indicator (KRI) and also the result of emerging risk analysis. The monitoring of control enhancement has been implemented continuously on identified operational risk event.

The Board of Directors and the Board of Commissioners actively monitor the Bank's risk profile report and its risk management implementation periodically through various committee meetings, such as Operational Risk Management Committee, Board Risk Committee and Risk Monitoring Committee.

In terms of the managing of fraud risk, the Bank has documented fraud handling policy and procedure which are up dated regularly. In addition, the Bank encourages all staffs to report any fraud event indication (*whistleblower*) if they recognise it. The Bank's Board of Directors are actively involved in fraud risk management by providing strategic direction on fraud risk management, the monitoring of fraud handling, the sanction concerning fraud event, and the monitoring of control improvement to prevent or minimise the occurrence of similar event. This action is performed through Fraud Committee that is chaired by the President Director or through Board Risk Committee Meeting or Operational Risk Management Committee. If there is any significant event, the Chairman of Fraud Handling Team may directly report to the Head of Fraud Committee or Board of Commissioners. To mitigate financial impact from fraud events, the Bank has -insurance covers for fraud.

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**3. MANAJEMEN RISIKO KEUANGAN (lanjutan)**
**d. Risiko operasional (lanjutan)**

Bank secara terus menerus membangun lingkungan budaya yang mendukung pelaksanaan manajemen risiko operasional. Melalui penguatan pada tiga lini pertahanan (*three line of defense*) yaitu unit bisnis dan unit fungsional sebagai lini pertahanan pertama, manajemen risiko operasional sebagai lini pertahanan kedua dan Internal Audit sebagai lini pertahanan ketiga.

**e. Risiko hukum**

Risiko hukum merupakan risiko yang disebabkan oleh adanya kelemahan aspek yuridis, yang antara lain disebabkan adanya tuntutan hukum, ketiadaan peraturan perundang-undangan yang mendukung atau kelemahan pengikatan seperti tidak dipenuhinya syarat sahnya kontrak dan pengikatan agunan yang tidak sempurna.

Pengelolaan risiko hukum dilakukan untuk memastikan agar seluruh aktivitas dan hubungan kegiatan usaha Bank dengan pihak ketiga didasarkan pada aturan dan persyaratan yang dapat melindungi kepentingan Bank dari segi hukum.

**f. Risiko reputasi**

Risiko reputasi timbul dari adanya pemberitaan negatif terkait dengan kegiatan usaha Bank atau persepsi negatif mengenai Bank. Mengingat risiko reputasi ini bukan merupakan risiko yang dikelola secara terpisah dari risiko-risiko lainnya, khususnya bagi bank dengan kompleksitas usaha yang tinggi, maka pengelolaan setiap aktivitas fungsional Bank sedapat mungkin terintegrasi ke dalam suatu sistem dan proses pengelolaan risiko yang akurat dan komprehensif. Penanganan keluhan dari nasabah telah terintegrasi dalam sistem CHM (*Complaint Handling Management*) Bank.

**g. Risiko stratejik**

Risiko stratejik mengacu pada risiko yang disebabkan oleh adanya keputusan dan/atau penerapan strategi Bank yang tidak tepat, pengambilan keputusan strategis yang tidak tepat, atau kegagalan Bank dalam merespon perubahan-perubahan eksternal.

Bank mengelola risiko stratejik melalui proses pertimbangan dan pengambilan keputusan secara kolektif dan komprehensif di lingkungan komite-komite pengawasan dan eksekutif, yang turut mempengaruhi dan berdampak pada langkah-langkah bisnis yang akan diambil dalam kerangka kebijakan dan arah yang telah ditetapkan.

**3. FINANCIAL RISK MANAGEMENT (continued)**
**d. Operational risk (continued)**

*The Bank has continuously developed its culture and support the implementation for operational risk management through the implementation of the three line of defense which consist of the business or functional unit as the first line of defence, operational risk management as second line of defence and internal audit as third line of defence.*

**e. Legal risk**

*Legal risk can be caused by weaknesses in legal aspects such as lawsuits, an absence of clear and supportive laws, or weaknesses in contracts, claims or collateral agreements.*

*Legal risk are managed by ensuring that all activities and business relationships between the Bank and third parties are based on rules and conditions that are capable of protecting the Bank's interests from a legal perspective.*

**f. Reputation risk**

*Reputation risk arise from negative publicity concerning the operations of the Bank or negative perceptions of the Bank. Given that reputation risk management is an integral part of risk management, especially in a bank with highly complex operations, the management of each functional aspect of the Bank is integrated into a single accurate and comprehensive risk management system and process as much as possible. The Bank has established an integrated CHM system (Complaint Handling Management) to handle complain from customer.*

**g. Strategic risk**

*Strategic risk refers to the risk of a bad outcome attributed due to a decision and/or implementation of the Bank's strategy, a bad or misjudged strategic decision or the Bank's failure to respond to external changes.*

*The Bank manages strategic risks through a comprehensive and collective consideration and decision-making processes encompassing areas of the supervisory and executive committees that influence and impact business decisions on policies and directions that the Bank will embark on.*

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

h. Risiko kepatuhan

Risiko kepatuhan merupakan risiko yang timbul ketika Bank tidak mematuhi atau tidak melaksanakan peraturan perundang-undangan dan ketentuan lain yang berlaku. Risiko kepatuhan, jika tidak dikelola dengan baik, berpotensi pada pengenaan denda, hukuman, atau rusaknya reputasi.

Bank melakukan identifikasi dan pengelolaan risiko kepatuhan sejak awal dengan memberikan bantuan kepada unit bisnis dan unit operasional dalam hal pengembangan produk dan aktivitas baru dan secara aktif melakukan penilaian terhadap kebijakan Pedoman dan Prosedur Internal yang dimiliki oleh Bank untuk memastikan bahwa seluruh peraturan eksternal telah diakomodir sedemikian rupa dan selanjutnya untuk dipatuhi dalam pelaksanaannya.

i. Nilai wajar aset dan liabilitas keuangan

Tabel dibawah ini menggambarkan nilai tercatat dan nilai wajar dari aset dan liabilitas keuangan yang tidak disajikan di laporan posisi keuangan Bank pada nilai wajarnya:

	2017	
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value
<b>Aset</b>		
Kas	989,889	989,889
Giro pada Bank Indonesia	8,905,976	8,905,976
Giro pada bank lain	698,856	698,856
Penempatan pada bank lain dan Bank Indonesia	4,836,341	4,836,341
Efek - efek		
- Pinjaman yang diberikan dan piutang	156,967	156,967
Pinjaman yang diberikan	102,189,794	102,715,930
Tagihan akseptasi	3,998,241	3,998,241
Aset lain-lain	1,104,649	1,104,649
	<u>122,880,713</u>	<u>123,406,849</u>
<b>Liabilitas</b>		
Liabilitas segera	659,281	659,281
Simpanan nasabah		
- Giro	26,137,974	26,137,974
- Tabungan	17,580,916	17,574,584
- Deposito berjangka	69,721,782	69,721,782
Simpanan dari bank lain		
- Giro dan tabungan	175,723	175,723
- Inter-bank call money	4,609,713	4,609,713
- Deposito berjangka	192,550	192,550
Liabilitas akseptasi	4,046,274	4,046,274
Beban yang masih harus dibayar	391,404	391,404
Efek-efek yang diterbitkan	6,148,611	6,045,208
Liabilitas lain-lain	901,236	901,236
	<u>130,565,464</u>	<u>130,455,729</u>

3. FINANCIAL RISK MANAGEMENT (continued)

h. Compliance risk

Compliance risk is the risk when the Bank does not comply or implement current laws and regulations and other policies. If compliance risk is not managed well, it will potentially lead to penalty charges, punishments, or damage to reputation.

The Bank implements early detection and management of compliance risks by providing assistance to business and operational units and new product and new activity for developments and also evaluated the Bank's Guidelines and Procedures to ensure that all external regulations have been accommodated and implemented correctly.

i. Fair value of financial assets and liabilities

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not presented in the Bank's statement of financial position at their fair values:

	Assets
	Cash
	Current accounts with Bank Indonesia
	Current accounts with other banks
	Placements with other banks and Bank Indonesia
	Marketable securities
	Loans and receivables -
	Loans
	Acceptance receivables
	Other assets
	<b>Liabilities</b>
	Obligations due immediately
	Deposits from customers
	Current accounts -
	Saving accounts -
	Time deposits -
	Deposits from other banks
	Current and saving accounts -
	Inter-bank call money -
	Time deposits -
	Acceptance payables
	Accrued expenses
	Marketable securities issued
	Other liabilities

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

i. Nilai wajar aset dan liabilitas keuangan  
(lanjutan)

	2016	
	Nilai tercatat/ <i>Carrying value</i>	Nilai wajar/ <i>Fair value</i>
<b>Aset</b>		
Kas	881,749	881,749
Giro pada Bank Indonesia	8,018,546	8,018,546
Giro pada bank lain	485,592	485,592
Penempatan pada bank lain dan Bank Indonesia	3,442,070	3,442,070
Efek - efek		
- Pinjaman yang diberikan dan piutang	192,152	192,152
Pinjaman yang diberikan	90,247,652	90,751,435
Tagihan akseptasi	3,485,765	3,485,765
Aset lain-lain	897,403	897,403
	<u>107,650,929</u>	<u>108,154,712</u>
<b>Liabilitas</b>		
Liabilitas segera	444,398	444,398
Simpanan nasabah		
- Giro	24,511,895	24,511,895
- Tabungan	16,289,474	16,282,062
- Deposito berjangka	62,758,591	62,752,155
Simpanan dari bank lain		
- Giro dan tabungan	96,373	96,373
- <i>Inter-bank call money</i>	2,378,000	2,378,000
- Deposito berjangka	32,667	32,667
Liabilitas akseptasi	3,513,459	3,513,459
Beban yang masih harus dibayar	392,544	392,544
Efek-efek yang dijual dengan janji dibeli kembali	1,345,723	1,345,723
Efek-efek yang diterbitkan	3,898,991	3,569,723
Liabilitas lain-lain	712,964	712,964
Obligasi subordinasi	879,371	874,514
	<u>117,254,450</u>	<u>116,906,477</u>

(i) Kas, giro pada Bank Indonesia, giro pada bank lain, penempatan pada bank lain dan Bank Indonesia, efek-efek, efek-efek yang dibeli dengan janji dijual kembali, tagihan akseptasi dan aset lain-lain.

Nilai tercatat dari giro dan penempatan dengan suku bunga mengambang adalah perkiraan yang layak atas nilai wajar.

Estimasi nilai wajar terhadap kas, penempatan dengan suku bunga tetap, efek-efek, efek-efek yang dibeli dengan janji dijual kembali, tagihan akseptasi dan aset lain-lain ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga pasar uang yang berlaku untuk utang dengan risiko kredit dan sisa jatuh tempo yang serupa. Karena sisa jatuh tempo di bawah 1 tahun, nilai tercatat dari penempatan dengan suku bunga tetap, efek-efek, efek-efek yang dibeli dengan janji dijual kembali, tagihan akseptasi dan aset lain-lain adalah perkiraan yang layak atas nilai wajar.

## 3. FINANCIAL RISK MANAGEMENT (continued)

i. Fair value of financial assets and liabilities  
(continued)

		<b>Assets</b>
		Cash
		Current accounts with Bank Indonesia
		Current accounts with other banks
		Placements with other banks and Bank Indonesia
		Marketable securities
		Loans and receivables - Loans
		Acceptance receivables
		Other assets
		<b>Liabilities</b>
		Obligations due immediately
		Deposits from customers
		Current accounts - Saving accounts - Time deposits - Deposits from other banks
		Current and saving accounts - Inter-bank call money - Time deposits - Acceptance payables
		Accrued expenses
		Securities sold under repurchase agreements
		Marketable securities issued
		Other liabilities
		Subordinated bonds

(i) Cash, current accounts with Bank Indonesia, current accounts with other bank, placements with other banks and Bank Indonesia, marketable securities, securities purchased under resale agreements, acceptance receivables and other assets.

The carrying amount of floating rate current account and placements is a reasonable approximation of fair value.

The estimated fair value of cash, fixed interest-bearing placements, marketable securities, securities purchased under resale agreements, acceptance receivables and other assets is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. Since the maturity is below 1 year, the carrying amount of fixed interest-bearing placements, marketable securities, securities purchased under resale agreement acceptance receivables and other assets is a reasonable approximation of fair value.

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**3. MANAJEMEN RISIKO KEUANGAN (lanjutan)****i. Nilai wajar aset dan liabilitas keuangan  
(lanjutan)****(ii) Pinjaman yang diberikan**

Pinjaman yang diberikan dinyatakan berdasarkan jumlah nilai tercatat setelah dikurangi oleh cadangan kerugian penurunan nilai.

Nilai tercatat dari pinjaman yang diberikan dengan suku bunga mengambang adalah perkiraan yang layak atas nilai wajar.

Estimasi nilai wajar dari pinjaman yang diberikan mencerminkan jumlah diskonto dari estimasi kini dari arus kas masa depan yang diharapkan akan diterima. Arus kas yang diharapkan didiskontokan pada tingkat suku bunga pasar terkini untuk menentukan nilai wajar.

**(iii) Liabilitas segera, simpanan nasabah dan simpanan dari bank lain, liabilitas akseptasi, beban yang masih harus dibayar, pinjaman yang diterima dan liabilitas lain-lain.**

Estimasi nilai wajar simpanan tanpa jatuh tempo, termasuk simpanan tanpa bunga adalah sebesar jumlah terhutang ketika utang tersebut dibayarkan.

Estimasi nilai wajar terhadap liabilitas segera, simpanan dengan tingkat suku bunga tetap, liabilitas akseptasi, beban yang masih harus dibayar, pinjaman yang diterima dan liabilitas lain-lain yang tidak memiliki kuotasi di pasar aktif ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga utang baru dengan sisa jatuh tempo yang serupa. Untuk sisa jatuh tempo dibawah satu tahun, nilai tercatat dari liabilitas segera, simpanan dengan suku bunga tetap, liabilitas akseptasi, beban yang masih harus dibayar, pinjaman yang diterima dan liabilitas lain-lain adalah perkiraan yang layak atas nilai wajar.

**(iv) Efek-efek yang diterbitkan dan obligasi subordinasi**

Nilai wajar agregat dihitung berdasarkan harga pasar kuotasi. Jika informasi ini tidak tersedia, model diskonto arus kas digunakan berdasarkan kurva *yield* terkini yang sesuai dengan sisa periode jatuh temponya.

**3. FINANCIAL RISK MANAGEMENT (continued)****i. Fair value of financial assets and liabilities  
(continued)****(ii) Loans**

*Loans are recognised at carrying amount net of charges for impairment.*

*The carrying amount of floating rate loans is a reasonable approximation of fair value.*

*The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received. Estimated cash flows are discounted at current market rates to determine fair value.*

**(iii) Obligations due immediately, deposits from customers and deposits from other banks, acceptance payables, accrued expenses, borrowings and other liabilities.**

*The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand.*

*The estimated fair value of obligations due immediately, fixed interest-bearing deposits, acceptance payables, accrued expenses, borrowings and other liabilities not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. For the maturity below one year, the carrying amount of obligations due immediately, fixed interest-bearing deposits, acceptance payables, accrued expenses, borrowings and other liabilities is a reasonable approximation of fair value.*

**(iv) Marketable securities issued and subordinated bonds**

*The aggregate fair values are calculated based on quoted market prices. For those where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining item to maturity.*

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

i. Nilai wajar aset dan liabilitas keuangan  
(lanjutan)

Aset dan liabilitas keuangan yang diukur pada nilai wajar menggunakan hierarki nilai wajar sebagai berikut:

- a. Tingkat 1  
Harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik;
- b. Tingkat 2  
Input selain harga kuotasian yang termasuk dalam Tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung (misalnya harga) maupun tidak langsung (misalnya derivasi harga); dan
- c. Tingkat 3  
Input untuk aset atau liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Instrumen keuangan yang diukur pada nilai wajar

Tabel berikut menyajikan aset dan liabilitas Bank yang diukur sebesar nilai wajar pada tanggal 31 Desember 2017 dan 2016 berdasarkan hierarki nilai wajar:

	2017				Nilai wajar/ Fair value	
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3		
<b>Aset</b>						<b>Assets</b>
Efek-efek	12,231,494	5,073,651	7,157,843	-	12,231,494	Marketable securities
Obligasi pemerintah	14,441,421	14,441,421	-	-	14,441,421	Government bonds
Tagihan derivatif	291,131	2,000	289,131	-	291,131	Derivative receivables
	<u>26,964,046</u>	<u>19,517,072</u>	<u>7,446,974</u>	<u>-</u>	<u>26,964,046</u>	
<b>Liabilitas</b>						<b>Liabilities</b>
Liabilitas derivatif	141,441	1,578	139,863	-	141,441	Derivative payables
	<u>141,441</u>	<u>1,578</u>	<u>139,863</u>	<u>-</u>	<u>141,441</u>	
	2016					
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Nilai wajar/ Fair value	
<b>Aset</b>						<b>Assets</b>
Efek-efek	14,160,321	6,575,235	7,585,086	-	14,160,321	Marketable securities
Obligasi pemerintah	12,372,750	12,372,750	-	-	12,372,750	Government bonds
Tagihan derivatif	351,939	834	351,105	-	351,939	Derivative receivables
	<u>26,885,010</u>	<u>18,948,819</u>	<u>7,936,191</u>	<u>-</u>	<u>26,885,010</u>	
<b>Liabilitas</b>						<b>Liabilities</b>
Liabilitas derivatif	304,318	918	303,400	-	304,318	Derivative payables
	<u>304,318</u>	<u>918</u>	<u>303,400</u>	<u>-</u>	<u>304,318</u>	

## 3. FINANCIAL RISK MANAGEMENT (continued)

i. Fair value of financial assets and liabilities  
(continued)

Financial assets and liabilities measured at fair value use the following fair value hierarchy of:

- a. Level 1  
Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2  
Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- c. Level 3  
Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial instruments measured at fair values

The table below shows the Bank's assets and liabilities that are measured at fair value as at 31 December 2017 and 2016 based on fair value hierarchy:

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

i. Nilai wajar aset dan liabilitas keuangan  
(lanjutan)

Instrumen keuangan yang tidak diukur pada nilai wajar

Tabel berikut menyajikan nilai wajar atas aset dan liabilitas keuangan (setelah dikurangi cadangan kerugian penurunan nilai) Bank yang tidak diukur sebesar nilai wajar pada tanggal 31 Desember 2017 dan 2016 berdasarkan hierarki nilai wajar:

3. FINANCIAL RISK MANAGEMENT (continued)

i. Fair value of financial assets and liabilities  
(continued)

Financial instruments not measured at fair values

The table below shows the fair value of the Bank's financial assets and liabilities (net of allowance for impairment losses) that are not measured at fair value as at 31 December 2017 and 2016 based on fair value hierarchy:

	2017				Jumlah/ Total	
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3		
<b>Aset</b>						<b>Assets</b>
Kas	989,889	-	989,889	-	989,889	Cash
Giro pada Bank Indonesia	8,905,976	-	8,905,976	-	8,905,976	Current accounts with Bank Indonesia
Giro pada bank lain	698,856	-	698,856	-	698,856	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	4,836,341	-	4,836,341	-	4,836,341	Placements with other banks and Bank Indonesia
Efek-efek						Marketable securities
- Pinjaman yang diberikan dan piutang	156,967	-	156,967	-	156,967	Loans and receivables -
Pinjaman yang diberikan	102,189,794	-	-	102,715,930	102,715,930	Loans
Tagihan akseptasi	3,998,241	-	3,998,241	-	3,998,241	Acceptance receivables
Aset lain-lain	1,104,649	-	1,104,649	-	1,104,649	Other assets
	<u>122,880,713</u>	<u>-</u>	<u>20,690,919</u>	<u>102,715,930</u>	<u>123,406,849</u>	
<b>Liabilitas</b>						<b>Liabilities</b>
Liabilitas segera	659,281	-	659,281	-	659,281	Obligations due immediately
Simpanan nasabah						Deposits from customers
- Giro	26,137,974	-	26,137,974	-	26,137,974	Current accounts -
- Tabungan	17,580,916	-	17,574,584	-	17,574,584	Saving accounts -
- Deposito berjangka	69,721,782	-	69,721,782	-	69,721,782	Time deposits -
Simpanan dari bank lain						Deposits from other banks
- Giro dan tabungan	175,723	-	175,723	-	175,723	Current and saving -
- Inter-bank call money	4,609,713	-	4,609,713	-	4,609,713	Inter-bank call money -
- Deposito berjangka	192,550	-	192,550	-	192,550	Time deposits -
Liabilitas akseptasi	4,046,274	-	4,046,274	-	4,046,274	Acceptance payables
Beban yang masih harus dibayar	391,404	-	391,404	-	391,404	Accrued expenses
Efek-efek yang diterbitkan	6,148,611	-	6,045,208	-	6,045,208	Marketable securities issued
Liabilitas lain-lain	901,236	-	901,236	-	901,236	Other liabilities
Obligasi subordinasi	-	-	-	-	-	Subordinated bonds
	<u>130,565,464</u>	<u>-</u>	<u>130,455,729</u>	<u>-</u>	<u>130,455,729</u>	

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## 3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

i. Nilai wajar aset dan liabilitas keuangan  
(lanjutan)Instrumen keuangan yang tidak diukur pada nilai wajar (lanjutan)

Tabel berikut menyajikan nilai wajar atas aset dan liabilitas Bank yang tidak diukur sebesar nilai wajar pada tanggal 31 Desember 2017 dan 2016 berdasarkan hierarki nilai wajar: (lanjutan)

	2016				Jumlah/ Total	
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3		
<b>Aset</b>						<b>Assets</b>
Kas	881,749	-	881,749	-	881,749	Cash
Giro pada Bank Indonesia	8,018,546	-	8,018,546	-	8,018,546	Current accounts with Bank Indonesia
Giro pada bank lain	485,592	-	485,592	-	485,592	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	3,442,070	-	3,442,070	-	3,442,070	Placements with other banks and Bank Indonesia
Efek-efek						Marketable securities
- Pinjaman yang diberikan dan piutang	192,152	-	192,152	-	192,152	Loans and receivables -
Pinjaman yang diberikan	90,247,652	-	-	90,751,435	90,751,435	Loans
Tagihan akseptasi	3,485,765	-	3,485,765	-	3,485,765	Acceptance receivables
Aset lain-lain	897,403	-	897,403	-	897,403	Other assets
	<u>107,650,929</u>	<u>-</u>	<u>17,403,277</u>	<u>90,751,435</u>	<u>108,154,712</u>	
<b>Liabilitas</b>						<b>Liabilities</b>
Liabilitas segera	444,398	-	444,398	-	444,398	Obligations due immediately
Simpanan nasabah						Deposits from customers
- Giro	24,511,895	-	24,511,895	-	24,511,895	Current accounts -
- Tabungan	16,289,474	-	16,289,474	-	16,289,474	Saving accounts -
- Deposito berjangka	62,758,591	-	62,758,591	-	62,758,591	Time deposits -
Simpanan dari bank lain						Deposits from other banks
- Giro dan tabungan	96,373	-	96,373	-	96,373	Current and saving -
- Inter-bank call money	2,378,000	-	2,378,000	-	2,378,000	Inter-bank call money -
- Deposito berjangka	32,667	-	32,667	-	32,667	Time deposits -
Liabilitas akseptasi	3,513,459	-	3,513,459	-	3,513,459	Acceptance payables
Beban yang masih harus dibayar	392,544	-	392,544	-	392,544	Accrued expenses
Efek-efek yang dijual dengan janji dibeli kembali	1,345,723	-	1,345,723	-	1,345,723	Securities sold under repurchase agreements
Efek-efek yang diterbitkan	3,898,991	-	3,569,723	-	3,569,723	Marketable securities issued
Liabilitas lain-lain	712,964	-	712,964	-	712,964	Other liabilities
Obligasi subordinasi	879,371	-	874,514	-	874,514	Subordinated bonds
	<u>117,254,450</u>	<u>-</u>	<u>116,920,325</u>	<u>-</u>	<u>116,920,325</u>	

## j. Manajemen risiko permodalan

## Modal regulasi

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.

## j. Capital risk management

## Regulatory capital

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: providing an optimal capital rate of return to shareholders and maintaining a balance between high return and gearing ratio and safety provided by a sound capital position.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

j. Manajemen risiko permodalan (lanjutan)

Modal regulasi (lanjutan)

OJK menentukan dan mengawasi kebutuhan modal Bank sebagai entitas tersendiri dan secara keseluruhan. Bank diwajibkan untuk mematuhi peraturan BI yang berlaku dalam hal modal yang diwajibkan regulator.

Bank menghitung kebutuhan modal posisi 31 Desember 2017 dan 2016 sesuai dengan peraturan OJK No. 11/POJK.03/2016, tentang "Kewajiban Penyediaan Modal Minimum Bank Umum" yang berlaku sejak 2 Februari 2016 dan sebagaimana telah diubah dengan POJK No.34/POJK.03/2016.

Beberapa batasan juga diberlakukan untuk bagian-bagian modal yang diwajibkan oleh regulator, antara lain Bank wajib menyediakan modal inti (tier 1) paling rendah sebesar 6% dari ATMR dan modal inti utama (Common Equity tier 1) paling rendah sebesar 4,5% dari ATMR.

Posisi permodalan Bank berdasarkan Peraturan Bank Indonesia yang berlaku pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	Catatan/ Notes	2017	2016	
<b>Modal inti (Tier 1)</b>				<b>Core Capital (Tier 1)</b>
<b>Modal inti utama (CET 1)</b>				<b>Main Core Capital CET 1</b>
Modal disetor	1b, 1f, 2d, 28	1,434,081	1,434,081	Paid-in capital
Cadangan tambahan modal		20,342,788	18,081,198	Additional paid-in capital
Faktor pengurang modal inti utama		(557,472)	(370,025)	Deducting factor main core capital
		<u>21,219,397</u>	<u>19,145,254</u>	
<b>Modal pelengkap (Tier 2)</b>		<b>1,220,577</b>	<b>1,160,435</b>	<b>Supplementary Capital (Tier 2)</b>
<b>Total modal regulasi</b>		<b>22,439,974</b>	<b>20,305,689</b>	<b>Total regulatory capital</b>
<b>Aset tertimbang menurut risiko</b>				<b>Risk weighted assets</b>
Risiko kredit		115,433,763	101,476,360	Credit risk
Risiko pasar		2,107,925	721,963	Market risk
Risiko operasional		10,622,431	8,860,547	Operational risk
<b>Total aset tertimbang menurut risiko</b>		<b>128,164,119</b>	<b>111,058,870</b>	<b>Total risk weighted assets</b>
<b>Rasio penyediaan modal:</b>				<b>Capital adequacy ratio:</b>
- Rasio Modal Inti Utama (CET 1)		16.56%	17.24%	Main Core Capital (CET 1) Ratio
- Rasio Modal Inti		16.56%	17.24%	Tier 1 Ratio
- Rasio Modal Pelengkap		0.95%	1.04%	Tier 2 Ratio
- Rasio Total		17.51%	18.28%	Total Ratio
Capital conservation buffer		1.25%	0.625%	Capital conservation buffer
Countercyclical buffer		0.00%	0.00%	Countercyclical buffer
Capital surcharge untuk D-SIB		0.50%	0.25%	Capital surcharge for D-SIB
<b>Rasio penyediaan modal sesuai Profil Risiko</b>		<b>8.00%</b>	<b>9.65%</b>	<b>Required capital adequacy based on Risk Profile</b>

Pada tanggal 31 Desember 2017 dan 2016, rasio kecukupan modal Bank adalah masing-masing 17,51% dan 18,28%.

3. FINANCIAL RISK MANAGEMENT (continued)

j. Capital risk management (continued)

Regulatory capital (continued)

OJK sets and monitors capital requirements for the Company as an individual entity and the Company as a whole. The Bank is required to comply with prevailing BI regulations in respect of regulatory capital.

The Bank calculated its capital requirements for 31 December 2017 and 2016 in accordance with OJK regulation No. 11/POJK.03/2016, concerning "Minimum Capital Adequacy of Commercial Banks" which effective since 2 February 2016 as amended by POJK No.34/POJK.03/2016.

Various limits have also been set to elements of the regulatory capital, such as Banks are required to provide core capital (tier 1) at a minimum of 6% from Risk Weighted Assets and Common Equity tier 1 at a minimum of 4.5% from Risk Weighted Assets.

The Bank's regulatory capital position under the prevailing Bank Indonesia Regulation as at 31 December 2017 and 2016 were as follows:

As at 31 December 2017 and 2016, the capital adequacy ratios for the Bank were 17.51%, and 18.28%, respectively.

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**3. MANAJEMEN RISIKO KEUANGAN (lanjutan)**
**j. Manajemen risiko permodalan (lanjutan)**
**Modal regulasi (lanjutan)**

Manajemen menggunakan peraturan rasio permodalan untuk memantau kecukupan modal, sesuai dengan standar industri. Pendekatan Bank Indonesia untuk pengukuran modal tersebut terutama didasarkan pada pemantauan kebutuhan modal yang diwajibkan terhadap modal yang tersedia.

**4. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING**

Beberapa estimasi dan asumsi dibuat dalam rangka penyusunan laporan keuangan dimana dibutuhkan pertimbangan manajemen dalam menentukan metodologi yang tepat untuk penilaian aset dan liabilitas.

Manajemen membuat estimasi dan asumsi yang berimplikasi pada pelaporan nilai aset dan liabilitas atas tahun keuangan satu tahun ke depan. Semua estimasi dan asumsi yang diharuskan oleh PSAK adalah estimasi terbaik yang didasarkan pada standar yang berlaku. Estimasi dan pertimbangan dievaluasi secara terus menerus dan berdasarkan pengalaman masa lalu dan faktor-faktor lain termasuk harapan atas kejadian yang akan datang.

Walaupun estimasi dan asumsi ini dibuat berdasarkan pengetahuan terbaik manajemen atas kejadian dan tindakan saat ini, hasil yang timbul mungkin berbeda dengan estimasi dan asumsi semula.

Pengungkapan ini melengkapi pengungkapan pada manajemen risiko keuangan (lihat Catatan 3).

**a. Sumber utama ketidakpastian estimasi**
**a.1. Cadangan kerugian penurunan nilai aset keuangan**

Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi dievaluasi penurunan nilainya sesuai dengan Catatan 2c.1.(A).

Kondisi spesifik *counterparty* yang mengalami penurunan nilai dalam pembentukan cadangan kerugian atas aset keuangan dievaluasi secara individu berdasarkan estimasi terbaik manajemen atas nilai kini arus kas yang diharapkan akan diterima. Dalam mengestimasi arus kas tersebut, manajemen membuat pertimbangan tentang situasi keuangan *counterparty* dan nilai realisasi bersih dari setiap agunan. Setiap aset yang mengalami penurunan nilai dinilai sesuai dengan manfaat yang ada, dan strategi penyelesaian serta estimasi arus kas yang diperkirakan dapat diterima disetujui secara independen oleh Manajemen Risiko.

**3. FINANCIAL RISK MANAGEMENT (continued)**
**j. Capital risk management (continued)**
**Regulatory capital (continued)**

Management uses regulatory capital ratios in order to monitor its capital base, and these capital ratios remain 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 to available capital resources.

**4. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Certain estimates and assumptions are made in the preparation of the financial statements. These often require management judgement in determining the appropriate methodology for valuation of assets and liabilities.

Management makes estimations and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimations and assumptions required in conformity with SFAS are best estimates undertaken in accordance with the applicable standard. Estimations and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Although these estimations and assumption are based on management's best knowledge of current events and activities, actual result may differ from those estimates and assumption.

This disclosures supplement the commentary on financial risk management (see Note 3).

**a. Key sources of estimation uncertainty**
**a.1. Allowances for impairment losses of financial assets**

Financial assets accounted for at amortised cost are evaluated for impairment on a basis described in Note 2c.1.(A).

The specific counterparty component of the total allowances for impairment applies to financial assets 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 judgements about the counterparty's financial situation and the net realisable 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 Risk Management.

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**4. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN  
AKUNTANSI YANG PENTING (lanjutan)****a. Sumber utama ketidakpastian estimasi (lanjutan)****a.1. Cadangan kerugian penurunan nilai aset  
keuangan (lanjutan)**

Perhitungan cadangan penurunan nilai kolektif meliputi kerugian kredit yang melekat dalam portofolio aset keuangan dengan karakteristik ekonomi yang sama ketika terdapat bukti objektif penurunan nilai terganggu, tetapi penurunan nilai secara individu belum dapat diidentifikasi. Dalam menilai kebutuhan untuk cadangan kolektif, manajemen mempertimbangkan faktor-faktor seperti kualitas kredit dan jenis produk. Guna membuat estimasi cadangan yang diperlukan, manajemen membuat asumsi untuk menentukan kerugian yang melekat, dan untuk menentukan parameter input yang diperlukan, berdasarkan pengalaman masa lalu dan kondisi ekonomi saat ini. Keakuratan penyisihan tergantung pada seberapa baik estimasi arus kas masa depan untuk cadangan *counterparty* tertentu dan asumsi model dan parameter yang digunakan dalam menentukan cadangan kolektif.

**a.2. Menentukan nilai wajar instrumen keuangan**

Dalam menentukan nilai wajar aset dan liabilitas keuangan yang tidak mempunyai harga pasar, Bank menggunakan teknik penilaian seperti yang dijelaskan dalam Catatan 2c.C untuk instrumen keuangan yang jarang diperdagangkan dan memiliki informasi harga yang terbatas, nilai wajar yang kurang obyektif dan membutuhkan berbagai tingkat penilaian tergantung pada likuiditas, konsentrasi, faktor ketidakpastian pasar, asumsi harga dan risiko lainnya (lihat Catatan 4b.1).

**a.3. Liabilitas imbalan kerja**

Nilai kini kewajiban pensiun tergantung pada beberapa faktor yang ditentukan dengan dasar aktuarial berdasarkan beberapa asumsi. Asumsi yang digunakan untuk menentukan biaya/(penghasilan) pensiun neto mencakup tingkat diskonto dan kenaikan gaji di masa datang. Adanya perubahan pada asumsi ini akan mempengaruhi jumlah tercatat kewajiban pensiun.

**4. USE OF CRITICAL ACCOUNTING ESTIMATES  
AND JUDGEMENTS (continued)****a. Key sources of estimation uncertainty (continued)****a.1. Allowances for impairment losses of financial  
assets (continued)**

*Collectively assessed impairment allowances cover credit losses inherent in portfolios of financial assets with similar economic characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified. In assessing the need for collective allowances, management considers factors such as credit quality and type of product. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled 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 allowances and the model assumptions and parameters used in determining collective allowances.*

**a.2. Determining fair values of financial instruments**

*In determining the fair value for financial assets and financial liabilities for which there is no observable market price, the Bank uses the valuation techniques as described in Note 2c.C for financial instruments that are traded infrequently and a lack of price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument (see Note 4b.1).*

**a.3. Employee benefits obligations**

*The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate and future salary increase. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.*

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**4. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN  
AKUNTANSI YANG PENTING (lanjutan)****a. Sumber utama ketidakpastian estimasi (lanjutan)****a.3. Liabilitas imbalan kerja (lanjutan)**

Bank menentukan tingkat diskonto dan kenaikan gaji masa datang yang sesuai pada akhir periode pelaporan. Tingkat diskonto adalah tingkat suku bunga yang harus digunakan untuk menentukan nilai kini atas estimasi arus kas keluar masa depan yang diharapkan untuk menyelesaikan kewajiban pensiun. Dalam menentukan tingkat suku bunga yang sesuai, Bank mempertimbangkan tingkat suku bunga obligasi pemerintah yang didenominasikan dalam mata uang imbalan akan dibayar dan memiliki jangka waktu yang serupa dengan jangka waktu kewajiban pensiun yang terkait.

**b. Pertimbangan akuntansi yang penting dalam penerapan kebijakan akuntansi Bank**

Pertimbangan akuntansi penting yang dibuat dalam menerapkan kebijakan akuntansi Bank meliputi:

**b.1. Penilaian atas instrumen keuangan**

Kebijakan akuntansi Bank atas pengukuran nilai wajar dibahas dalam Catatan 2c.C.

**b.2. Klasifikasi aset dan liabilitas keuangan**

Kebijakan akuntansi Bank memberikan ruang atas aset dan liabilitas keuangan, pada saat awal pengakuan, untuk diklasifikasikan ditentukan kedalam kategori berbeda dalam kondisi tertentu:

- Diklasifikasikan dalam kategori aset keuangan "diperdagangkan" apabila telah memenuhi kriteria aset yang diperdagangkan seperti diatur dalam Catatan 2c.A.
- Diklasifikasikan dalam kategori aset atau liabilitas keuangan pada nilai wajar melalui laporan laba rugi, apabila telah memenuhi salah satu kriteria yang ditetapkan dalam Catatan 2c.A dan 2c.B.
- Diklasifikasikan dalam kategori aset keuangan "dimiliki hingga jatuh tempo", apabila memiliki tujuan dan kemampuan untuk memiliki aset tersebut hingga jatuh tempo (lihat Catatan 2c.A).

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**4. USE OF CRITICAL ACCOUNTING ESTIMATES  
AND JUDGEMENTS (continued)****a. Key sources of estimation uncertainty (continued)****a.3. Employee benefits obligations (continued)**

The Bank determines the appropriate discount rate and future salary increase at the end of each reporting period. The discount rate is interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Bank considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

**b. Critical accounting judgments in applying the Bank's accounting policies**

Critical accounting judgments made in applying the Bank's accounting policies include:

**b.1. Valuation of financial instruments**

The Bank's accounting policy on fair value measurements is discussed in Note 2c.C.

**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:

- In classifying financial assets as "trading" the Bank has determined that it meets, the description of trading assets set out in Note 2c.A.
- In classifying 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 2c.A and 2c.B.
- 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 required (see Note 2c.A).

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5. KAS

5. CASH

	2017	2016	
Rupiah	858,017	742,920	Rupiah
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Dolar Singapura	49,601	49,030	Singapore Dollars -
- Dolar Amerika Serikat	42,909	63,485	United States Dollars -
- Dolar Australia	14,695	7,188	Australian Dollars -
- Euro	13,503	11,389	Euro -
- Yen	1,665	2,757	Yen -
- Mata uang asing lainnya	9,499	4,980	Other foreign currencies -
	<u>131,872</u>	<u>138,829</u>	
	<u>989,889</u>	<u>881,749</u>	

Saldo dalam mata uang Rupiah termasuk kas pada ATM (*Automatic Teller Machines*) sejumlah Rp 372.356 pada tanggal 31 Desember 2017 (2016: Rp 354.311).

The Rupiah balance includes cash in ATMs (*Automatic Teller Machines*) amounting to Rp 372,356 as at 31 December 2017 (2016: Rp 354,311).

Kas dalam mata uang asing lainnya adalah Dolar Australia, Pound Sterling, Dolar Hong Kong, Yuan dan Dolar Kanada.

Cash in other foreign currencies are denominated in Australian Dollars, Pound Sterling, Hong Kong Dollars, Yuan and Canadian Dollars.

6. GIRO PADA BANK INDONESIA

6. CURRENT ACCOUNTS WITH BANK INDONESIA

	2017	2016	
Rupiah	5,745,692	4,977,931	Rupiah
Dolar Amerika Serikat	3,160,284	3,040,615	United States Dollars
	<u>8,905,976</u>	<u>8,018,546</u>	

Pada tanggal 31 Desember 2017, saldo giro pada Bank Indonesia dalam mata uang Rupiah termasuk giro yang didasarkan pada prinsip perbankan syariah sebesar Rp 113.555 (2016: Rp 169.346).

As at 31 December 2017, the Rupiah balance of current accounts with Bank Indonesia includes current accounts based on sharia banking principle amounting Rp 113,555 (2016: Rp 169,346).

Giro wajib minimum ("GWM") dalam mata uang Rupiah dan Dolar Amerika Serikat pada tanggal 31 Desember 2017 dan 2016 adalah:

As at 31 December 2017 and 2016, the statutory reserves in Rupiah and United States Dollars are:

	2017	2016	
<b>Konvensional</b>			<b>Conventional</b>
Rupiah			Rupiah
- Giro Wajib Minimum Primer	6.51%	6.56%	Primary Statutory Reserve -
- Giro Wajib Minimum Sekunder	22.44%	21.75%	Secondary Statutory Reserve -
- Giro Wajib Minimum <i>Loan to Funding Ratio</i>	0.00%	0.00%	Loan to Funding Ratio Reserve -
Mata uang asing	8.01%	8.26%	Foreign currencies
<b>Unit Usaha Syariah</b>			<b>Sharia Business Unit</b>
Rupiah	5.03%	7.48%	Rupiah
Mata uang asing	6.58%	14.28%	Foreign currencies

GWM Primer adalah simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, sedangkan GWM Sekunder adalah cadangan minimum yang wajib dipelihara oleh Bank berupa Sertifikat Bank Indonesia, Sertifikat Deposito Bank Indonesia, Surat Utang Negara (SUN), dan/atau kelebihan saldo Rekening Giro Rupiah Bank dari GWM Primer dan GWM LFR yang dipelihara di Bank Indonesia.

