

2016
Annual Integrated Report



Moving Ahead Progressively



ABOUT ANNUAL INTEGRATED REPORT

This is the first time that Bank OCBC NISP publishes the Annual Integrated Report, which presented key achievements not only in financial performance metrics, but also in others areas, such as social responsibility, environment initiatives, risk management, outlook and business sustainability.

For the last 5 years (2011-2015), in addition to the Annual Report, Bank OCBC NISP had published Sustainability Report as supplementary information. This year, we decided to provide stakeholders a unified report namely Annual Integrated Report. With this new report, stakeholders can obtain complete information both tangible and intangible corporate activities and outcomes. Moreover, this report describe the Bank's business strategy to create a long-term value for stakeholders. [\[G4-29\]](#)

The Annual Integrated Report (reporting periode term of January 1 to December 31, 2016) adheres Indonesia's regulatory requirements, ASEAN Corporate Governance, and Global Reporting Initiative Generation 4 (GRI G-4). [\[G4-28\]](#) [\[G4-30\]](#)

Moving Ahead Progressively

Bank OCBC NISP has remained steadfast in its commitment to continue their strategic work programs. As such, the Bank has implemented a number of programs since last year aiming at gaining competitive advantages in the banking sector. These programs have resulted in meeting operational goals and financial performance excellence. Bank OCBC NISP continue developing and strive to achieve its strategic goals.

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Performance Summary 2016

Bank OCBC NISP's performance in 2016 is a proven sustainable business resilience which achieved by the implementation of prudential principles.



TOTAL ASSETS

RP **138.2** T

OPERATING INCOME

RP **6.8** T

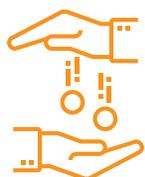


TOTAL DEPOSITS

RP **103.6** T

NET PROFIT

RP **1.8** T



TOTAL LOANS (GROSS)

RP **93.4** T

NET INTEREST MARGIN

4.6 %



5 YEARS SUSTAINABILITY



2015

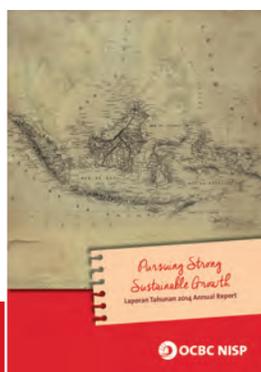
75 Years of Sustainable Growth by Creating Values

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

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.



2014

Pursuing Strong Sustainable Growth

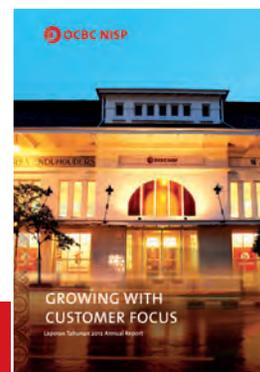
Bank OCBC NISP continuously improve the quality in overall so as the achieve sustainable growth.



2013

72 Years of Dedication in Serving Customers

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



2012

Growing with Customer Focus

Bank OCBC NISP launched new corporate culture One PIC in which Customer Focus is becoming the foundation to build, understand and fulfill customers' needs.

SIGNIFICANT EVENTS 2016



January 2016

Bank OCBC NISP and PT Rintis Sejahtera as network provider of PRIMA forged cooperation in electronic banking to be able to accept UnionPay International available in Bank OCBC NISP's ATM machines.



January 2016

The Sharia Business Unit of Bank OCBC NISP expanded its network to Batam as the 10th branch.



March 2016

Bank OCBC NISP announced their plan to issue Continuous Bonds II Phase I Year 2016 with fixed interest rate which was issued through a public offering amounted Rp 2 trillion.



April 2016

75th Anniversary of Bank OCBC NISP. Celebrated in all cities with OCBC NISP branches.



May 2016

60 Volunteers of Bank OCBC NISP and OCBC Group (OCBC Bank Singapore and Bank of Singapore) have participated in planting 2,000 tree seeds and make 2 Km of clean water tunnels, in conjunction with the World Environment Day



June 2016

Free Mudik (back to hometown) with Bank OCBC NISP Sharia for persons living in the vicinity of the office.



July - September 2016

Roadshow of Tax Amnesty Socialization to Bank OCBC NISP's Customers in Indonesia, attended by 1,500 customers.



July 2016

Bank OCBC NISP received 2 Awards of Best Wealth Management of The Year and Best CRM Project in Indonesia Country Awards 2016 from The Asian Banker Magazine.



September 2016

Bank OCBC NISP officially appointed as Gateway Bank in supporting The Tax Amnesty Program.



October 2016

Bank OCBC NISP supported financial inclusion initiative through Smart Future Program in 15 locations across Indonesia.



November 2016

Bank OCBC NISP become the first and only bank in Indonesia to provide Trust service for retail and corporate customers.



December 2016

Bank OCBC NISP awarded as "Indonesia Most Trusted Company in Corporate Governance Perception Index Award" by Indonesian Institute for Corporate Governance for 5 consecutive years.

FINANCIAL HIGHLIGHTS

(In Million Rupiah)

Description	2016	2015	2014	2013	2012
Statement of Financial Position					
Total Assets	138,196,341	120,480,402	103,111,114	97,510,106	79,141,737
Total Earning Assets	127,530,027	110,685,337	94,438,269	88,475,342	71,982,273
Loans - Gross	93,362,639	85,879,019	68,363,239	63,967,113	52,896,715
Loans - Net	90,247,652	84,040,768	66,933,612	62,706,614	51,874,088
Deposits from Customers	103,559,959	87,280,244	72,805,057	68,936,691	60,760,680
Current Accounts	24,511,895	22,506,230	14,025,069	15,990,872	11,640,318
Savings Accounts	16,289,474	13,646,077	11,250,140	10,839,009	18,523,698
Time Deposits	62,758,591	51,127,937	47,529,848	42,106,810	30,596,664
Borrowings	-	2,757,000	2,477,000	2,434,000	-
Total Liabilities	118,689,765	104,069,055	88,167,748	83,970,261	70,190,261
Equity	19,506,576	16,411,347	14,943,366	13,539,845	8,951,476
Statement of Profit or Loss and Other Comprehensive Income					
Net Interest Income	5,393,287	4,418,917	3,744,698	3,139,288	2,566,027
Other Operating Income	1,415,506	854,463	743,261	879,030	835,854
Total Operating Income	6,808,793	5,273,380	4,487,959	4,018,318	3,401,881
Allowance for Impairment Losses on Financial Assets and Others	1,315,656	454,307	221,335	259,104	246,816
Other Operating Expenses	3,150,676	2,818,186	2,489,916	2,215,374	1,941,498
Income from Operations	2,342,461	2,000,887	1,776,708	1,543,840	1,213,567
Income Before Tax	2,351,102	2,001,461	1,776,712	1,529,716	1,222,241
Net Income	1,789,900	1,500,835	1,332,182	1,142,721	915,456
Income/(Expenses) Comprehensive for The Year, Net of Tax	1,305,329	(32,854)	71,339	(48,235)	(59,525)
Total Comprehensive Income for The Year, Net of Tax	3,095,229	1,467,981	1,403,521	1,094,486	855,931
Profit Attributable to:					
Owners	1,789,900	1,500,835	1,332,182	1,142,721	915,456
Non-Controlling Interests	-	-	-	-	-
Comprehensive Income Attributable to:					
Owners	3,095,229	1,467,981	1,403,521	1,094,486	855,931
Non-Controlling Interests	-	-	-	-	-
Earnings per Share (Full Amount)	156.01	130.82	116.12	128.89	116.37

Financial Ratios, Compliance and others	2016	2015	2014	2013	2012
Financial Ratios					
Capital Adequacy Ratio (CAR)	18.28%	17.32%	18.74%	19.28%	16.49%
Non Performing Loan (NPL) Gross	1.88%	1.30%	1.34%	0.73%	0.91%
Non Performing Loan (NPL) Net	0.77%	0.78%	0.80%	0.35%	0.37%
Return on Assets (ROA)	1.85%	1.68%	1.79%	1.81%	1.79%
Return on Equity (ROE)	9.85%	9.60%	9.68%	11.87%	12.22%
Net Interest Margin (NIM)	4.62%	4.07%	4.15%	4.11%	4.17%
Operating Expenses to Operating Income Ratio (BOPO)	79.84%	80.14%	79.46%	78.03%	78.93%
Loan to Deposit Ratio (LDR)	89.86%	98.05%	93.59%	92.49%	86.79%
Loan to Funding Ratio (LFR)	88.20%	95.36%	-	-	-
Current Account & Saving Account (CASA)	39.40%	41.42%	34.72%	38.92%	49.64%
Liquidity Coverage Ratio (LCR)	166.91%	163.47%	-	-	-
Compliance					
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)	6.56%	7.55%	8.13%	8.14%	8.41%
Secondary Statutory Reserve (Rupiah)	21.75%	12.56%	30.68%	26.93%	25.17%
Statutory Reserves - Foreign Currency	8.26%	8.02%	8.30%	8.44%	8.02%
Net Open Position (NOP)	1.22%	1.04%	0.95%	0.40%	0.71%
Others					
Net Income to Income From Operations Ratio	26.29%	28.46%	29.68%	28.44%	26.91%
Liabilities to Equity Ratio	608.46%	634.13%	590.01%	620.17%	784.12%
Liabilities to Assets Ratio	85.88%	86.38%	85.51%	86.11%	88.69%
Other Main Indicator					
Total Employees	6,796	6,922	6,654	6,735	6,498
Total Office Network	34 ^o	339	337	339	35 ^o
Total ATMs	763	759	759	752	695
Issued and fully paid - Rp Million (11,472,648,486 shares at 2013 - 2016 and 8,548,918,395 shares at 2012)	1,434,081	1,434,081	1,434,081	1,434,081	1,068,615

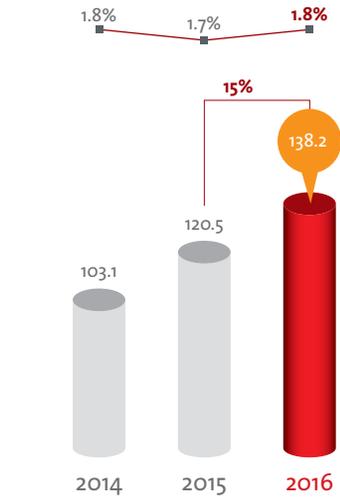
Notes:

1. Calculation of CAR, LDR, and LFR is in accordance with Bank Indonesia/FSA guidance
2. Banking industry does not use Current Ratio calculation.
3. Bank OCBC NISP did not invest in associated companies in 2012 - 2016.
4. Total Cost of Fund (%) is stated on page 67 of this Annual Integrated Report.

FINANCIAL HIGHLIGHTS

Total Assets & Return on Assets (ROA)

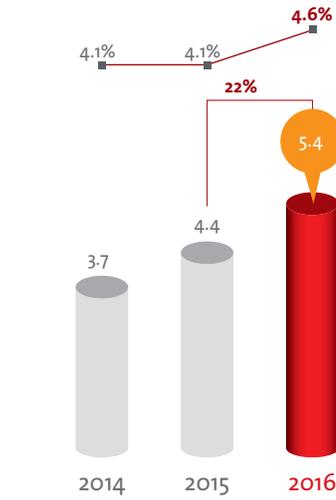
Rp Trillion, except %



- Total Assets
- Return on Assets (ROA)

Net Interest Income & Net Interest Margin (NIM)

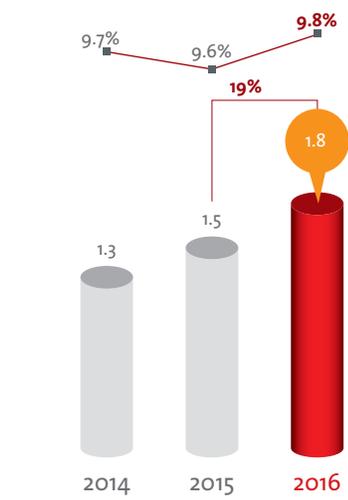
Rp Trillion, except %



- Net Interest Income
- Net Interest Margin (NIM)

Net Income & Return on Equity (ROE)

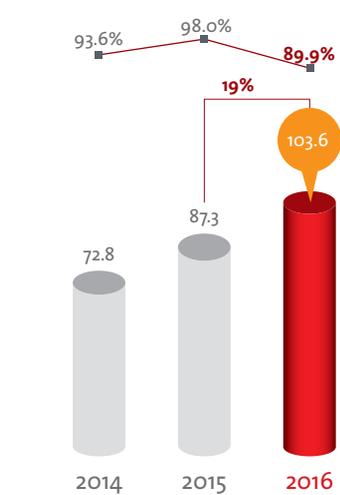
Rp Trillion, except %



- Net Income
- Return on Equity (ROE)

Third Party Deposits & Loan to Deposit Ratio (LDR)

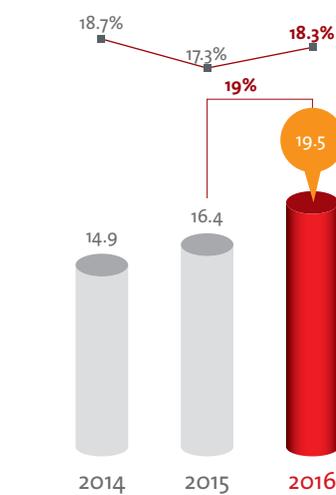
Rp Trillion, except %



- Third Party Deposits
- Loan to Deposits Ratio (LDR)

Total Equity & Capital Adequacy Ratio (CAR)

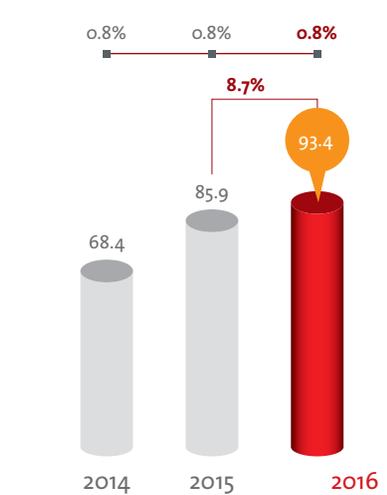
Rp Trillion, except %



- Total Equity
- Capital Adequacy Ratio (CAR)

Loans - Gross & Non Performing Loan (NPL) - Net

Rp Trillion, except %



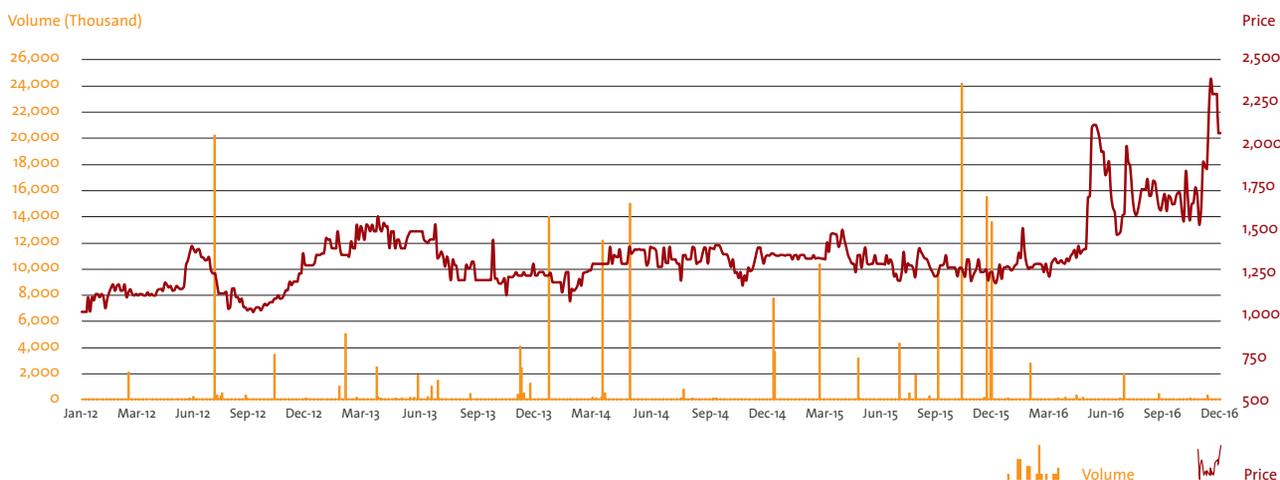
- Loans - Gross
- Non Performing Loan (NPL) - Net

STOCK HIGHLIGHTS

Share Price Highest, Lowest, Closing, Shares Trading Volume, Market Capitalization and Shares Issued

Year	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Highest (Rp)				
2016	1,325	1,510	2,120	2,750
2015	1,510	1,395	1,400	1,350
Lowest (Rp)				
2016	1,185	1,210	1,300	1,530
2015	1,200	1,000	1,150	1,225
Closing (Rp)				
2016	1,185	1,225	1,675	2,070
2015	1,400	1,240	1,225	1,275
Shares Trading Volume (thousand shares)				
2016	57,504	3,006	3,538	1,241
2015	14,228	3,365	7,094	10,002
Market Capitalization (Rp)				
2016	13,459,097,298,960	13,913,412,819,600	19,024,462,426,800	23,510,828,193,120
2015	15,901,043,222,400	14,083,781,139,840	13,913,412,819,600	14,481,307,220,400
Shares Issued				
2016	11,472,648,486	11,472,648,486	11,472,648,486	11,472,648,486
2015	11,472,648,486	11,472,648,486	11,472,648,486	11,472,648,486

Graph of Last 5 Years Price and Trading Volume



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	4,052,921,002	1,215,876,301
Cash Dividend per Stock (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 - 2015: No dividend distributed as shareholders agreed to reinvest all profit for business development

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 controlling shareholders, with ownership per end of 2015 at 85.1%. Since then, OCBC Bank as the ultimate shareholder constantly provides strong support to Bank OCBC NISP.

OCBC Bank is the longest established Singapore bank, formed in 1932 through the amalgamation 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\$410 billion as of December 31, 2016. OCBC is listed on the SGX-ST, and is one of the largest listed companies in Singapore by market capitalisation. Its market capitalisation was approximately S\$37 billion as of December 31, 2016, 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 and the Asia Pacific by The Asian Banker.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services. It employs more than 29,000

staff globally. OCBC Bank has banking operations in 18 countries and regions including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Macau, 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, 2016, OCBC Bank had a global network of over 610 branches and representative offices, including more than 50 branches in Singapore, 45 branches in Malaysia, 340 branches and offices in Indonesia, and over 100 branches and offices in Hong Kong, China and Macau 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 87.75%-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 as of December 31, 2016. Private banking services are provided by wholly-owned subsidiary Bank of Singapore had assets under management of US\$79 billion as of December 31, 2016.

Support for Bank OCBC NISP

OCBC Bank continues to support Bank OCBC NISP in broadening its individual banking propositions including

expanding affluent segments both conventional and Islamic 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 and Great Eastern Life; launch of Premier Banking services and credit card products; offering sharia-compliant products and services in Indonesia; 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).

MESSAGE FROM OCBC BANK'S CEO

Dear valued shareholders,

It gives me great pleasure to extend my congratulations to Bank OCBC NISP for achieving another consecutive year of record earnings in 2016. Despite the persistent headwinds in the operating environment, Bank OCBC NISP delivered broad-based income growth and achieved strong asset growth, while maintaining a robust capital and liquidity position. Prudent risk management has also ensured that asset quality remained healthy. Bank OCBC NISP is one of the most highly rated banks in Indonesia, as reflected by its AAA national credit rating from Fitch Ratings Indonesia and Pefindo, and is the 8th biggest national private bank in terms of total assets.

The highest standards of corporate governance and sustainable business practices are demonstrated by Bank OCBC NISP and its efforts were richly recognised by the numerous prominent awards it received during the year. Furthermore, it is very heartening to know that Bank OCBC NISP continued to actively support Corporate Social Responsibility programs by giving back to the communities which have long supported its success, especially during these difficult times.

The ongoing close collaboration between Bank OCBC NISP and OCBC Group has continued to deliver positive synergies to support the Group's strategic objective of steadily deepening its presence in Indonesia as well as our other core markets of Singapore, Malaysia and Greater China where we have developed a well-diversified and integrated network. At the same time, OCBC Group remained



Samuel Nag Tsien
Group CEO OCBC Bank - Singapore

steadfast in providing strong backing to Bank OCBC NISP's operational and service excellence initiatives to deliver a superior experience for its valued customers.

Allow me to take this opportunity to summarise OCBC Group's 2016 financial performance. Despite difficult business conditions that prevailed throughout the year, OCBC Group delivered a resilient set of results for our shareholders. Our results were underscored by the strength of our well-diversified franchise that continued to drive consistent and balanced long-term growth. Our wealth management franchise performed well, and our insurance business achieved strong underlying growth. Bank OCBC NISP also increased its contributions to the Group's overall earnings. The overall quality of the Group's loan portfolio remained sound and we remained conservative in our risk management processes. But the weak operating environment meant that we still saw areas of stress, particularly within the oil & gas support services sector,

which drove an increase in non-performing loans and allowances. However, we further shored up our strong capital, liquidity and funding base, and our fundamental strength was also endorsed by the international rating agencies who maintained our AA investment grade rating with a Stable Outlook. While the global outlook in 2017 is expected to remain challenging, we remain watchful and will continue to grow prudently, invest in building our network and capabilities, while supporting our valued customers.

Finally, to Bank OCBC NISP's valued customers and shareholders, thank you for your continued support and loyalty. To the Board of Commissioners, Board of directors, management and employees of Bank OCBC NISP, our warmest congratulations to yet another successful year of accomplishment, and my heartfelt gratitude for your unwavering commitment and contributions.

REPORT OF THE BOARD OF COMMISSIONERS [G4-1]

Through an effective and sound Corporate Governance, Bank OCBC NISP consistently earns qualified profit, which reflects sustainable performance.



Pramukti Surjandaja
Chairman

Dear Respected Shareholders,

Continued uncertainty of Global economic condition, modest growth in the United States, Brexit impact to Europe, the not-so-promising Japan, weakening Chinese economy and slower Indian economy have a negative impact on the economy of Asian countries in 2016.

Despite the above challenges, the Indonesian economy is still promising due to its strong domestic demands and huge natural resources, supported by the government spending, better investment policies and credible fiscal policy. Furthermore, declining inflation gave more space for monetary easing. On local currency, the balance of payments also recorded moderate surplus due to the support of high capital inflows and declining deficit, which helped to stabilize the Rupiah.

Through the implementation of prudent policy by the regulators, national banking sector was still able to maintain a healthy growth, as reflected in the improved profitability which was driven by higher operational efficiency,

adequate level of capital and the managed level of non-performing loans amid the slowdown in credit growth. Besides the moderate credit growth, the inflows of tax amnesty funds is a contributing factor to restore liquidity.

Evaluation of Management Performance

Amidst the challenging macro economy condition and slower credit growth in Indonesian banking, based on Board of Commissioners' evaluation, the Board of Directors was successful in achieving a strong set of results and a healthy and sustainable growth in 2016, as reflected in the increase of net profit by 19% year on year which has reached Rp 1.8 trillion in 2016. As a result, ROA and ROE ratios also increased from 1.7% and 9.6% in 2015 respectively to 1.8% and 9.8% in 2016. In addition, the Bank can maintain a high CAR which reached 18.3% at the end of 2016.

The Board of Commissioners strongly support strategic actions taken by Management to perform an effective financial intermediary function

through prudent policy and highly selective policy on business sectors and customers selection to ensure good credit quality while meeting the business plan. The Bank took careful consideration on the customers' credit quality condition as well as business sectors to maintain a healthy credit, while at the same time considering the future business plan. The result was reflected in the Board of Directors' effort to focus on healthy loan growth by 9% year on year to Rp 93.4 trillion in 2016. The NPL ratio was kept at 1.9%, lower than the NPL ratio in banking industry in the same period of 2.9%.

The Board of Commissioners appreciated Board of Directors efforts to increase customer's convenience in doing transactions and creating innovative product and process through continuous improvement, information technology infrastructure as well as process and operational efficiency. These activities successfully boosted third party fund by 19% year-on-year to Rp 103.6 trillion at the end of 2016. From these achievements, the total low cost funds (current and savings accounts) reached Rp

40.8 trillion, or representing 39.4% of total third party funds. The success in efficiency reflected on the decrease of Cost to Income Ratio to 46.3% at the end of 2016 from 53.4% at end of 2015.

Overall, the Board of Commissioners was in the view that through effective and sound governance practices, Bank OCBC NISP has consistently achieved high quality earnings and delivered sustainable performance. Management has successfully implemented prudential principle as well as proactive risk management to achieve business growth.

Oversight by Board of Commissioners

The Board of Commissioners focused on the strategic topics and aspects related to the Bank's response in facing both internal and external dynamic challenges. It was conducted with a proactive and preventive way to assure a healthy and sustainable growth. Furthermore, Board of Commissioners also maintained continuous communication to provide inputs and advice to the Board of Directors on relevant strategic matters.

In performing its oversight function, the Board of Commissioners was supported by its Audit Committee, Risk Monitoring Committee Remuneration and Nomination Committee and Integrated Governance Committee. During 2016, all Committees have performed their duties and responsibilities satisfactorily to assist the oversight duties of Board of Commissioners, including providing reports and recommendations to Board of Commissioners concerning key matters requiring Board of Commissioners' attention and consideration to implement its oversight function proactively and effectively

During 2016, Audit Committee has well-performed its duties and responsibilities in assisting Board of Commissioners' oversight duties

by among others, evaluated the effectiveness of internal control system, reviewed the exercise of transparent financial reporting process, ensured independent and objective internal and external audit process as well as sound corporate governance practices.

Meanwhile, Risk Monitoring Committee has significantly contributed, among others, through its evaluation on proposed risk management policies and its review of the proper implementation of risk management in compliance with the risk management policies.

Remuneration and Nomination Committee has provided important contribution by among others, formulating the criteria and nomination of the Board of Directors and the Board of Commissioners as well as providing inputs on the performance-based system and remuneration.

Furthermore, the Integrated Governance Committee has assisted the Board of Commissioners in the oversight of the implementation of Integrated Corporate Governance through its evaluation on the adequacy of internal control and the adequacy of the implementation of compliance functions in each financial institution and on integrated basis and provided recommendations to the Board of Commissioners in improving the Integrated Corporate Governance Charter.

To enhance Committees' performance, the Board of Commissioners has conducted an evaluation and assessment of the performance of all Committees.