Primary Statutory Reserve is a minimum reserve that should be maintained by Bank in the current accounts with Bank Indonesia, while Secondary Statutory Reserve is a minimum reserve that should be maintained by Bank which comprises of Bank Indonesia Certificates, Bank Indonesia Deposit Certificates, Government Debenture Debt (SUN), and/or excess reserve of Bank's current accounts from the Primary Statutory Reserve and LFR Statutory Reserve that should be maintained in Bank Indonesia.

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## 6. GIRO PADA BANK INDONESIA (lanjutan)

Pada tanggal 31 Desember 2017 dan 2016, GWM Bank telah sesuai dengan PBI No. 19/6/PBI/2017 yang berlaku efektif pada 1 Juli 2017 dan PBI No.18/3/PBI/2016 yang berlaku efektif pada 24 Agustus 2016 atas perubahan PBI No.15/15/PBI/2013 tentang Giro Wajib Minimum dalam Rupiah dan valuta asing bagi bank umum konvensional, dimana GWM Primer, GWM Sekunder, dan GWM LFR masing-masing sebesar 6,5%, 4%, dan 0% serta valuta asing sebesar 8%. GWM Primer dipenuhi secara harian sebesar 5% dan secara rata-rata untuk masa laporan tertentu sebesar 1,5%, sedangkan GWM Sekunder dipenuhi secara harian sebesar 4%.

Selain itu, bagi Unit Usaha Syariah, pemenuhan rasio GWM dalam mata uang Rupiah dan valuta asing adalah masing-masing sebesar 5% dan 1% juga telah dipenuhi oleh Bank.

GWM LFR adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, jika LFR Bank dibawah minimum LFR target Bank Indonesia (80%) atau jika diatas maksimum LFR target Bank Indonesia (92%) dan Kewajiban Penyediaan Modal Minimum ("KPMM") Bank lebih kecil dari KPMM Insentif Bank Indonesia sebesar 14%.

## 7. GIRO PADA BANK LAIN

## a. Berdasarkan mata uang

	2017	2016
<b>Rupiah</b>	166,872	137,260
<b>Mata uang asing</b>		
- Dolar Amerika Serikat	238,727	131,259
- Dolar Singapura	81,164	72,265
- Euro	77,343	35,197
- Yen	50,764	34,817
- Dolar Australia	27,742	28,232
- Dolar Kanada	6,898	8,389
- Pound Sterling	5,289	7,570
- Lain-lain	44,057	30,603
	<u>531,984</u>	<u>348,332</u>
	<u>698,856</u>	<u>485,592</u>

Termasuk dalam lain-lain adalah mata uang asing dalam Dolar Hong Kong, Frank Swiss, Yuan, China Offshore dan Dolar Selandia Baru.

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat giro pada bank lain yang didasarkan pada prinsip usaha syariah.

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat giro pada bank lain yang dijadikan agunan.

6. CURRENT ACCOUNTS WITH BANK INDONESIA  
(continued)

As at 31 December 2017 and 2016, Bank's minimum statutory reserves complies with BI regulation No. 19/6/PBI/2017 which effective on 1 July 2017 and PBI No.18/3/PBI/2016 which effective on 24 August 2016 regarding amendment to PBI No. 15/15/PBI/2013 of Minimum Statutory Reserves in Rupiah and foreign currencies for Conventional Commercial Banks which effective, with Primary Statutory Reserve, Secondary Statutory Reserves, and Loan to Funding Ratio Statutory Reserves of 6.5%, 4%, and 0%, respectively, and foreign currencies of 8%. Primary Statutory Reserve is fulfilled in daily basis of 5% and in average basis for certain reporting period of 1.5%, while Secondary Statutory Reserve is fulfilled in daily basis of 4%.

Furthermore, for Sharia Business Unit, the minimum requirements for GWM ratios in Rupiah and foreign currency are 5% and 1%, respectively has also been complied by Bank.

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

## 7. CURRENT ACCOUNTS WITH OTHER BANKS

## a. By currency

	2017	2016
<b>Rupiah</b>	166,872	137,260
<b>Foreign currencies</b>		
United States Dollars -	238,727	131,259
Singapore Dollars -	81,164	72,265
Euro -	77,343	35,197
Yen -	50,764	34,817
Australian Dollars -	27,742	28,232
Canadian Dollars -	6,898	8,389
Pound Sterling -	5,289	7,570
Others -	44,057	30,603
	<u>531,984</u>	<u>348,332</u>
	<u>698,856</u>	<u>485,592</u>

Included in others are foreign currencies denominated in Hong Kong Dollars, Swiss Franc, Yuan, China Offshore and New Zealand Dollars.

As at 31 December 2017 and 2016 there are no current accounts with other banks on sharia banking principle.

As at 31 December 2017 and 2016 there are no current accounts with other banks used as collateral.

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7. GIRO PADA BANK LAIN (lanjutan)

7. CURRENT ACCOUNTS WITH OTHER BANKS  
(continued)

b. Berdasarkan bank

b. By bank

	2017	2016	
<b>Pihak ketiga</b>			<b>Third parties</b>
<u>Rupiah</u>			<u>Rupiah</u>
Bank Central Asia	113,126	121,082	Bank Central Asia
Bank Maybank Indonesia	52,192	14,847	Bank Maybank Indonesia
Bank Mandiri	1,529	1,306	Bank Mandiri
Standard Chartered Bank, Jakarta	25	25	Standard Chartered Bank, Jakarta
	166,872	137,260	
<u>Mata uang asing</u>			<u>Foreign currencies</u>
Deutsche Bank AG	111,443	40,314	Deutsche Bank AG
Citibank, New York	41,819	15,806	Citibank, New York
Bank Maybank Indonesia	31,564	25,241	Bank Maybank Indonesia
Wachovia Bank, New York	28,021	26,700	Wachovia Bank, New York
Sumitomo Mitsui Bank, Tokyo	25,080	26,075	Sumitomo Mitsui Bank, Tokyo
ANZ Bank, Melbourne	24,363	26,007	ANZ Bank, Melbourne
Bank Permata	23,519	-	Bank Permata
Standard Chartered Bank, Tokyo	22,839	8,019	Standard Chartered Bank, Tokyo
Bank Mandiri	18,325	2,903	Bank Mandiri
JP Morgan Chase Texas	16,750	9,597	JP Morgan Chase Texas
Credit Suisse	14,750	2,607	Credit Suisse
Bank of America, New York	7,564	3,854	Bank of America, New York
ANZ Bank	7,338	5,838	ANZ Bank
Toronto Dominion Bank, Singapura	6,898	8,389	Toronto Dominion Bank, Singapore
Commerz Bank, Frankfurt	6,656	6,595	Commerz Bank, Frankfurt
HSBC, Hong Kong	6,200	4,039	HSBC, Hong Kong
HSBC, New York	4,915	5,087	HSBC, New York
Citibank, Hong Kong	4,781	4,747	Citibank, Hong Kong
Wells Fargo Bank, Virginia	4,631	4,727	Wells Fargo Bank, Virginia
Bank of China, Jakarta	3,817	4,739	Bank of China, Jakarta
Westpac Bank, Sydney	3,380	2,226	Westpac Bank, Sydney
Bank of New York, New York	3,326	3,031	Bank of New York, New York
Mizuho Bank, Tokyo	2,846	723	Mizuho Bank, Tokyo
Standard Chartered Bank, Hong Kong	971	1,655	Standard Chartered Bank, Hong Kong
Standard Chartered Bank, London	658	2,844	Standard Chartered Bank, London
Bank Central Asia	150	135	Bank Central Asia
	422,604	241,898	
	589,476	379,158	
<b>Pihak berelasi</b>			<b>Related parties</b>
<u>Mata uang asing</u>			<u>Foreign currencies</u>
OCBC Bank, Singapura	95,300	91,046	OCBC Bank, Singapore
OCBC Bank, Hong Kong	14,080	15,388	OCBC Bank, Hong Kong
	109,380	106,434	
	698,856	485,592	

c. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia

c. By collectibility as per Bank Indonesia Regulation

Seluruh giro pada bank lain pada tanggal 31 Desember 2017 dan 2016 digolongkan sebagai lancar.

All current accounts with other banks as at 31 December 2017 and 2016 were classified as pass.

d. Cadangan kerugian penurunan nilai

d. Allowance for impairment losses

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat giro pada bank lain yang mengalami penurunan nilai.

As at 31 December 2017 and 2016, there were no impairment loss in respect of current accounts with other banks.

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## 7. GIRO PADA BANK LAIN (lanjutan)

- e. Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.
- f. Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 43.

7. CURRENT ACCOUNTS WITH OTHER BANKS  
(continued)

- e. Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.
- f. Information in respect of transactions with related parties is disclosed in Note 43.

## 8. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA

## a. Berdasarkan jenis dan mata uang

	2017	2016
<b>Rupiah</b>		
- Penempatan pada		
Bank Indonesia - Deposito Berjangka	2,282,676	-
- Fasilitas Simpanan Syariah pada Bank Indonesia	6,700	315,000
- <i>Negotiable Certificate of Deposit ("NCD")</i>		
Bank Negara Indonesia	431,044	788,904
Bank Tabungan Negara	329,176	192,994
Bank Sumitomo Mitsui	235,327	-
Bank Woori Indonesia	187,938	185,315
Bank Maybank Indonesia	186,393	184,805
Bank of Tokyo Mitsubishi	175,483	193,128
Bank Jabar Banten	140,259	-
Bank CIMB Niaga	92,977	94,415
Bank Mandiri	-	185,598
Bank Commonwealth Indonesia	-	183,149
Bank Mizuho Indonesia	-	183,096
Bank Tabungan Pensiunan	-	106,773
- <i>Inter-bank call money</i>		
Bank Sumitomo Mitsui	500,000	800,000
Bank CIMB Niaga	55,000	-
	<u>4,622,973</u>	<u>3,413,177</u>
<b>Mata uang asing</b>		
Dolar Amerika Serikat		
- Penempatan pada		
Bank Indonesia - Deposito berjangka	189,945	-
- <i>Inter-bank call money</i>		
Bank of New York	23,423	26,199
HSBC, New York	-	2,694
	<u>213,368</u>	<u>28,893</u>
	<u>4,836,341</u>	<u>3,442,070</u>

Pada tanggal 31 Desember 2017, penempatan yang didasarkan pada prinsip usaha syariah adalah sebesar Rp 6.700 (2016: Rp 315.000).

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat penempatan pada bank lain dan Bank Indonesia yang diblokir.

## 8. PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA

## a. By type and currency

	2017	2016
<b>Rupiah</b>		
Placement in		
Bank Indonesia - Time Deposit	-	-
Sharia Deposits Facility with Bank Indonesia	-	-
<i>Negotiable Certificate of Deposit ("NCD")</i>		
Bank Negara Indonesia	-	-
Bank Tabungan Negara	-	-
Bank Sumitomo Mitsui	-	-
Bank Woori Indonesia	-	-
Bank Maybank Indonesia	-	-
Bank of Tokyo Mitsubishi	-	-
Bank Jabar Banten	-	-
Bank CIMB Niaga	-	-
Bank Mandiri	-	-
Bank Commonwealth Indonesia	-	-
Bank Mizuho Indonesia	-	-
Bank Tabungan Pensiunan	-	-
<i>Inter-bank call money</i>		
Bank Sumitomo Mitsui	-	-
Bank CIMB Niaga	-	-
<b>Foreign currencies</b>		
United States Dollars		
Placement in		
Bank Indonesia Time deposits	-	-
<i>Inter-bank call money</i>		
Bank of New York	-	-
HSBC, New York	-	-

As at 31 December 2017, placement on sharia banking principle amounting Rp 6,700 (2016: Rp 315,000).

As at 31 December 2017 and 2016, there is no placements with other banks and Bank Indonesia which has been blocked.

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**8. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA (lanjutan)**

**b. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia**

Seluruh penempatan pada bank lain dan Bank Indonesia pada tanggal 31 Desember 2017 dan 2016 digolongkan sebagai lancar.

**c. Berdasarkan jatuh tempo**

	<u>2017</u>	<u>2016</u>
<b>Rupiah</b>		
- Kurang dari 1 bulan	2,344,376	355,000
- 1 - 3 bulan	675,483	1,232,348
- 3 - 6 bulan	279,370	559,239
- 6 - 12 bulan	1,323,744	835,546
- 1 - 2 tahun	-	431,044
	<u>4,622,973</u>	<u>3,413,177</u>
<b>Mata uang asing</b>		
- Kurang dari 1 bulan	213,368	28,893
	<u>213,368</u>	<u>28,893</u>
	<u>4,836,341</u>	<u>3,442,070</u>

**d. Cadangan kerugian penurunan nilai**

Pada tanggal 31 Desember 2017 dan 2016, tidak terdapat penempatan pada bank lain dan Bank Indonesia yang mengalami penurunan nilai.

**e. Pada tanggal 31 Desember 2017 dan 2016, tidak terdapat penempatan pada bank lain yang digunakan sebagai jaminan.**

**f. Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.**

**8. PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA (continued)**

**b. By collectibility as per Bank Indonesia Regulation**

All placements with other banks and Bank Indonesia as at 31 December 2017 and 2016 were classified as pass.

**c. Based on maturity**

	<u>2017</u>	<u>2016</u>
<b>Rupiah</b>		
- Less than 1 month	355,000	-
- 1 - 3 months	1,232,348	-
- 3 - 6 months	559,239	-
- 6 - 12 months	835,546	-
- 1 - 2 years	431,044	-
	<u>3,413,177</u>	<u>-</u>
<b>Foreign currencies</b>		
- Less than 1 month	28,893	-
	<u>28,893</u>	<u>-</u>
	<u>3,442,070</u>	<u>-</u>

**d. Allowance for impairment losses**

As at 31 December 2017 and 2016, there were no impairment in respect of placements with other banks and Bank Indonesia.

**e. As at 31 December 2017 and 2016, there were no placements pledged as cash collateral.**

**f. Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.**

**9. EFEK-EFEK**

**a. Berdasarkan jenis dan mata uang**

	<u>2017</u>	<u>2016</u>
<b>Diperdagangkan:</b>		
<b>Rupiah</b>		
- Obligasi korporasi	1,217,489	444,598
Jumlah	<u>1,217,489</u>	<u>444,598</u>
<b>Mata uang asing</b>		
- Obligasi korporasi	154,559	-
	<u>1,372,048</u>	<u>444,598</u>

**9. MARKETABLE SECURITIES**

**a. By type and currency**

	<u>2017</u>	<u>2016</u>
<b>Trading:</b>		
<b>Rupiah</b>		
- Corporate bonds	444,598	-
<b>Total</b>	<u>444,598</u>	<u>-</u>
<b>Foreign currencies</b>		
- Corporate bonds	-	-
	<u>-</u>	<u>-</u>
	<u>1,372,048</u>	<u>444,598</u>

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## 9. EFEK-EFEK (lanjutan)

## 9. MARKETABLE SECURITIES (continued)

## a. Berdasarkan jenis dan mata uang (lanjutan)

## a. By type and currency (continued)

	2017	2016	
<b>Tersedia untuk dijual:</b>			<b>Available for sale:</b>
<b>Rupiah</b>			<b>Rupiah</b>
- Sertifikat Deposito Bank Indonesia	4,919,092	497,045	of Bank Indonesia
- Obligasi korporasi	2,605,304	1,852,228	Corporate bonds -
- Sertifikat Bank Indonesia	-	5,952,061	Certificates of Bank Indonesia -
	<u>7,524,396</u>	<u>8,301,334</u>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Sertifikat Bank Indonesia	3,335,050	5,288,261	Certificates of Bank Indonesia -
- Obligasi korporasi	-	126,128	Corporate bonds -
	<u>3,335,050</u>	<u>5,414,389</u>	
Jumlah	<u>10,859,446</u>	<u>13,715,723</u>	Total
<b>Pinjaman yang diberikan dan piutang:</b>			<b>Loans and receivables:</b>
<b>Rupiah</b>			<b>Rupiah</b>
- Wesel Tagih	79,752	46,882	Export Bills -
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Wesel Tagih	78,353	146,314	Export Bills -
Jumlah	<u>158,105</u>	<u>193,196</u>	Total
	<u>12,389,599</u>	<u>14,353,517</u>	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	(18,241)	(6,762)	Allowance for impairment losses
	<u>12,371,358</u>	<u>14,346,755</u>	

Efek-efek dalam mata uang asing adalah dalam  
Dolar Amerika Serikat.Marketable securities in foreign currencies is  
denominated in United States Dollars.

Sertifikat Bank Indonesia adalah sebagai berikut:

Certificates of Bank Indonesia are as follows:

Sertifikat Bank Indonesia	2017			Certificates of Bank Indonesia
	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity	Suku bunga/ Interest rate	
<b>Rupiah/Rupiah</b>				
SDBI	1,496,617	19 Januari/January 2018	6.00	SDBI
SDBI	1,192,862	15 Februari/February 2018	6.00	SDBI
SDBI	1,050,766	24 Agustus/August 2018	5.63	SDBI
SDBI	540,762	27 April/April 2018	5.25	SDBI
SDBI	443,349	13 April/April 2018	5.30	SDBI
SDBI	194,736	6 Juli/July 2018	6.08	SDBI
	<u>4,919,092</u>			
<b>Mata uang asing/Foreign currencies</b>				
SBI	1,341,371	27 Juli/July 2018	1.79	SBI
SBI	675,654	22 Maret/March 2018	1.68	SBI
SBI	673,175	25 Mei/May 2018	1.76	SBI
SBI	476,891	23 Maret/March 2018	1.79	SBI
SBI	167,959	29 Juni/June 2018	1.80	SBI
	<u>3,335,050</u>			
	<u>8,254,142</u>			

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9. EFEK-EFEK (lanjutan)

9. MARKETABLE SECURITIES (continued)

a. Berdasarkan jenis dan mata uang (lanjutan)

a. By type and currency (continued)

Sertifikat Bank Indonesia	2016			Certificates of Bank Indonesia
	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity	Suku bunga/ Interest rate	
<b>Rupiah/Rupiah</b>				
SBI	1,910,262	18 Agustus/August 2017	6.50	SBI
SBI	1,460,548	19 Mei/May 2017	6.75	SBI
SBI	1,273,074	21 April/April 2017	6.75	SBI
SBI	960,957	21 Juli/July 2017	6.50	SBI
SBI	197,220	17 Maret/March 2017	6.75	SBI
SBI	75,000	16 Juni/June 2017	6.50	SBI
SBI	50,000	17 Maret/March 2017	6.40	SBI
SBI	25,000	17 Februari/February 2017	6.65	SBI
SDBI	497,045	3 Februari/February 2017	6.30	SDBI
	<u>6,449,106</u>			
<b>Mata uang asing/Foreign currencies</b>				
SBI	1,066,879	25 Agustus/August 2017	1.60	SBI
SBI	1,064,840	29 September/September 2017	1.65	SBI
SBI	939,563	28 April/April 2017	1.29	SBI
SBI	672,064	24 Maret/March 2017	1.17	SBI
SBI	670,059	25 Mei/May 2017	1.43	SBI
SBI	538,216	24 Februari/February 2017	1.17	SBI
SBI	336,640	27 Januari/January 2017	1.13	SBI
	<u>5,288,261</u>			
	<u>11,737,367</u>			

Obligasi korporasi adalah sebagai berikut:

Corporate bonds are as follow:

Obligasi Korporasi	2017				Corporate bonds
	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity	Suku bunga/ Interest	
<b>Rupiah</b>					<b>Rupiah</b>
MTN II Bank Sumitomo Mitsui Indonesia	510,919	AAA	14 Juni/June 2020	8.25	MTN II Bank Sumitomo Mitsui Indonesia
MTN II Clipan Finance Indonesia Tahun 2015	353,312	A+	26 Maret/March 2018	11.75	MTN II Clipan Finance Indonesia Year 2015
MTN VI Maybank Finance Tahun 2016	255,526	AA+	04 Agustus/August 2019	8.75	MTN VI Maybank Finance Year 2016
Obligasi Berkelanjutan III Adira Finance Tahap V Tahun 2017 Seri B	225,823	AAA	22 Maret/March 2020	8.60	Continuous Bonds III Adira Finance Phase V Year 2017 Series B
Obligasi Berkelanjutan BRI Tahap II Tahun 2017 Seri B	219,860	AAA	11 April/April 2020	8.10	Continuous Bonds BRI Phase II Year 2017 Series B
Obligasi I Indonesia Infrastructure Finance Tahun 2016 Seri A	168,217	AAA	19 Juli/July 2019	8.25	Bonds I Indonesia Infrastructure Finance Year 2016 Series A
Obligasi Berkelanjutan I Maybank Finance Tahap II Tahun 2016 Seri A	148,583	AA+	13 April/April 2019	9.10	Continuous Bonds I of Maybank Finance Phase II Year 2016 Series A
Obligasi Berkelanjutan I UOB Indonesia Tahap I Tahun 2016 Seri B	147,725	AAA	25 November/November 2019	8.00	Continuous Bonds UOB Indonesia Phase I Year 2016 Series B
Obligasi Berkelanjutan III Sarana Multigriya Finansial Tahap VII Tahun 2017 Seri B	119,707	AAA	2 Maret/March 2020	8.40	Continuous Bonds III Sarana Multigriya Finansial Phase VII Year 2017 Series B
Obligasi Berkelanjutan IV Adira Finance Tahap I Tahun 2017 Seri B	110,076	AAA	12 Desember/December 2020	7.45	Continuous Bonds IV Adira Finance Phase I Year 2017 Series B
MTN VI Bank Resona Perdania Tahun 2016	103,220	AA-	26 Februari/February 2019	10.50	MTN VI Bank Resona Perdania Year 2016
Obligasi Berkelanjutan III BTN Tahap I Tahun 2017 Seri A	102,552	AA+	13 Juli/July 2020	8.30	Continuous Bonds III BTN Phase I Year 2017 Series A
Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap II Tahun 2016 Seri A	96,859	AA+	1 Juni/June 2019	8.95	Continuous Bonds II Mandiri Tunas Finance Phase II Year 2016 Series A
Obligasi Berkelanjutan I Sarana Multi Infrastruktur Tahap I Tahun 2016 Seri A	80,820	AAA	18 November/November 2019	7.85	Continuous Bond I Sarana Multi Infrastructure Phase I Year 2016 Series A
Obligasi Berkelanjutan III Adira Finance Tahap V Tahun 2017 Seri A	80,092	AAA	2 April/April 2018	7.50	Continuous Bonds III Adira Finance Phase V Year 2017 Series A
Obligasi IV Mayora Indah Tahun 2012	76,451	AA	9 Mei/May 2019	8.50	Bonds IV of Mayora Indah Year 2012
Obligasi Berkelanjutan III BTPN Tahap II Tahun 2017 Seri B	75,422	AA+	17 Oktober/October 2020	7.50	Continuous Bonds III BTPN Phase II Year 2017 Series B
Obligasi Berkelanjutan I Maybank Finance Tahap IV Tahun 2017 Seri A	75,188	AA+	15 November/November 2020	7.65	Continuous Bonds I Maybank Finance Phase IV Year 2017 Series A
Obligasi Berkelanjutan III Mandiri Tunas Finance Tahap II Tahun 2017 Seri A	75,163	AA+	6 Juni/June 2020	8.50	Continuous Bonds III Mandiri Tunas Finance Phase II Year 2017 Series A
Obligasi Berkelanjutan Indonesia Eximbank III Tahap II Tahun 2016 Seri B	70,957	AAA	25 Agustus/August 2019	7.95	Continuous Bonds Indonesia Eximbank III Phase II Year 2016 Series B
Obligasi Berkelanjutan II Indomobil Finance Tahap III Tahun 2016 Seri C	54,834	A	16 March/March 2020	10.65	Continuous Bonds II Indomobil Finance Phase III Year 2016 Series C
Obligasi Berkelanjutan II WOM Finance Tahap III Tahun 2017 Seri B	49,933	AA-	6 Desember/December 2020	8.45	Continuous Bonds II WOM Finance Phase III Year 2017 Series B
Obligasi Berkelanjutan II Adira Finance Tahap II Tahun 2013 Seri C	48,616	AAA	24 Oktober/October 2018	11.00	Continuous Bonds II Adira Finance Phase II Year 2013 Series C

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## 9. EFEK-EFEK (lanjutan)

## a. Berdasarkan jenis dan mata uang (lanjutan)

Obligasi korporasi adalah sebagai berikut:  
(lanjutan)

## 9. MARKETABLE SECURITIES (continued)

## a. By type and currency (continued)

Corporate bonds are as follow: (continued)

2017 (lanjutan/continued)					
Obligasi Korporasi	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity	Suku bunga/ Interest	Corporate bonds
<b>Rupiah (lanjutan)</b>					<b>Rupiah (continued)</b>
Obligasi Berkelanjutan I Sarana Multi Infrastruktur Tahap II Tahun 2017 Seri B	47,280	AAA	15 November/November 2020	7.40	Continuous Bond I Sarana Multi Infrastructure Phase II Year 2017 Series B
Obligasi Berkelanjutan I Maybank Finance Tahap III Tahun 2016 Seri A	40,434	AA+	3 November/November 2019	8.30	Continuous Bonds I Maybank Finance Phase III Year 2016 Series A
Obligasi Berkelanjutan III Adira Finance Tahap II Tahun 2015 Seri B	35,642	AAA	25 Agustus/August 2018	9.50	Continuous Bonds III Adira Finance Phase II Year 2015 Series B
Obligasi Berkelanjutan Indonesia Eximbank II Tahap V Tahun 2015 Seri B	33,492	AAA	13 Maret/March 2020	9.50	Continuous Bonds Indonesia Eximbank II Phase V Year 2015 Series B
Obligasi Berkelanjutan III Mandiri Tunas Finance Tahap I Tahun 2016 Seri A	30,402	AA+	07 Oktober/October 2019	8.20	Continuous Bonds III Mandiri Tunas Finance Phase I Year 2016 Series A
Obligasi Berkelanjutan I ROTI Tahap I Tahun 2013	30,099	AA-	11 Juni/June 2018	8.00	Continuous Bonds I ROTI Phase I Year 2013 Series A
Obligasi Berkelanjutan II Bank BRI Tahap II Tahun 2017 Seri A	30,019	AAA	16 April/April 2018	7.20	Continuous Bonds II Bank BRI Phase II Year 2017 Series A
Obligasi Berkelanjutan Indonesia Eximbank I Tahap I Tahun 2011 Seri C	26,424	AAA	20 Desember/December 2018	8.50	Continuous Bonds Indonesia Eximbank I Phase I Year 2011 Series C
Obligasi Berkelanjutan I WOM Finance Tahap IV Tahun 2015 Seri B	25,815	AA-	22 Desember/December 2018	10.80	Continuous Bonds I WOM Finance Phase IV Year 2015 Series B
Obligasi Berkelanjutan I Sarana Multi Infrastruktur Tahap II Tahun 2017 Seri A	24,972	AAA	25 November/November 2018	6.15	Continuous Bond I Sarana Multi Infrastructure Phase II Year 2017 Series A
Obligasi Berkelanjutan II WOM Finance Tahap III Tahun 2017 Seri A	24,965	AA-	16 Desember/December 2018	7.15	Continuous Bonds II WOM Finance Phase III Year 2017 Series A
Obligasi Berkelanjutan II Bank BRI Tahap III Tahun 2017 Seri C	22,809	AAA	24 Agustus/August 2024	8.25	Continuous Bonds II Bank BRI Phase III Year 2017 Series C
Obligasi Berkelanjutan II Toyota Astra Financial Services Tahap II Tahun 2017 Seri B	20,438	AA+	14 Februari/February 2020	8.50	Continuous Bonds II Toyota Astra Financial Services Phase II Year 2017 Series B
Obligasi Berkelanjutan II Bank CIMB Niaga Tahap II Tahun 2017 Seri B	20,138	AAA	23 Agustus/August 2020	7.70	Continuous Bonds II Bank CIMB Niaga Phase II Year 2017 Series B
Obligasi Berkelanjutan I BRI Tahap II Tahun 2016 Seri B	15,366	AAA	4 Februari/February 2019	9.25	Continuous Bonds I BRI Phase III Year 2016 Series B
Obligasi Berkelanjutan IV Sarana Multigriya Finansial Tahap I Tahun 2017 Seri B	15,216	AAA	20 Juni/June 2020	7.80	Continuous Bonds IV Sarana Multigriya Finansial Phase I Year 2017 Series B
Obligasi Berkelanjutan II Bank CIMB Niaga Tahap III Tahun 2017 Seri B	15,135	AAA	2 November/November 2020	7.50	Continuous Bonds II Bank CIMB Niaga Phase III Year 2017 Series B
Obligasi Berkelanjutan II Toyota Astra Financial Services Tahap I Tahun 2016 Seri B	12,241	AA+	1 Juni/June 2019	8.40	Continuous Bonds II Toyota Astra Financial Services Phase I Year 2016 Series B
Obligasi Berkelanjutan III Adira Finance Tahap VI Tahun 2017 Seri B	11,425	AAA	14 Juli/July 2020	8.10	Continuous Bonds III Adira Finance Phase VI Year 2017 Series B
Obligasi I Kereta Api Indonesia Tahap 2017 Seri A	11,112	AAA	21 November/November 2022	7.75	Bonds I Kereta Api Indonesia Year 2017 Series A
Obligasi Berkelanjutan III Adira Finance Tahap I Tahun 2015 Seri B	10,659	AAA	30 Juni/June 2020	10.25	Continuous Bonds III Adira Finance Phase I Year 2015 Series B
Obligasi Berkelanjutan II Indomobil Finance Tahap II Tahun 2015 Seri C	10,353	A	6 November/November 2019	11.00	Continuous Bonds II Indomobil Finance Phase II Year 2015 Series C
Obligasi Berkelanjutan II Adira Finance Tahap I Tahun 2013 Seri D	10,024	AAA	1 Maret/March 2018	8.90	Continuous Bonds II Adira Finance Phase I Year 2013 Series D
Obligasi Berkelanjutan I Bank Mandiri Tahap II Tahun 2017 Seri A	8,320	AAA	15 Juni/June 2022	8.00	Continuous Bonds I Bank Mandiri Phase II Year 2017 Series A
Obligasi Berkelanjutan Indonesia Eximbank III Tahap I Tahun 2016 Seri B	8,101	AAA	8 Juni/June 2019	8.20	Continuous Bonds Indonesia Eximbank III Phase I Year 2016 Series B
Obligasi I Kereta Api Indonesia Tahap 2017 Seri B	8,096	AAA	21 November/November 2024	8.25	Bonds I Kereta Api Indonesia Year 2017 Series B
Obligasi Berkelanjutan III Adira Finance Tahap II Tahun 2015 Seri C	5,335	AAA	25 Agustus/August 2020	10.25	Continuous Bonds III Adira Finance Phase II Year 2015 Series C
Obligasi Berkelanjutan I Bank BRI Tahap I Tahun 2015 Seri C	5,263	AAA	3 Juli/July 2020	9.50	Continuous Bonds I Bank BRI Phase I Year 2015 Series C
Obligasi Berkelanjutan II Indomobil Finance Tahap III Tahun 2016 Seri B	3,274	A	16 Maret/March 2019	10.50	Continuous Bonds II Indomobil Finance Phase III Year 2016 Series B
Obligasi Berkelanjutan I Bank BNI Tahap I Tahun 2017	2,763	AAA	11 Juli/July 2022	8.00	Continuous Bonds I Bank BNI Phase I Year 2017
Obligasi Berkelanjutan Indonesia Eximbank III Tahap V Tahun 2017 Seri C	2,388	AAA	15 Agustus/August 2024	8.25	Continuous Bonds Indonesia Eximbank III Phase V Year 2017 Series C
Obligasi Berkelanjutan II Bank BRI Tahap III Tahun 2017 Seri B	1,424	AAA	24 Agustus/August 2022	8.00	Continuous Bonds II Bank BRI Phase III Year 2017 Series B
Obligasi Berkelanjutan Indonesia Eximbank III Tahap IV Tahun 2017 Seri B	1,030	AAA	23 Februari/February 2020	8.40	Continuous Bonds Indonesia Eximbank III Phase IV Year 2017 Series B
Obligasi Berkelanjutan II Bank BRI Tahap I Tahun 2016 Seri B	1,014	AAA	1 Desember/December 2019	8.00	Continuous Bonds II Bank BRI Phase I Year 2016 Series B
Obligasi Berkelanjutan I Indomobil Finance Tahap I Tahun 2017 Seri B	625	A	7 Juli/July 2020	8.60	Continuous Bonds I Indomobil Finance Phase I Year 2017 Series B
Obligasi Berkelanjutan Indonesia Eximbank III Tahap I Tahun 2016 Seri C	372	AAA	8 Juni/June 2021	8.70	Continuous Bonds Indonesia Eximbank III Phase I Year 2016 Series C
Obligasi Berkelanjutan II PLN Tahap I Tahun 2017 Seri C	304	AAA	11 Juli/July 2027	8.50	Continuous Bonds II PLN Phase I Year 2017 Series C

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9. EFEK-EFEK (lanjutan)

9. MARKETABLE SECURITIES (continued)

a. Berdasarkan jenis dan mata uang (lanjutan)

a. By type and currency (continued)

Obligasi korporasi adalah sebagai berikut:  
(lanjutan)

Corporate bonds are as follow: (continued)

2017 (lanjutan/continued)					
Obligasi Korporasi	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity	Suku bunga/ Interest	Corporate bonds
<b>Rupiah (lanjutan)</b>					
Obligasi Berkelanjutan I PLN Tahap II Tahun 2013 Seri B	108	AAA	10 Desember/December 2023	9.60	<b>Rupiah (continued)</b> Continuous Bonds I PLN Phase II Year 2013 Series B
Obligasi Berkelanjutan III Pegadaian Tahap I Tahun 2017 Seri C	61	AAA	3 Oktober/October 2022	7.70	Continuous Bonds III Pegadaian Phase I Year 2017 Series C
	<u>3,822,793</u>				
<b>Mata uang asing</b>					
MTN Global 2017 Perusahaan Listrik Negara	149,081	BBB	15 Mei/May 2027	4.125	<b>Foreign currencies</b> Global MTN 2017 Perusahaan Listrik Negara
MTN Global 2013 PT Pertamina	3,395	BBB	20 Mei/May 2043	5.625	Global MTN 2013 Pertamina
MTN Global 2017 Perusahaan Listrik Negara	2,083	BBB	24 Oktober/October 2042	5.25	Global MTN 2017 Perusahaan Listrik Negara
	<u>154,559</u>				
	<u>3,977,352</u>				
<b>2016</b>					
Obligasi Korporasi	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity	Suku bunga/ Interest	Corporate bonds
<b>Rupiah</b>					
MTN I Clipan Finance Indonesia Tahun 2012	357,797	A+	26 Maret/March 2018	11.75	MTN I Clipan Finance Indonesia Year 2012
Obligasi Berkelanjutan I Maybank Finance Tahap II Tahun 2016 Seri A	247,281	AA+	04 Agustus/August 2019	8.75	Continuous Bonds I of Maybank Finance Phase II Year 2016 Series A
Obligasi Berkelanjutan Indonesia Eximbank III Tahap II Tahun 2016 Seri A	199,066	AAA	5 September/September 2017	7.25	Continuous Bonds Eximbank III Phase II Year 2016 Series A
Obligasi Berkelanjutan I Bank UOB Indonesia Tahap I Tahun 2016 Seri B	120,855	AAA	25 November/November 2019	8.00	Continuous Bonds I Bank UOB Indonesia Phase I Year 2016 Series B
Obligasi I Indonesia Infrastructure Finance Tahun 2016 Seri A	113,147	AAA	19 Juli/July 2019	8.25	Bonds I Indonesia Infrastructure Finance Year 2016 Series A
MTN VI Bank Resona Perdania Tahun 2016	101,502	AA-	26 Februari/February 2019	10.50	MTN VI Bank Resona Perdania Year 2016
Obligasi Berkelanjutan III Adira Finance Tahap III Tahun 2016 Seri B	96,189	AAA	02 Maret/March 2019	9.50	Continuous Bonds III Adira Finance Phase III Year 2016 Series B
Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap II Tahun 2016 Seri A	94,896	AA+	1 Juni/June 2019	8.95	Continuous Bonds II Mandiri Tunas Finance Phase II Year 2016 Series A
Obligasi Berkelanjutan I WOM Finance Tahap II Tahun 2015	94,797	AA	2 April/April 2018	10.25	Continuous Bonds I of WOM Finance Phase II Year 2015
MTN Buana Finance B	90,247	BBB+	08 April/April 2017	11.25	MTN Buana Finance B
Obligasi Berkelanjutan I Maybank Finance Tahap II Tahun 2016 Seri A	86,893	AA+	13 April/April 2019	9.10	Continuous Bonds I of Maybank Finance Phase II Year 2016 Series A
Obligasi Berkelanjutan III Sarana Multi Infrastruktur Tahap I Tahun 2016 Seri A	79,306	AAA	18 November/November 2019	7.85	Continuous Bond III Sarana Multi Infrastructure Phase I Year 2016 Series A
Obligasi Mayora Indah IV Tahun 2012	72,781	AA-	9 Mei/May 2019	8.50	Bonds IV of Mayora Indah Year 2012
Obligasi Berkelanjutan II Toyota Astra Financial Tahap I Tahun 2016 Seri B	52,984	AAA	1 Juni/June 2019	8.40	Continuous Bonds II WOM Finance Phase I Year 2016 Series A
Obligasi Berkelanjutan Indonesia Eximbank III Tahap III Tahun 2016 Seri B	49,816	AAA	22 November/November 2019	7.85	Continuous Bonds Eximbank III Phase III Year 2016 Series B
Lembaga Pembiayaan Ekspor Indonesia Tahun 2016	49,248	AAA	25 Agustus/August 2019	7.95	Institution Financing Ekspor Indonesia Year 2016
Obligasi Berkelanjutan III Adira Finance Tahap II Tahun 2015 Seri B	45,766	AAA	25 Agustus/August 2018	9.50	Continuous Bonds III Adira Finance Phase III Year 2014 Series B
Obligasi Berkelanjutan I BCA Finance Tahap II Tahun 2013 Seri B	35,817	AAA	14 Juni/June 2017	7.60	Continuous Bonds I BCA Finance Phase II Year 2013 Series B
Obligasi Berkelanjutan I WOM Finance Tahap I Tahun 2015	30,333	AA	22 Desember/December 2018	10.80	Continuous Bonds I WOM Finance Phase I Year 2015
Obligasi Berkelanjutan I ROTI Tahap I Tahun 2013	29,552	AA-	11 Juni/June 2018	8.00	Continuous Bonds I ROTI Phase I Year 2013
Obligasi Berkelanjutan III Mandiri Tunas Finance Tahap I Tahun 2016 Seri A	29,303	AA+	07 Oktober/October 2019	8.20	Continuous Bonds III Mandiri Tunas Finance Phase I Year 2016 Series A
Obligasi Berkelanjutan II Adira Multi Finance Tahap I Tahun 2013 Seri D	22,917	AAA	1 Maret/March 2018	8.90	Continuous Bonds II Adira Multi Finance Phase I Year 2013 Series D
Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap I Seri A	20,803	AA	18 Desember/December 2018	10.20	Continuous Bonds II Mandiri Tunas Finance Phase I Series A
Obligasi Berkelanjutan III Adira Finance Tahap I Tahun 2015 Seri A	20,224	AAA	30 Juni/June 2018	9.50	Continuous Bonds III Adira Finance Phase I Year 2015 Series A
Obligasi Berkelanjutan Indonesia Eximbank III Tahap I Tahun 2016 Seri A	18,939	AAA	18 Juni/June 2017	7.50	Continuous Bonds Eximbank III Phase I Year 2016

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## 9. EFEK-EFEK (lanjutan)

## a. Berdasarkan jenis dan mata uang (lanjutan)

Obligasi korporasi adalah sebagai berikut:  
(lanjutan)

## 9. MARKETABLE SECURITIES (continued)

## a. By type and currency (continued)

Corporate bonds are as follow: (continued)

2016 (lanjutan/continued)					
Obligasi Korporasi	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity	Suku bunga/ Interest	Corporate bonds
<b>Rupiah</b> (lanjutan)					<b>Rupiah</b> (continued)
Obligasi Berkelanjutan III Adira Finance Tahap IV Tahun 2016 Seri A	18,908	AAA	06 Agustus/August 2017	7.90	Continuous Bonds III Adira Finance Phase IV Year 2016 Series A
Obligasi Berkelanjutan I BRI Tahap II Tahun 2016 Seri B	15,219	AAA	4 Februari/February 2019	9.25	Continuous Bonds I BRI Phase III Year 2016 Series B
Obligasi Berkelanjutan III Sarana Multigriya Financial Tahap I Tahun 2015 Seri B	15,146	AA+	07 Juli/July 2018	9.25	Continuous Bond III Sarana Multigriya Financial Phase I Year 2015 Series B
Obligasi Berkelanjutan Indonesia Eximbank II Tahap VI Tahun 2015 Seri B	14,051	AAA	13 Maret/March 2018	9.00	Continuous Bonds Eximbank II Phase VI Year 2015 Series B
Obligasi Berkelanjutan II WOM Finance Tahap I Tahun 2016 Seri A	10,029	AA	4 Juli/July 2017	8.50	Continuous Bonds II WOM Finance Phase I Year 2016 Series A
Obligasi Berkelanjutan III Sarana Multigriya Financial Tahap V Tahun 2016 Seri A	10,000	AA+	27 Juni/June 2017	7.60	Continuous Bond III Sarana Multigriya Financial Phase V Year 2016 Series A
Obligasi I Sarana Multi Infrastruktur Tahun 2014 Seri A	8,029	AAA	11 Juni/June 2017	9.60	Bond I Sarana Multi Infrastructure Year 2014 Series A
Obligasi Berkelanjutan III Adira Finance Tahap IV Tahun 2016 Seri B	7,900	AAA	26 Juli/July 2019	8.75	Continuous Bonds III Adira Finance Finance Phase IV Year 2016 Series B
Obligasi Berkelanjutan Indonesia Eximbank II Tahap I Tahun 2014 Seri C	7,012	AAA	05 Juni/June 2017	9.25	Continuous Bonds Eximbank II Phase I Year 2014 Series C
Obligasi Berkelanjutan II Adira Finance Tahap II Tahun 2013 Seri C	5,154	AAA	24 Oktober/October 2018	11.00	Continuous Bonds II Adira Finance Phase II Year 2013 Series C
Obligasi Berkelanjutan Indonesia Eximbank II Tahun 2016 Seri A	4,991	AAA	01 Maret/March 2017	8.50	Continuous Bonds Indonesia Eximbank II Year 2016 Series A
Obligasi Berkelanjutan II Indomobil Finance Tahap I Tahun 2015 Seri C	4,982	A	24 April/April 2019	10.25	Continuous Bonds II Indomobil Finance Phase I Year 2015 Series C
Obligasi Berkelanjutan Indonesia Eximbank III Tahap II Tahun 2016 Seri B	4,925	AAA	25 Agustus/August 2019	7.95	Continuous Bonds Indonesia Eximbank III Phase II Year 2016 Series B
Obligasi Berkelanjutan II BCA Finance Tahap I Tahun 2015 Seri C	3,987	AAA	20 Maret/March 2018	9.00	Continuous Bonds II BCA Finance Phase I Year 2015 Series C
Obligasi I Bank UOB Indonesia Tahun 2015 Seri B	3,029	AAA	01 April/April 2018	9.40	Bonds I Bank UOB Indonesia Year 2015 Series B
Obligasi Berkelanjutan I Bank Panin Tahap I Tahun 2012	2,006	AA	20 Desember/December 2017	8.15	Continuous Bonds I Bank Panin Phase I Year 2012
Obligasi Berkelanjutan II Mandiri Tunas Finance Tahap II Tahun 2016 Seri A	999	AA+	01 Juni/June 2019	8.95	Continuous Bonds II Mandiri Tunas Finance Phase II Year 2016 Series A
	<u>2,296,826</u>				
<b>Mata uang asing</b>					<b>Foreign currencies</b>
Obligasi III Indika Energy Finance B.V.	126,128	CCC	7 Mei/May 2018		Bonds III Indika Energy Finance B.V.
	<u>126,128</u>				
	<u>2,422,954</u>				

## b. Berdasarkan penerbit

	2017	2016	
Korporasi	3,977,352	2,422,954	Corporates
Bank Indonesia	8,254,142	11,737,367	Bank Indonesia
Reksadana	-	-	Mutual fund
Lain-lain	<u>158,105</u>	<u>193,196</u>	Others
	12,389,599	14,353,517	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	<u>(18,241)</u>	<u>(6,762)</u>	Allowance for impairment losses
	<u>12,371,358</u>	<u>14,346,755</u>	

## c. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia

	2017	2016	
Lancar	12,389,599	14,227,389	Pass
Macet	-	126,128	Loss
	12,389,599	14,353,517	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	<u>(18,241)</u>	<u>(6,762)</u>	Allowance for impairment losses
	<u>12,371,358</u>	<u>14,346,755</u>	

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9. EFEK-EFEK (lanjutan)

9. MARKETABLE SECURITIES (continued)

d. Cadangan kerugian penurunan nilai

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

	2017	2016
Saldo awal	6,762	3,616
Pembentukan/(pembalikan) selama tahun berjalan (lihat Catatan 34)	13,377	3,123
Selisih kurs penjabaran	(1,898)	23
Saldo akhir	<u>18,241</u>	<u>6,762</u>

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai di atas telah memadai.

d. Allowance for impairment losses

The changes in the allowance for impairment losses are as follows:

	2017	2016
Beginning balance	6,762	3,616
Allowance/(reversal) during the year (refer to Note 34)	13,377	3,123
Exchange rate difference	(1,898)	23
Ending balance	<u>18,241</u>	<u>6,762</u>

The management believes that the above allowance for impairment losses is adequate.

e. Berdasarkan jatuh tempo

e. Based on maturity

	2017	2016	
<b>Rupiah</b>			<b>Rupiah</b>
- Kurang dari 1 bulan	1,545,017	26,808	Less than 1 month -
- 1 - 3 bulan	1,580,850	794,330	1 - 3 months -
- 3 - 12 bulan	2,562,960	6,079,896	3 - 12 months -
- 1 - 2 tahun	1,269,542	663,556	1 - 2 years -
- 2 - 5 tahun	1,829,563	1,228,224	2 - 5 years -
- Lebih dari 5 tahun	33,705	-	More than 5 years -
	<u>8,821,637</u>	<u>8,792,814</u>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Kurang dari 1 bulan	33,138	427,384	Less than 1 month -
- 1 - 3 bulan	1,179,079	1,237,481	1 - 3 months -
- 3 - 12 bulan	2,201,186	3,769,710	3 - 12 months -
- 1 - 2 tahun	-	126,128	1 - 2 years -
- 2 - 5 tahun	-	-	2 - 5 years -
- Lebih dari 5 tahun	154,559	-	More than 5 years -
	<u>3,567,962</u>	<u>5,560,703</u>	
	12,389,599	14,353,517	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	(18,241)	(6,762)	Allowance for impairment losses
	<u>12,371,358</u>	<u>14,346,755</u>	

f. Informasi mengenai tingkat suku bunga diungkapkan pada Catatan 3b.

f. Information in respect of interest rates is disclosed in Note 3b.

10. OBLIGASI PEMERINTAH

10. GOVERNMENT BONDS

a. Berdasarkan jenis dan mata uang

a. By type and currency

	2017	2016	
<b>Diperdagangkan</b>			<b>Trading</b>
- Rupiah	1,077,570	881,975	Rupiah -
- Mata uang asing	1,438,925	281,585	Foreign currencies -
<b>Tersedia untuk dijual</b>			<b>Available for sale</b>
- Rupiah	9,811,072	8,225,244	Rupiah -
- Mata uang asing	2,113,854	2,983,946	Foreign currencies -
	<u>14,441,421</u>	<u>12,372,750</u>	

Obligasi pemerintah dalam mata uang asing adalah dalam Dolar Amerika Serikat.

Government bonds in foreign currencies are denominated in United States Dollars.

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## 10. OBLIGASI PEMERINTAH (lanjutan)

## 10. GOVERNMENT BONDS (continued)

## b. Berdasarkan jatuh tempo

## b. Based on maturity

	2017	2016	
<b>Rupiah</b>			<b>Rupiah</b>
- Kurang dari 1 bulan	2,510,439	187,816	Less than 1 month -
- 1 – 3 bulan	202,877	589,066	1 – 3 months -
- 3 – 12 bulan	687,089	419,383	3 – 12 months -
- 1 – 2 tahun	6,519,565	5,191,886	1 – 2 years -
- 2 – 5 tahun	857,116	2,664,251	2 – 5 years -
- Lebih dari 5 tahun	111,556	54,817	More than 5 years -
	10,888,642	9,107,219	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Kurang dari 1 bulan	726,130	-	Less than 1 month -
- 1 – 3 bulan	-	832,677	1 – 3 months -
- 3 – 12 bulan	430,750	678,724	3 – 12 months -
- 1 – 2 tahun	590,272	1,118,443	1 – 2 years -
- 2 – 5 tahun	1,601,147	506,929	2 – 5 years -
- Lebih dari 5 tahun	204,480	128,758	More than 5 years -
	3,552,779	3,265,531	
	14,441,421	12,372,750	

Pada 31 Desember 2017 peringkat obligasi pemerintah yang diberikan oleh lembaga pemeringkat *Standard and Poor's* adalah BBB- dan pada tanggal 31 Desember 2016, peringkat Obligasi Pemerintah yang diberikan oleh lembaga pemeringkat *Standard and Poor's* adalah BB+.

As at 31 December 2017, government bonds rating given by rating institution *Standard and Poor's* is BBB- and as at 31 December 2016, Government Bonds rating given by rating institution *Standard and Poor's* is BB+.

Pada tanggal 31 Desember 2017, obligasi pemerintah yang didasarkan pada prinsip usaha syariah adalah sebesar Rp 585.943 (2016: Rp 534.676).

As at 31 December 2017, government bonds on *sharia banking principle* amounting Rp 585,943 (2016: Rp 534,676).

## 11. TAGIHAN DAN LIABILITAS DERIVATIF

## 11. DERIVATIVE RECEIVABLES AND PAYABLES

## a. Berdasarkan jenis

## a. By type

Instrumen	2017			Instruments
	Jumlah nosional/ Notional amount (Jumlah penuh/ Full amount)	Nilai wajar/Fair values		
		Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payables	
<b>Tidak terkait instrumen lindung nilai</b>				<b>Non-hedging instrument</b>
Kontrak berjangka valuta asing	IDR 2,115,447,339,719	3,541	6,304	Foreign currency forwards
	USD 694,502,000,464	2,990	7,162	
	SGD 40,257,503,805	161	-	
	GBP 91,672,890,931	13	504	
Kontrak <i>spot</i> valuta asing	IDR 3,638,756,747,575	1,606	1,127	Foreign currency spots
	USD 513,031,914,781	396	456	
	SGD 1,019,752,095	-	1	
Kontrak <i>swaps</i> valuta asing	IDR 18,481,398,001,750	113,576	34,592	Foreign currency swaps
	USD 4,773,327,013,897	38,394	3,898	
	SGD 68,086,291,275	-	205	
	GBP 27,221,518,811	206	-	

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11. TAGIHAN DAN LIABILITAS DERIVATIF (lanjutan)

11. DERIVATIVE RECEIVABLES AND PAYABLES  
(continued)

a. Berdasarkan jenis (lanjutan)

a. By type (continued)

2017 (lanjutan/continued)				
Instrumen	Jumlah nosional/ Notional amount (Jumlah penuh/ Full amount)	Nilai wajar/Fair values		Instruments
		Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payables	
<b>Tidak terkait instrumen lindung nilai (lanjutan)</b>				
<b>Non-hedging instrument (continued)</b>				
Cross currency swaps	IDR 1,721,314,142,521 USD 1,356,750,000,000	101,547 -	34,784 -	Cross currency swaps
Swaps suku bunga	IDR 402,361,111,111 USD 5,328,432,538,026	2,832 25,093	2,341 25,093	Interest rate swaps
Dual Currency Return ("DCR")	AUD - JPY - USD - SGD - CHF -	657 86 14 13 6	549 53 2 8 4	Dual Currency Return ("DCR")
Bid Offer Fx Spread Reserve	IDR - USD - SGD - AUD - GBP - EUR - JPY - CNH - NZD - CAD - CNY -	- - - - - - - - - - -	20,536 2,452 566 344 173 127 80 57 17 5 1	Bid Offer Fx Spread Reserve
		291,131	141,441	
2016				
Instrumen	Jumlah nosional/ Notional amount (Jumlah penuh/ Full amount)	Nilai wajar/Fair values		Instruments
		Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payables	
<b>Tidak terkait instrumen lindung nilai</b>				
<b>Non-hedging instrument</b>				
Kontrak berjangka valuta asing	IDR 1,300,197,986,307 USD 130,342,332 EUR 1,200,000 CNH 126,000	13,807 7,284 - -	8,856 2,683 - -	Foreign currency forwards
Kontrak spot valuta asing	IDR 317,038,960,500 JPY 794,012,564 USD 48,932,908 SGD 26,507,908 AUD 4,047,649 EUR 694,231 GBP 527,654	305 - 516 4 9 - -	379 - 539 - - - -	Foreign currency spots

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## 11. TAGIHAN DAN LIABILITAS DERIVATIF (lanjutan)

11. DERIVATIVE RECEIVABLES AND PAYABLES  
(continued)

## a. Berdasarkan jenis (lanjutan)

## a. By type (continued)

Instrumen	2016 (lanjutan/continued)		Instruments	
	Jumlah nosional/ Notional amount (Jumlah penuh/ Full amount)	Nilai wajar/Fair values		
		Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payables	
<b>Tidak terkait instrument lindung nilai (lanjutan)</b>				
<b>Non-hedging instrument (continued)</b>				
Kontrak swaps valuta asing	IDR 5,433,063,483,270	60,617	27,731	Foreign currency swaps
	JPY 2,406,851,128	-	-	
	USD 445,916,874	7,851	67,074	
	SGD 199,284,055	-	-	
	CNH 59,394,574	-	-	
	AUD 106,751,231	-	-	
	EUR 36,200,000	-	-	
	GBP 8,700,000	-	-	
	CAD 3,335,613	-	-	
	NZD 4,691,000	-	-	
	CHF 920,000	-	-	
Cross currency swaps	IDR 2,669,670,226,012	259,123	179,491	Cross currency swaps
	USD 24,834,835	-	-	
Swaps suku bunga	IDR 38,578,656,124	97	676	Interest rate swaps
	USD 74,028,947	1,792	1,792	
Dual Currency Return ("DCR")	AUD -	58	23	Dual Currency Return ("DCR")
	USD -	116	92	
	SGD -	16	4	
	JPY -	1	-	
	CAD -	15	8	
	EUR -	328	312	
Bid Offer Fx Spread Reserve	IDR -	-	11,454	Bid Offer Fx Spread Reserve
	SGD -	-	542	
	USD -	-	1,879	
	CNH -	-	75	
	NZD -	-	18	
	AUD -	-	392	
	CNY -	-	1	
	JPY -	-	43	
	CAD -	-	6	
	CHF -	-	6	
	GBP -	-	66	
	EUR -	-	176	
		<u>351,939</u>	<u>304,318</u>	

Seluruh tagihan derivatif pada tanggal 31 Desember 2017 dan 2016 digolongkan sebagai lancar.

All derivative receivables as at 31 December 2017 and 2016 were classified as pass.

- b. Pada tanggal 31 Desember 2017 dan 2016, tidak terdapat tagihan derivatif yang mengalami penurunan nilai.
- c. Informasi mengenai jatuh tempo diungkapkan pada Catatan 3c.
- d. Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 43.

- b. As at 31 December 2017 and 2016, there are no impairment in respect of derivative receivables.
- c. Information in respect of maturities is disclosed in Note 3c.
- d. Information in respect of transactions with related parties is disclosed in Note 43.

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**12. PINJAMAN YANG DIBERIKAN**

**12. LOANS**

**a. Berdasarkan jenis dan mata uang**

**a. By type and currency**

	<u>2017</u>	<u>2016</u>	
<b>Rupiah</b>			<b>Rupiah</b>
- Modal kerja	37,987,492	32,021,929	Working capital -
- Investasi	26,248,029	23,831,929	Investment -
- Konsumsi	13,510,848	12,675,549	Consumer -
- Pinjaman karyawan	650,432	603,837	Employee loan -
	<u>78,396,801</u>	<u>69,133,244</u>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Dolar Amerika Serikat			United States Dollars -
- Modal kerja	9,300,973	10,257,322	Working capital -
- Investasi	17,952,002	13,178,792	Investment -
	<u>27,252,975</u>	<u>23,436,114</u>	
- Dolar Singapura			Singapore Dollars -
- Modal kerja	284,858	265,817	Working capital -
- Investasi	342,251	462,199	Investment -
- Konsumsi	5,518	7,858	Consumer -
	<u>632,627</u>	<u>735,874</u>	
- Yen			Yen -
- Modal kerja	61,764	57,407	Working capital -
- Euro			Euro -
- Modal kerja	5,238	-	Working capital -
- Dolar Hongkong			Hongkong Dollars -
- Modal kerja	3	-	Working capital -
	<u>27,952,607</u>	<u>24,229,395</u>	
	106,349,408	93,362,639	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	(4,159,614)	(3,114,987)	Allowance for impairment losses
	<u>102,189,794</u>	<u>90,247,652</u>	

Pada tanggal 31 Desember 2017, termasuk di dalam pinjaman yang diberikan adalah pembiayaan syariah setelah dikurangi cadangan penurunan kerugian nilai sebesar Rp 2.314.835 (2016: Rp 1.598.318).

As at 31 Desember 2017, included in loans are sharia financing net of allowance for impairment losses amounting Rp 2,314,835 (2016: Rp 1,598,318).

**b. Berdasarkan sektor ekonomi**

**b. By economic sector**

	<u>2017</u>	<u>2016</u>	
Perindustrian	28,294,680	26,505,237	Manufacturing
Perdagangan	27,370,416	23,472,177	Trading
Jasa	18,719,602	15,433,479	Services
Pertanian dan pertambangan	13,998,734	11,978,303	Agricultural and mining
Konstruksi	3,388,118	2,090,165	Construction
Lain-lain	14,577,858	13,883,278	Others
	<u>106,349,408</u>	<u>93,362,639</u>	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	(4,159,614)	(3,114,987)	Allowance for impairment losses
	<u>102,189,794</u>	<u>90,247,652</u>	

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## 12. PINJAMAN YANG DIBERIKAN (lanjutan)

## b. Berdasarkan sektor ekonomi (lanjutan)

Termasuk dalam lain-lain diatas adalah kredit pemilikan rumah, kredit pemilikan kendaraan dan *personal loans*.

## c. Pinjaman yang diberikan yang mengalami penurunan nilai dan cadangan kerugian penurunan nilainya berdasarkan sektor ekonomi

	2017	2016
Perdagangan	1,024,505	703,699
Perindustrian	328,984	366,243
Jasa	265,046	331,629
Konstruksi	33,871	32,468
Pertanian dan pertambangan	5,937	82,664
Lain-lain	240,871	232,229
	1,899,214	1,748,932
Dikurangi: Cadangan kerugian penurunan nilai	(1,131,094)	(1,031,502)
	<u>768,120</u>	<u>717,430</u>

## d. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia

	2017		2016		
	Jumlah pinjaman yang diberikan/ <i>Total loans</i>	Cadangan kerugian penurunan nilai/ <i>Allowance for impairment losses</i>	Jumlah pinjaman yang diberikan/ <i>Total loans</i>	Cadangan kerugian penurunan nilai/ <i>Allowance for impairment losses</i>	
Lancar	101,922,253	2,623,871	90,044,978	1,943,023	Pass
Dalam perhatian khusus	2,155,803	404,649	1,264,067	140,462	Special mention
Kurang lancar	137,639	81,782	271,967	171,299	Substandard
Diragukan	136,629	92,435	192,948	96,159	Doubtful
Macet	1,624,946	956,877	1,284,017	764,044	Loss
	105,977,270	4,159,614	93,057,977	3,114,987	
Pendapatan bunga yang masih akan diterima	372,138	-	304,662	-	Accrued interest income
	<u>106,349,408</u>	<u>4,159,614</u>	<u>93,362,639</u>	<u>3,114,987</u>	

Pada tanggal 31 Desember 2017, persentase pinjaman bermasalah – bruto dan bersih terhadap total pinjaman yang diberikan adalah masing-masing sebesar 1,79% dan 0,72% (2016: 1,88% dan 0,77%).

Kolektibilitas pinjaman yang diberikan kepada pihak berelasi pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

## 12. LOANS (continued)

## b. By economic sector (continued)

Included in others are housing, vehicle and *personal loans*.

## c. Impaired loans and allowance for impairment losses by economic sector

## d. By collectibility as per Bank Indonesia Regulation

As at 31 December 2017, the percentage of non performing loans (“NPL”) – gross and net to total loans are 1.79% and 0.72% (2016: 1.88% and 0.77%) respectively.

Loans to related parties’ collectibility as at 31 December 2017 and 2016 are as follows:

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**12. PINJAMAN YANG DIBERIKAN (lanjutan)**

**12. LOANS (continued)**

**d. Berdasarkan kolektibilitas sesuai Peraturan  
Bank Indonesia (lanjutan)**

**d. By collectibility as per Bank Indonesia  
Regulation (continued)**

	<u>2017</u>	<u>2016</u>	
Lancar	628,926	346,679	Pass
Pendapatan bunga yang masih akan diterima	<u>2,925</u>	<u>1,834</u>	Accrued interest income
	631,851	348,513	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	<u>(5,772)</u>	<u>(8,869)</u>	Allowance for impairment losses
	<u><u>626,079</u></u>	<u><u>339,644</u></u>	

**e. Berdasarkan periode perjanjian pinjaman**

**e. By period of loan agreement**

	<u>2017</u>	<u>2016</u>	
<b>Rupiah</b>			<b>Rupiah</b>
- Kurang dari 1 tahun	25,874,382	23,590,763	Less than 1 year -
- 1 – 2 tahun	4,505,723	3,536,489	1 – 2 years -
- 2 – 5 tahun	14,397,144	12,259,161	2 – 5 years -
- Lebih dari 5 tahun	<u>33,619,552</u>	<u>29,746,831</u>	More than 5 years -
	<u>78,396,801</u>	<u>69,133,244</u>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Kurang dari 1 tahun	8,216,649	9,987,805	Less than 1 year -
- 1 – 2 tahun	660,564	114,766	1 – 2 years -
- 2 – 5 tahun	8,718,865	7,127,313	2 – 5 years -
- lebih dari 5 tahun	<u>10,356,529</u>	<u>6,999,511</u>	More than 5 years -
	<u>27,952,607</u>	<u>24,229,395</u>	
	106,349,408	93,362,639	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	<u>(4,159,614)</u>	<u>(3,114,987)</u>	Allowance for impairment losses
	<u><u>102,189,794</u></u>	<u><u>90,247,652</u></u>	

**f. Berdasarkan jatuh tempo**

**f. Based on maturity**

	<u>2017</u>	<u>2016</u>	
<b>Rupiah</b>			<b>Rupiah</b>
- Kurang dari 1 tahun	35,631,972	31,668,573	Less than 1 year -
- 1 – 2 tahun	3,367,486	2,942,780	1 – 2 years -
- 2 – 5 tahun	17,758,940	14,167,310	2 – 5 years -
- Lebih dari 5 tahun	<u>21,638,403</u>	<u>20,354,581</u>	More than 5 years -
	<u>78,396,801</u>	<u>69,133,244</u>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Kurang dari 1 tahun	9,564,148	9,828,717	Less than 1 year -
- 1 – 2 tahun	2,076,429	2,820,976	1 – 2 years -
- 2 – 5 tahun	10,085,911	8,064,810	2 – 5 years -
- Lebih dari 5 tahun	<u>6,226,119</u>	<u>3,514,892</u>	More than 5 years -
	<u>27,952,607</u>	<u>24,229,395</u>	
	106,349,408	93,362,639	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	<u>(4,159,614)</u>	<u>(3,114,987)</u>	Allowance for impairment losses
	<u><u>102,189,794</u></u>	<u><u>90,247,652</u></u>	

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## 12. PINJAMAN YANG DIBERIKAN (lanjutan)

## 12. LOANS (continued)

## g. Pinjaman yang diberikan yang direstrukturisasi

## g. Restructured loans

	2017	2016	
Perpanjangan jangka waktu kredit	1,475,101	1,077,726	<i>Extension of loan period Extension of loan period and interest rate discount</i>
Perpanjangan jangka waktu dan penurunan suku bunga	<u>1,571,598</u>	<u>1,146,303</u>	
	3,046,699	2,224,029	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	<u>(902,984)</u>	<u>(519,790)</u>	<i>Allowance for impairment losses</i>
	<u><u>2,143,715</u></u>	<u><u>1,704,239</u></u>	

## h. Pinjaman sindikasi

## h. Syndicated loans

Keikutsertaan Bank dalam pinjaman sindikasi dengan bank lain pada tanggal 31 Desember 2017 adalah sebesar Rp 8.756.715 (2016: Rp 6.714.441). Partisipasi Bank dalam pinjaman sindikasi tersebut berkisar antara 0,01% - 66,67% pada tanggal 31 Desember 2017 dan 2016. Bank juga bertindak selaku pimpinan dan/atau *arranger* sebesar 0,20% dari seluruh pinjaman sindikasi tersebut pada tanggal 31 Desember 2017 (2016: 0,46%).

The Bank's participation in syndicated loans with other banks as at 31 December 2017 amounted to Rp 8,756,715 (2016: Rp 6,714,441). The Bank's participation in syndicated loans range between 0.01% - 66.67% as at 31 December 2017 and 2016. The Bank acted as lead manager and/or arranger on 0.20% of the total syndicated loans as at 31 December 2017 (2016: 0.46%).

## i. Cadangan kerugian penurunan nilai

## i. Allowance for impairment losses

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

Movements in the allowance for impairment losses are as follows:

	2017	2016	
Saldo awal	3,114,987	1,838,251	<i>Beginning balance</i>
Penyisihan selama tahun berjalan (lihat Catatan 34)	1,279,427	1,370,246	<i>Allowance during the year (refer to Note 34)</i>
Penghapusan selama tahun berjalan	(254,885)	(85,844)	<i>Write-offs during the year</i>
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	8,057	10,290	<i>Bad debt recoveries</i>
Lain-lain *)	<u>12,028</u>	<u>(17,956)</u>	<i>Others *)</i>
Saldo akhir	<u><u>4,159,614</u></u>	<u><u>3,114,987</u></u>	<i>Ending balance</i>

\*) Termasuk selisih kurs karena penjabaran mata uang asing

*Includes effect of foreign exchange translation \*)*

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk cukup untuk menutup kerugian yang mungkin timbul akibat tidak tertagihnya pinjaman yang diberikan.

Management believes the allowance for impairment losses is adequate to cover impairment losses arising from uncollectible loans.

## j. Agunan kredit

## j. Collaterals for loans

Pinjaman yang diberikan pada umumnya dijamin dengan agunan yang diikat dengan hak tanggungan atau surat kuasa untuk menjual, deposito berjangka atau jaminan lain yang dapat diterima oleh Bank.

Loans are generally secured by pledged collateral, bind with powers of attorney with the rights to sell, time deposits or other collateral accepted by the Bank.

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12. PINJAMAN YANG DIBERIKAN (lanjutan)

12. LOANS (continued)

k. Mutasi cadangan kerugian penurunan nilai pinjaman yang diberikan

k. Movements of allowance for impairment loan losses

Mutasi cadangan kerugian penurunan nilai pinjaman yang diberikan adalah sebagai berikut:

The movements of allowance for impairment loan losses are as follows:

	2017			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Saldo awal	944,904	2,170,083	3,114,987	Beginning balance
Penyisihan selama periode berjalan (lihat Catatan 34)	269,189	1,010,238	1,279,427	Allowance during the period (refer to Note 34)
Penghapusan selama periode berjalan	(196,227)	(58,658)	(254,885)	Write-offs during the period
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	2,338	5,719	8,057	Bad debt recoveries
Lain-lain *)	5,081	6,947	12,028	Others *)
Saldo akhir	<u>1,025,285</u>	<u>3,134,329</u>	<u>4,159,614</u>	Ending balance

\*) Termasuk selisih kurs karena penjabaran mata uang asing

Includes effect of foreign exchange translation \*)

	2016			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Saldo awal	384,786	1,453,465	1,838,251	Beginning balance
Penyisihan selama periode berjalan (lihat Catatan 34)	592,549	777,697	1,370,246	Allowance during the period (refer to Note 34)
Penghapusan selama periode berjalan	(21,131)	(64,713)	(85,844)	Write-offs during the period
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	-	10,290	10,290	Bad debt recoveries
Lain-lain *)	(11,300)	(6,656)	(17,956)	Others *)
Saldo akhir	<u>944,904</u>	<u>2,170,083</u>	<u>3,114,987</u>	Ending balance

\*) Termasuk selisih kurs karena penjabaran mata uang asing

Includes effect of foreign exchange translation \*)

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai pinjaman yang diberikan telah memadai.

Management believes that the allowance for impairment losses on loans is adequate.

I. Pembiayaan bersama

I. Joint financing

Bank mengadakan perjanjian pemberian fasilitas pembiayaan bersama *without recourse* untuk penyaluran kredit konsumsi dalam mata uang Rupiah dengan perusahaan pembiayaan, untuk membiayai kepemilikan kendaraan bermotor. Pada tanggal 31 Desember 2017, jumlah saldo fasilitas pembiayaan bersama adalah sebesar Rp Nihil (2016: Rp 6.020).

The Bank has entered into joint financing without recourse agreements for consumers financing in Rupiah with multifinance companies for financing of retail purchases of vehicles. As at 31 December 2017, the outstanding balances are Rp Nil (2016: Rp 6,020).

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## 12. PINJAMAN YANG DIBERIKAN (lanjutan)

## 12. LOANS (continued)

## m. Pinjaman yang diberikan yang dihapusbukukan

## m. Loans written-off

Perubahan pinjaman yang diberikan yang dihapusbukukan adalah sebagai berikut:

Movements in the loans written-off are as follows:

	2017	2016	
Saldo awal	560,389	501,221	Beginning balance
Penghapusan selama tahun berjalan	254,885	85,844	Write-offs during the year
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	(8,057)	(10,290)	Bad debt recoveries
Hapus tagih *)	(9,613)	(16,386)	Claims written-off *)
Saldo akhir	<u>797,604</u>	<u>560,389</u>	Ending balance

\*) Termasuk selisih kurs karena penjabaran mata uang asing

Includes effect of foreign exchange transaction \*)

## n. Informasi pokok lainnya sehubungan dengan pinjaman yang diberikan

## n. Other significant information relating to loans

- Pada tanggal 20 Januari 2005, Bank Indonesia mengeluarkan peraturan No. 7/3/PBI/2005 tentang "Batas Maksimum Pemberian Kredit Bank Umum". Peraturan tersebut menetapkan batas maksimum penyediaan dana kepada satu peminjam yang bukan merupakan pihak terkait tidak melebihi 20% dari modal Bank (2017: Rp 4.487.995, 2016: Rp 4.061.138). Peraturan tersebut juga menetapkan batas maksimum penyediaan dana kepada satu kelompok peminjam yang bukan pihak terkait tidak melebihi 25% dari modal Bank (2017: Rp 5.609.994, 2016: Rp 5.076.422). Peraturan ini berlaku efektif sejak tanggal 20 Januari 2005. Pada tanggal 31 Desember 2017 dan 2016, Bank tidak melampaui ataupun melanggar Batas Maksimum Pemberian Kredit ("BMPK") kepada pihak terkait dan pihak ketiga.
- Pinjaman yang diberikan dijamin dengan agunan yang diikat dengan hipotik, hak tanggungan atau surat kuasa untuk menjual, deposito berjangka dan jaminan lainnya. Pada tanggal 31 Desember 2017 dan 2016, jumlah pinjaman yang diberikan yang dijamin dengan giro dan deposito berjangka yang diblokir masing-masing adalah sebesar Rp 2.543.225 dan Rp 2.296.115.
- Pada tanggal 31 Desember 2017 dan 2016, rasio kredit usaha mikro kecil terhadap pinjaman yang diberikan masing-masing adalah 1,05%, dan 0,90%.
- On 20 January 2005, Bank Indonesia issued regulation No. 7/3/PBI/2005 relating to the "Legal Lending Limit for Commercial Banks". This regulation requires the maximum lending limit to one non-related party borrower not to exceed 20% of the Bank's capital (2017: Rp 4,487,995, 2016: Rp 4,061,138). This regulation also requires the maximum lending limit to non-related party groups of borrower not to exceed 25% of the Bank's capital (2017: Rp 5,609,994, 2016: Rp 5,076,422). This regulation was effective starting from 20 January 2005. As at 31 December 2017 and 2016, the Bank did not exceed or breach its Legal Lending Limit ("LLL") to related and third parties.
- Loans are generally collateralised by registered mortgages, powers of attorney to mortgage or sell, time deposits and other guarantees. As at 31 December 2017 and 2016, loans collateralised by current accounts and time deposits pledged amounted to Rp 2,543,225 and Rp 2,296,115, respectively.
- As at 31 December 2017 and 2016, ratio of small and micro loan to total loan are 1.05%, and 0.90%, respectively.

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12. PINJAMAN YANG DIBERIKAN (lanjutan)

n. Informasi pokok lainnya sehubungan dengan pinjaman yang diberikan (lanjutan)

- Pinjaman yang diberikan kepada karyawan Bank terdiri dari pinjaman yang diberikan untuk pembelian kendaraan, rumah dan keperluan lainnya dengan tingkat suku bunga sebesar 5% dan berbagai jangka waktu yang pelunasannya dilakukan melalui pemotongan gaji setiap bulan.
- Pada tanggal yang berakhir 31 Desember 2017 dan 2016, tidak terdapat pinjaman yang dijadikan jaminan.

o. Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 43.

p. Informasi mengenai tingkat suku bunga diungkapkan pada Catatan 3b.

12. LOANS (continued)

n. Other significant information relating to loans (continued)

- Loans to the Bank's employees consist of motor vehicle loans, housing loans and loans for other purposes with interest rate at 5% and various loan terms; repayment of which will be effected through monthly salary deductions.

• As at 31 December 2017 and 2016, no loans pledge as collaterals.

o. Information in respect of transactions with related parties is disclosed in Note 43.

p. Information in respect of interest rates is disclosed in Note 3b.

13. TAGIHAN AKSEPTASI

a. Berdasarkan mata uang

	2017	2016
Rupiah	216,038	392,824
<b>Mata uang asing</b>		
- Dolar Amerika Serikat	3,652,589	3,035,452
- Euro	131,333	61,754
- Yen	43,689	21,280
- Yuan	2,625	-
- Dolar Singapura	-	2,149
	<u>3,830,236</u>	<u>3,120,635</u>
	4,046,274	3,513,459
<b>Dikurangi:</b>		
Cadangan kerugian penurunan nilai	<u>(48,033)</u>	<u>(27,694)</u>
	<u>3,998,241</u>	<u>3,485,765</u>

b. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia

	2017	2016
Lancar	4,046,004	3,502,215
Dalam perhatian khusus	<u>270</u>	<u>11,244</u>
	<u>4,046,274</u>	<u>3,513,459</u>
<b>Dikurangi:</b>		
Cadangan kerugian penurunan nilai	<u>(48,033)</u>	<u>(27,694)</u>
	<u>3,998,241</u>	<u>3,485,765</u>

13. ACCEPTANCE RECEIVABLES

a. By currency

**Rupiah**

**Foreign currencies**  
United States Dollars -  
Euro -  
Yen -  
Yuan -  
Singapore Dollars -

**Less:**  
Allowance for impairment losses

b. By collectibility as per Bank Indonesia Regulation

Pass  
Special mention

**Less:**  
Allowance for impairment losses

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## 13. TAGIHAN AKSEPTASI (lanjutan)

## c. Cadangan kerugian penurunan nilai

Perubahan cadangan kerugian penurunan nilai  
adalah sebagai berikut:

	<u>2017</u>
Saldo awal	27,694
Penyisihan/(pembalikan) selama tahun berjalan (lihat Catatan 34)	19,668
Selisih kurs penjabaran	671
Saldo akhir	<u>48,033</u>

Manajemen berpendapat bahwa jumlah  
cadangan kerugian penurunan nilai di atas telah  
memadai.

## d. Berdasarkan jatuh tempo

	<u>2017</u>
<b>Rupiah</b>	
- Kurang dari 1 bulan	153,927
- 1 – 3 bulan	51,494
- 3 – 6 bulan	10,617
	<u>216,038</u>
<b>Mata uang asing</b>	
- Kurang dari 1 bulan	640,076
- 1 – 3 bulan	1,973,975
- 3 – 6 bulan	1,110,904
- 6 – 12 bulan	101,658
- > 12 bulan	3,623
	<u>3,830,236</u>
	4,046,274
<b>Dikurangi:</b>	
Cadangan kerugian penurunan nilai	<u>(48,033)</u>
	<u>3,998,241</u>

e. Pada tanggal 31 Desember 2017 dan 2016, tidak  
terdapat tagihan akseptasi yang mengalami  
penurunan nilai.f. Informasi mengenai tingkat suku bunga  
diungkapkan pada Catatan 3b.g. Informasi mengenai transaksi dengan pihak  
berelasi diungkapkan pada Catatan 43.

## 14. BEBAN DIBAYAR DIMUKA

	<u>2017</u>
Sewa gedung kantor dan ruang ATM	182,515
Bunga dari simpanan nasabah	138,804
Renovasi	37,697
Pemeliharaan	30,462
Lain-lain	6,779
	<u>396,257</u>

Lain-lain terdiri dari beban dibayar dimuka atas  
asuransi dan lainnya.Informasi mengenai transaksi dengan pihak berelasi  
diungkapkan pada Catatan 43.

## 13. ACCEPTANCE RECEIVABLES (continued)

## c. Allowance for impairment losses

The changes in the allowance for impairment  
losses are as follows:

	<u>2016</u>	
Saldo awal	20,914	Beginning balance
Penyisihan/(pembalikan) selama tahun berjalan (lihat Catatan 34)	8,890	Allowance/(reversal) during the year (refer to Note 34)
Selisih kurs penjabaran	(2,110)	Exchange rate difference
Saldo akhir	<u>27,694</u>	Ending balance

The Management believes that the above  
allowance for impairment losses is adequate.

## d. Based on maturity

	<u>2016</u>	
<b>Rupiah</b>		<b>Rupiah</b>
- Kurang dari 1 bulan	145,926	Less than 1 month -
- 1 – 3 bulan	236,117	1 – 3 months -
- 3 – 6 bulan	10,781	3 – 6 months -
	<u>392,824</u>	
<b>Foreign currencies</b>		<b>Foreign currencies</b>
- Kurang dari 1 bulan	912,896	Less than 1 month -
- 1 – 3 bulan	1,349,858	1 – 3 months -
- 3 – 6 bulan	790,327	3 – 6 months -
- 6 – 12 bulan	22,354	6 – 12 months -
- > 12 bulan	45,200	> 12 months -
	<u>3,120,635</u>	
	3,513,459	
<b>Dikurangi:</b>		<b>Less:</b>
Cadangan kerugian penurunan nilai	<u>(27,694)</u>	Allowance for impairment losses
	<u>3,485,765</u>	

e. As at 31 December 2017 and 2016 there are no  
impairment in respect of acceptance receivables.f. Information in respect of interest rates is  
disclosed in Note 3b.g. Information in respect of transactions with related  
parties is disclosed in Note 43.

## 14. PREPAYMENTS

	<u>2016</u>	
Sewa gedung kantor dan ruang ATM	170,089	Office building rental and ATM
Bunga dari simpanan nasabah	170,332	Interest from deposits from customers
Renovasi	38,214	Renovations
Pemeliharaan	32,686	Maintenance
Lain-lain	7,136	Others
	<u>418,457</u>	

Others consist of prepaid of insurance and others.

Information in respect of transactions with related  
parties is disclosed in Note 43.