The Board of Commissioners' oversight on the implementation of the Board of Directors' duties and responsibilities was carried out through joint meetings between Board of Commissioners and Board of Directors three times in a year.

During the meetings, the Board of Commissioners among others directed, monitored, and evaluated the implementation of the Bank's strategic policies.

In addition, the Board of Commissioners also conducted several meetings with topics relevant to the achievement of business plan or other important key matters. In order to keep update on the most recent governance practices, the BOC together with BOD regularly visited selected branches with both weak and strong performances to have an open dialogue with local employees and leaders on governance practices and implementation, and to note and follow up constructive inputs on governance and risk management policies.

Good Corporate Governance

Based on the Board of Commissioners assessment, the commitment to Corporate Governance and the quality of its implementation at Bank OCBC NISP has been very satisfactorily well-implemented and continuously improved. This was reflected in the Bank's soundness, healthy growth, and improved performance. Furthermore, our commitment to GCG implementation was acknowledged in various accolades in 2016 such as:

- "Most Trusted Company" in Corporate Governance Perception Index (CGPI) Award by Indonesian Institute for Corporate Governance (IICG) and SWA Magazine.
- Category of Excellent (A) in Indonesia Good Corporate Governance Award II by Economic Review.
- Top 10 Public Listed Companies and The Best Responsibilities of The Board based on Asean Corporate Governance Scorecard by Indonesian Institute for Corporate Directorship (IICD).

GCG monitoring was implemented thoroughly and strategically, with the assistance of the committees who provided a lot of advices to improve the quality of Bank OCBC NISP in accordance to their scopes.

REPORT OF THE BOARD OF COMMISSIONERS

Serious GCG implementation was also reflected on the Bank's soundness. Related to the Bank's obligation to conduct self-assessment of the Bank's soundness using Risk Based Bank Rating (RBBR), covering GCG factors, Bank has conducted GCG self-assessment for the period of Januari-June 2016 and July-December 2016 as stipulated on SEBI No.15/15/DPNP dated April 29, 2013 regarding GCG implementation for Commercial Bank. As of December 31, 2016, self-assessment of each aspect based on the risk had composite rank of 2 (rank 1 being the highest), reflecting on the Bank's overall soundness condition.

Related to the monitoring of internal control system, risk management and governance, Board of Commissioners paid significant attention through the Audit Committee and Risk Monitoring Committee to continue monitor regularly to ensure that the Directors had followed-up on audit findings and improvement recommendations from Internal Audit Division, external auditors, monitoring reports from the Financial Services Authority and other authorities monitoring results.

2017 Prospect

Growth is expected to be better in 2017 than the previous year, especially driven by the momentum of the growth in government spending, private consumption and private investment aligned with the economic reform packages which are initiated

lately. In addition, the potential improvement in global commodity prices can increase higher income and investment.

However, on the export growth, it is expected to remain challenging due to the global demand which has not fully recovered. Hopefully, it will grow faster than import and with more foreign investment inflows, they can lower the current account deficit.

Inflation was under control due to the government commitment such as in managing the logistic cost and non-tariff trade barriers. However, it can increase align with the rising price of crude oil, food material and other essential imported goods in 2017.

Potential risks of tax amnesty revenues that were lower than expected may result in budget cuts and delays in infrastructure projects which would have a domino effect on business activities. Furthermore, the deficit in the state budget and uncertain capital inflows as a result of global financial market volatility would inflict market and liquidity risks.

The non-performing loan in general will still require full attention, as shown in the industry higher NPL ratio. Despite having much lower problem, Bank OCBC NISP will continue to extra serious watch its loan portfolio and undertake necessary proactive measures.

In executing our business plans, we will always work based on prudent principles. Strengthen synergy with all stakeholders is also a strategic direction we have to adopt in anticipating continuous change of business risk and potential in order to achieve the target.

Appreciation

We would like to extend our gratitude and appreciation to customers, shareholders, dedicated employees, Bank Indonesia (BI) and Financial Services Authority (FSA), for their support on the development of Bank OCBC NISP as one of the prominent banks in Indonesia for the last 75 years. Also, to our colleagues, Mr. Roy Athanas Karaoglan, Commissioner for 14 years, whose term due on 2017 AGMS, our deepest appreciation for your contribution and outstanding service. Likewise to Mr. Made Rugeh Ramia, our Independent Audit Committee member for 4 years and was an Independent Risk Monitoring Committee Member for 6 years, whose term also due on 2017 AGMS, thank you very much for all useful advices and strong dedication to the Bank.

With a growing and prided nation supported by all stakeholders, we have strong confidence that Bank OCBC NISP can be able to have sustainable good performance and to be the bank of choice with world-class standards recognized for its care and trustworthiness.

Sincerely Yours,



Pramukti Surjandaja
Chairman

REPORT OF THE BOARD OF DIRECTORS [G4-1]

Bank OCBC NISP's solid fundamental shows its resilience amid the slower global economic recovery.



Parwati Surjandaja
President Director

Dear Respected Shareholders,

In 2016, the global economic recovery slowed down due to the China economic deceleration, weak commodity prices, and the financial tightening prospect for many countries. However, Indonesia has shown recovery supported by consumer and investment. The corporate sector was relatively better followed by the rising of financing support from loans and capital market.

In general, the financial system is relatively stable which is supported by the resilience of banking system. It is reflected on maintained credit risks, liquidity, and market risks as well as adequate capital ratio. The transmission of the policy relaxation in decreasing LPS rate and adjusting the cap deposit rates has boosted the loans growth limitedly.

Financial Performance

Bank OCBC NISP's performance has shown sustainable business resilience. Discipline in implementing the portfolio diversification, which is in line with "Target Market Risk

Acceptance Criteria" and "Prudential Banking Principle", has contributed positively to target achievement amidst the challenging business condition.

Bank OCBC NISP has successfully recorded net income worth Rp 1.8 trillion in 2016 or rose 19% year-on-year. The total asset also grew 15% to Rp 138.2 trillion in the same year. Due to the achievement, Bank OCBC NISP is placed as the 8th biggest national private bank in terms of total asset, with market share of 2.1%. Total loans increased 9% to Rp 93.4 trillion, supported by the strong growth in SME and the consumer that exceeded the average industry growth.

Compared to previous year, the asset quality remains stable with the ratio of net non-performing loans of 0.8%, far below the regulatory requirement of 5%.

Total asset growth was supported by third parties fund growth reaching Rp 103.6 trillion or grew by 19% at the end of 2016 over the previous year. In addition, the funding diversification was conducted through Public

Offering of Continuous Bond II Phase I amounted to Rp 2.0 trillion.

Bank OCBC NISP intermediation function remained well-maintained reflected on the LDR which stood at 89.9% and LFR at the level 88.2%.

Meanwhile, amid competitive banking industry condition in 2016, Bank OCBC NISP successfully increased its Net Interest Margin (NIM) reaching 4.6% compared to 4.1% at the previous year and improved operational efficiency by decreasing the Cost to Income Ratio from 53.4% in the previous year to 46.3%.

In terms of capital, total equity reached Rp 19.5 trillion and capital adequacy ratio take into account credit risk, market risk, and operational risk (CAR) was recorded at 18.3% per end of 2016, higher than 17.3% in the previous year.

Bank OCBC NISP serves customers across Indonesia with network of 340 offices, 763 ATMs and through electronic banking channels. We will continue to develop digital banking

REPORT OF THE BOARD OF DIRECTORS

platform by launching a variety of online and mobile banking services to expand the range of banking services and improving the quality of customer experience.

The strong fundamental of Bank OCBC NISP successfully obtained its rating of “AAA” with a stable outlook by Fitch Ratings Indonesia and Pefindo, well-known rating agencies, this also positioned the Bank as one of the banks with highest credit rating in Indonesia in 2016.

During 2016, Bank OCBC NISP was rewarded with numerous awards, such as:

- Retail Banking and Wholesale Banking Award 2016 by Asian Banking & Finance Magazine, Singapura, for category of:
 - Indonesia SME Bank of the Year
 - Indonesia Foreign Exchange Bank of the Year
 - Indonesia Domestic Technology and Operations Bank of the Year
 - Mobile Banking Initiative of the Year
 - Website of the Year
- Indonesia Country Awards Program 2016 by The Asian Banker Magazine, Singapura, for category of:
 - Wealth Management of The Year
 - Best CRM (Customer Relationship Management) Project – Information Technology
- The Best Sharia Business Unit dan The Best in Retail Banking Services for category of Bank with asset in the range of Rp 50 trillion to Rp 100 trillion in Indonesia Banking Award 2016 by Tempo Magazine.
- Parwati Surjandaja as The Best CEO 2016 by SWA Magazine, Ipsos and Dunamis Organization Services
- Titanium Trophy for Financial Performance “Best of The Best Year 2000 – 2015” by Infobank Magazine.

Strategic Steps in 2016

Bank OCBC NISP successfully recorded a positive performance in 2016, such as focusing on healthy banking practices and consistently execute effective long-term strategies such as:

1. Focused in succeeding branch network transformation by implementing the concept of “Our Branch Our Store” and aligning strategy priority from all functions.
2. Increased the synergies between segments in effort to provide the best solution for the Customer, with the effective product solution capability and intensify cross bundling and/or cross leveraging to develop the customer business potential.
3. Maintained a strong and sustainable business growth by increasing the current account and savings growth, healthy credit portfolio, and fee based income sustainably.
4. Improved Cost to Income Ratio by enhancing productivity of employees, continuing the operational cost efficiency steps including optimizing the network performance, executing improvement process and focusing on improving economies of scale from expenses.
5. Continued increasing in the risk management framework by focusing on harmonious synergy between business units as risk taking units with supporting units, and risk management units as risk monitoring and management units.
6. Improved operational and service excellence in order to become “Bank of Choice” for the customers through strategy and unique value proposition to optimize process and services technology in various segments.
7. Strengthened corporate culture and improved communication effectivity through corporate values, as the strategic foundation for company’s growth in the long term.

8. Aligned the three lines of defense, in which the risk management was performed comprehensively by all organization lines to enhance effectiveness and efficiency of overall internal control functions.

Implementation of Good Corporate Governance

We believe that Good Corporate Governance (GCG) will continuously improve the Bank’s performance for the long term. Furthermore, the internalization of the highest quality standards with respect to GCG in the Bank’s culture will boost its positive performance.

We are proud that our commitment for GCG implementation has enabled us to maintain the trust of the stakeholders as well as to build a reputation and credibility of a strong positive brand image, which has led us to receive several awards such as:

- “Most Trusted Company” in Corporate Governance Perception Index by Indonesian Institute for Corporate Governance (IICG) and SWA Magazine.
- Category A (Excellence) in Indonesia Good Corporate Governance Award II by Economic Review.
- Silver Award for Annual Report from League of American Communication Professional (LACP), USA.
- Top 50 Public Listed Companies and The Best Responsibilities of The Board based on Asean Corporate Governance Scorecard by Indonesian Institute for Corporate Directorship (IICD).

Changes in Management

There were no changes in Bank OCBC NISP’s Management during 2016.

Corporate Social Responsibility

The economic slow down did not hinder Bank OCBC NISP’s commitment to support Corporate Social Responsibility (CSR) programs, which has been an integral part of the Bank’s culture. Moreover, we have been

proactively seeking for opportunities periodically to integrate our business interest with many social practices, in order to increase the tangible benefits from the CSR programs.

The Bank's support has been focused on improving education and health standards, empowering community and improving the environment in the vicinity of the Bank's premises. CSR educational programs are conducted through Financial of Literacy Socialization Program in 15 branch offices, as a form of participation of "Gerakan Inklusi Keuangan Nasional" implemented by FSA.

In addition, CSR related to social programs were directed to help improving welfare of the communities, such as:

- Bank OCBC NISP held "Education & Screening Thalassaemia" to prevent the Thalassaemia disorder in Indonesia (Batam, Denpasar, Makassar, Pekanbaru, Pontianak and Surakarta), with a theme "Recognize – Prevent and Break Thalassaemia".
- Bank OCBC NISP held staple food donation with a theme of "Sucikan Hati, Panjatkan Syukur, Raih Kemenangan Hakiki". The donation was targeting the orphans, poors, widows, mosque clerks as well as the residents around the office. It was held in 6 cities, which were Jakarta (OCBC NISP Tower and Gunung Sahari), Bandung, Surabaya, Makassar, Medan and Palembang.
- Bank OCBC NISP together with with Sharia Business Unit (SBU) held "Mudik Asyik 2016" on June 28, 2016, which participated by 132 people around the office in Jakarta, by three buses to Central Java,

and 54 people around the office in Bandung to Central Java, by one bus to Central Java June 30, 2016.

Related to environment, the employees of Bank OCBC NISP and OCBC Bank – Singapore, together with the local communities performed action concerning the environment, by planting 2,000 Agathis (Damar) trees at Jayagiri, renovating school for Early Childhood Education (ECD), as well as building clean water channels along 2 km for 10,000 people.

2017 Outlook

Indonesian economy in 2017 is expected to recover from the prolonged deceleration. Thirteen packages of economic policy, including deregulation, increase investors' confidence towards the government which is expected to boost Direct Investment and credit demand growth in the range of 10-12%.

Tax amnesty program improves the government fiscal that pushed the government spending program especially infrastructure development financing.