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15. ASET TETAP

15. FIXED ASSETS

		2017						
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Disposals	Transfer/ Transferred	Revaluasi/ Revaluation	Saldo akhir/ Ending balance		
<b>Nilai revaluasi</b>							<b>Revalued amount</b>	
Tanah	1,407,576	-	-	32,822	-	1,440,398	Land	
Bangunan	511,578	-	-	20,261	-	531,839	Buildings	
<b>Harga perolehan</b>							<b>Cost</b>	
Peralatan kantor	802,117	132,489	155,793	34,786	-	813,599	Office equipments	
Kendaraan bermotor	119,439	3,996	24,510	-	-	98,925	Motor vehicles	
Aset dalam penyelesaian	146,460	69,627	-	(87,869)	-	128,218	Construction in progress	
	<u>2,987,170</u>	<u>206,112</u>	<u>180,303</u>	<u>-</u>	<u>-</u>	<u>3,012,979</u>		
<b>Akumulasi penyusutan</b>							<b>Accumulated depreciation</b>	
Bangunan	20,879	25,728	-	-	-	46,607	Buildings	
Peralatan kantor	484,096	121,437	155,649	-	-	449,884	Office equipments	
Kendaraan bermotor	68,208	22,535	20,714	-	-	70,029	Motor vehicles	
	<u>573,183</u>	<u>169,700</u>	<u>176,363</u>	<u>-</u>	<u>-</u>	<u>566,520</u>		
<b>Nilai buku bersih</b>	<u>2,413,987</u>					<u>2,446,459</u>	<b>Net book value</b>	
		2016						
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Disposals	Transfer/ Transferred	Revaluasi/ Revaluation	Saldo akhir/ Ending balance		
<b>Nilai revaluasi</b>							<b>Revalued amount</b>	
Tanah	383,741	-	-	8,643	1,015,192	1,407,576	Land	
Bangunan	355,454	-	-	16,063	140,061	511,578	Buildings	
<b>Harga perolehan</b>							<b>Cost</b>	
Peralatan kantor	1,040,219	104,156	400,874	58,616	-	802,117	Office equipments	
Kendaraan bermotor	127,726	26,235	34,522	-	-	119,439	Motor vehicles	
Aset dalam penyelesaian	127,892	101,890	-	(83,322)	-	146,460	Construction in progress	
	<u>2,035,032</u>	<u>232,281</u>	<u>435,396</u>	<u>-</u>	<u>1,155,253</u>	<u>2,987,170</u>		
<b>Akumulasi penyusutan</b>							<b>Accumulated depreciation</b>	
Bangunan	139,701	22,869	-	-	(141,691)	20,879	Buildings	
Peralatan kantor	747,388	133,058	396,350	-	-	484,096	Office equipments	
Kendaraan bermotor	71,337	26,244	29,373	-	-	68,208	Motor vehicles	
	<u>958,426</u>	<u>182,171</u>	<u>425,723</u>	<u>-</u>	<u>(141,691)</u>	<u>573,183</u>		
<b>Nilai buku bersih</b>	<u>1,076,606</u>					<u>2,413,987</u>	<b>Net book value</b>	

Pada tanggal 31 Desember 2017 dan 2016, semua aset tetap yang dimiliki Bank merupakan kepemilikan langsung.

As at 31 December 2017 and 2016, all fixed assets held by the Bank are direct ownership.

Aset dalam penyelesaian per 31 Desember 2017 adalah sebesar 48,44% dari nilai proyek. Aset dalam penyelesaian akan diselesaikan sampai dengan tahun 2019. Aset dalam penyelesaian tersebut meliputi:

Construction in progress as at 31 December 2017 is 48.44% from project value. Construction in progress are estimated to be completed up to 2019. This construction in progress comprises:

	2017	2016	
Perangkat lunak	17,480	10,385	Software
Gedung	110,738	136,075	Buildings
	<u>128,218</u>	<u>146,460</u>	

Rincian penjualan aset tetap adalah sebagai berikut:

Details of sale of fixed assets are as follows:

	2017	2016	
Hasil penjualan aset tetap	3,942	11,760	Proceeds from sale of fixed assets
Nilai buku	(3,940)	(9,673)	Net book value
Keuntungan penjualan aset tetap	<u>2</u>	<u>2,087</u>	Gain on sale of fixed assets

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**15. ASET TETAP (lanjutan)**

Pada tanggal 31 Desember 2017, Bank memiliki beberapa bidang tanah dan bangunan dengan hak legal berupa Hak Guna Bangunan ("HGB") dan Hak Milik ("HM"). Hak Guna Bangunan berjangka waktu 10 – 40 tahun dan akan berakhir antara tahun 2018 sampai dengan 2045. Manajemen berpendapat tidak terdapat masalah dengan perpanjangan hak atas tanah karena seluruh tanah diperoleh secara sah dan didukung dengan bukti kepemilikan yang memadai.

Aset tetap, kecuali tanah, telah diasuransikan pada beberapa perusahaan asuransi, seperti: PT Asuransi Central Asia, PT Asuransi Wahana Tata, PT Asuransi Bangun Askrida, PT Jardine Lloyd Thompson dan PT Asuransi Jasindo terhadap risiko kebakaran, kecurian dan risiko lainnya. Pada tanggal 31 Desember 2017, jumlah nilai pertanggungan yang diasuransikan adalah sebesar Rp 968.887 (2016: Rp 1.052.447). Perusahaan-perusahaan asuransi tersebut di atas tidak berelasi dengan Bank.

Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungjawabkan.

**Revaluasi aset tetap**

Pada tanggal 15 Oktober 2015, Menteri Keuangan menerbitkan Peraturan Menteri Keuangan Nomor 191/PMK.010/2015 tentang penilaian kembali aktiva tetap untuk tujuan perpajakan bagi permohonan yang diajukan pada tahun 2015 dan 2016 sebagaimana telah diubah dengan Peraturan Menteri Keuangan Nomor 29/PMK.03/2016 dan Peraturan Direktur Jenderal Pajak Nomor PER-37/PJ/2015.

Sehubungan dengan peraturan tersebut, Bank mengajukan permohonan penilaian kembali tanah dan bangunan pada tanggal 31 Desember 2015 dan mendapat persetujuan Direktur Jenderal Pajak dengan Surat Keputusan Direktur Jenderal Pajak Nomor KEP-416/WPJ.19/2016 tanggal 20 Mei 2016. Direktur Jenderal Pajak menyetujui permohonan penilaian kembali aktiva tetap. Pajak Penghasilan final atas penilaian kembali aktiva tetap tersebut sebesar Rp 38.542 dan telah dibayar lunas.

Dengan diperolehnya persetujuan permohonan penilaian kembali aset tetap tersebut, pada tanggal 31 Mei 2016, Bank melakukan perubahan kebijakan akuntansi terkait pengukuran setelah pengakuan awal untuk aset tetap kelas tanah dan bangunan dari model biaya ke model revaluasi. Perubahan kebijakan akuntansi ini diterapkan secara prospektif (lihat Catatan 2b).

**15. FIXED ASSETS (continued)**

As at 31 December 2017, the Bank owns several pieces of land and buildings with Building Use Rights ("HGB") and Ownership Rights ("HM"). Building Use Rights have periods of 10 to 40 years and will expire between year 2018 to 2045. The management believes that there will be no difficulty in obtaining the extension of the landrights as all the land was acquired legally and is supported by sufficient evidence of ownership.

Fixed assets, except land, are insured to several insurance companies such as: PT Asuransi Central Asia, PT Asuransi Wahana Tata, PT Asuransi Bangun Askrida, PT Jardine Lloyd Thompson and PT Asuransi Jasindo for fire, theft and other possible risks. As at 31 December 2017, the total sum insured amounted to Rp 968,887 (2016: Rp 1,052,447). The above insurance companies are not related parties of the Bank.

Management believes that the insurance coverage is adequate to cover the potential losses on the assets insured.

**Revaluation fixed assets**

On 15 October 2015, Ministry of Finance has issued the Regulation of Ministry of Finance No. 191/PMK.010/2015 regarding fixed asset revaluation for tax purposes, where the application is submitted in year 2015 and 2016, and as amended with Regulation of Ministry of Finance No. 29/PMK.03/2016 and Regulation of Directorate General of Taxation No. PER-37/PJ/2015.

In regards to this regulation, the Bank has submitted an application of land and buildings revaluation on 31 December 2015 and obtained an approval from Directorate General of Taxation with approval Letter from Directorate General of Taxation Number KEP-416/WPJ.19/2016 dated 20 May 2016. Directorate General of Taxation approved the request for fixed assets revaluation. The final income tax on this fixed asset revaluation of Rp 38,542 has been paid.

With this approval of fixed asset revaluation, on 31 May 2016, the Bank changed their accounting polices related to subsequent measurement of land and buildings class of fixed asset from cost model to the revaluation model. This change in accounting policy is applied prospectively (Refer to Note 2b).

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## 15. ASET TETAP (lanjutan)

## Revaluasi aset tetap (lanjutan)

Nilai wajar dari tanah dan bangunan dinilai oleh Kantor Jasa Penilai Publik (KJPP) Muttaqin Bambang Purwanto Rozak Uswatun & Rekan, penilai properti independen eksternal, yang memenuhi kualifikasi profesional dan berpengalaman di lokasi dan kategori aset yang di nilai dalam laporannya tertanggal 21 April 2016. Metode penilaian yang digunakan adalah Metode Pendekatan Data Pasar dan Metode Biaya. Elemen-elemen yang digunakan dalam perbandingan data untuk menentukan nilai wajar aset, antara lain:

1. Jenis hak yang melekat pada properti;
2. Kondisi pasar;
3. Lokasi;
4. Karakteristik fisik;
5. Karakteristik dalam menghasilkan pendapatan; dan
6. Karakteristik tanah.

Tabel berikut menyajikan informasi mengenai revaluasi tanah dan bangunan pada tanggal revaluasi:

	Nilai buku bersih sebelum revaluasi/ <i>Net book value before revaluation</i>	Nilai wajar pada tanggal revaluasi/ <i>Fair value on the date of revaluation</i>	Surplus revaluasi/ <i>Revaluation surplus</i>	
Tanah	383,742	1,398,934	1,015,192	Land Building
Bangunan	205,728	487,480	281,752	
	<u>589,470</u>	<u>1,886,414</u>	<u>1,296,944</u>	

Surplus dari revaluasi sebesar Rp 1.258.402, setelah dikurangi pajak penghasilan sebesar Rp 38.542, diakui dalam penghasilan komprehensif lain dan dibukukan sebagai surplus revaluasi aset tetap, bagian dari ekuitas, pada tanggal 31 Desember 2016.

Tabel di bawah ini menganalisis instrumen non-keuangan yang dicatat pada nilai wajar pada tanggal 31 Desember 2017 dan 2016, berdasarkan tingkatan metode penilaian. Perbedaan pada setiap tingkatan metode penilaian dijelaskan sebagai berikut:

- Level 1: Input yang berasal dari harga kuotasian (tanpa penyesuaian) dalam pasar aktif untuk aset yang identik;
- Level 2: Input selain harga kuotasian pasar dalam level 1 yang dapat di observasi baik secara langsung maupun tidak langsung;
- Level 3: Input yang tidak dapat diobservasi.

## 15. FIXED ASSETS (continued)

## Revaluation fixed assets (continued)

The fair value of land and buildings were determined by Kantor Jasa Penilai Publik (KJPP) Muttaqin Bambang Purwanto Rozak Uswatun & Rekan, an external independent property appraiser, who fulfills the professional qualifications and experience in the location and category of the assets being valued based on its report dated 21 April 2016. Appraisal method used is Market Data Approach and Cost Approach Method. Elements used in data comparison process to determine assets' fair value are as follow:

1. Type of right on property;
2. Market condition;
3. Location;
4. Physical characteristics;
5. Income producing characteristics; and
6. Land characteristics.

The following table presents the information on the revaluation of land and buildings on the date of revaluation:

The surplus arising on the revaluation of Rp 1,258,402, net of income tax of Rp 38,542, is recognised in other comprehensive income and recorded as revaluation surplus of fixed asset, component of equity, as at 31 December 2016.

The table below analyses non-financial instruments measured at fair value as at 31 December 2017 and 2016, by level of valuation method. The difference in levels of valuation methods are defined as follows:

- Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets;
- Level 2: Inputs other than quoted market price included in level 1 that are observable either directly or indirectly;
- Level 3: Inputs that are unobservable.

	2017				Jumlah/ Total	
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3		
Tanah	1,440,398	-	1,440,398	-	-	Land Buildings
Bangunan	531,839	-	531,839	-	-	
	<u>1,972,237</u>	<u>-</u>	<u>1,972,237</u>	<u>-</u>	<u>-</u>	

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## 15. ASET TETAP (lanjutan)

## Revaluasi aset tetap (lanjutan)

	2016				Jumlah/ Total	
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3		
Tanah	1,398,934	-	1,398,934	-	1,398,934	Land
Bangunan	487,480	-	487,480	-	487,480	Buildings
	<u>1,886,414</u>	<u>-</u>	<u>1,886,414</u>	<u>-</u>	<u>1,886,414</u>	

Tanah dan Bangunan yang diukur dengan nilai wajar melalui pengukuran nilai wajar berulang diklasifikasikan pada nilai wajar tingkat 2.

Tidak terdapat perpindahan antar tingkat selama tahun berjalan.

Nilai wajar tingkat 2 dari tanah dan bangunan dihitung dengan menggunakan pendekatan perbandingan harga pasar dan estimasi biaya reproduksi baru atau biaya pengganti baru. Harga pasar dari tanah dan bangunan yang paling mendekati disesuaikan dengan perbedaan atribut, seperti ukuran aset, lokasi, dan penggunaan aset.

Pada tanggal 31 Desember 2017, manajemen berkeyakinan bahwa tidak ada perubahan signifikan atas nilai wajar tanah dan bangunan dibandingkan dengan nilai wajar tanggal 31 Desember 2016.

Jika tanah dan bangunan dicatat sebesar harga perolehan, maka per 31 Desember 2017 dan 2016 dicatat dalam jumlah sebagai berikut:

	2017	2016	
Tanah	416,563	383,742	Land
Bangunan			Buildings
Harga perolehan	375,715	355,454	Cost
Akumulasi depresiasi	(192,002)	(175,206)	Accumulated depreciation
Nilai buku	<u>600,276</u>	<u>563,990</u>	Net book amount

## 15. FIXED ASSETS (continued)

## Revaluation fixed assets (continued)

Land and buildings measured at fair value using recurring fair value measurement are classified as level 2 fair values.

There were no transfers between level of valuations during the year.

Level 2 fair values of land and buildings were valued using the comparable market data and cost reproduction or cost replacement approach. The approximate market prices are adjusted for differences in key attributes such as, property size, location, and use of assets.

As at 31 December 2017, management believes that there is no significant changes in the fair value of land and building compared to fair value as at 31 December 2016.

If land and buildings are presented at historical cost, as of 31 December 2017 and 2016 the amount would be as follows:

## 16. ASET LAIN-LAIN

## 16. OTHER ASSETS

	2017	2016	
Agunan yang diambil alih sebelum dikurangi penyisihan sebesar Rp 2.789 pada 31 Desember 2017 (2016: Rp 2.789)	514,771	423,918	Foreclosed collateral gross of allowance Rp 2,789 as at 31 December 2017 (2016: Rp2,789)
Piutang penjualan efek-efek yang masih harus diterima	435,961	287,441	Receivables from sale of marketable securities
Piutang bunga	338,421	352,427	Interest receivables
Tagihan transaksi Letter of Credit	227,645	186,485	Letter of Credit transaction receivables
Tagihan transaksi ATM dan kartu kredit	74,333	63,211	ATM and credit card transaction receivables
Uang muka	35,413	35,265	Advances
Proyek dalam pelaksanaan	94	1,747	Project in process
Lain-lain	27,739	14,807	Others
	1,654,377	1,365,301	
<b>Dikurangi:</b>			<b>Less:</b>
Cadangan kerugian penurunan nilai	(3,615)	(4,247)	Allowance for impairment losses
	<u>1,650,762</u>	<u>1,361,054</u>	

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**16. ASET LAIN-LAIN (lanjutan)**

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

	<u>2017</u>
Saldo awal (Pembalikan)/penyisihan selama tahun berjalan (lihat Catatan 34 dan 35)	4,247
Selisih kurs penjabaran	(789) 157
Saldo akhir	<u>3,615</u>

Agunan yang diambil alih merupakan jaminan pinjaman yang diberikan yang telah diambil alih oleh Bank berupa tanah dan bangunan.

Agunan yang diambil alih yang dijual selama tahun yang berakhir pada tanggal 31 Desember 2017 adalah sebesar Rp 8.610 (2016: Rp 42.694) dengan laba penjualan sebesar Rp Nihil (2016: laba penjualan sebesar 7.723).

Manajemen berpendapat bahwa saldo agunan yang diambil alih merupakan nilai bersih yang dapat direalisasi.

Uang muka terdiri antara lain uang muka sewa, uang muka pembelian inventaris kantor dan pembayaran-pembayaran yang berjangka waktu pendek.

Lain-lain terdiri antara lain tagihan dalam penyelesaian, penyelesaian kliring, persediaan materi, barang cetakan dan alat tulis kantor.

Manajemen berpendapat bahwa jumlah penyisihan aset lain-lain diatas telah memadai.

**16. OTHER ASSETS (continued)**

The changes in the allowance for impairment losses are as follows:

	<u>2016</u>	
	71,519	Beginning balance (Reversal)/allowance during the year
	(66,603)	(refer to Notes 34 and 35)
	(669)	Exchange rate differences
	<u>4,247</u>	Ending balance

Foreclosed collateral represents loan collateral that has been foreclosed by the Bank in the form of land and buildings.

Total foreclosed collateral sold for the year ended 31 December 2017 amounted to Rp 8,610 (2016: Rp 42,694) with gain on sale amounting to Rp Nil (2016: gain on sale amounting to Rp 7,723).

The management believes that the foreclosed collateral balance represents net realisable value.

Advances consist of advances for rental, advances on purchase of office equipments and other short term payments.

Others consist of bills in progress, clearing in process, stamp duty, printed goods and office supplies.

Management believe that the above allowance for other assets is adequate.

**17. LIABILITAS SEGERA**

	<u>2017</u>
Kewajiban yang masih harus dibayar	544,082
Kiriman uang	115,199
	<u>659,281</u>

Kewajiban yang masih harus dibayar meliputi antara lain penyelesaian kliring, kewajiban ATM, biaya notaris dan premi asuransi.

**17. OBLIGATIONS DUE IMMEDIATELY**

	<u>2016</u>	
	406,326	Liabilities payable
	38,072	Fund transfers
	<u>444,398</u>	

Liabilities payable mainly consist of clearing settlements, ATM liabilities, notary fees and insurance premium.

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## 18. SIMPANAN NASABAH

## 18. DEPOSITS FROM CUSTOMERS

## a. Berdasarkan jenis dan mata uang

## a. By type and currency

	2017	2016	
<b>Rupiah</b>			<b>Rupiah</b>
- Giro	12,499,718	10,105,842	Current accounts -
- Tabungan			Savings -
- TANDA	11,865,067	10,951,850	TANDA -
- TAKA	1,353,004	1,310,230	TAKA -
- Tabhar	435,063	490,081	Tabhar -
- Deposito berjangka	56,576,371	46,934,189	Time deposits -
	<u>82,729,223</u>	<u>69,792,192</u>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Giro	13,638,256	14,406,053	Current accounts -
- Tabungan	3,927,782	3,537,313	Savings -
- Deposito berjangka	13,145,411	15,824,402	Time deposits -
	<u>30,711,449</u>	<u>33,767,768</u>	
	<u>113,440,672</u>	<u>103,559,960</u>	

Simpanan nasabah dalam mata uang asing adalah Dolar Amerika Serikat, Euro, Dolar Singapura, Dolar Australia, Pound Sterling, Dolar Hong Kong, Dolar Kanada, Frank Swiss, Dolar Selandia Baru, Yen dan *China Offshore*.

Deposits from customers in foreign currencies are denominated in United States Dollars, Euro, Singapore Dollars, Australian Dollars, Pound Sterling, Hong Kong Dollars, Canadian Dollars, Swiss Franc, New Zealand Dollars, Yen and *China Offshore*.

## b. Simpanan yang diblokir dan dijadikan jaminan atas pinjaman yang diberikan

## b. Amounts blocked and pledged as loan collateral

Pada tanggal 31 Desember 2017, jumlah giro dan deposito berjangka yang diblokir dan dijadikan jaminan pinjaman yang diberikan adalah sebesar Rp 3.351.529 (2016: Rp 2.659.479).

As at 31 December 2017, current accounts and time deposits pledged as loan collateral amounted to Rp 3,351,529 (2016: Rp 2,659,479).

Pada tanggal 31 Desember 2017 dan 2016 tidak terdapat tabungan yang diblokir dan dijadikan jaminan pinjaman yang diberikan.

As at 31 December 2017 and 2016 there is no saving account pledged as loan collateral.

## c. Berdasarkan jatuh tempo

## c. Based on maturity

	2017	2016	
<b>Rupiah</b>			<b>Rupiah</b>
- Giro			Current accounts -
- Kurang dari 1 bulan	12,499,718	10,105,842	Less than 1 month
- Tabungan			Saving accounts -
- Kurang dari 1 bulan	12,367,906	11,487,303	Less than 1 month
- 1 – 3 bulan	141,080	100,688	1 – 3 months
- 3 – 6 bulan	262,864	190,501	3 – 6 months
- 6 – 12 bulan	282,523	234,129	6 – 12 months
- Lebih dari 12 bulan	598,761	739,540	More than 12 months
- Deposito berjangka			Time deposits -
- Kurang dari 1 bulan	38,693,297	31,874,801	Less than 1 month
- 1 – 3 bulan	12,927,037	12,130,599	1 – 3 months
- 3 – 6 bulan	3,128,656	1,912,738	3 – 6 months
- 6 – 12 bulan	1,827,368	989,914	6 – 12 months
- Lebih dari 12 bulan	13	26,137	More than 12 months
	<u>82,729,223</u>	<u>69,792,192</u>	

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18. SIMPANAN NASABAH (lanjutan)

18. DEPOSITS FROM CUSTOMERS (continued)

c. Berdasarkan jatuh tempo (lanjutan)

c. Based on maturity (continued)

	2017	2016	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Giro			Current accounts -
Kurang dari 1 bulan	13,638,256	14,406,053	Less than 1 month
- Tabungan			Saving accounts -
Kurang dari 1 bulan	3,898,321	3,513,298	Less than 1 month
1 – 3 bulan	8,870	3,389	1 – 3 months
3 – 6 bulan	8,691	3,903	3 – 6 months
6 – 12 bulan	8,082	2,728	6 – 12 months
Lebih dari 12 bulan	3,818	13,995	More than 12 months
- Deposito berjangka			Time deposits -
Kurang dari 1 bulan	9,295,593	13,219,759	Less than 1 month
1 – 3 bulan	1,569,126	2,083,009	1 – 3 months
3 – 6 bulan	337,126	129,936	3 – 6 months
6 – 12 bulan	1,943,566	184,611	6 – 12 months
Lebih dari 12 bulan	-	207,087	More than 12 months
	<u>30,711,449</u>	<u>33,767,768</u>	
	<u>113,440,672</u>	<u>103,559,960</u>	

d. Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 43.

d. Information in respect of transactions with related parties is disclosed in Note 43.

e. Pada 31 Desember 2017, jumlah giro dan tabungan *Wadiah* dan *Mudharabah* yang dikelola oleh unit Syariah Bank mempunyai nilai sebesar masing-masing Rp 130.939 dan Rp 995.793 (2016: Rp 138.486 dan Rp 717.570) dan deposito berjangka *Mudharabah* yang dikelola unit Syariah Bank mempunyai nilai sebesar Rp 1.046.345 (2016: Rp 1.682.059).

e. As at 31 December 2017, total *Wadiah* and *Mudharabah* current and saving account, managed by the Bank's Sharia unit amounted to Rp 130,939 and Rp 995,793, respectively (2016: Rp 138,486 and Rp 717,570) and *Mudharabah* time deposits, managed by the Bank's Sharia unit amounted to Rp 1,046,345 (2016: Rp 1,682,059).

(i) GIRO

(i) CURRENT ACCOUNTS

a. Berdasarkan jenis dan mata uang

a. By type and currency

	2017	2016	
<b>Rupiah</b>			<b>Rupiah</b>
- Pihak berelasi	142,743	91,863	Related parties -
- Pihak ketiga	12,356,975	10,013,979	Third parties -
	<u>12,499,718</u>	<u>10,105,842</u>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Pihak berelasi	55,775	56,780	Related parties -
- Pihak ketiga	13,582,481	14,349,273	Third parties -
	<u>13,638,256</u>	<u>14,406,053</u>	
	<u>26,137,974</u>	<u>24,511,895</u>	

b. Pada tanggal 31 Desember 2017, giro dari pihak berelasi sebesar Rp 198.518 (2016: Rp 148.643); atau 0,76 % (2016: 0,61%) dari jumlah giro.

b. As at 31 December 2017, total current accounts from related parties were amounting to Rp 198,518 (2016: Rp148,643); or 0.76% (2016: 0.61%) from total current accounts.

c. Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.

c. Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.

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## 18. SIMPANAN NASABAH (lanjutan)

## (ii) TABUNGAN

## a. Berdasarkan jenis dan mata uang

	<u>2017</u>
<b>Rupiah</b>	
- Pihak berelasi	61,448
- Pihak ketiga	<u>13,591,686</u>
	<u>13,653,134</u>
<b>Mata uang asing</b>	
- Pihak berelasi	14,989
- Pihak ketiga	<u>3,912,793</u>
	<u>3,927,782</u>
	<u><u>17,580,916</u></u>

- b. Pada tanggal 31 Desember 2017, tabungan dari pihak berelasi sebesar Rp 76.437 (2016: Rp 67.828); atau 0,43% (2016: 0,42%) dari jumlah tabungan.

## (iii) DEPOSITO BERJANGKA

## a. Berdasarkan jenis dan mata uang

	<u>2017</u>
<b>Rupiah</b>	
- Pihak berelasi	440,103
- Pihak ketiga	<u>56,136,268</u>
	<u>56,576,371</u>
<b>Mata uang asing</b>	
- Pihak berelasi	197,825
- Pihak ketiga	<u>12,947,586</u>
	<u>13,145,411</u>
	<u><u>69,721,782</u></u>

- b. Pada tanggal 31 Desember 2017, deposito berjangka dari pihak berelasi sebesar Rp 637.928 (2016: Rp 401.052); atau 0,91% (2016: 0,64%) dari jumlah deposito.

- c. Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.

## 19. SIMPANAN DARI BANK LAIN

## a. Berdasarkan jenis dan mata uang

	<u>2017</u>
<b>Rupiah</b>	
- Giro	162,984
- Tabungan	11,512
- Inter-bank call money	1,150,000
- Deposito berjangka	<u>192,550</u>
	<u>1,517,046</u>
<b>Mata uang asing</b>	
- Giro	1,227
- Inter-bank call money	<u>3,459,713</u>
	<u>3,460,940</u>
	<u><u>4,977,986</u></u>

## 18. DEPOSITS FROM CUSTOMERS (continued)

## (ii) SAVING ACCOUNTS

## a. By type and currency

	<u>2016</u>
	59,343
	<u>12,692,818</u>
	<u>12,752,161</u>
	8,485
	<u>3,528,828</u>
	<u>3,537,313</u>
	<u><u>16,289,474</u></u>

- b. As at 31 December 2017, total savings accounts from related parties were amounting to Rp 76,437 (2016: Rp 67,828); or 0.43% (2016: 0.42%) from total saving accounts.

## (iii) TIME DEPOSITS

## a. By type and currency

	<u>2016</u>
	290,886
	<u>46,643,303</u>
	<u>46,934,189</u>
	110,166
	<u>15,714,236</u>
	<u>15,824,402</u>
	<u><u>62,758,591</u></u>

- b. As at 31 December 2017, total time deposits from related parties were amounting to Rp 637,928 (2016: Rp 401,052); or 0.91% (2016: 0.64%) from total time deposits.

- c. Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.

## 19. DEPOSITS FROM OTHER BANKS

## a. By type and currency

	<u>2016</u>
	85,851
	10,318
	2,378,000
	<u>32,667</u>
	<u>2,506,836</u>
	204
	-
	<u>204</u>
	<u><u>2,507,040</u></u>

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19. SIMPANAN DARI BANK LAIN (lanjutan)

19. DEPOSITS FROM OTHER BANKS (continued)

b. Berdasarkan jatuh tempo

b. Based on maturity

	2017	2016	
<b>Rupiah</b>			<b>Rupiah</b>
- Giro			Current accounts -
Kurang dari 1 bulan	162,984	85,851	Less than 1 month
- Tabungan			Saving accounts -
Kurang dari 1 bulan	11,512	10,318	Less than 1 month
- Inter-bank call money			Inter-bank call money -
Kurang dari 1 bulan	1,150,000	2,378,000	Less than 1 month
- Deposito berjangka			Time deposits -
Kurang dari 1 bulan	192,050	11,667	Less than 1 month
1 – 3 bulan	-	20,000	1 – 3 months
6 – 12 bulan	500	1,000	6 – 12 months
	<u>1,517,046</u>	<u>2,506,836</u>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Giro			Current accounts -
Kurang dari 1 bulan	1,227	204	Less than 1 month
- Inter-bank call money			Inter-bank call money -
Kurang dari 1 bulan	3,459,713	-	Less than 1 month
	<u>3,460,940</u>	<u>204</u>	
	<u>4,977,986</u>	<u>2,507,040</u>	

c. Pada tanggal 31 Desember 2017 dan 2016, tidak terdapat simpanan dari bank lain yang digunakan sebagai jaminan.

c. As at 31 December 2017 and 2016, there were no deposits from other banks pledged as cash collateral.

d. Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.

d. Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.

e. Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 43.

e. Information in respect of transactions with related parties is disclosed in Note 43.

f. Pada 31 Desember 2017, jumlah giro *Wadiah* yang dikelola oleh unit Syariah Bank mempunyai nilai sebesar Rp 501 (2016: Rp 631), tabungan *Wadiah* yang dikelola oleh unit Syariah Bank mempunyai nilai sebesar Rp 2.515 (2016: Rp 2.251) dan deposito berjangka *Mudharabah* yang dikelola unit Syariah Bank mempunyai nilai sebesar Rp 185.229 (2016: Rp 1.429).

f. As at 31 December 2017, total *Wadiah* current accounts, managed by the Bank's Sharia unit amounted to Rp 501 (2016: Rp 631), *Wadiah* saving accounts, managed by the Bank's Sharia unit amounted to Rp 2,515 (2016: Rp 2,251) and *Mudharabah* time deposits, managed by the Bank's Sharia unit amounted to Rp 185,229 (2016: Rp 1,429).

20. LIABILITAS AKSEPTASI

20. ACCEPTANCE PAYABLES

	2017	2016	
<b>Rupiah</b>	216,038	392,824	<b>Rupiah</b>
<b>Mata uang asing</b>			<b>Foreign currencies</b>
- Dolar Amerika Serikat	3,652,589	3,035,452	United States Dollars -
- Euro	131,333	61,754	Euro -
- Yen	43,689	21,280	Yen -
- Yuan	2,625	-	Yuan -
- Dolar Singapura	-	2,149	Singapore Dollars -
	<u>3,830,236</u>	<u>3,120,635</u>	
	<u>4,046,274</u>	<u>3,513,459</u>	

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## 21. PAJAK PENGHASILAN

## 21. INCOME TAX

## a. Utang pajak

## a. Tax payables

	2017	2016	
Pajak penghasilan badan - Pasal 29	57,352	72,589	Corporate income tax Article 29 -
	<u>57,352</u>	<u>72,589</u>	
Pajak lain-lain			Other taxes
- Pajak penghasilan lainnya	96,056	111,286	Other income taxes -
- Pajak pertambahan nilai	1,460	891	Value added tax -
- Bea materai	206	207	Stamp duty -
	<u>97,722</u>	<u>112,384</u>	
	<u>155,074</u>	<u>184,973</u>	

## b. (Beban)/manfaat pajak penghasilan

## b. Income tax (expense)/benefit

	2017	2016	
Kini	(923,262)	(776,497)	Current
Tanggung	221,432	215,295	Deferred
	<u>(701,830)</u>	<u>(561,202)</u>	

Rekonsiliasi antara beban pajak penghasilan dengan hasil perkalian laba akuntansi sebelum pajak penghasilan dan tarif pajak yang berlaku adalah sebagai berikut:

The reconciliation between income tax expense and the theoretical tax amount on the Bank's profit before income tax is as follows:

	2017	2016	
Laba sebelum pajak penghasilan	2,877,654	2,351,102	Income before tax
Pajak dihitung pada tarif pajak yang berlaku	719,413	587,776	Tax calculated at applicable tax rate
Dampak pajak penghasilan pada:			Tax effects of:
Rugi penjualan agunan yang diambil alih	-	(1,931)	Loss on sale of foreclosed collateral
Lain-lain	(17,583)	(24,643)	Others
Pajak penghasilan	<u>701,830</u>	<u>561,202</u>	Income tax

Rekonsiliasi antara laba sebelum pajak seperti yang disajikan dalam laporan laba rugi dengan penghasilan kena pajak adalah sebagai berikut:

The reconciliation between income before tax, as shown in the statements of profit or loss, and taxable income is as follows:

	2017	2016	
Laba sebelum pajak penghasilan	2,877,654	2,351,102	Income before tax
<b>Perbedaan temporer</b>			<b>Temporary differences</b>
Perbedaan antara komersial dan fiskal untuk:			Differences between commercial and fiscal amounts on:
- Imbalan kerja	46,080	46,549	Employee benefits -
- Cadangan kerugian penurunan nilai aset keuangan	852,406	808,222	Allowance for impairment - losses of financial assets
- Cadangan kerugian penurunan nilai lainnya	(268)	1,726	Allowance for impairment - losses - others
- (Kerugian)/keuntungan yang belum direalisasi dari surat berharga untuk tujuan diperdagangkan	7,177	148	Unrealised (loss)/gain - on trading securities
- Beban penyusutan	(19,665)	4,531	Depreciation expense -
	<u>885,730</u>	<u>861,176</u>	

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21. PAJAK PENGHASILAN (lanjutan)

21. INCOME TAX (continued)

b. (Beban)/manfaat pajak penghasilan (lanjutan)

b. Income tax (expense)/benefit

	2017	2016	
<b>Perbedaan tetap</b>			<b>Permanent differences</b>
- Penjualan agunan yang diambil alih	-	(7,723)	Sale of foreclosed collateral -
- (Pendapatan tidak kena pajak)/ biaya yang tidak dapat dikurangkan menurut pajak	(70,335)	(98,570)	(Non-taxable income)/ - non-deductible expenses
	(70,335)	(106,293)	
Penghasilan kena pajak	3,693,049	3,105,985	Taxable Income
Beban pajak penghasilan	923,262	776,497	Income tax expense
Dikurangi: Pajak dibayar dimuka	(865,910)	(703,908)	Less: Prepaid tax
Utang pajak penghasilan badan	57,352	72,589	Corporate income tax payable

Surat Pemberitahuan Tahunan ("SPT") Pajak Penghasilan Badan untuk tahun pajak 2017 belum dilaporkan. Penghasilan kena pajak hasil rekonsiliasi di atas merupakan dasar dalam pengisian SPT PPh Badan Bank untuk tahun yang berakhir tanggal 31 Desember 2017.

Annual corporate income tax return for fiscal year 2017 has yet been submitted. Taxable income results from above reconciliation is the basis in filing the Bank's annual Tax Return ("SPT") of Corporate Income Tax for the year ended 31 December 2017.

Perhitungan perpajakan untuk tahun yang berakhir tanggal 31 Desember 2016 adalah sesuai dengan Surat Pemberitahuan Tahunan ("SPT") Bank.

The calculations of income tax for the year ended 31 December 2016 conform to the Bank's annual tax returns.

c. Aset/(liabilitas) pajak tangguhan

c. Deferred tax assets/(liabilities)

2017					
Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laporan laba rugi/ Credited/(charged) to statement of income	Dikreditkan/ (dibebankan) ke ekuitas/ Credited/ (charged) to equity	Saldo akhir/ Ending balance		
Imbalan kerja	78,575	11,520	6,107	96,202	Employee benefits
Cadangan kerugian penurunan nilai aset keuangan	297,500	213,102	-	510,602	Allowance for impairment losses on financial assets
Cadangan lainnya	1,161	(67)		1,094	Others allowance
Keuntungan yang belum direalisasi dari efek untuk tujuan diperdagangkan	918	1,794	-	2,712	Unrealised gain on trading marketable securities
Beban penyusutan	(16,866)	(4,917)	-	(21,783)	Depreciation expenses
Keuntungan yang belum direalisasi dari efek tersedia untuk dijual	8,737	-	(40,092)	(31,355)	Unrealised gain on available for sale marketable securities
	370,025	221,432	(33,985)	557,472	

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## 21. PAJAK PENGHASILAN (lanjutan)

## 21. INCOME TAX (continued)

## c. Aset/(liabilitas) pajak tangguhan (lanjutan)

## c. Deferred tax assets/(liabilities) (continued)

2016					
Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laporan laba rugi/ Credited/(charged) to statement of income	Dikreditkan/ (dibebankan) ke ekuitas/ Credited/ (charged) to equity	Saldo akhir/ Ending balance		
Imbalan kerja	70,284	11,637	(3,346)	78,575	Employee benefits
Cadangan kerugian penurunan nilai aset keuangan	95,444	202,056	-	297,500	Allowance for impairment losses on financial assets
Cadangan lainnya	729	432	-	1,161	Others allowance
Keuntungan yang belum direalisasi dari efek untuk tujuan diperdagangkan	881	37	-	918	Unrealised gain on trading marketable securities
Beban penyusutan	(17,999)	1,133	-	(16,866)	Depreciation expenses
Keuntungan yang belum direalisasi dari efek tersedia untuk dijual	21,033	-	(12,296)	8,737	Unrealised gain on available for sale marketable securities
	<u>170,372</u>	<u>215,295</u>	<u>(15,642)</u>	<u>370,025</u>	

Manajemen berkeyakinan bahwa aset pajak tangguhan dapat dipulihkan dan dikompensasikan dengan laba fiskal pada masa mendatang.

The management believes that deferred tax assets can be utilised and compensated against future taxable income.

## d. Administrasi

Berdasarkan Undang-Undang Perpajakan yang berlaku di Indonesia, Perusahaan menghitung, menetapkan, dan membayar sendiri besarnya jumlah pajak yang terhutang. Direktur Jenderal Pajak (DJP) dapat menetapkan atau mengubah liabilitas pajak dalam batas waktu 5 (lima) tahun sejak saat terhutangnya pajak.

## d. Administration

Under the Taxation Laws of Indonesia, the Company calculates, determines, submits tax returns on the basis of self assessment. The Director General of Tax (DGT) may assess or amend taxes within 5 (five) years since the tax becomes due.

## e. Hal lainnya yang signifikan

Berdasarkan Peraturan Menteri Keuangan Nomor 191/PMK.010/2015 tanggal 15 Oktober 2015, Bank mengajukan penilaian kembali atas aset tetap tanah dan bangunan tertentu dan telah mendapatkan persetujuan Direktorat Jenderal Pajak dengan surplus atas revaluasi sebesar Rp 1.296.944 (lihat catatan 15) Bank telah menyetor pajak penghasilan atas selisih perkiraan penilaian kembali aset tetap berupa tanah dan bangunan sebesar Rp 38.542, dicatat pada akun pajak dibayar dimuka pada tanggal 31 Desember 2015.

Dengan diperolehnya persetujuan permohonan penilaian kembali aset tetap (lihat Catatan 15), pajak dibayar dimuka sebesar Rp 38.542 telah di off-set dengan akun surplus revaluasi aktiva tetap dalam komponen ekuitas pada bulan Mei 2016.

## e. Other significant matters

In relation to Regulation of Ministry of Finance No. 191/PMK.010/2015 dated 15 October 2015, The Bank submitted an application for the revaluation of certain land and building and approval has been obtained from the Directorate General of Taxation with a surplus in revaluation of Rp 1,296,944 (see Note 15) and the Bank has paid income tax for difference in estimated value on the fixed asset revaluation in form of land and building amounting Rp 38,542 which was recorded as prepaid tax as at 31 December 2015.

With this approval of fixed asset revaluation (refer to Note 15), the final income tax of Rp 38,542 had been off-set with revaluation surplus of fixed asset account presented in the equity section in May 2016.

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22. BEBAN YANG MASIH HARUS DIBAYAR

22. ACCRUED EXPENSES

	2017	2016	
Bunga yang masih harus dibayar	381,185	377,178	Accrued interest
Biaya operasional lainnya	10,216	14,864	Other operational expenses
Biaya komitmen	3	502	Commitment fee
	<u>391,404</u>	<u>392,544</u>	

Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 43.

Information in respect of transactions with related parties is disclosed in Note 43.

23. EFEK-EFEK YANG DIJUAL DENGAN JANJI DIBELI KEMBALI

23. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

**31 Desember/December 2016**

Pihak lawan/ Counterparty	Tanggal dimulai/ Starting date	Tanggal jatuh tempo/ Maturity date	Nilai beli/ Purchase price	Piutang bunga/ Interest receivables	Nilai bersih/ Carrying amount
<b>Rupiah</b>					
Bank Central Asia	29 Des/Dec 16	5 Jan 17	447,183	261	447,444
Bank Central Asia	30 Des/Dec 16	6 Jan 17	449,813	159	449,972
Bank Mandiri	29 Des/Dec 16	6 Jan 17	<u>448,053</u>	<u>254</u>	<u>448,307</u>
			<u>1,345,049</u>	<u>674</u>	<u>1,345,723</u>

24. EFEK-EFEK YANG DITERBITKAN

24. MARKETABLE SECURITIES ISSUED

	2017	2016	
<b>Rupiah</b>			<b>Rupiah</b>
Obligasi Berkelanjutan I Tahap II Tahun 2015			Continuous Bonds I Phase II Year 2015
Obligasi Seri B	-	670,000	Bonds Series B
Obligasi Seri C	<u>1,235,000</u>	<u>1,235,000</u>	Bonds Series C
	1,235,000	1,905,000	
Obligasi Berkelanjutan II Tahap I Tahun 2016			Continuous Bonds II Phase I Year 2016
Obligasi Seri A	-	837,000	Bonds Series A
Obligasi Seri B	380,000	380,000	Bonds Series B
Obligasi Seri C	<u>783,000</u>	<u>783,000</u>	Bonds Series C
	1,163,000	2,000,000	
Obligasi Berkelanjutan II Tahap II Tahun 2017			Continuous Bonds II Phase II Year 2017
Obligasi Seri A	1,248,000	-	Bonds Series A
Obligasi Seri B	300,000	-	Bonds Series B
Obligasi Seri C	<u>454,000</u>	<u>-</u>	Bonds Series C
	2,002,000	-	

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## 24. EFEK-EFEK YANG DITERBITKAN (lanjutan)

## 24. MARKETABLE SECURITIES ISSUED (continued)

	2017	2016	
Obligasi Berkelanjutan II Tahap III Tahun 2017			<i>Continuous Bonds II Phase III Year 2017</i>
Obligasi Seri A	975,000	-	<i>Bonds Series A</i>
Obligasi Seri B	175,000	-	<i>Bonds Series B</i>
Obligasi Seri C	<u>609,000</u>	<u>-</u>	<i>Bonds Series C</i>
	1,759,000	-	
Dikurangi:			<i>Less:</i>
Biaya emisi yang belum diamortisasi	<u>(10,389)</u>	<u>(6,009)</u>	<i>Unamortised issuance costs</i>
	<u>6,148,611</u>	<u>3,898,991</u>	

**Obligasi Berkelanjutan I OCBC NISP Tahap I Tahun 2013**

Pada tanggal 19 Februari 2013, Bank menerbitkan Obligasi Berkelanjutan I OCBC NISP Tahap I Tahun 2013 sebesar Rp 3.000.000 dan diterbitkan dengan 3 seri yaitu:

- Seri A untuk jangka waktu 370 hari sebesar Rp 973.000 dengan biaya emisi Rp 3.787 dan bunga 6,40% per tahun;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 529.000 dengan biaya emisi Rp 2.059 dan bunga 6,90% per tahun; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 1.498.000 dengan biaya emisi Rp 5.830 dan bunga 7,40% per tahun.

Bunga obligasi ini dibayarkan setiap triwulan. Tanggal pembayaran bunga obligasi pertama dilakukan pada tanggal 19 Mei 2013, dan jatuh tempo pada tanggal 1 Maret 2014 untuk Seri A, 19 Februari 2015 untuk Seri B dan 19 Februari 2016 untuk Seri C.

Bank telah melakukan pembayaran pokok dan pelunasan bunga obligasi berkelanjutan tahap I OCBC NISP Tahap I Tahun 2013 Seri A masing-masing sebesar Rp 973.000 dan Rp 17.644 pada tanggal 28 Februari 2014 dan Seri B masing-masing sebesar Rp 529.000 dan Rp 9.125 pada tanggal 19 Februari 2015. Seri C masing-masing sebesar Rp 1.498.000 dan Rp 27.713 pada tanggal 19 Februari 2016.

Pada tanggal 31 Desember 2016, peringkat obligasi ini menurut PT Fitch Ratings Indonesia dan PT Pemeringkat Efek Indonesia (Pefindo) adalah AAA.

Wali amanat dari penerbitan obligasi ini adalah PT Bank Mega Tbk. PT Bank Mega Tbk bukan merupakan pihak berelasi Bank. Tidak terdapat pelanggaran atas pembatasan perjanjian perwaliamanatan obligasi pada tanggal 31 Desember 2016.

**Continuous Bonds I OCBC NISP Phase I Year 2013**

On 19 February 2013, the Bank issued Continuous Bond I OCBC NISP Phase I Year 2013 in amount of Rp 3,000,000 which is issued in 3 series:

- Series A for 370 days amounted Rp 973,000 with emission cost Rp 3,787 and interest of 6.40% per annum;
- Series B for 2 years amounted Rp 529,000 with emission cost Rp 2,059 and interest of 6.90% per annum; and
- Series C for 3 years amounted Rp 1,498,000 with emission cost Rp 5,830 and interest of 7.40% per annum.

The bonds interest are payable quarterly. The first interest payment on 19 May 2013, and mature on 1 March 2014 for Series A, 19 February 2015 for Series B and 19 February 2016 for Series C.

The Bank had paid the principal and interest of Continuous Bond I OCBC NISP Phase I Year 2013 Series A with total amount Rp 973,000 and Rp 17,644, respectively, on 28 February 2014 and Series B with total amount Rp 529,000 and Rp 9,125, respectively, on 19 February 2015. Series C with total amount Rp 1,498,000 and Rp 27,713 on 19 February 2016.

As at 31 December 2016, the rating of the bonds based on PT Fitch Ratings Indonesia and PT Pemeringkat Efek Indonesia (Pefindo) was AAA.

The trustee for the bonds issued is PT Bank Mega Tbk. PT Bank Mega Tbk is not a related party of the Bank. There was no violation to the covenant of trusteeship agreement of bonds as at 31 December 2016.

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**24. EFEK-EFEK YANG DITERBITKAN (lanjutan)****Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015**

Pada tanggal 10 Februari 2015, Bank menerbitkan Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015 sebesar Rp 3.000.000 dan diterbitkan dengan 3 seri yaitu:

- Seri A untuk jangka waktu 370 hari sebesar Rp 1.095.000 dengan biaya emisi Rp 3.165 dan bunga 9,00% per tahun;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 670.000 dengan biaya emisi Rp 1.937 dan bunga 9,40% per tahun; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 1.235.000 dengan biaya emisi Rp 3.572 dan bunga 9,80% per tahun.

Bunga obligasi ini dibayarkan setiap triwulan. Tanggal pembayaran bunga obligasi pertama dilakukan pada tanggal 10 Mei 2015, dan jatuh tempo pada tanggal 20 Februari 2016 untuk Seri A, 10 Februari 2017 untuk Seri B dan 10 Februari 2018 untuk Seri C.

Bank telah melakukan pembayaran pokok dan pelunasan bunga obligasi berkelanjutan tahap I OCBC NISP Tahap II Tahun 2015 Seri A masing-masing sebesar Rp 1.095.000 dan Rp 27.375 pada tanggal 20 Februari 2016, dan Seri B sebesar Rp 670.000 dan Rp 15.745 pada tanggal 9 Februari 2017.

Untuk tahun yang berakhir 31 Desember 2017 Bank telah membayar bunga Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015 Seri C, sebesar Rp 121.030 tepat waktu dan tepat jumlah.

Pada tanggal 31 Desember 2017 dan 2016, peringkat obligasi ini menurut PT Fitch Ratings Indonesia dan PT Pemeringkat Efek Indonesia (Pefindo) adalah AAA.

Wali amanat dari penerbitan obligasi ini adalah PT Bank Mega Tbk. PT Bank Mega Tbk bukan merupakan pihak berelasi Bank. Tidak terdapat pelanggaran atas pembatasan perjanjian perwalianan obligasi pada tanggal 31 Desember 2017 dan 2016.

**Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016**

Pada tanggal 11 Mei 2016, Bank menerbitkan Obligasi Berkelanjutan II OCBC NISP Tahun 2016 sebesar Rp 2.000.000 dan diterbitkan dengan 3 seri yaitu:

- Seri A untuk jangka waktu 370 hari sebesar Rp 837.000 dengan bunga 7,50% per tahun;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 380.000 dengan bunga 8,00% per tahun; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 783.000 dengan bunga 8,25% per tahun.

**24. MARKETABLE SECURITIES ISSUED (continued)****Continuous Bonds I OCBC NISP Phase II Year 2015**

On 10 February 2015, the Bank issued Continuous Bond I OCBC NISP Phase II Year 2015 offered in amount of Rp 3,000,000 which issued in 3 series:

- Series A for 370 days amounted to Rp 1,095,000 with emission cost Rp 3,165 and interest of 9.00% per annum;
- Series B for 2 years amounted to Rp 670,000 with emission cost of Rp 1,937 and interest of 9.40% per annum; and
- Series C for 3 years amounted to Rp 1,235,000 with emission cost of Rp 3,572 and interest of 9.80% per annum.

The bonds interest are payable quarterly. The first interest payment on 20 May 2015, and mature on 20 February 2016 for Series A, 10 February 2017 for Series B and 10 February 2018 for Series C.

The Bank had paid the principal and interest of Continuous Bond I OCBC NISP Phase II Year 2015 Series A with total amount Rp 1,095,000 and Rp 27,375, respectively, on 20 February 2016, and Series B with total amount Rp 670,000 and Rp 15,745 on 9 February 2017.

For the year ended 31 December 2017, the Bank has paid the interest of Continuous Bond I OCBC NISP Phase II Year 2015 Series C, amounted Rp 121,030, on a timely and accurate basis.

As at 31 December 2017 and 2016, the rating of the bonds based on PT Fitch Ratings Indonesia and PT Pemeringkat Efek Indonesia (Pefindo) was AAA.

The trustee for the bonds issued is PT Bank Mega Tbk. PT Bank Mega Tbk is not related party of the Bank. There was no violation to the covenant of trusteeship agreement of bonds as at 31 December 2017 and 2016.

**Continuous Bonds II OCBC NISP Phase I Year 2016**

On 11 May 2016, the Bank issued Continuous Bond II OCBC NISP Year 2016 offered in amount of Rp 2,000,000 which issued in 3 series:

- Series A for the 370 days amounted to Rp 837,000 with interest of 7.50% per annum;
- Series B for the 2 years amounted to Rp 380,000 with interest of 8.00% per annum; and
- Series C for the 3 years amounted to Rp 783,000 with interest of 8.25% per annum.

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**24. EFEK-EFEK YANG DITERBITKAN** (lanjutan)**Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016** (lanjutan)

Bunga obligasi ini dibayarkan setiap triwulan. Tanggal pembayaran bunga obligasi pertama dilakukan pada tanggal 11 Agustus 2016, dan jatuh tempo pada tanggal 21 Mei 2017 untuk Seri A, 11 Mei 2018 untuk Seri B dan 11 Mei 2019 untuk Seri C.

Untuk tahun yang berakhir 31 Desember 2017, Bank telah membayar bunga Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016, masing-masing sebesar Rp 33.131 untuk Seri A, Rp 30.400 untuk Seri B dan Seri C sebesar Rp 64.598 secara tepat waktu dan tepat jumlah.

Bank telah melakukan pembayaran pokok dan bunga obligasi berkelanjutan II OCBC NISP Tahap I Tahun 2016 Seri A sebesar masing-masing Rp 837.000 dan Rp 17.437 pada tanggal 21 Mei 2017.

Pada tanggal 31 Desember 2017 dan 2016, peringkat obligasi ini menurut PT Pemeringkat Efek Indonesia (Pefindo) adalah AAA.

Wali amanat dari penerbitan obligasi ini adalah PT Bank Mega Tbk. PT Bank Mega Tbk bukan merupakan pihak berelasi Bank. Tidak terdapat pelanggaran atas pembatasan perjanjian perwalianan obligasi pada tanggal 31 Desember 2017 dan 2016.

**Obligasi Berkelanjutan II OCBC NISP Tahap II Tahun 2017**

Pada tanggal 22 Agustus 2017, Bank menerbitkan Obligasi Berkelanjutan II OCBC NISP Tahap II Tahun 2017 sebesar Rp 2.002.000 dan diterbitkan dengan 3 seri yaitu:

- Seri A untuk jangka waktu 370 hari sebesar Rp 1.248.000 dengan bunga 6,75%;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 300.000 dengan bunga 7,30%; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 454.000 dengan bunga 7,70%.

Bunga obligasi ini dibayarkan setiap triwulan. Tanggal pembayaran bunga obligasi pertama dilakukan pada tanggal 22 November 2017, dan jatuh tempo pada tanggal 2 September 2018 untuk Seri A, 22 Agustus 2019 untuk Seri B dan 22 Agustus 2020 untuk Seri C.

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**24. MARKETABLE SECURITIES ISSUED** (continued)**Continuous Bonds II OCBC NISP Phase I Year 2016** (continued)

The bonds interest are payable quarterly. The first interest payment on 11 August 2016, and mature on 21 May 2017 for Series A, 11 May 2018 for Series B and 11 May 2019 for Series C.

For the year ended 31 December 2017, the Bank has paid the Interest of Continuous Bond II OCBC NISP phase I year 2016, Series A Rp 33,131, Series B Rp 30,400 and Series C Rp 64,598 respectively, on a timely and accurate basis.

The Bank had paid the principal and interest of Continuous Bond II Phase I Year 2016 Series A with total amount Rp 837,000 and Rp 17,437 respectively, on 21 May 2017.

As at 31 December 2017 and 2016, the rating of the bonds based on PT Pemeringkat Efek Indonesia (Pefindo) was AAA.

The trustee for the bonds issued is PT Bank Mega Tbk. PT Bank Mega Tbk is not related party of the Bank. There was no violation to the covenant of trusteeship agreement of bonds as at 31 December 2017 and 2016.

**Continuous Bonds II OCBC NISP Phase II Year 2017**

On 22 August 2017, the Bank issued Continuous Bond II OCBC NISP Phase II Year 2017 offered in amount of Rp 2,002,000 which issued in 3 series:

- Series A for the 370 days amounted to Rp 1,248,000 with interest of 6.75%;
- Series B for the 2 years amounted to Rp 300,000 with interest of 7.30%; and
- Series C for the 3 years amounted to Rp 454,000 with interest of 7.70%.

The Bonds interest are payable quarterly. The first interest payment on 22 November 2017, and mature on 2 September 2018 for Series A, 22 August 2019 for Series B and 22 August 2020 for Series C.

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**24. EFEK-EFEK YANG DITERBITKAN (lanjutan)****Obligasi Berkelanjutan II OCBC NISP Tahap II Tahun 2017 (lanjutan)**

Untuk tahun yang berakhir 31 Desember 2017, Bank telah membayar bunga Obligasi Berkelanjutan II OCBC NISP Tahap II Tahun 2017, masing-masing sebesar Rp 21.060 untuk Seri A, Rp 5.475 untuk Seri B dan Seri C sebesar Rp 8.740 secara tepat waktu dan tepat jumlah.

Pada tanggal 31 Desember 2017, peringkat obligasi ini menurut PT Pemeringkat Efek Indonesia (Pefindo) dan PT Fitch Ratings Indonesia adalah AAA.

Wali amanat dari penerbitan obligasi ini adalah PT Bank Mega Tbk. PT Bank Mega Tbk bukan merupakan pihak berelasi Bank. Tidak terdapat pelanggaran atas pembatasan perjanjian perwaliamanatan obligasi pada tanggal 31 Desember 2017.

**Obligasi Berkelanjutan II OCBC NISP Tahap III Tahun 2017**

Pada tanggal 12 Desember 2017, Bank menerbitkan Obligasi Berkelanjutan II OCBC NISP Tahap III Tahun 2017 sebesar Rp 1.759.000 dan diterbitkan dengan 3 seri yaitu:

- Seri A untuk jangka waktu 370 hari sebesar Rp 975.000 dengan bunga 6,15%;
- Seri B untuk jangka waktu 2 tahun sebesar Rp 175.000 dengan bunga 6,75%; serta
- Seri C untuk jangka waktu 3 tahun sebesar Rp 609.000 dengan bunga 7,20%.

Bunga obligasi ini dibayarkan setiap triwulan. Tanggal pembayaran bunga obligasi pertama dilakukan pada tanggal 12 Maret 2018, dan jatuh tempo pada tanggal 22 Desember 2018 untuk Seri A, 12 Desember 2019 untuk Seri B dan 12 Desember 2020 untuk Seri C.

Pada tanggal 31 Desember 2017, peringkat obligasi ini menurut PT Pemeringkat Efek Indonesia (Pefindo) dan PT Fitch Ratings Indonesia adalah AAA.

Wali amanat dari penerbitan obligasi ini adalah PT Bank Mega Tbk. PT Bank Mega Tbk bukan merupakan pihak berelasi Bank. Tidak terdapat pelanggaran atas pembatasan perjanjian perwaliamanatan obligasi pada tanggal 31 Desember 2017.

**24. MARKETABLE SECURITIES ISSUED (continued)****Continuous Bonds II OCBC NISP Phase II Year 2017 (continued)**

For the year ended 31 December 2017, the Bank has paid the Interest of Continuous Bond II OCBC NISP phase II year 2017, Series A Rp 21,060, Series B Rp 5,475 and Series C Rp 8,740 respectively, on a timely and accurate basis.

As at 31 December 2017, the rating of the bonds based on PT Pemeringkat Efek Indonesia (Pefindo) and PT Fitch Ratings Indonesia was AAA.

The trustee for the bonds issued is PT Bank Mega Tbk. PT Bank Mega Tbk is not related party of the Bank. There was no violation to the covenant of trusteeship agreement of bonds as at 31 December 2017.

**Continuous Bonds II OCBC NISP Phase III Year 2017**

On 12 December 2017, the Bank issued Continuous Bond II OCBC NISP Phase III Year 2017 offered in amount of Rp 1,759,000 which issued in 3 series:

- Series A for the 370 days amounted to Rp 975,000 with interest of 6.15%;
- Series B for the 2 years amounted to Rp 175,000 with interest of 6.75%; and
- Series C for the 3 years amounted to Rp 609,000 with interest of 7.20%.

The Bonds interest are payable quarterly. The first interest payment on 12 March 2018, and mature on 22 December 2018 for Series A, 12 December 2019 for Series B and 12 December 2020 for Series C.

As at 31 December 2017, the rating of the bonds based on PT Pemeringkat Efek Indonesia (Pefindo) and PT Fitch Ratings Indonesia was AAA.

The trustee for the bonds issued is PT Bank Mega Tbk. PT Bank Mega Tbk is not related party of the Bank. There was no violation to the covenant of trusteeship agreement of bonds as at 31 December 2017.

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## 25. LIABILITAS LAIN-LAIN

## 25. OTHER LIABILITIES

	2017	2016	
Kewajiban transaksi <i>Letter of Credit</i> dan <i>remittance</i> yang masih harus dibayar	418,820	357,642	<i>Letter of Credit and remittance transactions payable</i>
Setoran jaminan	280,239	200,241	<i>Security deposits</i>
Kewajiban yang masih harus dibayar	267,575	225,006	<i>Accrued liabilities</i>
Utang pembelian efek-efek yang masih harus dibayar	183,490	155,081	<i>Payables from purchase of marketable securities</i>
Pendapatan bunga diterima dimuka	44,166	44,897	<i>Unearned interest income</i>
Lain-lain	22,099	18,795	<i>Others</i>
	<u>1,216,389</u>	<u>1,001,662</u>	

Lain-lain meliputi antara lain liabilitas ATM, retensi dan liabilitas pada pihak ketiga.

*Others consist of ATM liabilities, retention fee and liabilities to third parties.*

## 26. OBLIGASI SUBORDINASI

## 26. SUBORDINATED BONDS

	2017	2016	
<b>Rupiah</b>			<b>Rupiah</b>
Obligasi Subordinasi III 2010	-	880,000	<i>Subordinated Bonds III 2010</i>
<b>Dikurangi:</b>			<b>Less:</b>
Biaya emisi yang belum diamortisasi	-	(629)	<i>Unamortised issuance costs</i>
	<u>-</u>	<u>879,371</u>	

**Obligasi Subordinasi III 2010****Subordinated Bonds III 2010**

Pada tanggal 1 Juli 2010, Bank menerbitkan Obligasi Subordinasi III sebesar Rp 880.000. Wali amanat dari penerbitan obligasi ini adalah PT Bank Mega Tbk.

*On 1 July 2010, the Bank issued Subordinated Bonds III amounting to Rp 880,000. The trustee for the bonds issued is PT Bank Mega Tbk.*

Obligasi Subordinasi diterbitkan tanpa warkat, berjangka waktu 7 tahun terhitung sejak tanggal emisi dan dengan tingkat bunga tetap 11,35% per tahun.

*Subordinated Bond issued scriptless, have a term of 7 years from emission date and with fixed interest rate 11.35% per annum.*

Bunga obligasi ini dibayarkan setiap triwulan dan jatuh tempo pada tanggal 30 Juni 2017. Untuk tahun-tahun yang berakhir 31 Desember 2017 dan 2016 Bank telah membayar bunga Obligasi Subordinasi III dengan jumlah masing-masing sebesar Rp 49.940 dan Rp 99.880 secara tepat waktu dan tepat jumlah.

*The bonds are payable quarterly and mature on 30 June 2017. For the years ended 31 December 2017 and 2016, the Bank has paid the interest of Subordinated Bonds III with total amount of Rp 49,940 and Rp 99,880 respectively, on a timely and accurate basis.*

Pada tanggal 31 Desember 2016, peringkat obligasi ini menurut PT Fitch Ratings Indonesia adalah AA(idn).

*As at 31 December 2016, the rating of the bonds based on PT Fitch Ratings Indonesia was AA(idn).*

Untuk perhitungan rasio kewajiban penyediaan modal minimum ("KPMM"), obligasi subordinasi diperhitungkan sebagai modal pelengkap level 2 bawah.

*For the purpose of calculating the Capital Adequacy Ratio ("CAR"), subordinated bonds are treated as lower tier 2 capital.*

Perjanjian perwaliamanatan berkaitan dengan Obligasi Subordinasi III memuat beberapa pembatasan terhadap Bank dan memerlukan persetujuan tertulis dari wali amanat sebelum melakukan tindakan-tindakan sebagai berikut:

*The trusteeship agreement related to the Subordinated Bonds III provide several negative covenants to the Bank and require a written approval before conducting the followings:*

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**26. OBLIGASI SUBORDINASI (lanjutan)****Obligasi Subordinasi III 2010 (lanjutan)**

1. melakukan pengurangan modal dasar, modal ditempatkan dan disetor Bank, atau
2. mengubah bidang usaha utama Bank.

Tidak terdapat pelanggaran atas pembatasan perjanjian perwaliamanatan Obligasi Subordinasi III pada tanggal 31 Desember 2016.

**26. SUBORDINATED BONDS (continued)****Subordinated Bonds III 2010 (continued)**

1. reduce its authorised, issued and fully paid share capital, or
2. change the nature and scope of its core business activity.

There was no violation to the covenant of trusteeship agreement of Subordinated Bonds III as at 31 December 2016.

**27. MODAL SAHAM DAN TAMBAHAN MODAL  
DISETOR**

Pada tanggal 22 Mei 2012, Bank mendapat pernyataan efektif dari Ketua Badan Pengawas Pasar modal dengan suratnya No. S-6103/BL/2012 dalam rangka Penawaran Umum Terbatas VI dengan menerbitkan 1.506.975.730 saham biasa dengan nominal Rp 125 (nilai penuh) per saham dengan harga penawaran Rp 1.000 (nilai penuh) per saham. Bank telah mendapatkan persetujuan dari pemegang saham sesuai dengan Akta Berita Acara Rapat Umum Pemegang Saham Luar Biasa No. 41 tanggal 22 Mei 2012 dari Fathiah Helmi, SH, notaris di Jakarta.

Hasil penerbitan saham dalam rangka Penawaran Umum Terbatas VI telah diterima seluruhnya oleh Bank sebesar Rp 1.506.976 pada tanggal 14 Juni 2012.

Dalam rangka penggabungan usaha, Bank mengeluarkan 1.227.368.320 saham baru. Pada tanggal 3 Januari 2011, semua saham Bank sejumlah 12.273.683 saham yang berasal dari konversi penyertaan di Bank OCBC Indonesia dijual kepada OCBC Limited (lihat Catatan 1f).

Pada tanggal 29 Oktober 2013, Bank mendapat pernyataan efektif dari Ketua Badan Pengawas Pasar modal dengan suratnya No. S-340/D.04/2013 dalam rangka Penawaran Umum Terbatas VII dengan menerbitkan 2.923.730.091 saham biasa dengan nominal Rp 125 (nilai penuh) per saham dengan harga penawaran Rp 1.200 (nilai penuh) per saham. Bank telah mendapatkan persetujuan dari pemegang saham sesuai dengan Akta Berita Acara Rapat Umum Pemegang Saham Luar Biasa No. 33 tanggal 29 November 2013 dari Fathiah Helmi, SH, notaris di Jakarta.

Hasil penerbitan saham dalam rangka Penawaran Umum Terbatas VII telah diterima seluruhnya oleh Bank sebesar Rp 3.508.476 pada tanggal 22 November 2013.

Tidak terdapat perubahan komposisi pemegang saham setelah Penawaran Umum Terbatas VII diterima oleh Bank

**27. SHARE CAPITAL AND ADDITIONAL PAID IN  
CAPITAL**

On 22 May 2012, the Bank has obtained the notice of effectivity from the Chairman of Capital Market Supervisory Board in his letter No S-6103/BL/2012 for the Bank's Pre-emptive Right Issue VI by issuing of 1,506,975,730 new ordinary shares with nominal value Rp 125 (full amount) per shares at an offering price Rp 1,000 (full amount) per shares. The Bank has obtained approval from the shareholders in accordance with the Extraordinary General Meeting of Shareholders Deed No. 41 dated 22 May 2012 based on Fathiah Helmi, SH, notary in Jakarta.

Proceeds from the issuance of shares in relation to the Pre-emptive Right Issue VI were received by the Bank amounted to Rp 1,506,976 on 14 June 2012.

In relation to the merger, the Bank issued 1,227,368,320 new shares. On 3 January 2011, all the Bank's shares of 12,273,683 shares resulted from the conversion of shares investment in Bank OCBC Indonesia was sold to OCBC Limited (refer to Note 1f).

On 29 October 2013, the Bank has obtained the notice of effectivity from the Chairman of Capital Market Supervisory Board in his letter No S-340/D.04/2013 for the Bank's Pre-emptive Right Issue VII by issuing of 2,923,730,091 new ordinary shares with nominal value Rp 125 (full amount) per shares at an offering price Rp 1,200 (full amount) per shares. The Bank has obtained approval from the shareholders in accordance with the Extraordinary General Meeting of Shareholders Deed No. 33 dated 29 November 2013 based on Fathiah Helmi, SH, notary in Jakarta.

Proceeds from the issuance of shares in relation to the Pre-emptive Right Issue VII were received by the Bank amounted to Rp 3,508,476 on 22 November 2013.

There is no changes in shareholder's composition after Pre-emptive Right Issue VII were received by the Bank.

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unless otherwise stated)27. MODAL SAHAM DAN TAMBAHAN MODAL  
DISETOR (lanjutan)27. SHARE CAPITAL AND ADDITIONAL PAID IN  
CAPITAL (continued)Susunan pemegang saham pada tanggal  
31 Desember 2017 dan 2016 adalah sebagai berikut:The shareholders' composition as at 31 December  
2017 and 2016 was as follows:

2017				
Pemegang saham	Jumlah lembar saham ditempatkan dan disetor penuh/ <i>Number of shares issued and fully paid</i>	Persentase kepemilikan/ <i>Percentage of ownership</i>	Jumlah dalam Rupiah/ <i>Amount in Rupiah</i>	<i>Shareholders</i>
- OCBC Overseas Investment Pte. Ltd	9,760,695,612	85.08%	1,220,087	OCBC Overseas - Investment Pte. Ltd
- Komisaris Bank Pramukti Surjaudaja	225,971	0.00%	28	Board of Commissioners - Pramukti Surjaudaja
- Direksi Bank Parwati Surjaudaja	1,483,210	0.01%	185	Board of Directors - Parwati Surjaudaja
- Pemegang saham lainnya (kepemilikan masing- masing di bawah 5%)	<u>1,710,243,693</u>	<u>14.91%</u>	<u>213,781</u>	Other shareholders - (ownership interest each below 5%)
	<u>11,472,648,486</u>	<u>100.00%</u>	<u>1,434,081</u>	
2016				
Pemegang saham	Jumlah lembar saham ditempatkan dan disetor penuh/ <i>Number of shares issued and fully paid</i>	Persentase kepemilikan/ <i>Percentage of ownership</i>	Jumlah dalam Rupiah/ <i>Amount in Rupiah</i>	<i>Shareholders</i>
- OCBC Overseas Investment Pte. Ltd	9,760,695,612	85.08%	1,220,087	OCBC Overseas - Investment Pte. Ltd
- Komisaris Bank Pramukti Surjaudaja	225,971	0.00%	28	Board of Commissioners - Pramukti Surjaudaja
- Direksi Bank Parwati Surjaudaja	1,483,210	0.01%	185	Board of Directors - Parwati Surjaudaja
- Pemegang saham lainnya (kepemilikan masing- masing di bawah 5%)	<u>1,710,243,693</u>	<u>14.91%</u>	<u>213,781</u>	Other shareholders - (ownership interest each below 5%)
	<u>11,472,648,486</u>	<u>100.00%</u>	<u>1,434,081</u>	

Perubahan tambahan modal disetor pada tanggal  
31 Desember 2017 dan 2016 adalah sebagai berikut:Changes in additional paid in capital are as at  
31 December 2017 and 2016 as follows:

	Agio saham/ <i>Additional paid- in capital</i>	Biaya emisi saham/ <i>Share issuance costs</i>	Jumlah/ <i>Total</i>	
Saldo 31 Desember 2012	3,699,529	(9,690)	3,689,839	<i>Balance as at 31 December 2012</i>
Pengeluaran 2.923.730.091 saham yang berasal dari Penawaran Umum Terbatas dengan Hak Memesan Efek Terlebih Dahulu VII tahun 2013	<u>3,143,010</u>	<u>(3,488)</u>	<u>3,139,522</u>	<i>Issuance of 2,923,730,091 shares from Limited Public Offering with Pre-emptive Rights VII year 2013</i>
Saldo 31 Desember 2017 dan 2016	<u>6,842,539</u>	<u>(13,178)</u>	<u>6,829,361</u>	<i>Balance as at 31 December 2017 and 2016</i>

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**28. SALDO LABA****Penggunaan laba bersih tahun 2015**

Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan Perseroan Terbatas No. 32 tanggal 7 April 2016, Bank telah menyelenggarakan Rapat Umum Pemegang Saham Tahunan, pemegang saham telah menyetujui untuk tidak membagikan dividen atas laba tahun buku 2015 serta menetapkan Rp 100 sebagai dana cadangan wajib Bank. Cadangan ini dibentuk sehubungan dengan Undang-undang No. 40/2007 tanggal 16 Agustus 2007 tentang Perseroan Terbatas.

**Penggunaan laba bersih tahun 2016**

Berdasarkan Akta Berita Acara Rapat Umum Pemegang Saham Tahunan Perseroan Terbatas No. 88 tanggal 30 Maret 2017 dari Notaris Fathiah Helmi SH, Bank telah menyelenggarakan Rapat Umum Pemegang Saham Tahunan, pemegang saham telah menyetujui untuk tidak membagikan dividen atas laba tahun buku 2016 serta menetapkan Rp 100 sebagai dana cadangan wajib Bank. Cadangan ini dibentuk sehubungan dengan Undang-undang No. 40/2007 tanggal 16 Agustus 2007 tentang Perseroan Terbatas.

**28. RETAINED EARNINGS****Appropriation of 2015 net income**

Based on the Annual General Meeting of Shareholders Deed No. 32 dated 7 April 2016, Bank has organized Annual General Meeting of Shareholders, shareholders agreed not to distribute dividends for financial year 2015 and to appropriate Rp 100 into the Bank's statutory reserve. This reserve was provided in relation with the Law No. 40/2007 dated 16 August 2007 regarding the limited company.

**Appropriation of 2016 net income**

Based on the Annual General Meeting of Shareholders Deed No. 88 dated 30 March 2017 of Notary Fathiah Helmi SH, Bank has organized Annual General Meeting of Shareholders, shareholders agreed not to distribute dividends for financial year 2016 and to appropriate Rp 100 into the Bank's statutory reserve. This reserve was provided in relation with the Law No. 40/2007 dated 16 August 2007 regarding the limited company.

**29. PENDAPATAN BUNGA DAN SYARIAH**

	<u>2017</u>	<u>2016</u>
Pinjaman yang diberikan	9,214,299	8,730,531
Efek-efek dan obligasi pemerintah Giro dan penempatan pada bank lain dan Bank Indonesia	1,570,225	1,291,135
Lain-lain	244,531	175,651
	<u>8,116</u>	<u>7,024</u>
	<u>11,037,171</u>	<u>10,204,341</u>

Termasuk dalam pendapatan bunga pinjaman adalah pendapatan Syariah untuk tahun yang berakhir 31 Desember 2017 sebesar Rp 246.334 (2016: Rp 234.472).

Pendapatan bunga atas aset keuangan yang tidak diukur pada nilai wajar melalui laba rugi untuk tahun yang berakhir 31 Desember 2017 adalah sebesar Rp 10.693.756 (2016: Rp 9.922.407).

Termasuk dalam pendapatan bunga dari pinjaman yang diberikan adalah pendapatan bunga yang masih akan diterima dari pinjaman yang diberikan yang mengalami penurunan nilai untuk tahun yang berakhir 31 Desember 2017 adalah sebesar Rp 4.370 (2016: Rp 7.144).

Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 43.

**29. INTEREST INCOME AND SHARIA INCOME**

	<u>2017</u>	<u>2016</u>
Pinjaman yang diberikan	9,214,299	8,730,531
Efek-efek dan obligasi pemerintah Giro dan penempatan pada bank lain dan Bank Indonesia	1,570,225	1,291,135
Lain-lain	244,531	175,651
	<u>8,116</u>	<u>7,024</u>
	<u>11,037,171</u>	<u>10,204,341</u>

Included in loan interest income is Sharia income for the year ended 31 December 2017 amounting to Rp 246,334 (2016: Rp 234,472).

Interest income from financial assets not carried at fair value through profit or loss for the year ended 31 December 2017 are Rp 10,693,756 (2016: Rp 9,922,407).

Included in interest income from loans is accrued interest income on impaired loans for the year ended 31 December 2017 amounting to Rp 4,370 (2016: Rp 7,144).

Information in respect of transactions with related parties is disclosed in Note 43.

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## 30. BEBAN BUNGA DAN SYARIAH

## 30. INTEREST AND SHARIA EXPENSE

	2017	2016	
Simpanan nasabah			Deposits from customers
- Deposito berjangka	3,669,766	3,516,234	Time deposits -
- Giro	368,299	241,782	Current accounts -
- Tabungan	301,098	330,781	Savings -
Efek-efek yang diterbitkan	309,331	338,910	Marketable securities issued
Obligasi subordinasi	50,291	101,041	Subordinated bonds
Simpanan dari bank lain	45,721	41,629	Deposits from other banks
Pinjaman yang diterima	24,449	51,102	Borrowings
Lain-lain	228,961	189,575	Others
	<u>4,997,916</u>	<u>4,811,054</u>	

Termasuk dalam beban bunga adalah beban Syariah untuk tahun yang berakhir 31 Desember 2017 sebesar Rp 96.623 (2016: Rp 114.881).

Included in interest expense is Sharia expense for the year ended 31 December 2017 amounting to Rp 96,623 (2016: Rp 114,881).

Seluruh beban bunga untuk yang berakhir 31 Desember 2017 dan 2016 adalah beban bunga atas liabilitas keuangan yang tidak diukur pada nilai wajar melalui laba rugi.

All interest expense for the year ended 31 December 2017 and 2016 are interest expense from financial liabilities not carried at fair value through profit or loss.

Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 43.

Information in respect of transactions with related parties is disclosed in Note 43.

## 31. PROVISI DAN KOMISI

## 31. FEE AND COMMISSIONS

	2017	2016	
Jasa administrasi	307,894	248,290	Administration fee
Asuransi dan wealth management	179,615	152,327	Insurance and wealth management
Trade finance	161,551	139,461	Trade finance
Kartu kredit	78,473	57,025	Credit card
Pelayanan perbankan	55,624	48,733	Banking service
Remittance and collection	46,258	43,816	Remittance and collection
E-channel	45,169	46,927	E-channel
	<u>874,584</u>	<u>736,579</u>	

Pada tanggal 11 Agustus 2016, Bank mendapatkan ijin prinsip dari Otoritas Jasa Keuangan sehubungan Aktifitas baru berupa Kegiatan Layanan Penitipan dengan Pengelolaan (TRUST) dengan No. S-17/PB.32/2016, dan pada tanggal 15 Agustus 2016 mendapatkan Surat penegasan dengan No. S-56/PB.32/2016.

At 11 August 2016, the Bank obtained principle approval from Otoritas Jasa keuangan in relation to new activity of trust service (TRUST) No. S-17/PB.32/2016 and on 15 August 2016 obtained a Confirmation letter No. S-56/PB.32/2016.

## 32. KEUNTUNGAN DARI PENJUALAN INSTRUMEN KEUANGAN

## 32. GAIN FROM SALE OF FINANCIAL INSTRUMENTS

	2017	2016	
Obligasi pemerintah	250,227	218,865	Government bonds
Efek-efek	72,218	27,026	Marketable securities
	<u>322,445</u>	<u>245,891</u>	

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**32. KEUNTUNGAN DARI PENJUALAN INSTRUMEN  
KEUANGAN (lanjutan)**

Keuntungan dari penjualan instrumen keuangan tersedia untuk dijual dan diperdagangkan untuk tahun yang berakhir 31 Desember 2017 adalah masing-masing sebesar Rp 111.160 dan Rp 211.285 (2016: Rp 57.447 dan Rp 188.444).

**32. GAIN FROM SALE OF FINANCIAL INSTRUMENTS  
(continued)**

Gain from sale of available for sale and trading financial instruments for the year ended 31 December 2017 are Rp 111,160 and Rp 211,285, respectively (2016: Rp 57,447 and Rp 188,444).

**33. LABA/(RUGI) SELISIH KURS - BERSIH**

Labar(rugi) selisih kurs bersih merupakan laba/(rugi) atas transaksi penjualan dan pembelian mata uang asing.

**33. FOREIGN EXCHANGE GAIN/(LOSS) - NET**

Foreign exchange gain/(loss) - net is the gain/(loss) on sale and purchase of foreign exchange transactions.