On the other hand, commodity prices (mainly coal and crude palm oil) are also gradually rising, which will boost Indonesia's export performance in the upcoming period. In addition, household consumption in Indonesia improved due to the increased purchasing power amid low inflation and relatively stable rupiah.

The short-term challenges include: first, regarding to the possibility of the increase in Fed Funds Rate which may cause the amount of capital outflows from emerging markets, including Indonesia, which will add pressure

on Rupiah exchange rates and stock markets.

Second, China economic growth is predicted to keep slowing down for the next couple of years and by being one of Indonesia's largest trading partners, it will affect Indonesia especially in the export side.

Initiatives in 2017

Bank OCBC NISP will continue to focus on achieving the target in 2017 by considering the external factors development and capabilities. Some of strategic priorities are:

1. Strengthening the Bank's business model
2. Continuing transformation in various fields to increase productivity and service effectiveness to customers
3. Increasing good capacity and capability in human capital, operational and technology
4. Effectively executing the three lines of defense
5. Strengthening the brand
6. Optimizing synergy with OCBC Group

Appreciation

On behalf of the management, I would like to extend my deepest appreciation to all who have contributed to the success and positive performance of Bank OCBC NISP throughout 2016.

The national economic condition in the upcoming year is still unpredictable, but we are optimistic that by strengthening the current business model, a strong commitment on strategic priorities and harmonious synergies with stakeholders will boost Bank OCBC NISP in order to maintain sustainable growth acceleration.

Sincerely Yours,



Parwati Surjoudaja
President Director

STATEMENT OF THE BOARD OF COMMISSIONERS REGARDING RESPONSIBILITY FOR THE 2016 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 2016 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, March 8, 2017

BOARD OF COMMISSIONERS



Pramukti Surjaudaja
Chairman



Peter Eko Sutioso
Deputy Chairman
(Independent Commissioner)



Roy Athanas Karaoglan
Independent Commissioner



Samuel Nag Tsien
Commissioner



Jusuf Halim
Independent Commissioner



Lai Teck Poh (Dua Teck Poh)
Commissioner



Kwan Chiew Choi
Independent Commissioner



Hardi Juganda
Commissioner

STATEMENT OF THE BOARD OF DIRECTORS REGARDING RESPONSIBILITY FOR THE 2016 ANNUAL INTEGRATED REPORT OF PT BANK OCBC NISP TBK

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Jakarta, March 8, 2017

BOARD OF DIRECTORS



Parwati Surjaudaja
President Director



Yogadharna Ratnapalasar
Managing Director



Rama Pranata Kusumaputra
Managing Director



Emilya Tjahjadi
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



Moving Progressively

BRIEF PROFILE OF BANK OCBC NISP

Bank OCBC NISP (previously known as Bank NISP) 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 almost 75 years is associated with the role of Karmaka Surjaudaja and Lelarati Lukman.

Karmaka Surjaudaja began to manage Bank NISP as Director of Operational in 1963. Despite Indonesia's unfavorable economic condition, Bank OCBC NISP managed to grow and was able to overcome several crisis such as 'sanering' in 1965.

This success brought Karmaka Surjaudaja appointed as President Director in 1971 to 1997 and Chairman in 1997 to 2008.

His success was inspired by the role of Lelarati Lukman's faithful support in managing the Bank and served as a Commissioner in 1982 - 2011.

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

Although they no longer hold the structural positions, except the foundation, their values and foundation will remain in the hearts of the entire family of Bank OCBC NISP.

Since the beginning, Bank OCBC NISP has been operating cautiously and focused on serving the Small and Medium Enterprises (SME). In 1967, the Bank developed their status of operation from saving bank into commercial bank.

The improved status is supported by the success of the company to survive amid the unprecedented economic and political conditions that year. In line with the Bank's achievement, Bank OCBC NISP has raised its status to a foreign exchange bank in 1990.

In anticipation of the market's wider transparency and competition, as well as to strengthen the capital structure, Bank OCBC NISP listed its share on Indonesian Stock Exchange (formerly Jakarta Stock Exchange) in 1994. The action made the Bank a public company.

The Bank's Articles of Association were also amended several times, in which Deed No. 33 were made on April 9, 2015 before Fathiah Helmi, SH, a notary public in Jakarta. The deed was recorded by the Directorate General of General Law Administration - Ministry of Justice and Human Rights of the Republic of Indonesia No.AHU-AH.01.03-0929451 on May 5, 2015 and was registered in the Company Register No. AHU-3500716.AH.01.11. YEAR 2015 on May 5, 2015.

In late 1990s, Indonesia was hit by severe economic crises, especially the banking industry. Nevertheless, Bank OCBC NISP successfully overcome



the most critical condition named as the 'worst banking meltdown' by the World Bank. Bank OCBC NISP surpassed the crisis even without the support of the government recapitalization program, who apparently, became one of the first banks which continuously able to run its intermediation function to provide lending during the crisis.

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

These initiatives enable the Bank to record high quality growth. Bank OCBC NISP's well-known reputation in the market and its promising growth had merited attention from various international institutions, like

International Finance Corporation (IFC), part of the World Bank Group, which provided a senior long-term loan to the Bank in 1999 and became the Bank's shareholder in 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. Furthermore, OCBC Bank – Singapore chose Bank NISP to be the local partner in the establishment of Bank OCBC NISP and became as strategic partner in 2004. OCBC Bank – Singapore raised its share through acquisitions and tender offer to public shares to become majority shareholder since 2005.

OCBC Bank - Singapore currently owns 85.1% stake in Bank OCBC NISP. With support from OCBC Bank - Singapore, the Bank successfully strengthened its infrastructure, including human resources, information technology, risk management, branch office network and internal audit.

In 2005, Bank OCBC NISP's Head Office was relocated to Jakarta with the aim to facilitate direct access in the business center of Indonesia. In 2008, as part of its long-term strategies and to increase the brand as well as the commitment of the controlling shareholder, Bank NISP adopted a new name of "OCBC NISP", followed by culture strengthening and implementing basic policies across the organization. This transformation has been carried out passionately into "Your Partner for Life" to all stakeholders.

Furthermore, in line with market requirements, Bank OCBC NISP strengthen its products and service diversity by running Sharia Business Unit on October 12, 2009. In 2011, the Bank entered an important milestone after OCBC Bank Singapore consolidated their business strategy in Indonesia by merging its subsidiaries, Bank OCBC Indonesia into Bank OCBC NISP.

The merger shows 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, Bank OCBC NISP readjusted their corporate culture to confront with current circumstances and future possibilities.

The new corporate culture named ONe PIC, serves as guidelines for all employees to behave and work. ONe PIC stands for OCBC NISP One, Professionalism, Integrity and Customer Focus.

ONe PIC culture is consistently applied to all in the organization who consists of 6,796 highly motivated employees to serve customers in 340 offices and in 61 cities throughout Indonesia.

COMPANY PROFILE [G4-3]

Date of Establishment

4 April 1941 under the name NV Nederlandsch Indische Spaar En Deposito Bank.

Company/Legal Entity [G4-7]

Limited Company

Name Changes:

1941

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



1958

Abbreviation of NISP was changed to Nilai Inti Sari Penyimpan



1981

NISP was no longer an abbreviation but instead became the Bank's name, Bank NISP



BANK NISP

2008

Use a new name, Bank OCBC NISP



Head Office Address [G4-5]

Jl. Prof. Dr. Satrio Kav. 25
Jakarta 12940 - Indonesia
Telp : (021) 255 33 888
Facs : (021) 579 44 000

Email Contact [G4-31]

- For Customers:
callcenter@ocbcnisp.com
- For Shareholders and Investor:
ir@ocbcnisp.com
- For Regulator:
corporate.secretary@ocbcnisp.com
- For Public:
corporate.communication@ocbcnisp.com

Website : www.ocbcnisp.com

LINE OF BUSINESS

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:

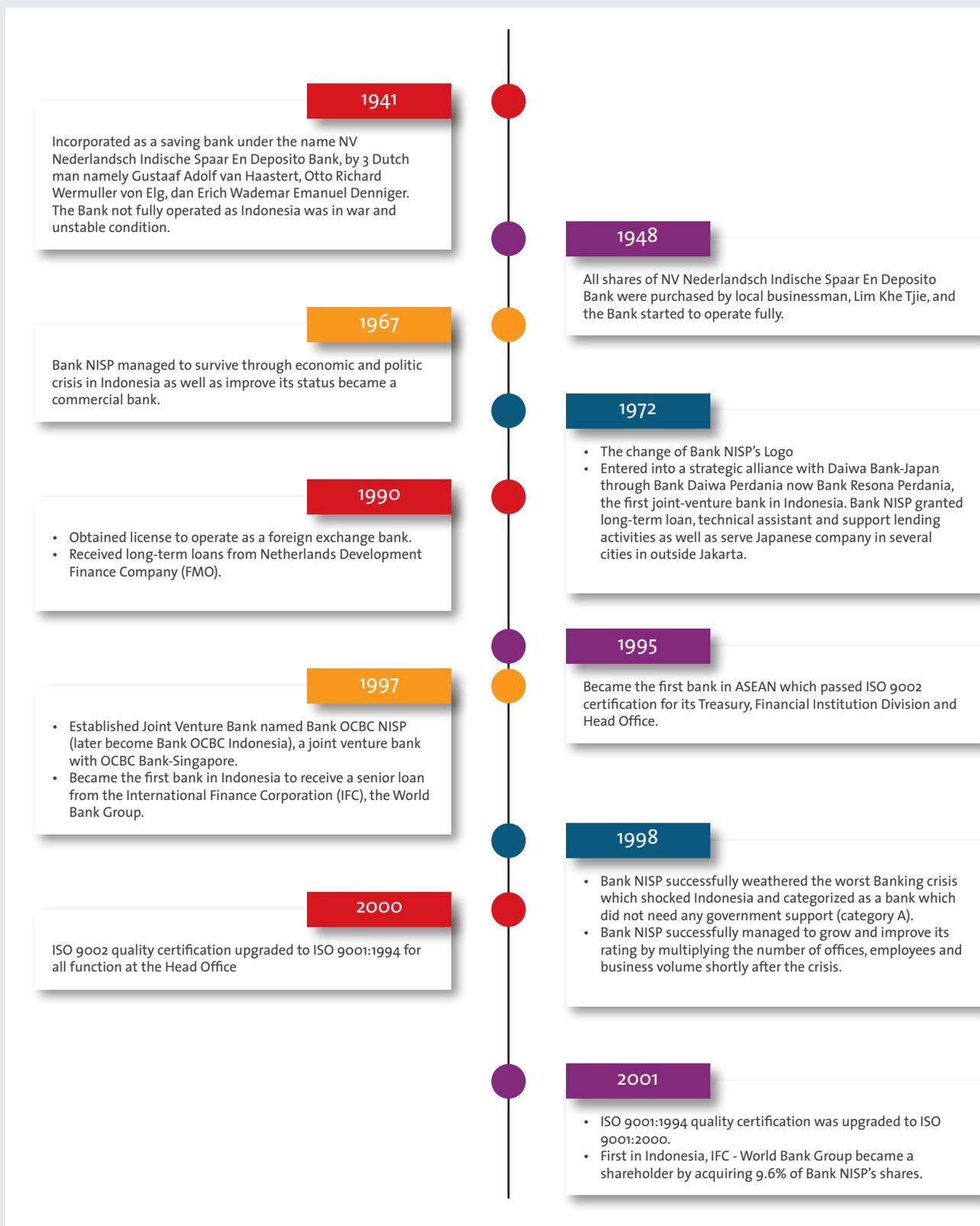
1. Doing business both commercial banking including sharia principles-based banking activities in accordance with prevailing regulations and legislations
2. To achieve such objectives, the Bank can perform the following activities:
Main Business Activities:
 - 1) Mobilizing funds from the public in the form of deposits, including demand deposits, time deposits, certificate of deposit, savings and/or other equivalent forms
 - 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