**34. CADANGAN KERUGIAN PENURUNAN NILAI ATAS  
ASET KEUANGAN**

	<u>2017</u>	<u>2016</u>
Efek-efek (Catatan 9d)	13,377	3,123
Pinjaman yang diberikan (Catatan 12k)	1,279,427	1,370,246
Tagihan akseptasi (Catatan 13c)	19,668	8,890
Aset lain-lain -		
Tagihan transaksi		
Letter of Credit (Catatan 16)	(745)	(65,517)
	<u>1,311,727</u>	<u>1,316,742</u>

Marketable securities (Note 9d)  
Loans (Note 12k)  
Acceptances receivable (Note 13c)  
Other assets -  
Letter of Credit transaction  
receivables (Note 16)

**34. ALLOWANCE FOR IMPAIRMENT LOSSES ON  
FINANCIAL ASSETS**

**35. PEMBALIKAN PENYISIHAN - LAINNYA**

	<u>2017</u>	<u>2016</u>
Pembalikan cadangan kerugian penurunan nilai atas:		
Aset lain-lain – agunan yang diambil alih dan aset tidak produktif (lihat Catatan 16)	44	1,086
	<u>44</u>	<u>1,086</u>

Reversal for impairment losses on:  
Other assets –  
foreclosed collateral and non earning assets (refer to Note 16)

**35. REVERSAL OF POSSIBLE LOSSES - OTHERS**

**36. BEBAN GAJI DAN TUNJANGAN**

	<u>2017</u>	<u>2016</u>
Gaji dan tunjangan	1,885,492	1,738,772
Imbalan pasca kerja (lihat Catatan 41)	73,157	63,211
Pendidikan dan latihan	77,675	76,599
Lain-lain	34,852	27,932
	<u>2,071,176</u>	<u>1,906,514</u>

Salaries and allowances  
Post employment benefits (refer to Note 41)  
Education and training  
Others

**36. SALARIES AND BENEFITS EXPENSES**

Perincian gaji dan tunjangan untuk Dewan Komisaris, Direksi dan Manajemen kunci Bank untuk tahun-tahun yang berakhir 31 Desember 2017 dan 2016 adalah sebagai berikut:

The detail of salaries and allowance paid to Boards of Commissioners, Directors and Key management of the Bank for the years ended 31 December 2017 and 2016 are as follow:

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## 36. BEBAN GAJI DAN TUNJANGAN (lanjutan)

## 36. SALARIES AND BENEFITS EXPENSES (continued)

	2017	2016	
Dewan Komisaris			<i>Board of Commissioners</i>
- Gaji dan imbalan kerja jangka pendek	23,144	24,112	<i>Salary and short term - employee benefit</i>
Direksi *)			<i>Board of Directors *)</i>
- Gaji dan imbalan kerja jangka pendek	103,791	101,413	<i>Salary and short term - employee benefit</i>
Manajemen kunci			<i>Key management</i>
- Gaji dan imbalan kerja jangka pendek	213,312	183,006	<i>Salary and short term - employee benefit</i>
- Imbalan kerja jangka panjang lainnya	17,236	15,844	<i>Other long term benefit -</i>
	<u>230,548</u>	<u>198,850</u>	
	<u>357,483</u>	<u>324,375</u>	

\*) Satu orang anggota Direksi pada tahun 2017 dan 2016 tidak menerima remunerasi dan fasilitas lain dari Bank OCBC NISP

\*) One Director member in 2017 and 2016 did not receive remuneration and other facilities from Bank OCBC NISP

Gaji dan tunjangan untuk anggota Komite Audit yang tidak termasuk Dewan Komisaris untuk tahun yang berakhir 31 Desember 2017 adalah sebesar Rp 753 (2016: Rp 709).

The salaries and allowance to members of Audit Committee, who are not members of Board of Commissioners for the year ended 31 December 2017 amounting to Rp 753 (2016: Rp 709).

Yang dimaksud dengan manajemen kunci adalah karyawan yang bertanggung jawab langsung kepada Direksi atau mempunyai pengaruh yang signifikan terhadap kebijakan dan/atau operasional Bank.

Key management are employees who directly report to Director or has a significant influence on the Bank's policy and/or operational.

## 37. BEBAN UMUM DAN ADMINISTRASI

## 37. GENERAL AND ADMINISTRATIVE EXPENSES

	2017	2016	
Pemeliharaan, perbaikan dan transportasi	269,724	250,664	<i>Repairs, maintenance and transportation</i>
Penyusutan aset tetap (lihat Catatan 15)	169,700	182,171	<i>Depreciation of fixed assets (refer to Note 15)</i>
Sewa	132,850	119,699	<i>Rental</i>
Komunikasi	105,852	100,237	<i>Communications</i>
Promosi	102,010	98,395	<i>Promotions</i>
Asuransi	85,206	84,158	<i>Insurance</i>
Kepuasan dan outsourcing	78,997	63,589	<i>Security and outsourcing</i>
Listrik, air, telepon dan fax	62,998	69,511	<i>Utilities</i>
Alat-alat kantor dan ekspedisi	25,429	27,303	<i>Office supplies and courier charges</i>
Lain-lain	103,988	99,840	<i>Others</i>
	<u>1,136,754</u>	<u>1,095,567</u>	

Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 43.

Information in respect of transactions with related parties is disclosed in Note 43.

## 38. BEBAN OPERASIONAL LAINNYA - LAIN-LAIN

## 38. OTHER OPERATING EXPENSES - OTHERS

	2017	2016	
Biaya tahunan Otoritas Jasa Keuangan	69,189	61,871	<i>Annual fee for Financial Services Authority</i>
Beban operasional ATM, beban sortasi, beban kliring dan RTGS dan lain-lain	85,444	86,724	<i>ATM operational expenses, money sorting, clearing and RTGS expenses and others</i>
	<u>154,633</u>	<u>148,595</u>	

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**39. PENDAPATAN/(BEBAN) BUKAN OPERASIONAL –  
BERSIH**

**39. NON OPERATING INCOME/(EXPENSES) – NET**

	<u>2017</u>	<u>2016</u>	
Keuntungan dari penjualan aset tetap (lihat Catatan 15)	2	2,087	Gain from sale of fixed assets (refer to Note 15)
Kerugian penjualan agunan yang diambil alih	-	7,723	Loss from sale foreclosed collateral
Pendapatan/(beban) lainnya - bersih	<u>125</u>	<u>(1,169)</u>	Others income/(expense) - net
	<u>127</u>	<u>8,641</u>	

**40. KOMITMEN DAN KONTINJENSI**

**40. COMMITMENTS AND CONTINGENCIES**

	<u>2017</u>	<u>2016</u>	
<b>Tagihan komitmen</b>			<b>Commitment receivables</b>
- Fasilitas pinjaman yang diterima yang belum digunakan			Unused loan facility -
- Pihak berelasi	<u>4,070,250</u>	<u>4,041,750</u>	Related parties -
	<u>4,070,250</u>	<u>4,041,750</u>	
<b>Liabilitas komitmen</b>			<b>Commitment payables</b>
- Fasilitas pinjaman yang diberikan yang belum digunakan	39,208,414	43,864,431	Undrawn loan facilities -
- Irrevocable letters of credit yang masih berjalan	<u>4,090,235</u>	<u>3,328,721</u>	Outstanding irrevocable letters of credit
	<u>43,298,649</u>	<u>47,193,152</u>	
<b>Liabilitas komitmen - bersih</b>	<u>(39,228,399)</u>	<u>(43,151,402)</u>	<b>Commitment payables - net</b>
<b>Tagihan kontinjensi</b>			<b>Contingent receivables</b>
- Garansi yang diterima	2,190,047	3,566,544	Guarantees received -
<b>Liabilitas kontinjensi</b>			<b>Contingent payables</b>
- Garansi yang diberikan			Guarantees issued -
- Garansi pelaksanaan	1,203,278	1,633,614	Performance bond -
- Garansi uang muka	1,024,854	814,273	Advance payment guarantees -
- Standby letters of credit	582,183	448,990	Standby letters of credit -
- Garansi penawaran	249,502	206,247	Bid bond -
- Lain-lain	<u>1,328,326</u>	<u>1,276,357</u>	Others -
	<u>4,388,143</u>	<u>4,379,481</u>	
<b>Liabilitas kontinjensi - bersih</b>	<u>(2,198,096)</u>	<u>(812,937)</u>	<b>Contingent payables - net</b>

**41. LIABILITAS IMBALAN KERJA**

**41. EMPLOYEE BENEFITS OBLIGATIONS**

	<u>2017</u>	<u>2016</u>	
<b>Rupiah:</b>			<b>Rupiah:</b>
- Liabilitas imbalan pasca kerja	373,808	303,300	Post-employment benefit obligations -
- Biaya pegawai yang masih harus dibayar	<u>438,663</u>	<u>354,026</u>	Accrued employee cost -
	<u>812,471</u>	<u>657,326</u>	

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## 41. LIABILITAS IMBALAN KERJA (lanjutan)

## Dana pensiun

Sejak bulan Februari 2007, Bank menyelenggarakan program pensiun iuran pasti untuk karyawan tetap yang memenuhi syarat yang dikelola dan diadministrasikan oleh PT Asuransi Jiwa Manulife Indonesia.

Jumlah karyawan yang ikut serta dalam program pensiun iuran pasti pada tanggal 31 Desember 2017 dan 2016 masing-masing adalah 6.264 dan 6.465 (tidak diaudit) karyawan.

## Imbalan pasca kerja

Bank membukukan imbalan pasca kerja imbalan pasti untuk karyawan sesuai dengan Undang Undang Ketenagakerjaan No. 13/2003 tanggal 25 Maret 2003.

Jumlah yang diakui dalam laporan laba rugi dan penghasilan komprehensif :

	2017	2016
Biaya jasa kini	52,268	43,780
Biaya bunga	25,114	23,772
Kerugian aktuarial yang diakui tahun berjalan	(4,225)	(4,341)
	<u>73,157</u>	<u>63,211</u>

Mutasi atas liabilitas imbalan pasca kerja adalah sebagai berikut:

	2017	2016
Saldo awal	303,300	270,138
Beban tahun berjalan	73,156	63,211
Pembayaran manfaat	(27,076)	(16,662)
Pengukuran kembali: (Keuntungan)/kerugian aktuarial yang timbul dari perubahan asumsi demografi	3,612	-
(Keuntungan)/kerugian aktuarial yang timbul dari perubahan asumsi keuangan	42,601	1,053
(Keuntungan)/kerugian dari penyesuaian pengalaman	(21,785)	(14,440)
	24,428	(13,387)
	<u>373,808</u>	<u>303,300</u>

Perhitungan imbalan pasca kerja karyawan pada tanggal 31 Desember 2017 dan 2016 dilakukan oleh aktuaris independen, PT Sentra Jasa Aktuarial, berdasarkan laporan aktuaris tertanggal 18 Desember 2017 (2016: 27 Desember 2016), dengan menggunakan asumsi utama sebagai berikut:

## 41. EMPLOYEE BENEFITS OBLIGATIONS (continued)

## Pension fund

Since February 2007 the Bank has a defined contribution retirement program covering its qualified permanent employees, which is managed and administered by PT Asuransi Jiwa Manulife Indonesia Indonesia.

The number of employees participated in defined contribution retirement programs as at 31 December 2017 and 2016 are 6,264 and 6,465 (unaudited) employees, respectively.

## Post-employment benefits

The Bank provides defined post-employment benefits to its employees in accordance with Labor Law No. 13/2003 dated 25 March 2003.

The amount recognised in statement of profit or loss and other comprehensive income:

	2017	2016
Current service cost	52,268	43,780
Interest cost	25,114	23,772
Actuarial loss recognised during the year	(4,225)	(4,341)
	<u>73,157</u>	<u>63,211</u>

The movement in post-employment benefits obligations is as follows:

	2017	2016
Beginning balance	303,300	270,138
Employee benefit expense charged in the current year	73,156	63,211
Actual benefit paid	(27,076)	(16,662)
Remeasurements: (Gain)/loss from changed in demographic assumptions	3,612	-
(Gain)/loss from changed in financial assumptions	42,601	1,053
Experience (gain)/loss	(21,785)	(14,440)
	24,428	(13,387)
	<u>373,808</u>	<u>303,300</u>

The calculation of post-employment benefits as at 31 December 2017 and 2016 is calculated by an independent actuary, PT Sentra Jasa Aktuarial, based on an independent actuary report dated 18 December 2017 (2016: 27 Desember 2016) using the following key assumptions:

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41. LIABILITAS IMBALAN KERJA (lanjutan)

41. EMPLOYEE BENEFITS OBLIGATIONS (continued)

Liabilitas imbalan pasca kerja (lanjutan)

Post-employment benefits obligations (continued)

	2017	2016	
Usia pensiun normal	55 tahun/years	55 tahun/years	Normal retirement age
Tingkat diskonto per tahun	7.28%	8.28%	Annual discount rate
Tingkat kenaikan penghasilan dasar per tahun	7.50%	7.50%	Annual salary growth rate
Tingkat mortalitas	TMI'11	TMI'11	Mortality rate
Tingkat ketidakmampuan	10% dari tingkat mortalitas/	10% dari tingkat mortalitas/	Disability rate
	<i>10% of mortality rate</i>	<i>10% of mortality rate</i>	
Tingkat pengunduran diri	5% dari usia sebelum 30 tahun dan menurun secara bertahap sebesar 0% pada usia 53 tahun/ 5% from age before 30 and reduced to 0% at age 53	5% dari usia sebelum 30 tahun dan menurun secara bertahap sebesar 0% pada usia 53 tahun/ 5% from age before 30 and reduced to 0% at age 53	Resignation rate
Porsi dari pengunduran diri normal	55 tahun/years old	55 tahun/years old	Proportion of normal retirement

Durasi rata-rata tertimbang dari liabilitas program pensiun imbalan pasti pada tanggal 31 Desember 2017 adalah 34 tahun.

The weighted average duration of the defined benefit pension obligation at 31 December 2017 is 34 years.

Analisis jatuh tempo yang diharapkan dari manfaat pensiun yang akan jatuh tempo dibawah 1 tahun adalah sebesar 4% dari total liabilitas manfaat pensiun.

Expected maturity analysis of pension benefits that will be matured below 1 year is 4% from total pension benefit obligation.

Tabel dibawah menunjukkan sensitivitas atas kemungkinan perubahan tingkat diskonto terhadap kewajiban imbalan pasca kerja dan biaya jasa kini pada 31 Desember 2017 dan 2016:

The following table represent the sensitivity analysis of a reasonably possible change in discount rate of obligation to post-employment benefit obligation and current service cost as of 31 December 2017 and 2016:

	2017		2016		
	Peningkatan/ Increase by 100 bps	Penurunan/ Decrease by 100 bps	Peningkatan/ Increase by 100 bps	Penurunan/ Decrease by 100 bps	
Kewajiban dibayar pasca kerja	(320,793)	442,135	(267,246)	351,525	Post-employment benefit obligation
Biaya jasa kini	44,366	(62,890)	38,205	(51,393)	Current service cost

Analisa sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam prakteknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Dalam perhitungan sensitivitas kewajiban imbalan pasti kesehatan atas asumsi aktuarial utama, metode yang sama (perhitungan nilai kini kewajiban imbalan pasti kesehatan dengan menggunakan metode *projected unit credit* di akhir periode) telah diterapkan seperti dalam penghitungan kewajiban pensiun yang diakui dalam laporan posisi keuangan.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined medical benefit obligation to significant actuarial assumptions the same method (present value of the defined medical benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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## 42. LABA BERSIH PER SAHAM DASAR

Labanya bersih per saham dihitung dengan membagi laba bersih kepada pemegang saham dengan rata-rata tertimbang jumlah saham biasa yang beredar pada tahun bersangkutan.

## 42. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income attributable to shareholders over the weighted average number of ordinary shares outstanding during the year.

	2017	2016	
Labanya bersih kepada pemegang saham	2,175,824	1,789,900	Net income attributable to shareholders
Rata-rata tertimbang jumlah saham biasa yang beredar (nilai penuh)	11,472,648,486	11,472,648,486	Weighted average number of ordinary shares outstanding (full amount)
Labanya bersih per lembar saham dasar (nilai penuh)	189.65	156.01	Basic earnings per share (full amount)

## 43. INFORMASI MENGENAI PIHAK-PIHAK BERELASI

## Sifat relasi

Pihak-pihak berelasi adalah perusahaan dan perorangan yang mempunyai keterkaitan kepemilikan atau kepemimpinan secara langsung maupun tidak langsung dengan Bank.

## 43. RELATED PARTIES INFORMATION

## Nature of relationship

Related parties are companies and individuals who directly or indirectly have relationships with the Bank through ownership or management.

Pihak berelasi/ Related parties	Sifat dari hubungan/ Nature of relationship	Sifat dari transaksi/ Nature of transaction
OCBC Overseas Investment Pte. Ltd.	Pemegang saham pengendali/ Controlling shareholder	Perjanjian kerjasama/ Cooperation agreement Perjanjian bantuan teknis/ Technical Assistance agreement
OCBC Bank, Singapore	Perusahaan yang secara tidak langsung mengendalikan Bank/ Company which is indirectly controlling the Bank	Giro pada bank lain/ Current account with other banks Simpanan dari bank lain/ Deposits from other banks Tagihan derivatif/ Derivative receivables Liabilitas derivatif/ Derivative payables Liabilitas akseptasi/ Acceptance payables Pinjaman yang diterima/ Borrowings
OCBC Bank, Hong Kong	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ Owned by the company which indirectly controlled the Bank	Giro pada bank lain/ Current account with other banks Liabilitas akseptasi/ Acceptance payables
OCBC Bank, China	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ Owned by the company which indirectly controlled the Bank	Simpanan dari bank lain/ Deposits from other banks Liabilitas akseptasi/ Acceptance payables
OCBC Bank, Thailand	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ Owned by the company which indirectly controlled the Bank	Simpanan dari bank lain/ Deposits from other banks Liabilitas akseptasi/ Acceptance payables
OCBC Bank, Malaysia	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ Owned by the company which indirectly controlled the Bank	Simpanan dari bank lain/ Deposits from other banks Liabilitas akseptasi/ Acceptance payables
OCBC Bank, Taiwan	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ Owned by the company which indirectly controlled the Bank	Liabilitas akseptasi/ Acceptance payables

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## 43. RELATED PARTIES INFORMATION (continued)

## Sifat relasi (lanjutan)

## Nature of relationship (continued)

Pihak berelasi/ <i>Related parties</i>	Sifat dari hubungan/ <i>Nature of relationship</i>	Sifat dari transaksi/ <i>Nature of transaction</i>
OCBC AI Amin Bank	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Owned by the company which indirectly controlled the Bank</i>	Simpanan dari bank lain/ <i>Deposits from other banks</i>
PT OCBC Sekuritas Indonesia	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Owned by the company which indirectly controlled the Bank</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT Pakubumi Semesta	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>
PT Schneider Indonesia	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT Cohen Indonesia	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT Taiko Persada Indoprima	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT Phillip Securities Indonesia	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT Yuanta Securities Indonesia	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT Great Eastern Life Indonesia	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Owned by the company which indirectly controlled the Bank</i>	Perjanjian kerjasama <i>Bancassurance/ Bancassurance Cooperation agreement</i> Simpanan nasabah/ <i>Deposits from customers</i> Beban umum dan administrasi/ <i>General and administrative expense</i>
Great Eastern Life Singapore	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Owned by the company which indirectly controlled the Bank</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT Udayawira Utama	Dikendalikan oleh karyawan kunci/ <i>Controlled by the key management personnel</i>	Beban dibayar dimuka/ <i>Prepayments</i> Simpanan nasabah/ <i>Deposits from customers</i> Beban umum dan administrasi/ <i>General and administrative expense</i>
PT Kharisma Inti Usaha	Dikendalikan oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Controlled by the company which indirectly controlled the Bank</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>

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## 43. RELATED PARTIES INFORMATION (continued)

Sifat relasi (lanjutan)

Nature of relationship (continued)

Pihak berelasi/ Related parties	Sifat dari hubungan/ Nature of relationship	Sifat dari transaksi/ Nature of transaction
PT Angputra Jaya	Dikendalikan oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Controlled by the company which indirectly controlled the Bank</i>	Pinjaman yang diberikan/ <i>Loans</i>
CV Ganijan Jaya	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>
PT Biolaborindo Makmur Sejahtera	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>
PT Dana Udaya Sentosa	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT Suryasono Sentosa	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Simpanan nasabah/ <i>Deposits from customers</i>
PT Griya Miesejati	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>
Koperasi Binuang	Dikendalikan oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Controlled by the company which indirectly controlled the Bank</i>	Pinjaman yang diberikan/ <i>Loans</i>
Sosial Enterprener Indonesia	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>
SAS International	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>
Koperasi Kamanda Sejahtera	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Owned by the company which indirectly controlled the Bank</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>
Koperasi Bumi Permai Raya	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Owned by the company which indirectly controlled the Bank</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>
PT Kuda-Kuda Total Prima	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ <i>Controlled by the close members of key management personnel's family</i>	Pinjaman yang diberikan/ <i>Loans</i>
Dewan Komisaris, Direktur, dan Manajemen Kunci/ <i>Board of Commissioners, Directors, and Key Management</i>	Manajemen Bank OCBC NISP/ <i>Bank OCBC NISP's Management</i>	Pinjaman yang diberikan/ <i>Loans</i> Simpanan nasabah/ <i>Deposits from customers</i>

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(lanjutan)

## Transaksi dengan pihak-pihak berelasi

Dalam kegiatan usahanya, Bank juga mengadakan transaksi-transaksi tertentu dengan pihak-pihak berelasi. Transaksi-transaksi tersebut meliputi:

## a. Giro pada bank lain

	<u>2017</u>	<u>2016</u>
OCBC Bank, Singapura	95,300	91,046
OCBC Bank, Hong Kong	14,080	15,388
	<u>109,380</u>	<u>106,434</u>
Persentase terhadap jumlah aset	<u>0.07%</u>	<u>0.08%</u>

## b. Tagihan derivatif

	<u>2017</u>	<u>2016</u>
OCBC Bank, Singapura	64,290	11,561
Hendrawati	-	1
Hardi Juganda	-	6
	<u>64,290</u>	<u>11,568</u>
Persentase terhadap jumlah aset	<u>0.04%</u>	<u>0.01%</u>

## c. Pinjaman yang diberikan

	<u>2017</u>	<u>2016</u>
- Koperasi Kamanda Sejahtera	170,009	-
- PT Kharisma Inti Usaha	127,247	141,354
- Koperasi Bumi Permai Raya	124,883	-
- Koperasi Binuang	54,446	48,593
- PT Pakubumi Semesta	46,946	39,835
- PT Griya Miesejati	23,839	33,703
- SAS International	19,302	25,990
- PT Angputra Jaya	9,863	10,000
- Sosial Enterprener Indonesia	6,702	11,429
- PT Kuda-Kuda Total Prima	1,995	-
- CV Ganijan Jaya	495	693
- PT Biolaborindo Makmur Sejahtera	34	-
- Direktur dan karyawan kunci	43,165	35,082
	<u>628,926</u>	<u>346,679</u>
Pendapatan bunga yang masih akan diterima	2,925	1,834
Cadangan kerugian penurunan nilai	(5,772)	(8,869)
	<u>626,079</u>	<u>339,644</u>
Persentase terhadap jumlah aset	<u>0.41%</u>	<u>0.25%</u>

## 43. RELATED PARTIES INFORMATION (continued)

## Transactions with related parties

In the normal course of business, the Bank entered into certain transactions with related parties. These transactions include the following:

## a. Current accounts with other banks

	<u>2017</u>	<u>2016</u>
OCBC Bank, Singapore	91,046	91,046
OCBC Bank, Hong Kong	15,388	15,388
	<u>106,434</u>	<u>106,434</u>
Percentage of total assets	<u>0.08%</u>	<u>0.08%</u>

## b. Derivative receivables

	<u>2017</u>	<u>2016</u>
OCBC Bank, Singapore	11,561	11,561
Hendrawati	1	1
Hardi Juganda	6	6
	<u>11,568</u>	<u>11,568</u>
Percentage of total assets	<u>0.01%</u>	<u>0.01%</u>

## c. Loans

	<u>2017</u>	<u>2016</u>
- Koperasi Kamanda Sejahtera	170,009	-
- PT Kharisma Inti Usaha	127,247	141,354
- Koperasi Bumi Permai Raya	124,883	-
- Koperasi Binuang	54,446	48,593
- PT Pakubumi Semesta	46,946	39,835
- PT Griya Miesejati	23,839	33,703
- SAS International	19,302	25,990
- PT Angputra Jaya	9,863	10,000
- Sosial Enterprener Indonesia	6,702	11,429
- PT Kuda-Kuda Total Prima	1,995	-
- CV Ganijan Jaya	495	693
- PT Biolaborindo Makmur Sejahtera	34	-
- Direktur dan karyawan kunci	43,165	35,082
	<u>628,926</u>	<u>346,679</u>
Accrued interest income	2,925	1,834
Allowance for impairment losses	(5,772)	(8,869)
	<u>626,079</u>	<u>339,644</u>
Percentage of total assets	<u>0.41%</u>	<u>0.25%</u>

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## Transaksi dengan pihak-pihak berelasi (lanjutan)

## d. Beban dibayar dimuka

	<u>2017</u>	<u>2016</u>
Sewa gedung	246	2,119
Persentase terhadap jumlah aset	0.00%	0.00%

## e. Simpanan nasabah

	<u>2017</u>	<u>2016</u>
- Giro	198,518	148,643
- Tabungan	76,437	67,828
- Deposito berjangka	637,928	401,052
	<u>912,883</u>	<u>617,523</u>
Persentase terhadap jumlah liabilitas	0.69%	0.52%

## f. Simpanan dari bank lain

	<u>2017</u>	<u>2016</u>
- Giro dan tabungan	94,928	32,276
- Call money OCBC Bank, Singapura	3,252,200	-
	<u>3,347,128</u>	<u>32,276</u>
Persentase terhadap jumlah liabilitas	2.54%	0.03%

## g. Liabilitas derivatif

	<u>2017</u>	<u>2016</u>
OCBC Bank, Singapura	3,102	71,907
Persentase terhadap jumlah liabilitas	0.00%	0.06%

## h. Liabilitas akseptasi

	<u>2017</u>	<u>2016</u>
OCBC Bank, Singapura	166,094	59,925
OCBC Bank, Cina	54,021	27,566
OCBC Bank, Malaysia	1,913	-
OCBC Bank, Hongkong	-	27,902
OCBC Bank, Thailand	-	990
	<u>222,028</u>	<u>116,383</u>
Persentase terhadap jumlah liabilitas	0.17%	0.10%

## i. Beban yang masih harus dibayar

	<u>2017</u>	<u>2016</u>
Beban yang masih harus dibayar	3	502
Persentase terhadap jumlah liabilitas	0.00%	0.00%

## 43. RELATED PARTIES INFORMATION (continued)

## Transactions with related parties (continued)

## d. Prepayments

	<u>2017</u>	<u>2016</u>	
	246	2,119	Building rentals
	0.00%	0.00%	Percentage of total assets

## e. Deposits from customers

	<u>2017</u>	<u>2016</u>	
	198,518	148,643	Current accounts -
	76,437	67,828	Saving accounts -
	637,928	401,052	Time deposits -
	<u>912,883</u>	<u>617,523</u>	
Persentase terhadap jumlah liabilitas	0.69%	0.52%	Percentage of total liabilities

## f. Deposits from other banks

	<u>2017</u>	<u>2016</u>	
	94,928	32,276	Current and saving accounts -
	3,252,200	-	Call money - OCBC Bank, Singapura
	<u>3,347,128</u>	<u>32,276</u>	
Persentase terhadap jumlah liabilitas	2.54%	0.03%	Percentage of total liabilities

## g. Derivative payables

	<u>2017</u>	<u>2016</u>	
OCBC Bank, Singapura	3,102	71,907	OCBC Bank, Singapura
Persentase terhadap jumlah liabilitas	0.00%	0.06%	Percentage of total liabilities

## h. Acceptance payables

	<u>2017</u>	<u>2016</u>	
OCBC Bank, Singapura	166,094	59,925	OCBC Bank, Singapura
OCBC Bank, Cina	54,021	27,566	OCBC Bank, China
OCBC Bank, Malaysia	1,913	-	OCBC Bank, Malaysia
OCBC Bank, Hongkong	-	27,902	OCBC Bank, Hongkong
OCBC Bank, Thailand	-	990	OCBC Bank, Thailand
	<u>222,028</u>	<u>116,383</u>	
Persentase terhadap jumlah liabilitas	0.17%	0.10%	Percentage of total liabilities

## i. Accrued expenses

	<u>2017</u>	<u>2016</u>	
Beban yang masih harus dibayar	3	502	Accrued expenses
Persentase terhadap jumlah liabilitas	0.00%	0.00%	Percentage of total liabilities

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43. RELATED PARTIES INFORMATION (continued)

Transaksi dengan pihak-pihak berelasi (lanjutan)

Transactions with related parties (continued)

j. Pendapatan bunga

j. Interest income

	2017	2016	
Pinjaman yang diberikan	58,278	59,575	Loans
Giro dan penempatan pada bank lain	907	363	Current accounts and placements with other banks
	<u>59,185</u>	<u>59,938</u>	
Persentase terhadap pendapatan bunga	<u>0.54%</u>	<u>0.59%</u>	Percentage of interest income

k. Beban bunga

k. Interest expense

	2017	2016	
Simpanan nasabah:			Deposits from customers:
- Giro	1,703	3,104	Current accounts -
- Tabungan	1,298	1,384	Saving accounts -
- Deposito berjangka	22,306	22,122	Time deposits -
	<u>25,307</u>	<u>26,610</u>	
Simpanan dari bank lain:			Deposits from other banks:
- Giro	1,144	961	Current accounts -
- Inter-bank call money	10,756	423	Inter-bank call money -
	<u>11,900</u>	<u>1,384</u>	
Pinjaman yang diterima	10,884	44,314	Borrowings
	<u>48,091</u>	<u>72,308</u>	
Persentase terhadap beban bunga	<u>0.96%</u>	<u>1.50%</u>	Percentage of interest expense

l. Beban umum dan administrasi

l. General and administrative expense

	2017	2016	
Beban premi asuransi	72,716	68,858	Insurance premium expense
Beban sewa	4,348	3,877	Rental expense
	<u>77,064</u>	<u>72,735</u>	
Persentase terhadap beban umum dan administrasi	<u>6.78%</u>	<u>6.64%</u>	Percentage of general and administrative expense

Transaksi dengan pihak berelasi dilakukan dengan kebijakan harga dan syarat normal, sebagaimana dilakukan dengan pihak yang tidak berelasi kecuali untuk pinjaman yang diberikan kepada karyawan kunci.

Transactions with related parties are conducted with normal pricing policy and conditions as similar with third parties except for loans to key management personnel.

Perjanjian kerjasama dengan pihak-pihak berelasi

Cooperation agreements with related parties

Pada tanggal 20 Januari 2005, Bank Indonesia mengeluarkan peraturan No. 7/3/PBI/2005 tentang "Batas Maksimum Pemberian Kredit Bank Umum". Peraturan tersebut menetapkan batas maksimum penyediaan dana kepada satu kelompok peminjam yang merupakan pihak terkait tidak melebihi 10% dari modal Bank 31 Desember 2017 Rp 2.243.997 (2016: Rp 2.030.569). Peraturan ini berlaku efektif sejak tanggal 20 Januari 2005. Pada tanggal 31 Desember 2017 dan 2016, Bank tidak melampaui Batas Maksimum Pemberian Kredit ("BMPK") kepada pihak terkait.

On 20 January 2005, Bank Indonesia issued regulation No. 7/3/PBI/2005 relating to the "Legal Lending Limit for Commercial Banks". This regulation requires the maximum lending limit to related party groups of borrowers not to exceed 10% of the Bank's capital 31 December 2017 Rp 2,243,997 (2016: Rp 2,030,569). This regulation was effective starting from 20 January 2005. As at 31 December 2017 and 2016, the Bank did not exceed its Legal Lending Limit ("LLL") to related parties.

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(lanjutan)**Perjanjian bantuan teknis**

Pada tanggal 17 Januari 2007, Bank menandatangani *Technical Assistance Agreement* dengan OCBC Overseas Investment Pte. Ltd sehubungan dengan pemberian bantuan teknis (termasuk *training assistance*) untuk bidang-bidang sesuai dengan kesepakatan para pihak, di mana atas perjanjian tersebut telah dilakukan beberapa kali perubahan, yaitu *Addendum I of Technical Assistance* pada tanggal 23 Maret 2009 dan terakhir dengan *amendment* dan *Restatement to Technical Assistance* pada tanggal 24 Oktober 2014 yang berlaku untuk jangka waktu 2 tahun yaitu sejak 30 Oktober 2014 sampai dengan 30 Oktober 2016 dan dapat di perpanjang secara otomatis untuk jangka waktu maksimal 2 tahun. Sampai dengan akhir periode tidak terdapat perubahan perjanjian tersebut, sehingga jangka waktu perjanjian tersebut berlaku diperpanjang sampai dengan 30 Oktober 2018. Berdasarkan perjanjian tersebut, para pihak setuju bahwa tidak ada imbalan jasa yang wajib dibayarkan oleh Bank kepada OCBC Overseas Investment Pte. Ltd dan sebaliknya. Biaya-biaya yang terkait dengan biaya akomodasi, transportasi dan biaya terkait lainnya dari masing-masing pihak akan menjadi tanggung jawab masing-masing pihak.

Perjanjian bantuan teknis di atas telah memperoleh persetujuan Pemegang Saham Independen, sebagaimana tertuang dalam Akta Berita Acara Rapat Umum Pemegang Saham Luar Biasa No. 2 tanggal 10 November 2005 dibuat dihadapan Fathiah Helmi, SH, Notaris di Jakarta.

**Perjanjian bancassurance**

Pada tanggal 24 April 2011, Bank menandatangani *Bancassurance Agreement* dengan PT Great Eastern Life Indonesia sehubungan dengan kerjasama penjualan produk asuransi PT Great Eastern Life Indonesia. Berdasarkan perjanjian ini, Bank akan memperoleh komisi yang ditentukan berdasarkan nilai premi yang diterima oleh PT Great Eastern Life Indonesia atas produk asuransi yang terjual. Pada tanggal 26 April 2016, Bank telah menandatangani amandemen atas perjanjian tersebut.

**Fasilitas pinjaman**

Pada tanggal 15 Oktober 2012, Bank menerima fasilitas pinjaman dari Overseas-Chinese Banking Corporation Limited ("OCBC Limited") sebesar USD 300 juta. Fasilitas pinjaman telah diperpanjang beberapa kali dan akan jatuh tempo pada 12 Oktober 2018. Atas fasilitas yang belum digunakan bank dikenakan *commitment fee* sebesar 0,20% per tahun dan pembatalan fasilitas dikenakan 0,40% dari limit fasilitas tersebut.

Pada tanggal 31 Desember 2017 dan 2016, Bank belum mencairkan fasilitas pinjaman dari OCBC Limited tersebut.

## 43. RELATED PARTIES INFORMATION (continued)

**Technical assistance agreement**

The Bank signed a *Technical Assistance Agreement* with OCBC Overseas Investment Pte. Ltd on 17 January 2007, in regards to technical assistance (including training assistance) for subjects that are mutually agreed by both parties, whereby the agreement has been amended for several times, *Addendum I of Technical Assistance* dated 23 March 2009 and last with *amendment and Restatement to Technical Assistance* dated 24 October 2014 which is effective for 2 years since 30 October 2014 until 30 October 2016 and can automatically be extended for a maximum of 2 years. Until end of period no change of that agreement, therefore *Technical Assistance Agreement* automatically extended until 30 October 2018. Based on the agreement, the parties agree that there is no fee paid from the Bank to OCBC Overseas Investment Pte. Ltd and vice versa. Both parties are responsible for their own cost related to accommodation cost, transportation and other related costs.

The above *Technical Assistance Agreement* was approved by the Independent Shareholders in accordance with *Extraordinary General Meeting of Shareholders Deed No. 2* dated 10 November 2005 of Fathiah Helmi, SH, notary in Jakarta.

**Bancassurance agreement**

The Bank signed a *Bancassurance Agreement* with PT Great Eastern Life Indonesia on 24 April 2011, in relation with agreement to sell the insurance products of PT Great Eastern Life Indonesia. According to that agreement, the Bank will receive commission, which will be determined based on insurance premium received by PT Great Eastern Life Indonesia on the insurance products sold. On 26 April 2016, the Bank has signed an amendment to the agreement.

**Credit facility**

On 15 October 2012, the Bank received *Revolving Credit Facility* ("RCF") from Overseas-Chinese Banking Corporation Limited ("OCBC Limited") amounting USD 300 million. This loan has been extended several times and will mature on 12 October 2018. For the undrawn portion facility will be charge at 0.20% per annum and cancellation will be charged at 0.40% from the respective limit facility.

As at 31 December 2017 and 2016, the Bank has not withdrawn the *Revolving Credit Facility* (RCF) from OCBC Limited.

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44. SEGMENT OPERASI

Segmen operasi Bank dibagi berdasarkan kelompok nasabah utama dan produk, sebagai berikut: *Business Banking*, Perbankan *Consumer* dan Perbankan *Treasuri*. Dalam menentukan hasil segmen, beberapa akun aset dan liabilitas secara internal di *transfer pricing*, dan pendapatan dan biaya yang terkait diatribusikan ke masing-masing segmen berdasarkan kebijakan pelaporan internal manajemen. Transaksi antar segmen usaha yang terkait dengan transaksi pihak ketiga dicatat ke dalam masing-masing segmen dan dieliminasi di level Bank. Walaupun Bank menerima laporan terpisah di dalam kelompok *business banking*, akan tetapi untuk pelaporan segmen ini digabungkan menjadi satu segmen karena memiliki tingkat risiko yang sama.

Ringkasan berikut menjelaskan operasi masing-masing segmen dalam pelaporan segmen Bank:

- *Business banking* Termasuk pinjaman yang diberikan, deposito dan transaksi lainnya dan saldo dengan nasabah korporat.
- Perbankan *consumer* Termasuk pinjaman yang diberikan, deposito dan transaksi lainnya dan saldo dengan nasabah individu.
- Perbankan *treasury* Termasuk produk *Treasuri*, *advisory services*, dan manajemen neraca.
- Lain-lain Termasuk *ALCO book* dan kantor pusat.

Informasi mengenai hasil dari masing-masing bisnis segmen disajikan di bawah ini. Kinerja diukur berdasarkan laba segmen sebelum pajak penghasilan, sebagaimana dilaporkan dalam laporan internal manajemen yang direview oleh Manajemen Bank. Keuntungan segmen digunakan untuk mengukur kinerja dimana manajemen berkeyakinan bahwa informasi tersebut paling relevan dalam mengevaluasi hasil segmen tersebut relatif terhadap entitas lain yang beroperasi dalam industri tersebut.

44. OPERATING SEGMENT

The Bank's operating segments represent the key customer and product groups, as follows: *Business Banking*, *Consumer Banking* and *Treasury*. In determining the segment results, certain assets and liabilities items are internally transfer priced and related revenues and expenses are attributed to each segment based on internal management reporting policies. Transaction between business segments are recorded within the segment as if they are third party transactions and are eliminated at the Bank level. While the Bank receives separate reports inside the *Business Banking* group, however, for this operating segment have been aggregated into one segment as they have similar risks.

The following summary describes the operations in each of the Bank's reportable segments:

- *Business banking* Includes loans, deposits and other transactions and balances with corporate customers.
- *Consumer banking* Includes loans, deposits and other transactions and balances with individual customers.
- *Treasury* Includes *Treasury* products, *advisory services*, and balance sheet management.
- *Others* Includes *ALCO book* and head office.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Bank's Management. Segment profit is used to measure performance of that business segment as management believes that such information is the most relevant in evaluating the results of those segments relative to other entities that operate within these industries.

	2017						
	<i>Business Banking</i>	Perbankan Consumer/ Consumer Banking	Perbankan Treasuri/ Treasury	Lain-lain/ Others	Eliminasi/ Offset	Jumlah/ Total	
Pendapatan bunga bersih	2,725,932	1,996,293	530,766	815,001	(28,737)	6,039,255	Net interest income
Pendapatan operasional lainnya	435,966	696,253	638,634	(906)	(257,429)	1,512,518	Other operating income
Total pendapatan	3,161,898	2,692,546	1,169,400	814,095	(286,166)	7,551,773	Total income
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(526,901)	(152,485)	-	(632,297)	-	(1,311,683)	Allowance for impairment losses on financial and non financial assets
Beban operasional lain	(641,682)	(1,942,052)	(221,283)	(557,419)	-	(3,362,436)	Other operating expense
Laba sebelum pajak	1,993,315	598,009	948,117	(375,621)	(286,166)	2,877,654	Income before tax
Jumlah aset	76,715,565	29,369,050	36,020,479	11,668,863	-	153,773,957	Total assets
Jumlah liabilitas	51,668,492	62,298,605	24,005,912	(5,983,406)	-	131,989,603	Total liabilities

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## 44. SEGMENT OPERASI (lanjutan)

## 44. OPERATING SEGMENT (continued)

	2016					Jumlah/ Total	
	Business Banking	Perbankan Consumer/ Consumer Banking	Perbankan Treasury/ Treasury	Lain-lain/ Others	Eliminasi/ Offset		
Pendapatan bunga bersih	2,309,929	1,842,885	381,878	886,486	(27,891)	5,393,287	Net interest income
Pendapatan operasional lainnya	374,961	633,268	679,582	(170)	(272,135)	1,415,506	Other operating income
Total pendapatan	2,684,890	2,476,153	1,061,460	886,316	(300,026)	6,808,793	Total income
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(456,749)	(108,702)	-	(750,205)	-	(1,315,656)	Allowance for impairment losses on financial and non financial assets
Beban operasional lain	(579,744)	(1,780,237)	(202,348)	(579,706)	-	(3,142,035)	Other operating expense
Laba sebelum pajak	1,648,397	587,214	859,112	(443,595)	(300,026)	2,351,102	Income before tax
Jumlah aset	67,101,764	26,031,707	36,020,479	9,042,391	-	138,196,341	Total assets
Jumlah liabilitas	45,646,279	58,134,049	24,005,912	(9,096,475)	-	118,689,765	Total liabilities

Informasi wilayah geografis adalah sebagai berikut:

Geographic information is as follows:

	2017					Jumlah/ Total	
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others		
Pendapatan bunga	9,750,166	943,524	149,495	182,961	11,025	11,037,171	Interest income
Beban bunga	(4,513,630)	(357,583)	(72,132)	(51,726)	(2,845)	(4,997,916)	Interest expenses
Pendapatan bunga bersih	5,236,536	585,941	77,363	131,235	8,180	6,039,255	Net interest income
Pendapatan operasional lainnya	1,415,942	70,654	13,468	11,253	1,201	1,512,518	Other operating income
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(1,208,368)	(70,160)	4,980	(37,533)	(602)	(1,311,683)	Allowance for impairment losses on financial and non financial assets
Jumlah aset tidak lancar	3,012,128	42,667	3,744	22,146	13	3,080,698	Total non current assets

	2016					Jumlah/ Total	
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others		
Pendapatan bunga	8,895,810	924,263	170,400	203,209	10,659	10,204,341	Interest income
Beban bunga	(4,325,456)	(337,100)	(96,487)	(49,524)	(2,487)	(4,811,054)	Interest expenses
Pendapatan bunga bersih	4,570,354	587,163	73,913	153,685	8,172	5,393,287	Net interest income
Pendapatan operasional lainnya	1,333,545	60,345	11,305	9,657	654	1,415,506	Other operating income
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(1,220,553)	(77,006)	(18,264)	(2,224)	2,391	(1,315,656)	Allowance for impairment losses on financial and non financial assets
Jumlah aset tidak lancar	2,873,121	29,411	3,480	15,239	10	2,921,261	Total non current assets

## 45. KOMITMEN SIGNIFIKAN ATAS BARANG MODAL

## 45. SIGNIFICANT CAPITAL COMMITMENTS

Pada tanggal 31 Desember 2017 dan 2016, Bank memiliki sejumlah komitmen yang signifikan atas barang modal dengan beberapa pemasok sebagai berikut: PT IPC Information Systems Ind, PT Anabatic Technologies, PT Infosys Solusi Terpadu, PT Ebiz Cipta Solusi, Derivit Solutions, Complex System Inc, PT Digital Mind System dan PT Nyra. Sisa saldo komitmen atas barang modal pada tanggal 31 Desember 2017 dan 2016 adalah sebesar Rp 44.468, dan Rp 39.720.

As at 31 December 2017 and 2016, the Bank had significant capital commitments with various vendors as follows: PT IPC Information Systems Ind, PT Anabatic Technologies, PT Infosys Solusi Terpadu, PT Ebiz Cipta Solusi, Derivit Solutions, Complex System Inc, PT Digital Mind System and PT Nyra. Outstanding capital commitment as at 31 December 2017 and 2016 amounting to Rp 44,468 and Rp 39,720, respectively.

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46. NILAI TERCATAT INSTRUMEN KEUANGAN

Berikut ini adalah nilai tercatat instrumen keuangan Bank OCBC NISP pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

46. THE CARRYING AMOUNT OF FINANCIAL INSTRUMENTS

The carrying amount of Bank OCBC NISP's financial instruments as at 31 December 2017 and 2016 are as follows:

	2017	2016	
<b>ASET KEUANGAN</b>			<b>FINANCIAL ASSETS</b>
Kas	989,889	881,749	Cash
Giro pada Bank Indonesia	8,905,976	8,018,546	Current accounts with Bank Indonesia
Giro pada bank lain	698,856	485,592	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia			Placements with other banks
Nominal - bersih	4,836,341	3,442,070	Nominal - net
Pendapatan yang masih harus diterima	77,369	62,730	Accrued income
Jumlah tercatat	4,913,710	3,504,800	Carrying amount
Efek-efek			Marketable securities
Nominal - bersih	12,371,358	14,346,755	Nominal - net
Pendapatan yang masih harus diterima	35,996	24,521	Accrued income
Jumlah tercatat	12,407,354	14,371,276	Carrying amount
Obligasi pemerintah			Government bonds
Nominal - bersih	14,441,421	12,372,750	Nominal - net
Pendapatan yang masih harus diterima	206,047	246,029	Accrued income
Jumlah tercatat	14,647,468	12,618,779	Carrying amount
Tagihan derivatif	291,131	351,939	Derivative receivable
Pinjaman yang diberikan			Loans
Nominal - bersih	102,057,704	90,179,161	Nominal - net
Pendapatan yang masih harus diterima	372,138	304,662	Accrued income
Komisi diterima dimuka	(240,048)	(236,171)	Unearned commissions
Jumlah tercatat	102,189,794	90,247,652	Carrying amount
Tagihan akseptasi - bersih			Acceptance receivables - net
Nominal - bersih	3,998,241	3,485,765	Nominal - net
Pendapatan yang masih harus diterima	2,200	1,228	Accrued income
Jumlah tercatat	4,000,441	3,486,993	Carrying amount
Aset lain-lain - bersih	1,104,649	562,895	Other assets - net
<b>Jumlah Aset Keuangan</b>	<b>150,149,268</b>	<b>134,530,221</b>	<b>Total Financial Assets</b>
<b>LIABILITAS KEUANGAN</b>			<b>FINANCIAL LIABILITIES</b>
Liabilitas segera	659,281	444,398	Obligations due immediately
Simpanan nasabah			Deposits from customers
Nominal - bersih	113,440,672	103,559,960	Nominal - net
Bunga yang masih harus dibayar	294,021	324,085	Accrued interest
Jumlah tercatat	113,734,693	103,884,045	Carrying amount
Simpanan dari bank lain			Deposits from other banks
Nominal - bersih	4,977,986	2,507,040	Nominal - net
Bunga yang masih harus dibayar	2,176	1,006	Accrued interest
Jumlah tercatat	4,980,162	2,508,046	Carrying amount
Liabilitas derivatif	141,441	304,318	Derivative payables
Liabilitas akseptasi	4,046,274	3,513,459	Acceptance payables
Beban yang masih harus dibayar	16,399	20,144	Accrued expenses
Efek-efek yang dijual dengan janji dibeli kembali	-	1,345,723	Securities sold under repurchase agreements
Efek-efek yang diterbitkan			Marketable securities issued
Nominal - bersih	6,159,000	3,905,000	Nominal - net
Bunga yang masih harus dibayar	50,415	47,032	Accrued interest
Biaya emisi yang belum diamortisasi	(10,389)	(6,009)	Unamortised bond issuance costs
Jumlah tercatat	6,199,026	3,946,023	Carrying amount
Liabilitas lain-lain	901,236	712,964	Other liabilities
Obligasi subordinasi			Subordinated bonds
Nominal - bersih	-	880,000	Nominal - net
Bunga yang masih harus dibayar	-	277	Accrued interest
Biaya emisi yang belum diamortisasi	-	(629)	Unamortised bond issuance costs
Jumlah tercatat	-	879,648	Carrying amount
<b>Jumlah Liabilitas Keuangan</b>	<b>130,678,512</b>	<b>117,558,768</b>	<b>Total Financial Liabilities</b>

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**46. NILAI TERCATAT INSTRUMEN KEUANGAN  
(lanjutan)****Saling hapus**

Pada 31 Desember 2017 dan 2016, tidak terdapat aset dan liabilitas keuangan yang saling hapus pada laporan posisi keuangan.

Bank memiliki kredit yang diberikan yang dijamin dengan jaminan tunai (Catatan 12n), yang menjadi subyek untuk memenuhi *netting arrangements* dan perjanjian serupa, yang tidak saling hapus pada laporan posisi keuangan.

**46. THE CARRYING AMOUNT OF FINANCIAL  
INSTRUMENTS (continued)****Offsetting**

As at 31 December 2017 and 2016, there is no financial assets and liabilities that are subject to offsetting in the statement of financial position.

The Bank has loans collateralised by cash collateral (Note 12n), which are subject to enforceable netting arrangements and similar agreements that are not set off in the statement of financial position.

**47. JAMINAN PEMERINTAH TERHADAP KEWAJIBAN  
PEMBAYARAN BANK UMUM**

Berdasarkan Undang-Undang No. 24 tanggal 22 September 2004 yang berlaku efektif sejak tanggal 22 September 2005, sebagaimana diubah dengan Peraturan Pemerintah Pengganti Undang-Undang Republik Indonesia No. 3 tanggal 13 Oktober 2008, Lembaga Penjaminan Simpanan (LPS) dibentuk untuk menjamin liabilitas tertentu bank-bank umum berdasarkan program penjaminan yang berlaku, yang besaran nilai jaminannya dapat berubah jika memenuhi kriteria tertentu yang berlaku.

Pada tanggal 31 Desember 2017 dan 2016, berdasarkan Peraturan Pemerintah Republik Indonesia No. 66 Tahun 2008 tanggal 13 Oktober 2008 mengenai Besarnya Nilai Simpanan yang dijamin Lembaga Penjaminan Simpanan, jumlah simpanan yang dijamin LPS adalah simpanan sampai dengan Rp 2.000 untuk per nasabah per bank. Simpanan nasabah dijamin hanya jika suku bunganya sama dengan atau dibawah 5,75% untuk simpanan dalam Rupiah dan 0,75% untuk simpanan dalam mata uang asing pada tanggal 31 Desember 2017 (2016: 6,25 dan 0,75%).

Pada tanggal 31 Desember 2017 dan 2016, Bank adalah peserta dari program penjaminan tersebut.

**47. GOVERNMENT GUARANTEE ON OBLIGATIONS  
OF COMMERCIAL BANKS**

Based on Law No. 24 dated 22 September 2004, effective on 22 September 2005, which was amended by the Government Regulation No. 3 dated 13 October 2008, the Indonesia Deposit Insurance Agency (LPS) was formed to guarantee certain liabilities of commercial banks under the applicable guarantee program, which the amount of guarantee can be amended if the situation complies with the valid particular criterias.

As at 31 December 2017 and 2016, based on Government Regulation No. 66 Year 2008 dated 13 October 2008 regarding The Amount of Deposit Guaranteed by Indonesia Deposit Insurance Corporation, the amount of deposits covered by LPS is customer deposits up to Rp 2,000 per depositor per bank. Customer deposits are only covered if the rate of interest is equal to or below 5.75% for deposits denominated in Rupiah and 0.75% for deposits denominated in foreign currency as at 31 December 2017 (2016: 6.25% and 0.75).

As at 31 December 2017 and 2016, the Bank is a participant of that guarantee program.

**48. PERKARA HUKUM**

Terdapat sejumlah perkara hukum yang belum selesai sampai dengan tanggal laporan keuangan ini. Mengingat bahwa proses hukum masih berlangsung, maka sampai saat ini belum dapat ditentukan jumlah kerugian yang mungkin timbul. Namun, Manajemen berkeyakinan bahwa tidak terdapat kerugian signifikan yang mungkin timbul dari sejumlah perkara hukum tersebut.

**48. LEGAL CASE**

There are a number unresolved legal cases until the date of these financial statements. Since those legal cases are still in the process, therefore the Bank has not been able to determine possible losses that might arise. However, Management believe that there are no significant losses that might arise from those legal cases.

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**49. STANDAR AKUNTANSI BARU**

Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK-IAI) telah menerbitkan standar baru, amandemen dan interpretasi yang relevan namun belum berlaku efektif pada tanggal 1 Januari 2017, standar tersebut sebagai berikut:

- Amandemen PSAK 2 "Laporan arus kas"
- Amandemen PSAK 13 "Properti Investasi"
- Amandemen PSAK 15 "Investasi pada entitas asosiasi dan ventura bersama"
- Amandemen PSAK 16 "Aset Tetap"
- Amandemen PSAK 46 "Pajak Penghasilan"
- Amandemen PSAK 53 "Pembayaran Berbasis Saham"
- Amandemen PSAK 67 "Pengungkapan kepentingan dalam entitas lain"
- PSAK 71 "Instrumen Keuangan"
- Amandemen PSAK 62 "Kontrak asuransi"
- PSAK 72 "Pendapatan dari Kontrak dengan Pelanggan"
- PSAK 73 "Sewa"
- ISAK 33 "Transaksi Valuta Asing dan Imbalan di Muka"

Standar baru, amandemen dan interpretasi tersebut di atas berlaku efektif pada 1 Januari 2018, kecuali ISAK 33 berlaku efektif pada 1 Januari 2019, amandemen PSAK 15, PSAK 71, PSAK 72 dan PSAK 73 berlaku efektif pada 1 Januari 2020 dan Amandemen PSAK 62 berlaku efektif pada 1 Januari 2021.

Pada saat penerbitan laporan keuangan, Bank masih mempelajari dampak yang mungkin timbul dari penerapan standar baru dan revisi tersebut serta pengaruhnya pada laporan keuangan Bank.

**49. PROSPECTIVE ACCOUNTING PRONOUNCEMENT**

*Financial Accounting Standard Board of Indonesian Institute of Accountant (DSAK-IAI) has issued following new standards, amendment, and interpretation which are relevant but not yet become effective on 1 January 2017, the standards are as follows:*

- *Amendment to SFAS 2 "Statement of cash flow"*
- *Amendment to SFAS 13 "Investment Property"*
- *Amendment to SFAS 15 "Investment in associate and joint venture"*
- *Amendment to SFAS 16 "Property, Plant and Equipment"*
- *Amendment to SFAS 46 "Income Taxes"*
- *Amendment to SFAS 53 "Share-based Payment"*
- *Amendment to SFAS 67 "Disclosure of Interests in Other Entities"*
- *SFAS 71 "Financial Instrument"*
- *Amendment of SFAS 62 "Insurance Contract"*
- *SFAS 72 "Revenue from Contract with Customer"*
- *SFAS 73 "Leases"*
- *ISFAS 33 "Foreign Currency Transactions and Advance Consideration"*

*The new standards, amendment, and interpretation mention above become effective on 1 January 2018 except for ISFAS 33 is effective on 1 January 2019, SFAS 71, SFAS 72 and SFAS 73 are effective on 1 January 2020, and amendment to SFAS 62 is effective on 1 January 2021.*

*As at the authorisation date of this financial statements, the Bank is still evaluating the potential impact of these new and revised standards to its financial statements.*

# 10 CORPORATE DATA

## Executive Leaders

No.	Name	Age (Years)	Education	Total Experience (Years)	Join Date	Position
1	Abdul Manaf	43	S1 Akuntansi Universitas Dr Soetomo	24	9 September 2003	Hc Business Partner B Division Head
2	Adi Salim Santoso	31	S1 Akuntansi Universitas Kristen Maranatha	12	5 May 2008	Branch Executive
3	Aelwen Wanady	43	S1 Akuntansi Universitas Bandung Raya	22	14 August 2006	Commercial & Eb Quality Assurance Head
4	Agustino	44	S1 Manajemen Perusahaan Unika Soegijapranata	20	1 April 2015	Area 1 Head - Reg 7
5	Albert Suryadinata	35	S2 Administrasi Bisnis & Ekonomi Institut Teknologi Bandung	15	20 September 2010	Region Head - Region 6
6	Aleta Iengracia Hanafi	40	S1 Ilmu Komunikasi State University At Buffalo	18	1 Desember 2015	Corporate Communication Division Head
7	Amran Setiawan	50	S1 Ingenieur Informatik Fachhochschule Frankfurt Am Ma	24	15 September 2009	Cash Management Division Head
8	Andie Nuvianto	44	S1 Ilmu Pemerintahan Univ Gajah Mada	21	4 October 2007	Area 4 Head - Reg 6
9	Andre Tiono	42	S2 Administrasi Bisnis San Diego State Univ	22	27 August 2012	Business Management & Analytics Head
10	Andreas Kurniawan	40	S1 Business Math & Statistics University Of London	16	1 November 2012	Retail Business Development Division Head
11	Andriyanto Tjiptowarsono	44	S1 Ekonomi Manajemen Universitas Atma Jaya	21	12 June 2006	Business Management Head
12	Anthony	37	S1 Teknik Mesin Universitas Darma Agung	19	3 August 2015	Branch Executive
13	Anton Januar	46	S1 Manajemen Universitas Tarumanagara	25	6 July 2015	Network Management Division Head
14	Arman Marta	47	S2 Manajemen Universitas Atma Jaya	27	1 July 1999	National Commercial Business Head A
15	Betty Goenawan	45	S1 Akuntansi Universitas Trisakti	21	24 March 2014	Business Transformation Workgroup Head
16	Boyke Indrasakti Aveanto	51	D3 Bahasa Jerman Universitas Indonesia	28	11 January 2010	Operations Services A Div Head
17	Budi Gunawan	54	S1 Matematika Universitas Diponegoro	31	23 June 2008	Market and Liquidity Risk
18	Caecilia Zilvia Suzanna	47	S2 Manajemen Resiko Universitas Indonesia	25	15 August 2011	Enterprise Risk & Policy Management Division Head
19	Cecilia Magdalena Ranti	35	S1 Ekonomi Unika De La Salle	13	1 September 2014	Area 3 Head - Reg 10
20	Christine Nisrina	42	S1 Business Administration California State Univ	17	15 January 2015	Human Capital Talent, Learning, & Development Division Head
21	Chyntia Vioneyca The	52	S2 Pemasaran Universitas Tanjung Pura	27	28 June 04	National Network Head B
22	Cindrawati	41	S1 Akuntansi Royal Melbourne Institute Of Technology University	20	28 December 2006	Branch Executive Kendari
23	Cindy Siauw	41	S2 Business Administration University Of Pittsburgh	18	18 August 2010	Corporate Credit Risk Management Division Head
24	Darmawati	47	S1 Peternakan Institut Pertanian Bogor	23	20 January 1997	Central Procurement Head
25	David Formula	39	S1 Matematika Universitas Padjadjaran	19	6 May 2010	It Division Head
26	Dessy Natallia	39	S1 Ekonomi Akuntansi Universitas Atma Jaya	18	17 July 2006	Branch Executive
27	Dicky Aditara Gozali	44	S1 Manajemen Universitas Kristen Petra	18	3 January 2017	Area 2 Head - Reg 10 Balikpapan
28	Djohan Firdauzi	45	S2 Manajemen Sekolah Tinggi Manajemen Ppm	23	17 March 2014	Enterprise Banking Division Head
29	Dwi Rahayu Warmaningsih	36	S1 Teknik Industri Pertanian Universitas Udayana	17	15 February 2016	Branch Executive
30	Eddy Widjaja	46	S1 Matematika Institut Teknologi Bandung	28	28 Januari 2002	Business Management Head
31	Eny Surjani Tanudiredja	49	S1 Manajemen Universitas Krisnadwipayana	25	14 August 2015	National Funding Business Head
32	Esther	42	S1 Ekonomi Universitas Diponegoro	21	13 May 2013	Region Head - Region 7
33	Faren Indirawati Tjong	38	S1 Teknik Sipil Universitas Tarumanagara	15	1 November 2002	Region Head - Region 3
34	Felix Kesuma	44	S2 Manajemen University Of New South Wales	21	22 August 2011	Enterprise Banking Credit Management Head
35	Feri Afandi Fan	44	S2 Electronic Commerce Deakin University	21	1 July 2002	Area 3 Head - Reg 3

No.	Name	Age (Years)	Education	Total Experience (Years)	Join Date	Position
36	Filipus Haidiman Suwarno	55	S1 Teknik Elektro Universitas Kristen Maranatha	33	2 January 1995	It Security & Governance Division Head
37	Franki	48	S2 Manajemen Universitas Indonesia	22	4 April 2011	Commercial Credit Risk Management Division Head
38	Frengky Rosadrian P	42	S1 Business Administration University Of Oregon	20	6 October 2014	Liability & Wealth Product Division Head
39	Gianto Kusno	44	S2 Administrasi Bisnis Woodbury University	20	8 August 2012	Trade Finance Division Head
40	Hartono Rudianto	42	S1 Manajemen Hutan Universitas Mulawarman	19	15 March 2017	Sr Branch Executive
41	Hendrawati	50	D3 Sekretaris Aksema Saint Mary	28	6 February 2012	Branch Executive Jambi
42	Henry	45	S2 Manajemen Institut Teknologi Bandung	21	1 October 2010	Corporate Planning And Development Division Head
43	Herawati	35	S1 Akuntansi Universitas Trisakti	12	7 September 2015	Branch Executive
44	Heriwan Gazali	43	S1 Teknik Sipil Universitas Kristen Petra	23	4 August 2014	National Network Head A
45	Heriyanto	45	S1 Manajemen Informatika Universitas Bina Nusantara	23	1 October 2009	Head Of Credit Risk
46	Ignatius	46	S1 Teknik Sipil Universitas Andalas	16	26 April 2004	Area 4 Head - Reg 11
47	Ika Kartika Lestari	41	S1 Administrasi Bisnis Universitas Pasundan	19	15 September 2014	Branch Executive
48	Imelda Widjaja	42	S1 Manajemen Perusahaan Universitas Tarumanagara	19	23 January 2015	Compliance Division Head
49	Indrayanto	52	S2 Finance University Of Colorado	28	7 January 2015	Financial Institution Division Head
50	Ircwandy Tanrian Bastiaan	34	S1 Teknik Informatika Universitas De La Salle	12	5 May 2014	Branch Executive
51	Irene Widjajanti	47	S2 Business Administration Eastern Michigan University	17	2 January 2013	Retail Credit Risk Management Division Head
52	Iswahyudi Raharjo	50	S2 Hukum Bisnis Universitas Indonesia	26	1 August 2008	Operation Process Division Head
53	Ivonne Purnama Chandra	54	S2 Marketing Golden Gate University	33	3 August 2009	Corporate Secretary
54	Iwan Juliawan Aidad	48	S1 Ekonomi Upn Veteran Jakarta	27	13 March 2000	Region Head - Region 2
55	Jeffrey Cheanandro Tjoeng	46	S1 Bisnis Oklahoma State University	23	5 May 2011	National Emerging Business Head
56	Jenny Hartanto	36	S1 Manajemen Universitas Surabaya	16	1 August 2005	Region Head – Region 9
57	Jetti	41	D3 Aba Prayoga Padang	17	16 May 2012	Branch Executive
58	Joeseleine Merlin	49	S1 Akuntansi Universitas Hkbp Nomensen	29	18 June 2012	Region Head - Region 12
59	Joshua Caturputra Thio	46	S1 Akuntansi Stie Pancasetia	8	6 April 2017	Sr Branch Executive
60	Joyce	45	S2 Manajemen Pemasaran Stie Ibii	25	1 August 2008	- Operations Development Division Head - Corporate Banking Credit Control Head (01 Januari 2017)
61	Julia Sutanto	45	D3 Manajemen Informatika Komputer Universitas Dian Nuswantoro	24	8 April 2002	Area 2 Head - Reg 7
62	Julie Anwar	43	S1 Business And Commerce Deakin University	19	17 July 2014	Head Of Human Capital Group
63	Ka Jit	39	D3 Perbankan Politeknik Swadharma	20	16 February 2011	- Head Of Individual Customer Solutions - Unsecured Loan Div Head (07 Desember 2017)
64	Koko Tjatur Rachmadi	47	S1 Matematika Univ Gadjah Mada	23	1 February 2006	Sharia Business Unit Head
65	Lao Aily	40	S1 Manajemen Universitas Kristen Petra	18	1 February 2002	Area 1 Head - Reg 9
66	Lianto	36	S1 Manajemen Preston University	11	10 July 17	Area 1 Head - Reg 12
67	Lie Ie	37	S1 Akuntansi Univ Katolik Parahyangan	15	7 February 2011	Wholesale Banking Credit Management Head
68	Lili Surjani Budiana	49	S2 Hukum Internasional Univ Technology Sydney	29	7 August 2006	Corporate Legal Division Head
69	Lilin Rosinta	40	S1 Manajemen Ekonomi Universitas Kediri	21	22 January 2007	Branch Executive
70	Lily Johan	48	S2 Manajemen Ppm	30	2 September 1996	Hc Services Division Head
71	Linda Marie Christine A	50	S1 Arsitektur Universitas Hasanudin	26	30 May 2007	Asset Recovery Management Division Head
72	Lisda Lionardo	49	S1 Manajemen Informatika Stiek	29	2 August 1999	Operations Services B Div Head
73	Livyana	43	S1 Teknik & Manajemen Industri Universitas Surabaya	23	16 October 2006	Area 3 Head - Reg 8
74	Lo Pin Tjin / Yenny Susilo	53	D3 Perbankan Stie Perbanas	32	1 April 2003	National Consumer Business Head
75	Maedy Santanu	48	S1 Biologi Univ Gadjah Mada	24	6 October 2003	Area 3 Head - Reg 7
76	Maria A Dyane Doum	35	S1 Ilmu Komunikasi Upn Veteran Yogyakarta	11	6 November 2017	Branch Executive

No.	Name	Age (Years)	Education	Total Experience (Years)	Join Date	Position
77	Meri Suriani	42	S2 Manajemen Universitas Sumatera Utara	14	2 Januari 2007	Region Head – Region 11
78	Mia Rahma Amalia	40	S1 Manajemen Universitas Indonesia	18	10 March 2014	Network Sales Management Division Head
79	Monalisa	52	S1 Akuntansi Universitas Tarumanagara	28	1 July 2005	Financial Control Division Head
80	Mustika Atmanari	55	S2 Manajemen Sumber Daya Manusia Universitas Padjadjaran	23	3 October 1994	- HC Management Division Head - HC Business Partner A Division Head (01 September 2017)
81	Nica Widyastuti	36	S1 Teknik Industri Universitas Kristen Maranatha	12	23 January 2017	Sr Branch Executive
82	Nio Antonio	50	S1 Ekonomi Manajemen Stie Perbanas	25	14 April 2008	Loan & Trade Ops B Div Head
83	Paula Sumarti Djongkang	46	D3 Manajemen Universitas Widya Dharma	30	11 October 2004	Senior Branch Executive
84	Paulus Dewanto	49	S2 Manajemen Keuangan Universitas Padjadjaran	26	26 October 1998	Commercial & Eb Portfolio Quality Management Head
85	Peter Tjondro Harsono	48	S1 Accounting California State Univ	24	2 June 2017	Private Banking Division Head
86	Poppy Devi Kesuma	44	S1 Bahasa Inggris Stba Harapan	22	25 August 2016	Branch Executive
87	Putu Antara	45	S1 Akuntansi Univ. Pendidikan Nas. Denpasar	20	7 January 2016	Area 3 Head - Reg 9
88	Radiman Ali Rohim	46	S2 Manajemen Sekolah Tinggi Prasetya Mulya	22	1 November 2012	Loan & Trade Ops A Div Head
89	Retno Windrati	53	S1 Manajemen Keuangan Stie Malangkucewara	29	1 February 2005	Branch Executive
90	Ricko Irwanto	46	S2 Finance Inst Pngmbngan Wiraswasta Ind	24	1 August 2008	Anti-Money Laundering & Combating The Financing Of Terrorism Division Head
91	Ridwan Aditya	49	D3 Informatika Lpkia	21	27 December 2013	Branch Executive
92	Robby	39	S2 Finance University Of New South Wales	18	21 May 2012	Treasury Trading Division Head
93	Robby Hardiyono	51	D1 Lpkia	33	1 October 1991	Operational Risk Management Division Head
94	Rudi	48	S1 Akuntansi Stieb	23	1 December 2003	Branch Executive
95	Rudianto	47	S2 Manajemen Universitas Pelita Harapan	28	1 March 2006	Management Reporting And Methodologies Division Head
96	Rudy Kurniawan Leksono	35	S1 Manajemen Universitas Kristen Maranatha	14	2 October 2017	- Branch Executive - Branch Executive Tegal (02 Oktober 2017)
97	Sani Effendy	52	S2 Ilmu Administrasi Bisnis Institut Teknologi Bandung	33	1 July 2008	Internal Audit Division Head
98	Sendy Mubarak	32	S1 Teknik Informatika Universitas Bina Nusantara	10	18 August 2015	Area 4 Head - Region 4
99	Shirley	51	S1 Manajemen Univ Sunan Giri Surabaya	28	2 July 2015	Region Head - Region 8
100	Sianny Purnamawati	46	S1 Ekonomi Univ Kristen Satya Wacana	24	2 May 2012	Enterprise Banking Senior Business Head - Jakarta and Kalimantan
101	Sindu Wirjaseputra	44	S1 Ekonomi Manajemen Univ Kristen Satya Wacana	23	6 September 2005	Branch Executive
102	Sujono Pingnomo	51	S1 Manajemen Universitas Jendral Soedirman	27	1 October 2015	Area 5 Head - Reg 2
103	Sukarman	39	S1 Manajemen Stie Harapan	22	3 January 2011	Area 1 Head - Reg 11
104	Sun San San	40	Smu Manajemen Pemasaran Smea Swasta Mardi Yuana	24	10 February 2017	Branch Executive
105	Suwano	48	S1 Finance The University Of Arizona	26	18 April 2006	Wholesale Banking Division Head
106	Suwardi Candra	46	S1 Akuntansi Stieb	23	19 July 2010	- National Commercial Business Head B - Enterprise Banking Senior Business Head - Bandung
107	Tan Gunawan	46	S1 Manajemen Informatika Universitas Bina Nusantara	27	12 July 2004	Region Head - Region 1
108	Tedy Setiawan	42	S1 Manajemen Informatika Universitas Bina Nusantara	22	19 May 2003	Operation Monitoring Division Head
109	Tjen Mellia Liman	52	S1 Ilmu Komputer Univ Technology Sydney	35	10 August 1998	Asset Liability Management Division Head
110	Tommy Kartono	47	D3 Ilmu Administrasi Universitas Indonesia	18	11 July 2013	Branch Executive
111	Toufan Suharto	43	S2 Sistem Informasi Pace University	17	1 November 2013	Region Head - Region 4
112	Veronica	41	S1 Gizi Masyarakat Institut Pertanian Bogor	22	1 August 2005	Area 5 Head - Reg 5
113	Veronika Susanti	50	S1 Teknik Arsitektur Univ Katolik Parahyangan	25	5 January 2015	Customer Solutions Retail Loan Division Head
114	Very Mailoa	39	S1 Manajemen Universitas Atmajaya Makassar	16	16 March 2015	Region Head - Region 10
115	Yongky Prawira	35	S1 Bahasa Inggris Universitas Widya Mandala	13	27 August 2007	Branch Executive
116	Yulia	46	S1 Manajemen Universitas Kristen Indonesia	25	2 June 2003	Region Head - Region 5
117	Yuliana Nelly	51	D1 Manajemen Informatika Komputer Lpkia	17	26 September 2013	Branch Executive

# Office Network

No.	Office Name	Address
<b>JAKARTA PUSAT</b>		
1	AGUS SALIM	Jl. Agus Salim No. 40, Kebon Sirih, Menteng, Jakarta, 10340
2	BENDUNGAN HILIR	Jl. Bendungan Hilir Raya No. 25 Tanah Abang, Bendungan Hilir, Jakarta 10210
3	CEMPAKA MAS	Komp. Graha Cempaka Mas Blok A-03, Jl. Letjend Suprpto, Jakarta 10640
4	CEMPAKA PUTIH	Jl. Cempaka Putih No. 129 B, Jakarta Pusat
5	CIDENG	Jl. Cideng Timur No. 60 Jakarta Pusat
6	DIPO TOWER	Dipo Tower, Jl. Gatot Subroto No.51-52, Jakarta Pusat
7	GAJAH MADA	Jl. Gajah Mada No. 3-5 Blok A/20, Gambir-Petojo Utara, Jakarta 10130
8	GUNUNG SAHARI	Jl. Gunung Sahari No.38 Jakarta
9	HARCO MANGGA DUA	Jl. Mangga Dua Raya Blok D No. 3, Kel. Mangga Dua Selatan, Kec. Sawah Besar, Jakarta Pusat
10	ITC ROXY MAS	Jl. Hasyim Ashari Blok D.III No. 17 (Proyek Roxy Mas) Jakarta Pusat
11	ITC ROXY MAS	Gedung ITC Roxy Mas Jl. KH. Hasyim Ashari Lantai Dasar Bursa Ponsel No. 9-10, Jakarta
12	KARANG ANYAR	Jl. Karang Anyar No. 55 Blok A-1/12, Kel. Karang Anyar, Kec. Sawah Besar Jakarta Pusat
13	KWITANG	Jl. Kwitang Raya No. 27 A, RT. 001 RW. 004, Kel. Kwitang, Jakarta Pusat
14	LE GRANDEUR	Kompleks Dusit Mangga Dua Ruko No. 1 Jalan Mangga Dua Raya, Jakarta Pusat
15	MAL MANGGA DUA	Jl. Mangga Dua Raya Komplek Pertokoan Mangga Dua Mall Lantai Dasar No. 25 B, Jakarta
16	MENARA THAMRIN	Menara Thamrin Lv. 1 Suite 107 Jl. MH. Thamrin Kav. 3 Jakarta Pusat
17	PINTU AIR	Jl. Pintu Air No. 51-B Kel. Pasar Baru, Kec. Sawah Besar Jakarta Pusat
18	PLAZA PERMATA	Plaza Permata, Jl. MH. Thamrin Kav. 57 UG Floor, Jakarta Pusat
19	SAWAH BESAR	Jl. Sukarjo Wiryopranoto No. 28 F, Jakarta 10120
20	SURYOPRANOTO	Jl. Suryopranoto No. 44 Kel. Petojo Utara Kec. Gambir Jakarta Pusat
21	TANAH ABANG BLOK A	Pasar Regional Tanah Abang Blok A Lantai B 1 Los F No. 085 Jakarta Pusat
22	TANAH ABANG BUKIT	Jl. KH Fakhrudin No. 36, Proyek Tanah Abang Bukit Blok A/28, Tanah Abang, Kampung Bali, Jakarta, 10250
23	WISMA 46	Wisma 46 - Kota BNI Suite G.10, Ground Floor, Jl. Jend. Sudirman Kav. 1, Jakarta 10220
<b>JAKARTA SELATAN</b>		
1	ADHI GRAHA	Gedung Adhi Graha Lt. Dasar Suite Ground Floor A1, Jl. Jend. Gatot Subroto Kav. 56 Jakarta 12950
2	ALAMANDA TOWER	Gedung Alamanda Tower Ground Floor Unit A, Jl. TB Simatupang No.23-24, Cilandak Barat, Jakarta Selatan
3	BEJ	Gedung Bursa Efek Jakarta (BEJ), Tower 1 3rd Floor, Suite 303 Jl. Jendral Sudirman Kav. 52-53 Jakarta 12190
4	BELLAGIO	Bellagio Butik Mall, unit OG.02, Jl. Kawasan Mega Kuningan Kav. E.4.3. Mega Kuningan, Jakarta Selatan
5	BINTARO SEKTOR 1	Plaza Bintaro Jl. Raya Bintaro Blok E No. 7 Kel. Bintaro Kec. Pesanggrahan Jakarta Selatan
6	BONA INDAH	Kompleks Perumahan Bona Indah Blok A2/B Kav. No.6 Jl. Karang Tengah Kel. Lebak Bulus Kec. Cilandak Jakarta Selatan
7	CINERE	Jl. Cinere Raya Blok A No. 10, Cinere Jakarta Selatan
8	FATMAWATI	Jl. R.S. Fatmawati 35 E Kel. Cilandak Barat, Kec. Cilandak, Jakarta Selatan
9	ITC DUTA MAS	Komplek Pertokoan Duta Mas Blok D1 No. 9, Jl. RS Fatmawati Jakarta Selatan
10	ITC PERMATA HIJAU	Jl. Arteri Permata Hijau, Komplek Grand ITC Permata Hijau, Blok Emerald Persil No.27 Kel.Grogol Utara, Kec. Kebayoran Lama, Jakarta Selatan
11	MENARA KARYA	Menara Karya Lower Level Unit D, Jl. HR. Rasuna Said Blok X-5, Kav. 1-2, Jakarta Selatan
12	MITRA HADIPRANA	Gedung Mitra Hadiprana Lantai 1, Jl. Kemang Raya No. 30, Bangka, Mampang Prapatan, Jakarta 10730

No.	Office Name	Address
13	OCBC NISP TOWER	Jl. Prof. Dr. Satrio No. 25, Jakarta Selatan
14	OCBC NISP TOWER - Sharia	Jl. Prof. Dr. Satrio No. 25, Jakarta Selatan
15	PANGLIMA POLIM	Grand Panglima Polim Kavling No. 8, Jl. Panglima Polim Kavling No. 8 Jl. Panglima Polim Raya, Kebayoran Baru, Jakarta Selatan 12160
16	PASAR MINGGU	Kalibata Office Park No. 21, Blok I, Jl. Raya Pasar Minggu No. 21, Kavling RT. 001, RW. 000, Kelurahan Kalibata, Kecamatan Pancoran, Jakarta Selatan
17	PONDOK INDAH METRO	Jl. Metro Pondok Indah Blok UA No. 62 Plaza I, Pondok Indah, Jakarta Selatan
18	PONDOK INDAH PLAZA 5	Rukan Plaza 5 Pondok Indah Kav. A-10, Jl. Marga Guna Blok A No. 10 Kel. Gandaria Utara Kec. Kebayoran Baru Jakarta selatan
19	SEMANAN	Komplek Perumahan Taman Semanan Indah Blok H Persil No.21, Kel.Duri Kosambi, Kec. Cengkareng,Kotamadya Jakarta Barat
20	TEBET	Jl.Tebet Raya No.26C RT 001 RW 02 Blok A Persil No.10, Kel.Tebet Barat, Kec.Tebet, Kota Administrasi Jakarta Selatan
21	TWINK	Gedung Twink Center Lantai Dasar, Jl. Kapten P. Tendean No. 82 Jakarta Selatan
22	WIRA USAHA	Gedung Wira Usaha - Ground Floor, Jl. HR Rasuna Said Kav. C-5 Jakarta Selatan
23	WTC SUDIRMAN	Gedung World Trade Center Ground Floor, Jl. Jendral Sudirman Kav.29 Jakarta
<b>JAKARTA BARAT</b>		
1	CITRA GARDEN SEKTOR 1	Perumahan (Ruko) Citra Garden 1 Blok 1 No. 13 Kel. Kalideres, Kec. Kalideres Jakarta Barat
2	CITRA GARDEN SEKTOR 2	Komplek Perumahan Citra Garden 2 Blok H No. 5, Jakarta Barat
3	GLODOK PLAZA	Jl. Mangga Besar I Pertokoan Glodok Plaza Blok F No. 96 Taman Sari, Jakarta Barat 11180
4	GREEN GARDEN	Komplek Perumahan Green Garden Blok I-9 No. 24, Jl. Raya Panjang (Arteri Kedoya) Jakarta 11520
5	GREEN VILLE	Komplek Green Ville Blok C, Kavling No. 7, Kec. Kebon Jeruk, Kel. Duri Kepa, Jakarta Barat
6	HAYAM WURUK	Jl. Hayam Wuruk No. 87 Kel. Taman Sari, Kec. Taman Sari Jakarta Barat
7	JELAMBAR	Perumahan Taman Duta Mas Blok D. 9/A Kav. 10, Jl. Pangeran Tubagus Angke, Jelambar Baru, Jakarta Barat 11460
8	JEMBATAN LIMA	Jl. K.H.M. Mansyur No. 202 G, Tambora-Tanah Sereal, Jakarta 11210
9	KEBON JERUK	Rukan Graha Mas Kebon Jeruk Blok C/3, Jl. Raya Perjuangan, Kebon Jeruk, Jakarta 11530
10	KEDOYA	Komplek PT Aneka Elok Real Estate Blok A1-A2 (Blok I No. 8) Kel. Kedoya Selatan Kec. Kebon Jeruk Jakarta Barat
11	LINDETEVES	Lindeteves Trade Centre Jl. Hayam Wuruk No. 127, Lt. Ground dan Lt. 1 Blok C 31 No. 8 & Ruko Blok RA No. 45 (3 lantai) Kel. Mangga Besar, Kec. Taman Sari, Jakarta Barat
12	MANGGA BESAR	Jl. Mangga Besar Raya No. 83 B Kel. Tangki, Kec. Taman Sari Jakarta Barat
13	PANGERAN JAYAKARTA	Jl. P. Jayakarta No. 129 Blok A-03 Mangga Dua Selatan, Sawah Besar, Jakarta 10730
14	PASAR PAGI	Jl. Pasar Pagi No. 23 Kel. Roa Malaka, Kec. Tambora Jakarta Barat
15	PERNIAGAAN TIMUR	Jl. Perniagaan Timur No. 42 A, Kel. Roa Malaka, Kec. Tambora, Jakarta Barat
16	PRESISI	Taman Aries Blok A1/1 Meruya Utara, Jakarta Barat
17	PURI INDAH	Jl. Puri Indah Raya Blok A No. 4 Ruko Puri Indah - Kembangan Selatan Jakarta 11160
18	PURI INDAH FINANCIAL TOWER	Puri Indah Financial Tower Ground Floor Unit 02, Jl. Puri Indah Lingkar Dalam Blok T-8, Kembangan, Jakarta Barat
19	SEKOLAH DIAN KASIH	Sekolah Dian Kasih, Citra Garden City 5, Blok H No.1, Jl.Satu Maret, Kel.Pegadungan, Kec.Kalideres, Jakarta Barat
20	SLIPI	Gedung Samudera Indonesia Lt. 1 Suite 101 & 102, Jl. Letjend. S. Parman Kav. 35 Slipi, Jakarta 11480
21	TAMAN PALEM	Kompleks Perumahan Taman Palem Lestari Blok C 1 Persil No. 2, Cengkareng Barat, Jakarta - 11730
22	TAMAN RATU	Jl. Ratu Kemuning Komplek Perumahan Taman Ratu Indah Blok D 11 No. 25 B, Jakarta Barat 11180
23	TANJUNG DUREN	Jl. Tanjung Duren Utara Raya No. 72 A, Grogol Petamburan, Jakarta, 11470
24	TOMANG	Jl. Mandala Raya No. 28 seb RT. 001/RW. 02 Kel. Tomang Kec. Grogol Petamburan Jakarta Barat
<b>JAKARTA TIMUR</b>		
1	DEWI SARTIKA	Jl. Dewi Sartika No. 292C, Jakarta Timur
2	JATINEGARA	Jl. Jatinegara Timur Raya No. 37