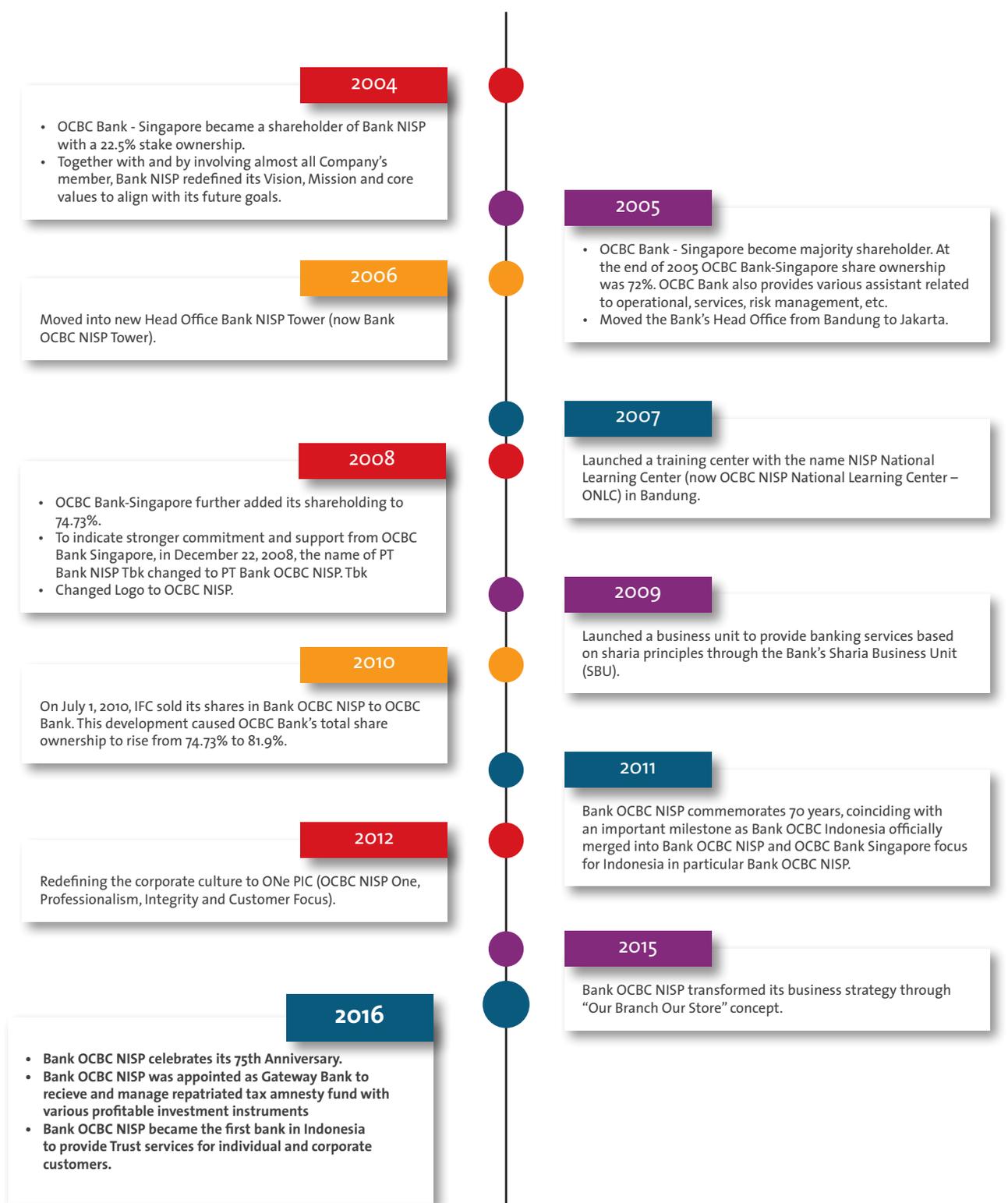
the benefit of and at the instruction of its customers include:

- 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.
- 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.

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.

MILESTONE





PRODUCTS AND SERVICES [G4-4] [DMA-PR]

Funding Products

- Deposito
- Tabungan Berjangka TAKA
- Tabunganku
- Tanda Junior
- Tanda Premium
- Tanda Valas
- Tanda 360
- Simpel

Bancassurance Products

- Asset Link
- Critical Illness MaxGuard
- Edu Pro
- Entrepreneur
- Great Employee Benefit
- Income Protection
- iUltimate
- Great Optima Link
- Great Optima Link 102
- Manulife Lifestyle Protector
- Max Prestige Care
- MaxPrestige Heritage
- MaxPrestige Saver
- Medi Plan
- Personal Accident MaxGuard
- Prima Link
- Super Investlink Plan 101

Investment Products (Money Market Mutual Funds)

- Aberdeen Indonesia Money Market Fund (NISP Dana Siaga)
- BNP Paribas Rupiah Plus
- Schroder Dana Likuid

Investment Products (Fixed Income Funds)

- Aberdeen Indonesia Bond Fund
- Aberdeen Indonesia Government Bond Fund
- Aberdeen Indonesia USD Bond Fund
- Ashmore Dana Obligasi Nusantara
- BNP Paribas Dolar Plus
- BNP Paribas Prima II
- BNP Paribas Prima USD
- BNP Paribas Prima Asia USD
- Schroder Dana Mantap Plus II
- Schroder USD Bond Fund
- Schroder Dana Andalan II

Investment Products (Balanced Funds)

- Aberdeen Indonesia Balanced Growth Fund
- BNP Paribas Equitra
- BNP Paribas Spektra
- Schroder Dana Terpadu II
- Schroder Syariah Balanced Fund

Investment Products (Equity Mutual Funds)

- Aberdeen Indonesia Equity Fund
- Aberdeen Syariah Asia Pacific Equity USD Fund
- BNP Paribas Ekuitas
- BNP Paribas Infrastruktur Plus
- BNP Paribas Pesona Syariah
- BNP Paribas Solaris
- BNP Paribas STAR
- BNP Paribas Solaris
- Schroder Dana Prestasi Plus
- Schroder 90 Plus Equity Fund
- Schroder Dana Istimewa
- Schroder Dana Prestasi
- Ashmore Dana Progresif Nusantara
- Ashmore Dana Ekuitas Negara

- Manulife Dana Saham
- Manulife Greater Indonesia Fund
- BNP Paribas Astro

Credit Card

- OCBC NISP Platinum Credit Card
- OCBC NISP Titanium Credit Card

Sharia Banking

- Deposito iB
- Giro Mudharabah iB
- Giro Wadiah iB
- KPKB iB
- KPR MMQ iB
- KPR Murabahah iB
- SimPel iB
- Tabungan Komunitas iB
- Tabungan Mudharabah iB
- Taka iB
- Taka iB Insurance
- Tanda iB
- Tanda iB Valas
- Tabunganku iB

Consumer Loan

- Kredit Kepemilikan Rumah (KPR)
- Kredit Kepemilikan Mobil (KPM)
- Kredit Multi Guna (KMG)

OCBC NISP Premier Banking

Premier Banking

Trust Service Products

- Paying Agent
- Investment Agent
- Borrowing Agent

Commercial Products

- Demand Loan
- Fixed Loan
- Investment Loan
- Kredit Rekening Koran (KRK)

Financing Program

- Commercial Transportation Vehicle Financing Program
- Computer Project Financing Program
- Heavy Equipment Financing Program
- Oil and Gas Financing Program

Cash Management Products

- Bank Draft
- Business Smart
- Business Signature
- Bulk Payment
- Collection
- Deposito Devisa Hasil Ekspor
- Deposito Nasabah Bisnis
- eAlerts@ocbcnisp
- eStatement
- Giro Multicurrency
- Giro Umum
- Pembayaran Pajak MPN G2
- Layanan Pengambilan & Pengantaran Uang Tunai

- Remittance
- Titipan Warkat
- Velocity@ocbcnisp
- Virtual Account

Trade Finance Export

(Export & Local Sales Services & Financing)

- Bill Purchase (BP)
- Clean Negotiation / Discounting
- LC / SKBDN Confirmation
- LC / SKBDN Transfer
- Outward Documentary Collection
- Pre Shipment Financing (PSF)
- Forfaiting
- Trade Receivables Financing (TRF)

Trade Finance Guarantee

- Bank Garansi
- SBLC
- Import Bills Avalization
- Shipping Guarantee

Trade Finance Import

(Import & Local Purchase Services & Financing)

- LC/SKBDN Issuance
- Inward Documentary Collection
- Trust Receipt Financing
- Trade Purchase Financing (TPF)
- Usance Payable at Sight (UPAS)

Electronic Banking Services

- ATM
- Autopayment
- CALL OCBC NISP
- EDC OCBC NISP
- Internet Banking
- Mobile Banking
- SMS Banking

Treasury Products

(Foreign Exchange(FX) and FX Derivative)

- Extended Flexi Multi Currency Transaction Forward (Extended FMCT Forward)
- FX Forward
- FX Option
- FX Spot
- FX Swap
- FX Today
- FX Tomorrow

Treasury Products

(Interest Rate Derivative)

- Cross Currency Swap
- Interest Rate SWAP

Treasury Products

(Debt Securities)

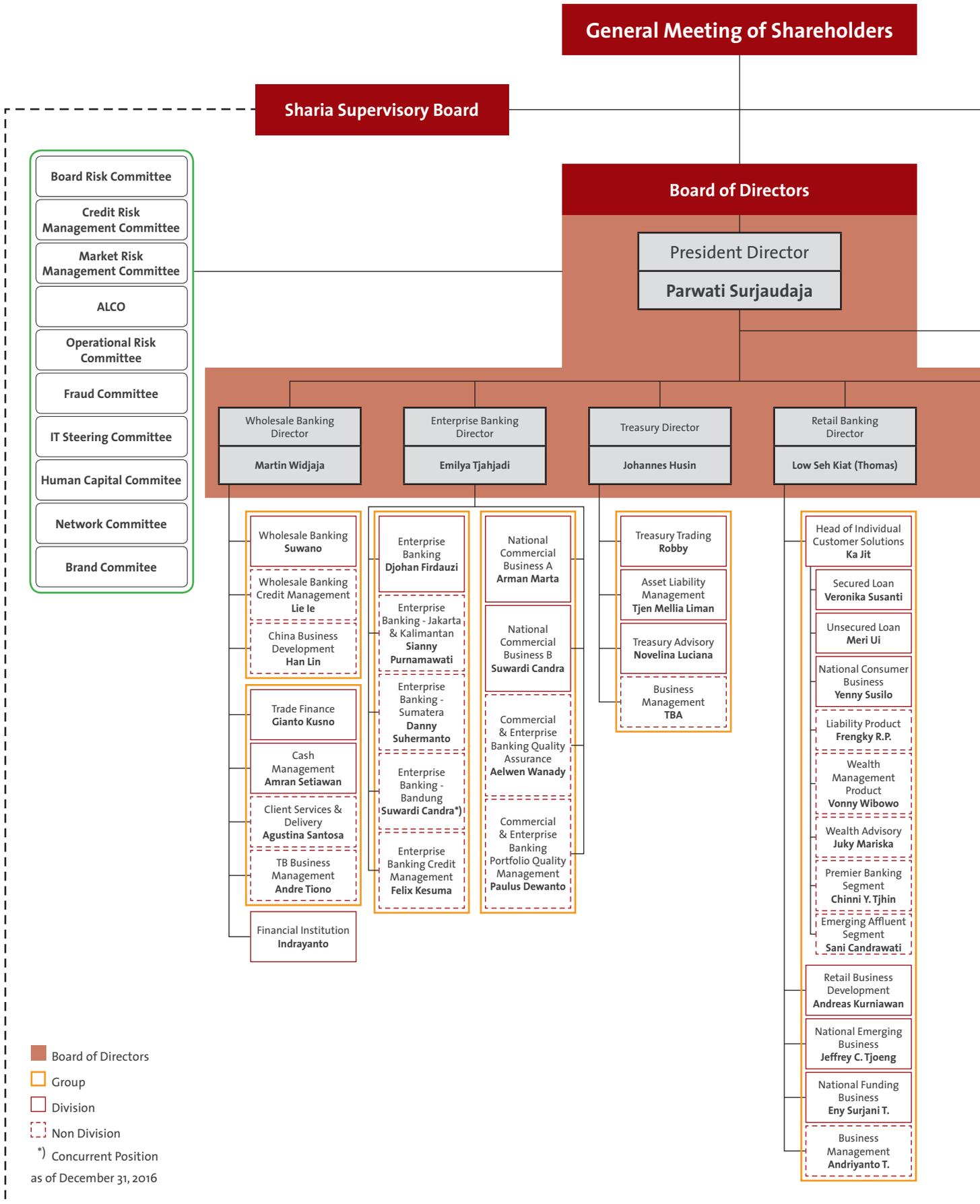
Government Bonds

Treasury Products

(Structured Product for Investment)

- Dual Currency Return (DCR)
- Dual Currency Return with Knock-In & Knock-Out Option (DCR KIKO)
- Forward Linked Deposit (FLD)
- Principal Protected Deposit (PPD) - One Touch
- Principal Protected Deposit - Double No Touch (PPD-DNT)

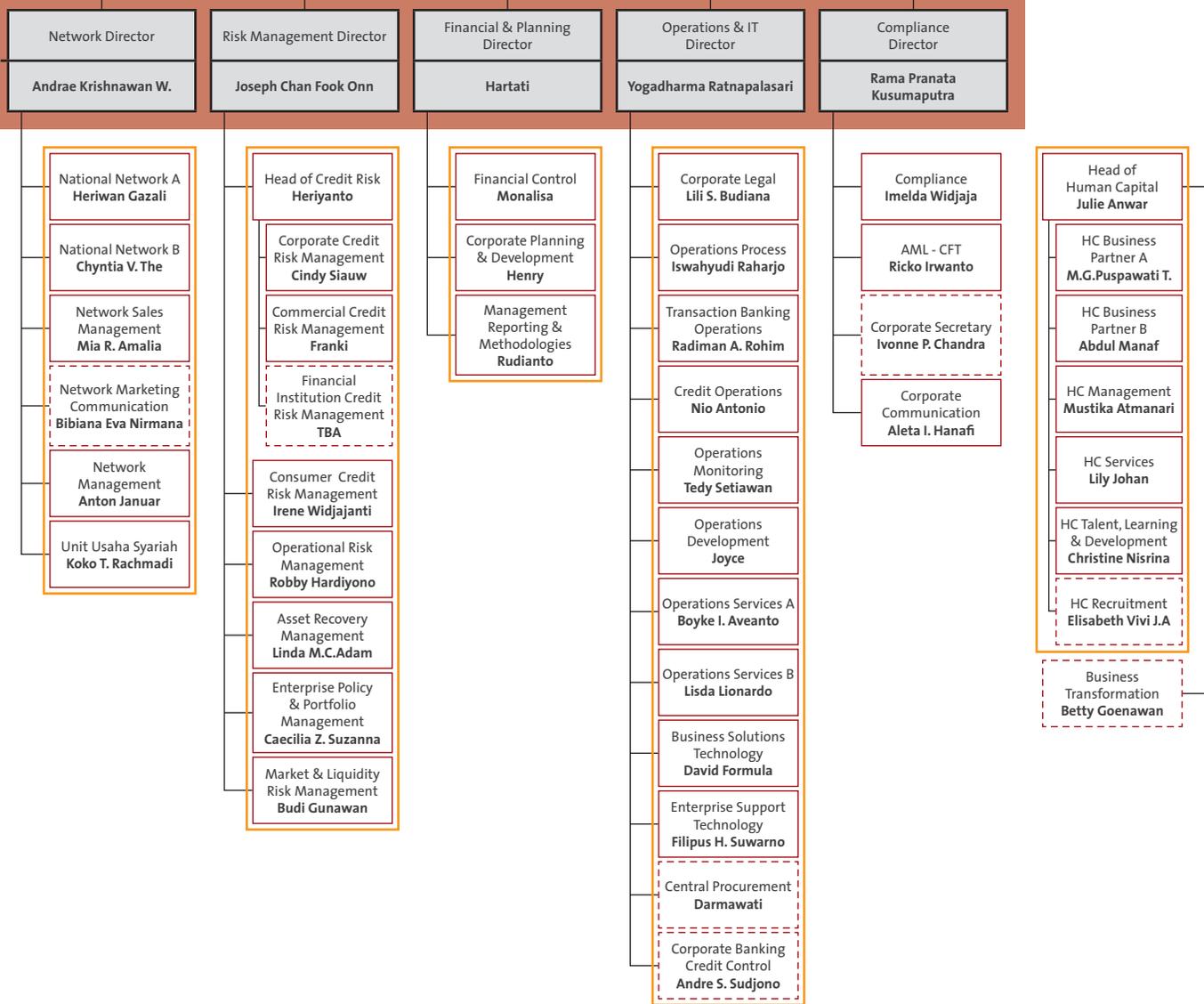
ORGANIZATION STRUCTURE



Board of Commissioners



Internal Audit
Sani Effendy



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.

Bank OCBC NISP's Vision, Mission and Corporate Culture have regularly been reviewed by the Board of Commissioners and the Board of Directors to be in line with business development. Last review was conducted in 2012.

PROFILE OF THE BOARD OF COMMISSIONERS



Pramukti Surjaudaja
Chairman

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

Chairman 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 - now: Non Executive Director OCBC Bank

Organization:

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

Education:

He attended Executive Programs at Stanford University, Massachusetts Institute of Technology, University of

Pennsylvania, INSEAD, SESPIBI XVI (Bank Indonesia Top Management Training Program) and recipient of Scholarship program in International Relations of International University of Japan, Niigata-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 and 2014



Peter Eko Sutioso
Deputy Chairman
(Independent Commissioner)

Indonesian citizen, 76 years old.
Domicile: Bandung, Indonesia

Deputy Chairman 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.



Roy Athanas Karaoglan
Independent Commissioner

An American citizen, 81 years old.
Domicile: United States of America

Independent Commissioner of Bank OCBC NISP since September 8, 2003.

Work Experience:

- 1989 - 1991: Senior Banking Specialist for Africa at the World Bank
- 1994 -1997: Chief Banking Specialist of Central Capital Markets Department
- 1997 - 1998: Senior Banking Advisor at IFC
- 1998 - 2000: Associate Director of Credit Review Department at IFC

- 2000-2011: Consultant at the International Finance Corporation (IFC)

Education:

During his career, he has studied more than 1,500 banks or financial institutions in 95 countries. He obtained his PhD in Economics from Columbia University (1967).

History of appointment as Independent Commissioner:

- Initial appointment: 2003
- Reappointment: 2006, 2009 and 2012
- Reestablished tenure of Independent Commissioner: 2014

PROFILE OF THE BOARD OF COMMISSIONERS



Samuel Nag Tsien
Commissioner

British citizen, 62 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: Before joining OCBC Bank, he served as the Director of the Board, President and Chief Executive Officer of China Construction Bank (Asia)
- 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 Al-Amin Bank Bhd, OCBC Wing Hang Bank, Ltd and Bank of Singapore.

Organization:

Council Member of the Association of Banks in Singapore, a member of the Monetary Authority of Singapore's Financial Centre Advisory Panel (FCAP) and Director of Mapletree Investments Pte Ltd.

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, 60 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 – now: Member of Honorary Board, the Indonesian Institute of Audit Committee
- Previously served among others as a Public Accountant for 23 years.

- 2014 – now: Member of Advisory Board, the Indonesian Tax Accountants Compartment
- 2016 -2019: Member of Certification Board, the Indonesian Institute of Audit Committee
- 2016 : Lecturer at the Graduate Accounting School, Faculty of Economics. University of Indonesia.

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

Organization:

- 2014 – now : Member of Advisory Board, the Institute of Indonesia Chartered Accountants



**Lai Teck Poh
(Dua Teck Poh)**
Commissioner

Singaporean citizen, 72 years old.
Domicile: Singapore

Commissioner of Bank OCBC NISP since August 29, 2008.

Work experience:

- 1968 - 1986: Head of Corporate Account Management at Citibank N.A
- 1986 - 1987: Managing Director/CEO at Citicorp Investment Bank (Singapore)
- 1988 - 2010: Head of Group Audit at OCBC Bank
- Now: He also holds the position of Non-Executive Director of OCBC Bank, OCBC Bank (Malaysia) Bhd, OCBC Al-Amin Bank Berhad, and AV Jennings Ltd.

Education:

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. Received Bachelor of Arts (Hons) from the University of Singapore in 1968.

History of appointment as Commissioner:

- Initial appointment: 2008
- Reappointment: 2011 and 2014



Kwan Chiew Choi
Independent Commissioner

Singaporean citizen, 67 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 - 2008: Senior Vice President & Head Credit Control and Approval in OCBC Bank Ltd
- 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



Hardi Juganda
Commissioner

Indonesian citizen, 58 years old.
Domicile: Bandung, Indonesia

Commissioner of Bank OCBC NISP since July 17, 2012.

Work Experience:

- 1985: Joined Bank NISP and handled various positions in various functions.
- 1991 - 1997: Head of Asia Afrika Bandung Branch, Bank NISP
- He served as Director of Bank OCBC NISP for 15 years.

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

PROFILE OF THE BOARD OF DIRECTORS



Parwati Surjaudaja
President Director

Indonesian citizen, 52 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 Perbanas from 2012 to present and Board Member of Indonesian Bankers Association from 2011 to present.

Education:

SESPABI XVII (Bank Indonesia Top Management Training Program), 1992. Executive Programs from Columbia University and Harvard University. 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.
- The Best CEO – 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 and 2014



Yogadharna Ratnapalasari
Director of Operation & Information Technology

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

Director of Bank OCBC NISP since October 27, 2003.

Work Experience:

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

Education:

Holds a Masters Degree from Sekolah Tinggi Manajemen Bandung (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
Director of Compliance

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

Director of Bank OCBC NISP since July 3, 2006.

Work Experience:

- Previously held numerous positions in Bank Bali for 11 years, with last position as General Manager.
- 2001: Joined Bank NISP since 2001 as Regional Coordinator of Jabodetabek.
- 2005: Assistant Director and promoted as Director.

Education:

Holds a degree in 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 in charge of compliance since 2008. Reappointment as Director in charge of Compliance: 2009, 2012, and 2015.



Emilyya Tjahjadi
Director of Enterprise

Indonesian citizen, 48 years old.
Domicile: Jakarta, Indonesia

Director of Bank OCBC NISP since May 13, 2011.

Work Experience:

- 1991 - 1996: Senior Relationship Manager of Corporate Banking, Jakarta in 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 Bank OCBC Indonesia

Education:

Holds a 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

PROFILE OF THE BOARD OF DIRECTORS



Hartati
Director of Financial and Planning
(Independent Director)

Indonesian citizen, 50 years old.
Domicile: Jakarta, Indonesia

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 in Bank Bali for 17 years, with last position as Financial Control Department Head (Vice President).
- 2001 - 2005: Accounting Group Head (Senior Vice President) in Bank Mandiri.

- 2005: Joined Bank OCBC NISP with last position as Chief Financial Officer.

Education:

Graduated with Masters in Management from Pelita Harapan University Jakarta (2004). Bachelor in 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.



Martin Widjaja
Director of Wholesale Banking

Indonesian citizen, age 44.
Domicile: Jakarta, Indonesia

Director of Bank OCBC NISP since September 10, 2012.

Work Experience:

- Has more than 19 years of experience in the banking sector, with the last 12 years in 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
Director of Network

Indonesian citizen, 50 years old.
Domicile: Jakarta, Indonesia

Director of Bank OCBC NISP since July 29, 2013.

Work Experience:

- Has more than 24 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
Director of Treasury

Indonesian citizen, 43 years old.
Domicile: Jakarta, Indonesia

Director of Bank OCBC NISP since July 29, 2013.

Work Experience:

- 2011 : Joined Bank OCBC NISP with last position as Treasurer. More than 19 years of experience in Treasury in 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
Director of Retail Banking

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

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:

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

History of appointment as Director:

- Initial appointment: 2013
- Reappointment: 2016



Joseph Chan Fook Onn
Director of Risk Management

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

Director of Bank OCBC NISP since 7 April 2014.

Work Experience:

- Has more than 25 years of experience in the banking industry including internal and external audit. Previously worked in OCBC Bank Singapore and

Malaysia, with last position in OCBC Group Risk Management (2014).

Education:

Holds an MBA from University of Southern Queensland, Australia (2013) and Bachelor of Business (Accounting) from Monash University, Australia (1992).

History of appointment as Director:

- Initial appointment: 2014.

SHAREHOLDER COMPOSITION

20 Largest Shareholder and Percentage of Ownership as of December 31, 2016

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	233,116,812	2.03%
5	SURYASONO SENTOSA PT	207,162,689	1.81%
6	BP2S LONDON S/A ABERDEEN ASIAN SMALLER COMPANIES INVESTMENT TRUST PLC	148,373,583	1.29%
7	BP2S LUXEMBOURG S/A ABERDEEN GLOBAL EMERGING MARKETS SMALLER COMPANIES FUND	89,722,543	0.78%
8	HSBC-FUND SERVICES, RAFFLES-ASIA INVESTMENT COMPANY	78,153,326	0.68%
9	SSBTC FSIA S/A FSI ICVC-STEWART INV ASIA	72,229,100	0.63%
10	SSB AM4N S/A ABERDEEN EMERG MRKT SM CF	62,072,195	0.54%
11	BP2S SINGAPORE	52,943,133	0.46%
12	JPMCB-PACIFIC ASSETS TRUST PLC	49,825,300	0.43%
13	SSB DRQH S/A ABERDEEN INDONESIA FUND	35,730,884	0.31%
14	JPMCB-THE SCOTTISH ORIENTAL	35,504,200	0.31%
15	JPMCB NA RE-NORTHERN TFSGL/SAUDI ARAMCO	30,598,435	0.27%
16	NORTHERN TRUST COMPANY S/A LOCKHEED MARTIN CORP	11,405,622	0.10%
17	RBC ISB SA DANSKE INVEST GLOBAL EMERGING	7,814,650	0.07%
18	DANSKE BK/CLIENTS, UCITSHOLMES KANAL	7,372,175	0.06%
19	KARMAKA SURJAUDAJA	3,230,643	0.03%
20	CIMB SECURITIES (SINGAPORE) PTE LTD	2,459,241	0.02%