No.	Office Name	Address
3	PEMUDA	Jl. Pemuda Komp. Ruko Graha Mas AB Kav.6 Jakarta Timur
4	PONDOK BAMBU	Jl. Pahlawan Revolusi 125 C Kel. Pondok Bambu, Kec. Jatinegara Jakarta Timur
5	PRAMUKA	Jl. Pramuka 1st Fl, Pasar Pramuka Blok A Los AKS No. 021 - 026., Jakarta
6	PULO GADUNG TC	Pulo Gadung Trade Center Blok 8-I Kav.No. 12, Jl. Raya Bekasi KM. 21 Cakung-Rawa Terate, Jakarta 13920
<b>JAKARTA UTARA</b>		
1	ARTHA GADING	Kawasan Sentra Bisnis Artha Gading Blok C Kav. 17, Jl. Boulevard Artha Gading, Kelapa Gading Barat, Jakarta Utara
2	BANDENGAN	Puri Delta Mas Jl. Bandengan Selatan No. 43 Blok J Kav. 7, Kel. Pejagalan, Kec. Penjaringan Jakarta Utara
3	BUKIT GOLF MEDITERANIA PIK	Bukit Golf Mediterania PIK Blok B No. 006 dan 007, Kel. Penjaringan, Kec. Kamal Muara, Kotamadya Jakarta Utara 14470
4	CBD PLUIT	Kompleks Ruko Central Business District (CBD) Pluit Blok S Unit 07, Jl. Pluit Selatan Raya, Kel. Penjaringan, Kec. Penjaringan, Jakarta Utara
5	DANAU SUNTER AGUNG	Jl. Danau Sunter Agung Utara Blok B-36-A, No.14, Kel. Sunter Agung, Kec. Tanjung Priok, Jakarta Utara
6	ELANG LAUT PIK	Ruko Elang laut Boulevard PIK Blok C No. 23 & 25, Kel. Kapuk Muara, Kec. Penjaringan
7	ITC MANGGA DUA	Rumah Susun JITC II A Jl. Raya Mangga Dua Lantai 1 Blok D 48A dan 48B Kecamatan Penjaringan, Kelurahan Ancol, Jakarta Utara
8	KELAPA GADING 1	Jl. Kelapa Gading Boulevard Blok LB I No. 4-5
9	KELAPA GADING 2	Kelapa Gading Boulevard Blok FW I/23, Kel. Kelapa Gading Timur, Kec. Koja Jakarta Utara
10	MANGGA DUA PASAR PAGI	Jl. Mangga Dua Raya, Gedung Pusat Perdagangan Grosir Pasar Pagi Lantai 2 Blok KA 007, Jakarta
11	MENARA OCBC NISP KELAPA GADING	Jl. Boulevard Blok XC 5-6 No.C, Kel. Kelapa Gading Barat, Kec. Kelapa Gading, Kotamadya Jakarta Utara, DKI Jakarta
12	MUARA KARANG 1	Jl. Muara Karang Raya Blok Z 3 S No. 52 Jakarta Utara
13	PANTAI INDAH KAPUK	Galeri Niaga Mediterania Blok X-3 Kav. No. A-8 H Pantai Indah Kapuk Kel. Kapuk Muara, Kec. Penjaringan, Jakarta Utara
14	PLUIT KARANG UTARA	Jl. Pluit Karang Ayu No.4 Blok J1 Selatan Kavling No.27, Kel. Pluit, Kec. Penjaringan, Jakarta Utara
15	PLUIT SAKTI	Jl. Pluit Sakti Blok A Kav. 15 Kel. Pluit, Kec. Penjaringan Jakarta Utara
16	PLUIT VILLAGE	Jl. Raya Pluit Permai Komplek Pertokoan Mega Mall Pluit No. 43, Jakarta
17	SAMUDERA INDONESIA	PT Samudera Indonesia Tbk, Jl. Yos Sudarso - I, Blok A1-A7, Tanjung Priok, Jakarta Utara, 14320
18	SUNTER AGUNG	Jl. Danau Agung Utara Blok R No.53, Jakarta
19	SUNTER GRIYA	Perumahan Griya Inti Sentosa Blok A-1 Kav. 39, Kel. Sunter Agung Kec. Tanjung Priok Jakarta Utara
20	TANJUNG PRIOK	Jl. Enggano Raya No. 30 RT. 005/07 Kel. Tanjung Priok, Kec. Tanjung Priok Jakarta Utara
21	TELUK GONG	Ruko Duta Indah Square Jl. Raya Teluk Gong No. 15 Blok B No. 2, Kel. Pejagalan, Kec. Penjaringan Jakarta Utara
<b>BOGOR</b>		
1	CIBINONG	Komp. Perumahan Tmn Rejeki. Jl. Kiara Payung No. 1, Cibinong Bogor
2	CILEUNGI	Pertokoan Griya Kenari Mas Blok A1 No. 25, Cileungsi - Bogor
3	CITEUREUP	Jl. Mayor Oking No.78, Bogor
4	DEPOK - ITC DEPOK	Ruko Depok Mas No. 47 Jl. Margonda
5	JUANDA	Jl. Ir. H. Juanda 12 Bogor
6	KEDUNG BADAQ	Pertokoan Bogor Indah Raya Blok B4, Jl. Baru Kedung Badak Km.6.6 Bogor
7	KOTA WISATA	Komp. Perumahan Kota Wisata Sentra Komunitas Amsterdam Blok I -1D Kota Wisata, Cibubur
8	LEGENDA WISATA	Jl. Alternatif Transyogi KM.6, Ruko Newton Square Blok U17 No. 6 Perumahan Legenda Wisata, Cibubur, Bogor
9	PAJAJARAN	"Ruko Kawasan Industri Sentul Jl. Olympic Raya Blok C2 No.1 Sentul - Bogor"
10	PASAR ANYAR	Rukan Central Blok B No.10 Jl. Dewi Sartika No.46-48, Bogor
11	SANYO 1	Jl. Raya Jakarta Bogor KM. 35
12	SANYO 2	Jl. Raya Jakarta Bogor KM. 35
13	SENTUL	Jl. Raya Pajajaran RT.002/RW 03 No.101, Kelurahan Bantarjati, Kecamatan Bogor Utara, Kota Bogor, Jawa Barat

No.	Office Name	Address
14	SUKASARI	Jl. Siliwangi No.122, Bogor
15	SURYAKENCANA	Jl. Suryakencana No.101, Bogor
16	TAJUR	Jl. Raya Tajur No.138, Bogor
<b>TANGERANG</b>		
1	ALAM SUTERA	Ruko Palmyra Square Jalur Sutera 26A No.1, 2, 3, dan 5, Kec. Serpong, Kel. Pakualam, Kota Tangerang Selatan, Banten 15325
2	BINTARO SEKTOR 7	Bintaro Trade Centre Bintaro Jaya Sektor VII Blok B1 No. 3, Tangerang
3	BSD	Komp. BSD Blok RP/93 Sektor VII, Tangerang
4	CIKANDE - TAMAN MUTIARA	Ruko Taman Mutiara A/16, Desa Sumur Bandung, Kec. Jayanti, Kab. Tangerang
5	CIKUPA MAS	Kws Industri dan Pergudangan Cikupamas Jl. Cikupamas Raya No.8 Tangerang
6	CITRA RAYA	Perumahan Citra Raya Ruko Venesia Tangerang
7	DUTA GARDEN	Duta Garden Square Blok C-6 . Kec - Benda Kel - Jurumudi - Tangerang
8	FAJARINDO	Jl. Faliman Jaya No.19, Tagerang
9	GADING SERPONG	Jl. Boulevard Raya Gading Serpong, Ruko Alexandrite Blok ALX 3 No 16, Tangerang (15810)
10	GATOT SUBROTO	Jl. Gatot Subroto (d/h Merdeka) No.92 A-B Tangerang 15113
11	JATAKE	Ruko Sastra Plaza Jl. Gatot Subroto Blok B No.51 - Pasar Kemis
12	KARAWACI	Ruko Pinangsia Blok I No.36, Tangerang
13	MODERNLAND	Komplek Ruko Modernland Jl. Hartono Boulevard Raya No.51, Kel Kelapa Indah, Kec Tangerang, Kodya Tangerang Banten
14	TANGERANG CITY	Ruko Business Park Tangerang City Blok A No. 03Jl. Sudirman, BabakanTangerang 15118
<b>SERANG</b>		
1	CILEGON - SA TIRTAYASA	Jl. Raya Cilegon, Desa Jombangwetan, Kec. Cilegon, Kab. Serang, Kota Cilegon
2	NIKOMAS	Desa Tambak Kecamatan Cikande, Tangerang
3	PASAR LAMA	Jl. Hassanudin No.31, Serang
<b>BEKASI</b>		
1	AHMAD YANI	Sentral Niaga Kalimalang Jl. Ahmad Yani Blok A-6 No.10 Bekasi
2	CAKUNG	Jl. Raya Bekasi Km.28, Cakung, Jakarta 13960
3	BOGOR - CITRA GRAND	Pertokoan Citra Grand Blok R. 003 Blok D No. 17. Jl. Raya Alternatif Cibubur
4	DELTA MAS	Komplek Ruko Palais De Paris Blok E-2, Desa Sukamahi, Kec.Cikarang Pusat, Kab.Bekasi, Jawa Barat
5	GUNUNG GARUDA	Kawasan Industri Cibitung PT. Gunung Garuda Jl. Imam Bonjol No.4 Cibitung Bekasi 17520
6	BEKASI - HARAPAN INDAH	Ruko Sentra Niaga 2 Blok SN No. 06. Medan Satria - Bekasi
7	JABABEKA CAPITOL	Ruko Capitol Business Park No. 1 D. Jl. Niaga Raya, Cikarang Baru - Bekasi
8	JABABEKA PLAZA RESTO	Ruko Plaza Resto Blok No. Kav 2C-6F. Jl. Ki Hajar Dewantara, Simpangan Cikarang Utara Bekasi
9	KEMANG PRATAMA	Perum Kemang Pratama Jl. Kemang Pratama Raya Blok AK No.6 Kec. Rawa Lumbu
10	LIPPO CIKARANG	Jl. M. H Thamrin, Ruko Plaza Menteng Blok B No. 1 Cikarang Bekasi 17550
11	MATTEL 1	Jl. Industri Utama Blok SS Kav 1-3, Kws Industri Jababeka
12	MATTEL 2	Jl. Jababeka V Kav 4-6, Kawasan Industri Jababeka
13	MM 2100	Kawasan Industri MM 2100. Ruko Mall Bekasi Fajar Blok A Lt 1 No 2,3,4 Bekasi 17520
14	MULIA INDUSTRI	Mulia Industri Estate Jl. Raya Tegal Gede, Lemah Abang, Cikarang - Bekasi 17550
15	OMRON	EJIP Industrial Park Plot 5C - Cikarang Bekasi
16	PONDOK GEDE ASRI	Pondok Gede Plaza Blok B No. 4, Bekasi
17	SANYO INDONESIA	EJIP Industrial Park Plot 1A & 2 Cikarang Selatan
18	SHOWA	Kawasan Industri Jababeka Jl. Jababeka VI Kav. 28 - 36, Cikarang, Bekasi 17530
19	TAMAN GALAXY	Jl. Boulevard Raya Taman Galaxy Blok H No. 13, Kelurahan Jakasetia, Kecamatan Bekasi Selatan, Kota Bekasi, Provinsi Jawa Barat

No.	Office Name	Address
<b>LAMPUNG</b>		
1	KARTINI	Jl. Kartini No.158, Tanjung Karang, Bandar Lampung
2	TELUK BETUNG	Jl. Ikan Tongkol No.15-17 Teluk Betung Bandar Lampung - 35221
<b>BANDUNG</b>		
1	ANTAPANI	Jl. Terusan jalan Jakarta No.53 Ruko M - Borma Antapani, Bandung
2	ASIA AFRIKA	Jl. Asia Afrika No.100 Bandung
3	BATUNUNGGAL	Perumahan Batununggal Indah. Jl. Batununggal Raya No. 169, Bandung
4	BTC	BTC Lt. 1 Blok A 1-6 Jl. Dr Djunjuran No.143-149 Bandung
5	BUAH BATU	Jl. Buah Batu No.236, Bandung
6	BURANGRANG	Jl. Burangrang Nomor 31, Kel.Malabar,Kec.Lengkong,Kota Bandung
7	CIBEUNYING	Jl. Taman Cibeunying Sel. No.31 Bandung
8	CIJERAH	Komp.Istana Regency Sudirman Town House No.4. Jl. Cijerah No.153, Bandung
9	KEPATIHAN	Jl. Kepatihan No.21, Bandung
10	KOPO PERMAI	Komp. Kopo Permai Blok 6 AR no.21 Bdg
11	KOPO PLAZA	Komp. Kopo Plaza A-4 Jl. Peta, Lingkar Selatan, Bandung
12	KOPO SAYATI	Jl. Kopo Sayati No.100 A, Bandung
13	METRO TRADE CENTER	Jl. Soekarno Hatta No. 590, Ruko Metro Trade Center Blok A-25, Bandung
14	MOHAMAD TOHA	Jl. Moh. Toha No.182 Bandung
15	PADALARANG	Jl. Raya Purwakarta No.43 Padalarang
16	PAJAJARAN	Jl. Pajajaran No.85 C & 85 D, Bandung
17	RAJAWALI	Jl. Rajawali Timur No.27B Bandung
18	RS. ADVENT	Jl. Cihampelas No.161, Bandung
19	RS. BORROMEUS	Jl. Ir. H. Juanda No 100, Bandung
20	RS. CAHYA KAWALUYAN	Rumah Sakit Cahaya Kawaluyaan, Jl. Parahyangan km3, Kota Baru Parahyangan, Kabupaten Bandung
21	RS. IMMANUEL	Jl. Kopo No. 161 - RS Immanuel
22	RSB. LIMIJATI	RSB Limijati Jl. LLRE Martadinata No. 39, Bandung
23	SAWUNGGALING	Jl. Sawunggaling No.2, Bandung
24	SEKOLAH ALOYSIUS SUKAJADI	Jl. Sukajadi no.223 Bandung
25	SEKOLAH ST. ALOYSIUS	Komp. Sekolah St Aloysius, Jl. Sultan Agung No. 4 Bandung
26	SEKOLAH TRINITAS	Jl. Kebonjati No.209 Bandung
27	SETIABUDI	Jl. Setiabudi 148 Bandung
28	SETRASARI	Jl. Prof. Dr. Surya Sumantri Komp. Setrasari Plasa Blok A1
29	SINGGASANA	Perumahan Singgasana Pradana, Jl. Singgasana Raya No. 16 A , Bandung
30	ST ANGELA	Jl. Merdeka No. 24 Bandung
31	ST URSULA	Jl. Bengawan No. 2 Bandung
32	SUDIRMAN	Jl. Jendral Sudirman 66-68 Blok 91E, Bandung 4000
33	SUMBER SARI	Komp Pertokoan Sumber Sari Ruko Kav T-5. Jl. Sumber Sari Indah - Bandung
34	SYARIAH	Jl. Taman Cibeunying Sel. No.31 Bandung
35	TAMAN KOPO INDAH	Jl. Taman Kopo Indah II, Ruko IB - 12, Bandung
36	UJUNG BERUNG	Jl. Ujung berung No.144, Bandung
37	UNIKA PARAHYANGAN	Jl. Ciumbuleuit No. 94
38	UNIVERSITAS KRISTEN MARANATHA	Universitas Kristen Maranatha, Jl. Surya Sumantri No.65 Bandung
39	UNIVERSITAS WIDYATAMA	Jl. Cikutra No.204 A Bandung

No.	Office Name	Address
<b>CIMAHI</b>		
1	<b>GATOT SUBROTO</b>	Jl. Gatot Subroto No.8 Cimahi
<b>CIANJUR</b>		
1	<b>MANGUNSARKORO</b>	Jl. Mangunsarkoro No.20 Cianjur
2	<b>POU YUEN</b>	"Jl. Raya Cianjur - Bandung KM.7"
<b>CIREBON</b>		
1	<b>PLERED</b>	Jl. Raya Plered, Desa Panembahan, RT 13/RW 04. Kab. Cirebon
2	<b>SEKOLAH PELITA BANGSA</b>	Taman Cipto A1 kav 6-7 Cirebon
3	<b>SEKOLAH SANTA MARIA</b>	Jl. Sisimgamaraja No. 22 Cirebon
4	<b>SILIWANGI</b>	Jl. Siliwangi No. 175 Kel. Kejaksan, Kec. Kota Cirebon Utara,Kota Cirebon
5	<b>YOS SUDARSO</b>	Jl. Yos Sudarso No. 37
<b>KARAWANG</b>		
1	<b>GALUH MAS</b>	Perumahan Kota Galuh Mas Kawasan Niaga Topaz No.18 Blok A
2	<b>JVC</b>	Jl. Surya Lestari Kav1-16B, Teluk Jambe Kota Industri Surya Cipta, Karawang 41361
3	<b>MITRA INDUSTRI</b>	Kawasan Industri Mitra Karawang Ruko Blok A-C, Karawang
4	<b>TUPAREV</b>	Jl. Tuparev No.242, Karawang Selatan Karawang 41314
<b>PURWAKARTA</b>		
1	<b>SUDIRMAN</b>	Jl. Sudirman No.32, Purwakarta
<b>SUBANG</b>		
1	<b>AHMAD YANI</b>	Jl. Jend. Ahmad Yani No. 5 Kel. Karanganyar, Kec. Subang, Kab. Subang
<b>SUKABUMI</b>		
1	<b>CIBADAK</b>	Jl. Surya Kencana No.117 Cibadak, Sukabumi
2	<b>CICURUG</b>	Jl. Raya Siliwangi No.243
3	<b>COSMO TECHNOLOGY</b>	Jl. Raya Segog KM.14 Batununggal Cibadak Sukabumi
4	<b>MARTADINATA</b>	Jl. R.E MartadinataNo. 32, Sukabumi
5	<b>PASAR TIPAR GEDE</b>	Jl. Pelabuhan Ruko II No. 109
<b>TASIKMALAYA</b>		
1	<b>CIKURUBUK</b>	Jl. AH. Witono No. 21 Komplek Ruko Cikurubuk
2	<b>YUDANEGARA</b>	Jl. Yudanegara No.52, Tasikmalaya
<b>KLATEN</b>		
1	<b>PLAZA KLATEN</b>	Komplek Plaza Klaten Kios No.A2
<b>KUDUS</b>		
1	<b>AHMAD YANI</b>	Jl. Ahmad Yani No.18
<b>MAGELANG</b>		
1	<b>SUDIRMAN</b>	Pusat Pertokoan Magelang (Shopping Center) Blok A 15-16 dan B 15-16, Magelang - Jateng
<b>PEKALONGAN</b>		
1	<b>DOKTER CIPTO</b>	Dr. Cipto No 30-32 Pekalongan
<b>PURWOKERTO</b>		
1	<b>SUDIRMAN</b>	Jl. Jend. Sudirman no. 578
<b>SEMARANG</b>		
1	<b>BESEN</b>	Jl. Gang Besen No. 27
2	<b>GATOT SUBROTO</b>	Jl. Candi Main Road ( Kawasan Industri Candi ) Blok F1 No. 7.

No.	Office Name	Address
3	KALIWIRU	Jl. Dr.Wahidin No.213, Kel.Kaliwiru, Kec.Candisari,Kota Semarang,Propinsi Jawa Tengah
4	KATAMSO	Jl. Brigjend Katamso 5-5A Semarang
5	SILIWANGI	Jl. Jend Sudirman No.189, Semarang
6	SUPRAPTO	Jl. Letjend Soeprapto No.3, Semarang
7	SYARIAH	Jl. Brigjend Katamso 5-5A Semarang
8	UNGERAN	Jl. Gatot Subroto No.76 Ungaran - Semarang
<b>SUKOHARJO</b>		
1	SOLO PERMAI	Jl. Solo Permai No. CA 35, Solo Baru
<b>SURAKARTA</b>		
1	PASAR LEGI	Jl. S. Parman No.69 Pasar Legi, Surakarta
2	RAYA PALUR	Jl. Raya Palur No.8 B Karanganyar
3	SLAMET RIYADI	Jl. Slamet Riyadi No 303
4	TENDEAN	Jl. Kapt Tendean No.87 B, Solo
5	YOS SUDARSO	Jl. Yos Sudarso No. 202 Surakarta
<b>TEGAL</b>		
1	TEGAL - SUDIRMAN	Jl. Jend. Sudirman No 42 Kel. Pekauman, Kec. Tegal Barat, Kota Tegal, Propinsi Jawa Tengah
<b>TEMANGGUNG</b>		
1	TENTARA PELAJAR	Jl. Tentara Pelajar No. 2
<b>YOGYAKARTA</b>		
1	CIK DI TIRO	Jl. Cik Di Tiro No.7, Terban, Gondokusuman, Yogyakarta
2	KALIURANG	Jl. Kaliurang KM 5,2 No.25 Yogyakarta
3	KATAMSO	Jl. Brigjen Katamso No. 252, Yogyakarta
<b>BALI</b>		
1	KUTA	Kompleks Pertokoan Kuta Berlian No.6 Jl. Raya Kuta No. 99, Bali
2	SEMINYAK	Jl. Basangkasa No. 56, Kerobokan - Seminyak, Bali
3	UBUD	Jl. COK. Rai Puduk No.41, Ubud Bali
4	JIMBARAN	Rukan Jimbaran Arcade No. 1, Jl. Uluwatu II, Jimbaran, Kuta, Badung, bali
5	SESETAN	Jl.Raya Diponegoro No.678 Sesetan,Denpasar
6	GATOT SUBROTO	Jl. Gatot Subroto Tengah No. 328 A Kel. Tonja Denpasar
7	PATIMURA	Jl. Pattimura No.69, Denpasar
8	TEUKU UMAR	Jl. Teuku Umar No.2-4, Denpasar
<b>GRESIK</b>		
1	WAHIDIN	Jl. Dr. Wahidin SHD 138 Blok B-06, Kel. Kebomas, Kec. Kebomas, Kab. Gresik, Propinsi Jawa Timur
<b>KEDIRI</b>		
1	DIPONEGORO	Jl. Diponegoro No. 32, Kediri 64123
<b>MADIUN</b>		
1	TRUNOJOYO	Jl. Trunojoyo No.78, Madiun
<b>MALANG</b>		
1	GALUNGGUNG	Jl. Galunggung No.78, Malang
2	JAKSA AGUNG SUPRAPTO	Jl. Jaksa Agung Suprapto No. 41 Malang
3	KEPANJEN	Jl. Ahmad Yani No.6 Blok IA, Kepanjen - Malang
4	KYAI TAMIN	Jl. Kyai Tamin No. 20 A Kelurahan Sukoharjo Kecamatan Klojen Malang
5	LAWANG	Jl. Dr. Sutomo No. 3 - 4, Lawang - Malang
<b>MATARAM</b>		
1	PEJANGGIK	Ruko 3 & 4, Jl. Pejanggik No.108 C/D

No.	Office Name	Address
<b>KUPANG</b>		
1	<b>SUDIRMAN</b>	Jl. Jendral Sudirman No.23, Kel. Kuanino, Kec.Kota Raja, Kota Kupang, NTT
<b>MOJOKERTO</b>		
1	<b>PAHLAWAN</b>	Jl. Pahlawan No. 7 - 8, Ruko Royal Regency Blok R/6
<b>PONOROGO</b>		
1	<b>GAJAH MADA</b>	Jl. Gajah Mada No. 3 A, Desa Bangunsari, Kecamatan Ponorogo, Kabupaten Ponorogo, Propinsi Jawa Timur
<b>SIDOARJO</b>		
1	<b>AHMAD YANI</b>	Jl. Ahmad Yani No 6-7, Sidoarjo
2	<b>TROPODO</b>	Kompleks Ruko Sentra Tropodo Blok A - 06, Sidoarjo
<b>SURABAYA</b>		
1	<b>DHARMAHUSADA</b>	Jl. Dharmahusada No. 60 Surabaya
2	<b>DIPONEGORO</b>	Jalan. Ciliwung No. 14
3	<b>GRAHA PENA</b>	Gedung Graha Pena Lt.1, Jl. A. Yani No.88 Surabaya
4	<b>HR. MUHAMMAD</b>	Jl. HR Muhammad No. 36, Surabaya
5	<b>JEMURSARI</b>	Jl. Jemursari No. 103, Kelurahan Jemur Wonosari, Kecamatan Wonocolo, Surabaya
6	<b>KAPAS KRAMPUNG</b>	Jl. Kapas Krampung No. 97B
7	<b>KEDUNGORO</b>	Jl. Kedungoro 74/B-1 - Surabaya
8	<b>KEMBANG JEPUN</b>	Jl. Kembang Jepun No.71, Surabaya
9	<b>KERTAJAYA</b>	Jl. Kertajaya No 171 Kel Airlangga, Kec Gubeng Surabaya
10	<b>MARGOMULYO</b>	Jl. Raya Margomulyo No.9/AA-2,Kel.Balongsari,Kec.Tandes,Kotamadya Surabaya,Propinsi Jawa Timur
11	<b>MEGA GALAXY</b>	Ruko Mega Galaxy Blok 16 B - 5, Jl. Raya Kertajaya Indah Timur, Surabaya
12	<b>MERR</b>	Jl. Dr. Ir. H. Soekarno No.478 (d/h Wisma Kedung Asem Indah F6-A) Kel. Kedung Baruk, Kec.Rungkut, Kota Surabaya
13	<b>NGAGEL</b>	Jl. Ngagel Jaya Selatan No. 123, Surabaya 60284
14	<b>PEMUDA</b>	Jl. Pemuda No. 104-106 Surabaya
15	<b>PERAK</b>	Jl. Perak Timur No. 88 - Surabaya
16	<b>RADEN SALEH</b>	Jl. Raden Saleh No.10A, Surabaya
17	<b>RAYA MULYOSARI</b>	Jl. Raya Mulyosari - Ruko Sentral Park Blok AA-05
18	<b>SUKOMANUNGGAL</b>	Ruko Satelit Town Square Blok A-2, Jl. Sukomanunggal Surabaya
19	<b>SUNGKONO</b>	Komp. Pertokoan Darmo Park IV/5, Surabaya
20	<b>SYARIAH</b>	Jl. Pemuda No. 104-106 Surabaya
21	<b>WIYUNG</b>	Komp. Ruko Taman Pondok Indah Blok A-36, Jl.Raya Wiyung Menganti No. 209, Surabaya
<b>BALIKPAPAN</b>		
1	<b>BALIKPAPAN BARU</b>	Ruko Balikpapan Baru Blok D2/27
2	<b>MT. HARYONO</b>	Jl. MT. Haryono, RT 075 RW 11 Kelurahan Gunung Bahagia Kec Balikpapan Selatan
3	<b>PANDANSARI</b>	Jl. Pandansari No.1 Balikpapan
4	<b>PANTAI MAS</b>	Komp. Pantai Mas Permai Blok B No. 10 Jl. Jend. Sudirman, Kel. Prapatan, Kec. Balikpapan Timur, Kodya Balikpapan
5	<b>SYARIAH</b>	Jl. MT. Haryono, RT 075 RW 11 Kelurahan Gunung Bahagia Kec Balikpapan Selatan
<b>BANJARMASIN</b>		
1	<b>BANJAR BARU</b>	Jl. A Yani KM 37,5 Kel. Sungai Paring, Kec.Martapura, Kabupaten Banjarbaru, Provinsi Kalimantan Selatan
2	<b>LAMBUNG MANGKURAT</b>	Jl. Lambung Mangkurat No.32
<b>MAKASSAR</b>		
1	<b>AHMAD YANI</b>	Jl. Ahmad Yani No.21, Makassar
2	<b>LATIMOJONG</b>	Jl. Gunung Latimojong No. 35 Makassar
3	<b>MTC KAREBOSI</b>	Makassar Trade Center Karebosi Jl. Ahmad Yani No 49 Sulawesi Selatan

No.	Office Name	Address
4	PANAKUKANG	Jl. Boulevard Jasper II No.42, Panakukang Mas Makassar
5	PETTARANI	Jl. AP. Pettarani No. 29, Kel. Tamamaung, Kec. Panakkukang, Makassar, Sulawesi Selatan
6	SYARIAH	Jl. Ahmad Yani No.21, Makassar
7	TENTARA PELAJAR	Jl. Tentara Pelajar 07 No.42F, Kel. Butung, Kec. Wajo, Makassar, Sulawesi Selatan
<b>MANADO</b>		
1	PIERE TENDEAN	Ruko Mega Mas Blok A No 5-6 Jl. Pierre Tendeau, Manado Sulawesi Utara
2	WENANG	Jl. Walanda Maramis No. 70, Wenang - Manado
<b>PALU</b>		
1	EMMY SAELAN	Jl. Emmy Saelan No.49, Kel.Tatura Utara, Kec. Palu Selatan, Kota Palu, Sulawesi Tengah
<b>BITUNG</b>		
1	SAM RATULANGI	Jl. Sam Ratulangi No. 6 Bitung
<b>KENDARI</b>		
1	ABDULLAH SILONDAE	Jl. Drs. H. Abdullah Silondae No. 89 C, Kel. Korumba, Kec. Mandonga, Kota Kendari, Sulawesi Tenggara
<b>SAMARINDA</b>		
1	PASAR SEGIRI	Jl. Pahlawan No.16 (Ruko Permata)
2	SUDIRMAN	Jl. Jendral Sudirman No.37 Samarinda,Kalimantan Timur
<b>BATAM</b>		
1	AVIARI	Komp. Pertokoan Aviari Blok A1 No.11 Batuaji, Batam
2	BALOI	Komplek PT Penuine Blok A No.8 Persil 959, Kel.Batu Selicin, Kec. Lubuk Baja, Kota Batam, Prov. Kepulauan Riau
3	PALM SPRING	Komp. Ruko Palm Spring Blok B2 No 15 - 18, Batam
4	PELITA	Komp. Regency Park I/4-5 Batam
5	SYARIAH	Komp. Regency Park I/4-5, Batam, Kepulauan Riau
6	TANJUNG UNCANG	Komp. Tunas Regency Blok A6 No.2 & 3, Kel.Sungai Binti, Kec.Sagulung, Kota Batam, Provinsi Kepulauan Riau
<b>DELI SERDANG</b>		
1	TANJUNG MORAWA	Jl. Irian No.87, Tanjung Morawa
2	CEMARA ASRI	Jl. Cemara Boulevard H1 No.61, Desa Sampali, Kecamatan Percut Sei Tuan, Kabupaten Deli Serdang, Medan
<b>BINJAI</b>		
1	BINJAI	Jl. Jend Sudirman 216, Binjai - Sumatera Utara
<b>JAMBI</b>		
1	HAYAM WURUK	Jl. Hayam Wuruk No.31 RT.010, Kelurahan Talang Jauh, Kecamatan Jelutung, Kota Jambi
2	SIPIN	Jl. Kolonel Abunjani Rt 021 Kel Selamat Kec Telanaipura Jambi
<b>MEDAN</b>		
1	ASIA	Jl. Asia No. 200, Medan
2	BOGOR	Jl. Bogor No. 67, Medan
3	GATOT SUBROTO	Jl. Jend. Gatot Subroto N0. 79 Medan
4	IMAM BONJOL	Jl. Imam Bonjol No.15, Medan
5	JATI JUNCTION	Komp. Jati Junction No.P6 dan P6-A, Kel.Perintis, Kec.Medan, Kota Medan
6	KRAKATAU	Jl. Krakatau No.59/103A dan No.103B, Kelurahan Glugur Darat-I, Kecamatan Medan Timur, Kota Medan
7	POLONIA	Jl. Imam Bonjol No.59, Medan
8	PULO BRAYAN	Jl. Yos Sudarso No. 209 G, Medan Pulo Brayan
9	SYARIAH	Jl.Letjen S.Parman No.238 D/E Medan

No.	Office Name	Address
<b>PADANG</b>		
1	<b>ANDALAS</b>	Jl. Andalas (Simpang Haru) No 7 RT 005 RW II Kec Padang Timur
2	<b>DIPONEGORO</b>	Jl. Diponegoro No. 23 A-B Kelurahan Belakang Tangsi Kecamatan Padang Barat Padang - 25118
<b>PALEMBANG</b>		
1	<b>LINGKARAN</b>	Jl. Lingkaran I No. 466 dan 356 Kel 15 Ilir Kec Ilir Timur I Palembang
2	<b>RAJAWALI</b>	Jl. Rajawali No.33 Kelurahan Ilir, Kecamatan Ilir Timur II, Kota Palembang
3	<b>RUSTAM EFFENDI</b>	Jl. T.P Rustam Effendi No.570
4	<b>SUKAMTO</b>	Jl. R. Soekamto No A-2 Rt 017 Rw 07 Kel 8 Ilir Kec Ilir Timur II Palembang
5	<b>SYARIAH</b>	Jl. R. Soekamto No A-2 Rt 017 Rw 07 Kel 8 Ilir Kec Ilir Timur II Palembang
<b>PANGKAL PINANG</b>		
1	<b>PASAR LAMA</b>	Jl. Pasar Lama No.13 & 15, Pangkal Pinang
<b>PEKANBARU</b>		
1	<b>AHMAD YANI</b>	Jl. Jend. Ahmad Yani No.115, Pekanbaru, Riau
2	<b>RIAU</b>	Jl. Riau No. 56, Senapelan Kodya pekanbaru
3	<b>TUANKU TAMBUSAI</b>	Pertokoan Nangka Raya Permai Blok A Kav9, Jl. Tuanku Tambusai
<b>PEMATANG SIANTAR</b>		
1	<b>SUTOMO</b>	Jl. Sutomo No. 35-36, Pematang Siantar
<b>TANJUNG PINANG</b>		
1	<b>D.I. PANJAITAN</b>	Jl. D.I. Panjaitan KM 9, Tanjung Pinang
2	<b>MERDEKA</b>	Jl. Merdeka No.41, Tanjung Pinang
<b>PONTIANAK</b>		
1	<b>SIANTAN</b>	Jl. Gusti Situt Mahmud No.33
2	<b>SULTAN MUHAMMAD</b>	Jl. Sultan Muhammad No. 130 - Pontianak
3	<b>TANJUNGPURA</b>	Jl. Tanjungpura No.88-89 Pontianak-Kalbar
4	<b>SYARIAH</b>	Jl. Gusti Situt Mahmud No.33, Siantan Pontianak, Kalimantan Barat

# About Annual Integrated Report\*

## ASPECT OF MATERIAL AND LIMITATION (G4-18) (G4-19) (G4-20) (G4-21) (G4-23)

To determine material aspect, the Bank engages the stakeholders to absorb aspirations, inputs, recommendation as well as acknowledge the stakeholders' expectation. The stakeholders' engagement is conducted by several ways such as call center data record, Bank's daily operational activities, social media, gathering events, and others. All of the expectations are filtered based on conformity and relevance with due observance the sustainability context, materiality, and completeness. After the process of discussion and maturation, the Bank chooses the topics based on priority and limitation that will be presented in this Report. The Bank also considers the principles to determine the report quality which are: balance, comparability, accuracy, punctuality, and reliability. All of the said performance information covers head office and all brand offices. Bank OCBC NISP has no subsidiaries.

No	Sustainability Issue	Material Aspect	Internal	External			
				Customers	Partners	Public	Government
1	Saving of electricity, paper and water	Energy and water	.				
2	Occupational	Employees' trainings	.				
		Health and work safety	.				.
3	Security and privacy of customers	Security, privacy and satisfaction of the customers	.	.			.
4	Social community activities	Social program	.	.			
5	Economic performance	Distributed economic value	.	.	.	.	.
		Market share	.				
6	Compliance	Sanction, Fine, Complaint	.	.	.	.	.

**STAKEHOLDERS, ENGAGEMENT METHOD (G4-24) (G4-25) (G-26) (G-27)**

Stakeholders	Engagement Basis	Topic/Interest	Engagement Method	Frequency
Customers	Service recipients, the Bank receives the benefit from them	Procedure and information of products	Daily operational	Anytime
		Comfort and satisfaction of customers	Online Banking	Anytime
		Security and privacy of customers	OCBC Website	Anytime
			Call Centre	Anytime
			Social Media	Anytime
			Gathering	Twice a year
Employees	Company asset in running the operational	Health and work safety	Labor Union	When needed
		Training and development	Training and seminar	When needed
			Internal Magazine	Every month
			Family Gathering	Once a year
Government/Regulator	As a regulator which shall be complied with	Comply with the laws and regulations	Corporate Legal Division Activities	Anytime
		Transparent and current information	Annual Report	Once a year
		Good Corporate Governance	Reporting to Bank Indonesia	Periodical
		Prudent banking service	Reporting to FSA	Periodical
Shareholders/Investors	Funders who want to grow their investment	Financial performance/shares value	AGMS	Once a year
		Corporate action and strategy	Annual Report	Once a year
		Company's current information	Media	When needed
Public	The party who receive the impact of the Bank's activities	Environmental and social policies in credit risk analysis	Whistleblowing Report	If any complaint occurs
		CSR programs	Empowerment and education to public	Response on the benefit
Business partners	Service/product suppliers which support the operational	Mutual relationship	Regular meetings	When needed

\*Continued from back cover

## ACTIVITIES OF THE BANK THAT SUPPORT SUSTAINABLE DEVELOPMENT GOALS (SDG'S)

SDG's Program	Bank's Activities
	<ul style="list-style-type: none"> <li>- An inclusive business has supported the national development such as entrepreneurship program, coaching and loans granting to SME segment which drives the people economics.</li> <li>- Fairness in the workplace, equality of rights.</li> <li>- Provision of non-standard wages.</li> </ul>
	<ul style="list-style-type: none"> <li>- Providing assistance to Thalassaemia sufferers in the form of funds of education and wealth in Garut, Tasik and Palembang.</li> <li>- Providing health and work safety security.</li> </ul>
	<ul style="list-style-type: none"> <li>- Providing scholarship for employees.</li> <li>- Scholarship for students, among others UI, IPB, Unpad, ITB, UGM, ITS, Undip and UNJ.</li> </ul>
	<p>Guarantee the gender equality at workplace.</p>
	<p>Installation of electricity and lighting at Girimukti Village, Bandung.</p>
	<ul style="list-style-type: none"> <li>- Proper facility for employees.</li> <li>- Providing training and development program for career improvement.</li> <li>- Labor Union.</li> <li>- The distribution of economic performance benefits through tax payments and CSR activities has contributed to development sustainable.</li> </ul>
	<p>The Bank participates in promoting an inclusive and sustainable industry as well as driving innovation through loans disbursement on Emerging Business Segment, namely SME segment.</p>
	<ul style="list-style-type: none"> <li>- Policy of reduce, reuse and recycle.</li> <li>- Saving of electricity, water and paper usage.</li> <li>- Paper waste recycle by third party.</li> <li>- Policy of bringing drinking bottle for employees to reduce bottled/package drinking water plastic waste.</li> <li>- Screening for prospective debtors which may affect the environmental and social.</li> </ul>



# 2017

## ANNUAL INTEGRATED REPORT



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