Shareholders Composition and Percentage of Ownership

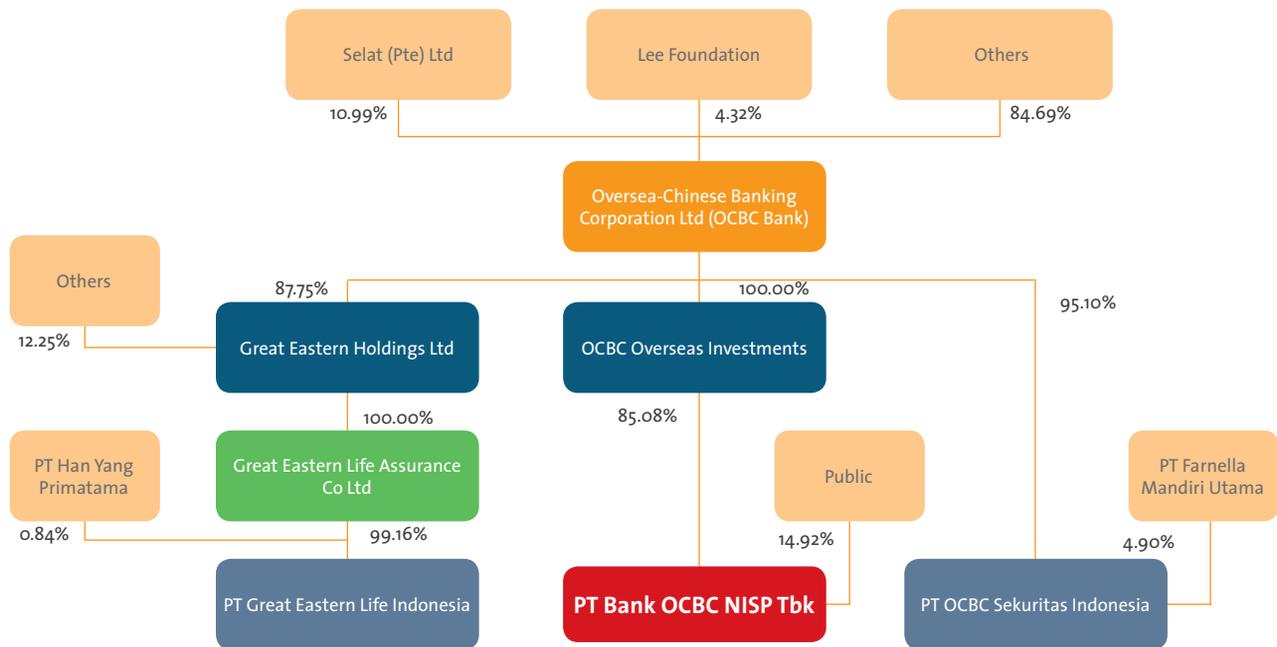
Shareholders	December 31, 2016		December 31, 2015	
	Number of Shares	%	Number of Shares	%
OCBC Overseas Investment Pte. Ltd.	9,760,695,612	85.08%	9,760,695,612	85.08%
Board of Commissioners: Pramukti Surjaudaja	225,971	0.00%	113,439	0.00%
Board of Directors: Parwati Surjaudaja	1,483,210	0.01%	1,483,210	0.01%
Other Shareholders (ownership interest each below 5%)	1,710,243,693	14.91%	1,710,356,225	14.91%
Total	11,472,648,486	100.00%	11,472,648,486	100.00%

Total Shareholders Composition and Percentage of Ownership Based on Institution/Individual and Local/Foreign

Shareholders	December 31, 2016		December 31, 2015	
	Number of Shareholders	%	Number of Shareholders	%
Local Institution Ownership	48	4.36%	59	4.36%
Foreign Institution Ownership	60	95.50%	49	95.47%
Local Individual Ownership	647	0.14%	650	0.17%
Foreign Individual Ownership	18	0.00%	20	0.00%
Total	773	100.00%	778	100.00%

SHAREHOLDER COMPOSITION

COMPANY'S GROUP STRUCTURE



LIST OF SUBSIDIARY AND/OR BRANCHES

- Bank OCBC NISP does not have subsidiary.
- List of Branches Bank OCBC NISP is stated on page 363 of this Annual Integrated Report.

AFFILIATED COMPANIES

- PT Great Eastern Life Indonesia
- PT OCBC Sekuritas Indonesia

CHRONOLOGY OF BONDS AND OTHER SECURITIES LISTING

Bonds¹⁾ and Other Securities of Bank OCBC NISP

Bonds	Years	Series	Nominal Amount (Rp)	Interest Rate	Tenor	Effective Date	Maturity Date	Rating	Notes
Subordinated Bonds III Bank OCBC NISP 2010	2010	-	880,000,000,000	11.35% p.a.	7 years without Call Option	June 24, 2010	June 30, 2017	AA (idn) (PT Fitch Ratings Indonesia)	Outstanding
Continuous Bonds I Phase I Bank OCBC NISP 2013 With Fixed Interest Rate	2013	A	973,000,000,000	6.40% p.a.	370 days	February 11, 2013	March 1, 2014	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Repaid
		B	529,000,000,000	6.90% p.a.	2 years	February 11, 2013	February 19, 2015	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Repaid
		C	1,498,000,000,000	7.40% p.a.	3 years	February 11, 2013	February 19, 2016	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Repaid
Medium Term Notes I Bank OCBC NISP	2013	-	900,000,000,000	7.00% p.a.	3 years	-	April 18, 2016	id AAA (PEFINDO)	Repaid
Continuous Bonds I Phase II Bank OCBC NISP 2015 with Fixed Interest Rate	2015	A	1,095,000,000,000	9.00% p.a.	370 days	February 11, 2013	February 20, 2016	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Repaid
		B	670,000,000,000	9.40% p.a.	2 years	February 11, 2013	February 10, 2017	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Outstanding ²⁾
		C	1,235,000,000,000	9.80% p.a.	3 years	February 11, 2013	February 10, 2018	id AAA (PEFINDO) & AAA (idn) (PT Fitch Ratings Indonesia)	Outstanding
Continuous Bonds II Phase I Bank OCBC NISP 2015 With Fixed Interest Rate	2016	A	837,000,000,000	7.50% p.a.	370 days	April 29, 2016	May 21, 2017	id AAA (PEFINDO)	Outstanding
		B	380,000,000,000	8.00% p.a.	2 years	April 29, 2016	May 11, 2018	id AAA (PEFINDO)	Outstanding
		C	783,000,000,000	8.25% p.a.	3 years	April 29, 2016	May 11, 2019	id AAA (PEFINDO)	Outstanding

1 Entire Bonds of Bank OCBC NISP are listed on Indonesia Stock Exchange

2 Repaid on February 10, 2017

Rating As of December 31, 2016

Fitch Ratings	
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
Subordinated Bonds III of Bank OCBC NISP 2010	AA (idn)
Continuous Public Offering of Bonds I Bank OCBC NISP	AAA (idn)

Pefindo	
Outlook	Stable
Corporate Rating	idAAA
Continuous Public Offering of Bonds I & II Bank OCBC NISP	idAAA

CHRONOLOGY OF SHARE LISTING

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

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

CAPITAL MARKET SUPPORTING INSTITUTIONS

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

Independent Public Accountant

Tanudiredja, Wibisana, Rintis & Rekan

(Member Firm of PwC Global Network)
Jl. HR. Rasuna Said Kav. X-7 No. 6
Jakarta 12940 – Indonesia
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Fax : (62-21) 529 – 05555
Website : www.pwc.com/id

Rating Agencies

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PT Pemeringkat Efek Indonesia (Pefindo)

Panin Tower, Senayan City Lt. 17
Jl. Asia Afrika Lot 19
Jakarta 10270, Indonesia
Telp : (62-21) 7278 2380
Fax : (62-21) 7278 2370
Website : www.pefindo.com

PT Fitch Ratings Indonesia

DBS Bank Tower 24th 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

INTERNATIONAL

Fitch Ratings Singapore Pte, Ltd

One Raffles Quay
South Tower # 22-11
Singapore 048583
Telp : (65) 6796 7200
Website : www.fitchratings.com

Trustee

PT Bank Mega Tbk

Menara Bank Mega Lt. 16 Kav. 12-14 A
Jakarta 12790
Telp : (62-21) 791 75000
Fax : (62-21) 799 0720
Website : www.bankmega.com

2016 ACCOLADES



1. January

CSR Award which Implement the program based on target from Provincial Government of DKI Jakarta

2. May

Parwati Surjandaja as The Best CEO 2016 Versi SWA, Ipsos and Dunamis Organization Services

3. June

1st Best Performance ATM Islamic Business Unit Banking in Service Excellence Award from Infobank & MRI Jakarta

4. July

Silver Award 2015 in Vision Awards Annual Reports Competition from League of American Communications Professionals Florida

5. July

Indonesia Foreign Exchange Bank of The Year in ABF Wholesale Banking Awards from Asian Banking & Finance Magazine Singapore

6. July

Indonesia Domestic Technology and Operations Bank of The year in ABF Wholesale Banking Awards from Asian Banking & Finance Magazine Singapore

7. July

Mobile Banking Initiative of The Year - Indonesia in ABF Retail Banking Awards from Asian Banking & Finance Magazine Singapore

8. July

SME Bank of The year - Indonesia in ABF Retail Banking Awards from Asian Banking & Finance Magazine Singapore

9. July

Website of The Year - Indonesia in ABF Retail Banking Awards from Asian Banking & Finance Magazine Singapore

10. July

Best CRM Project in Indonesia Country Awards Programme 2016 for Technology Information from The Asian Banker Singapore

11. July

Wealth Management of The Year Indonesia Country Awards Programme 2016 for Retail Financial Services from The Asian Banker Singapore

12. August

Titanium Trophy for Financial Performance "Best of The Best" 2000 - 2015 in Infobank Awards from Majalah Infobank Jakarta

13. September

The Best Sharia Business Unit in Indonesia Banking Award from Majalah Tempo Jakarta

14. September

The Best Bank in Retail Banking Services in Indonesia Banking Award 2016 (Asset 50 - 100 Triliun) from Majalah Tempo Jakarta

15. November

Top 50 Public Listed Companies from Indonesian Institute for Corporate Directorship (IICD)

16. November

The Best Responsibilities of The Board from Indonesian Institute for Corporate Directorship (IICD)

17. December

Most Reliable Title - Private Category Nationwide Devisa in Best Banking Brand 2016 from Warta Ekonomi

18. December

Most Trusted Company in Corporate Governance Perception Index 2016 Award from The Indonesian Institute of Corporate Governance Jakarta



Expanding Reach

BUSINESS REVIEW

Throughout the year 2016, Bank OCBC NISP recorded a positive business performance, which caused by its focus on sound banking activities and strategic steps in each segment.

RETAIL BANKING [DMA-PR]

Consumer Banking continues its business development with focus on continuously improving current accounts, savings accounts, and time deposits, as well as upsurge in net interest income and fee-based income contribution.

Deposit Products

During 2016, Bank OCBC NISP conducted several initiatives that managed to increase total third party deposit to Rp 103.6 trillion or increased 19% from Rp 87.3 trillion in 2015, among others:

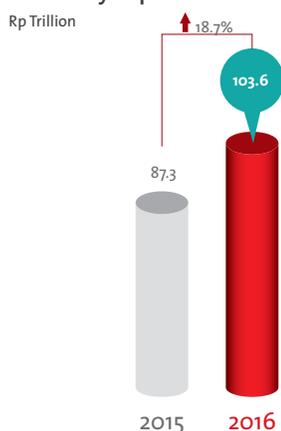
- Performed campaign of TANDA saving product as the main product and flagship for acquiring new customers and continued TANDA POIN loyalty program such as, Tanda 360, Tanda Valas and Tanda Funtastrip Lottery.

- Launch of Tabungan Sempel ON alongside educational program on the “Benefits of Savings at an Early Age”.
- Launched Tactical Program for Tanda 360, Taka, Tanda Valas and Deposits.

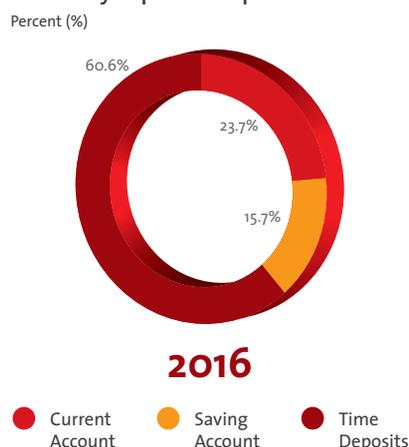
Going forward, the Bank will continue to develop strategies for third party deposit product growth gradually, among others:

- Developing third-party deposit product capability with a competitive cost structure and account opening with simple and convenient process.
- Develop deposit products with improved features and launch innovative programs.
- Develop e-channel facilities to facilitate customer transactions.
- Perform promotional and communication programs through conventional and digital media.

Third Party Deposits



Third Party Deposits Composition

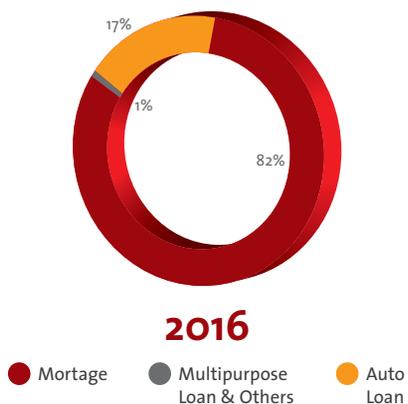


Consumer Loans

Bank OCBC NISP's mortgage products, which reached 82% of total consumer loans, managed to record 9% growth to Rp 10.5 trillion at the end of 2016 from Rp 9.6 trillion in the previous year.

Consumer Loan Composition

Percent (%)



The 2016 performance was reached by developing its strategies, among others:

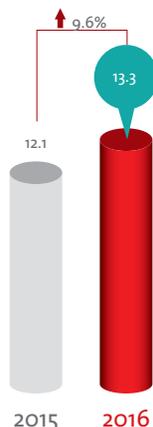
- Launched KPR Kendali (mortgage product) with a competitive interest rate, duration and flexibility to withdraw cash, deposit and transactions across Bank OCBC NISP networks.
- Developed good relations with property companies and property brokers, and created collaboration as well as promo packages.
- Developed multi-purpose loans (Kredit Multi Guna) with property as a collateral with competitive interest rates.

Bank OCBC NISP will boost consumer loan growth by:

- Enhancement of products, programs and services.
- Development of referral and cross-selling program with other banking products.
- Development of new channels through cooperation with new developers and property agents

Consumer Loan *)

Rp Trillion



*) including employee loan

Credit Card

The Bank's credit card focused on building brand equity through excellent customer service which delivers the best value to suit the target market. One of them through differentiation of current features of the Titanium and Platinum credit cards. Both products were targeting the emerging affluent and premier (affluent) customer segments. In addition, Bank OCBC NISP has also done a soft launch of the Voyage Credit Card, which is intended for customers with high net worth and for those who love to travel.

The implemented strategies to increase credit card transaction during 2016:

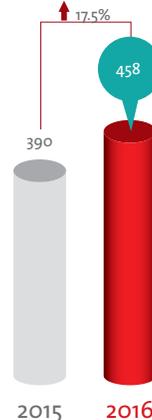
- Conducted cross-selling especially for the existing customers to maintain portfolio quality and loyalty.
- Running tactical program to boost utilization of credit cards.
- Disseminated information through the Bank's website to enhance the use of PIN in transactions.
- Expanded cooperation with a number of merchants, both nationally and globally.

Currently, customers are enjoying the ease of transacting with over 44 million merchants collaborating with Visa or MasterCard International, as well as gaining several benefits from

various merchants of OCBC Bank from overseas, especially in Singapore and Malaysia.

Outstanding Credit Card

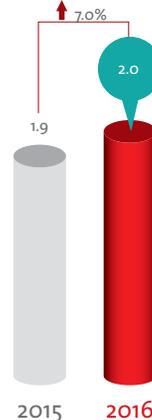
Rp Billion



These strategies have successfully boosted a positive performance for this segment in 2016 as seen from the total transaction volume and outstanding value of Bank OCBC NISP credit card increased by 7% and 17% respectively compared to the previous year.

Credit Card Transaction Volume

Rp Trillion



Credit card segment will continue developing its business by:

- Continue cross-selling program towards to customers.
- Acquisition of new customers by launching credit cards for corporate customers to serve the specific needs of this segment.
- Expand the distribution of EDC engine placement in a number of business partners.

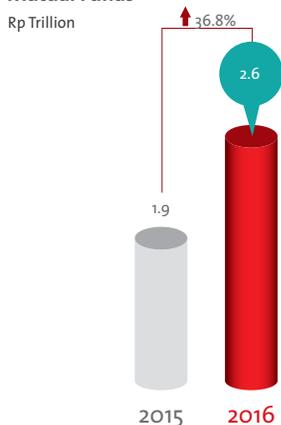
Wealth Management and Premier Banking

Bank OCBC NISP's Wealth Management and Premier Banking has always been in synergy with insurance companies and investment managers who have good credibility in developing various products to meet the customer's needs.

During 2016, Bank OCBC NISP conducted business development through mutual fund and insurance products with the following initiatives, among others:

- Launched five mutual funds products, namely Batavia Cemerlang 105 and 32, Super Investlink Plan 101, Great Optima Link 102 and BNP Paribas Cakra Syariah USD.
- Launched Bancassurance Hybrid ILP, a Great Optima Link from insurance partner Great Eastern.
- Carried out joint event activities with existing premier customers, individual customers and other communities.

Asset Under Management of Conventional Mutual Funds

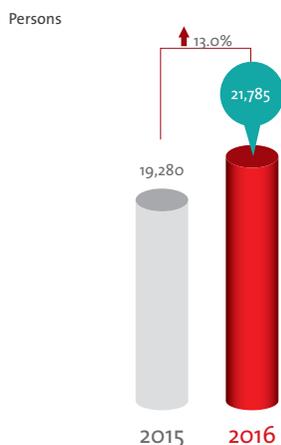


The positive performance of Bank OCBC NISP's Wealth Management and Premier Banking is evident in:

- Total customer's wealth of Bank OCBC NISP's managed by Wealth Management and Premier Banking increased respectively by 37% and 9%.
- Total customers of wealth management and Premier Banking

of Bank OCBC NISP also increased in line with the increased in managed funds.

The Number of Premier Banking Customer



In the upcoming years, Wealth management and Premier Banking of Bank OCBC will continue business development strategies, which are based on:

- Additional mutual funds, bancassurance, and enhance features to increase alternative choices for customers.
- Developing wealth management products through electronic media.
- Launch various educational programs and dissemination of sustainable socialization of financial planning awareness as well as provide an understanding of risk profile.
- Conducting cross-selling penetration and improving bank's internal synergy.

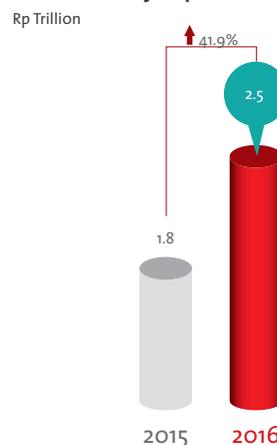
Sharia Business Unit (SBU)

Until the end of 2016, the Sharia Business Unit (SBU) of Bank OCBC NISP has shown significant improvements as evident in growth of financing and funding which reached Rp 1.6 trillion and Rp 2.5 trillion respectively. The Financing to Deposit Ratio has also reached 64%.

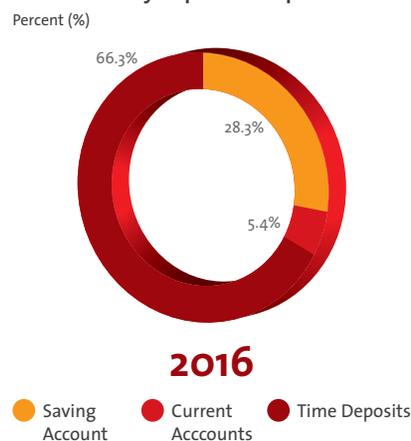
Financing is always followed by healthy asset quality as shown by Gross Non Performing Financing (NPF)

ratio and net NPF ratio amounting to 2.0% and 1.6% respectively, below the indicated requirement.

SBU Third Party Deposits



SBU Third Party Deposits Composition



Total customers has increased by 13% to approximately 41 thousand customers at the end 2016 from 36 thousand customers in the previous year.

In 2016, the Sharia Business Unit (SBU) Bank OCBC NISP opened 7 Sharia Services Offices in Java, Sumatra and Batam. In total SBU has now a total of 10 Sharia Branch Offices and 277 Sharia Services Offices.

In the upcoming years, the strategy of Sharia Business Unit of Bank OCBC NISP will still focus on:

- Development of sharia products and services.

BUSINESS REVIEW

- Reinforcement of the capability of human resources, infrastructure and business processes including the development of expertise and differentiation of focus of several businesses.
- Building of synergy with conventional bank, covering the development of branding, network, distribution, technology and operational systems, risk management and others.

Funding Business

Funding Business segment focuses on customers, individuals, or companies who do not require credit facilities and/or do not have credit facilities.

Throughout 2016, Bank OCBC NISP has strategically implemented raising third party funds in a sustainable manner through these initiatives which include:

- Increasing sustainable growth in current accounts through new customer acquisition programs or maintaining existing customers.
- Monitoring of the Account Planning and its existing pipeline.
- Increasing new customers to reduce concentration risk of third party funds.
- Implementing product knowledge refresher courses to the front liners.

These strategies have successfully boosted positive performance of the Funding Business segment in 2016 as evident on the increase in total third party funds to Rp 17.1 trillion compared to the previous year of Rp 14.2 trillion.

Going forward business development strategies that have been set in the previous year will be continued consistently, including:

- Enhancement of a systematic customer acquisition channel by optimizing branch network.
- Upgrade sales productivity through systematic sales activity management.

- Organization of a training program focusing on Product Knowledge and Selling Skills for the front liners

Emerging Business Banking (EmB)

Emerging Business Banking (EmB) segment continues to focus on strengthening the value proposition of “simple, fast, and convenient” services to meet the necessity of SME clients with credit value of up to Rp 15 billion.

During 2016, Bank OCBC NISP consistently maximized the productivity of EmB network services and implemented business initiatives such as enhancing parameters and scoring system to accelerate credit process, enhance sales team productivity and prepare infrastructure for People Business Credit Program in order to support government program.

These strategies have boosted EmB’s positive performance in 2016, as evident in the upsurge of total loans and deposits to Rp 13.3 trillion and Rp 1.4 trillion respectively, compared with the previous year’s Rp 11.4 trillion and Rp 1.2 trillion respectively.

Bank OCBC NISP will continue to develop strategies in order to boost EmB into a scalable business segment, among others:

- Performance of credit repair methods and processes to identify early signs of bad debt.
- Sharpening the business focus through analyzing customer profiles and help Relationship Manager (RM) focus on profitability and quality of a good target market.
- Optimization of network of branches to increase customer acquisition.
- Develop market share of the People Business Credit Program (KUR).

BUSINESS BANKING [DMA-PR]

Bank OCBC NISP manages productive loans in Business Banking according to business segments as follow:

- Commercial Banking
- Enterprise Banking
- Wholesale Banking
- Financial Institution
- Transaction Banking

Commercial Banking

Commercial banking segment serves commercial customers with annual sales value of up to Rp 500 billion.

With high potential for business sustainability, Commercial banking segment focuses on improving its ability to understand the details of the customer’s business in order to give the best solution that fits the characteristics of each business.

In 2016, Commercial banking segment has implemented business initiatives in order to maximize the productivity of its network services in all branches, including:

- Maintaining portfolio growth with the implementation of specific strategy to encourage business growth in accordance with the existing potential in each area.
- Working closely with Transaction Banking, Remittance and Treasury to keep improvements on product quality and customer services.
- Continue to encourage the growth of its customers through the acquisition of new customers.
- Optimizing and improving credit process continuously to achieve an integrated, fast and reliable credit process.

The strategies undertaken in 2016 has encouraged positive performance, as seen from the increase in loans and deposits to Rp 13.5 trillion and Rp 4.9 trillion, respectively, compared to the previous year of Rp 12.7 trillion and Rp 4.1 trillion respectively.

In the future, the business development strategies which had been set in the previous year will be continuously implemented by:

- Continuing to encourage the growth of its customers through the acquisition of new customers.
- Offering multi products for customers with the product team support in accordance with customer needs.
- Fixing credit process continuously, in order to make it faster and more responsive, while promoting the principles of prudence.

Enterprise Banking

Enterprise Banking segment serves commercial customers with annual sales of Rp 500 billion to Rp 2 trillion. Enterprise Banking focuses on relationship banking, by leveraging the knowledge of the industry and understanding the needs of the business and its customers.

In 2016, the Enterprise Banking segment has carried out the following business initiatives:

- Optimized relationships with customers and increased the productivity of each Relationship Manager (RM).
- Increased the number of customers and new groups, enabling the reduction of risks in credit portfolios and third party fund.
- Worked closely with Transaction Banking and Treasury to increase fee-based income.
- Increased third party funds especially current accounts.

These strategies have successfully sustained the positive performance of Enterprise Banking despite turbulences in the economy. The banking sector has not fully recovered throughout 2016, as seen from slight increase in loans, to Rp 28.2 trillion in 2016 from Rp 25.3 trillion in the previous year.

Moving forward, the business development strategy that had been set in the previous year will continue

to be implemented, among others:

- Increase the number of new customers in order to reduce concentration of credit risk and diversify the Bank's income at the same time.
- Develop partnership opportunities with other industries that has good business prospects to increase contribution from the Trade Finance Services and Treasury.
- Launch several credit programs to tap opportunities in the government's strategic development programs.

Wholesale Banking

The Wholesale Banking segment focuses into a chosen integrated solution provider of large national and multinational companies in Indonesia. This segment distributes credit to more than 200 corporate customers with annual sales value of more than Rp 2 trillion, mainly on potential industrial sectors in Indonesia in line with Target Market Risk Acceptance Criteria (TMRAC).

The Wholesale Banking segment continues to increase the capability in delivering solutions that truly value-added, including dedicated team of Relationship Manager in Industrial Specialist and Product Expert who really understand the details of customer's business and their respective industrial sectors, in order to help identify opportunities and support the achievement of business growth of corporate customers.

Throughout the year 2016, the Wholesale Banking segment implemented the business initiatives in order to maximize productivity, including:

- Increased the growth of credit portfolio focused on industry according to Target Market.
- Consistently maintained the quality of credit portfolio by continuously promoting the principle of prudence in the process of granting credit facilities.

- Encouraged the increase in third party fund raising, both credit and non-credit customers.
- Increased the number of customers and new groups in order to reduce concentration risk on credit portfolio and third party fund.
- Optimized relationship with customers in order to increase the contribution of fee-based income.

The strategy implemented have successfully encouraged positive performance of Wholesale Banking segment in 2016 as seen from the increase in loans and deposits to Rp 25.0 trillion and Rp 30.4 trillion respectively, compared to the previous year amounting to Rp 24.3 trillion and Rp 23.4 trillion respectively.

In the future, the business development strategy that has been set in the previous year will still be consistently continued, including by:

- Growing the credit portfolio with focus on industries that correspond with the target market.
- Applying the prudential principle in the credit granting process, to maintain good quality of the credit portfolio.
- Encouraging the growth of third party funds, either from the lending or non-lending customers, while reducing the concentration risk in both credit portfolio and third party funds by observing the addition of new customers.
- Increase the contribution of fee-based income by intensifying the transactions of Treasury, Trade Finance Services and Cash Management.

Financial Institutions

The Financial Institutions segment has been actively expanding collaborations with financial institutions such as banks, securities companies, pension funds, insurance companies and other non-bank financial institutions. With a vast network support from the OCBC Group and an extensive cooperation

BUSINESS REVIEW

with more than 700 corresponding banks in more than 70 countries, the Financial Institutions segment has the capability to provide the best service for a wide variety of transactions, including International Trade Finance, Remittance, retention of funds from the insurance companies, pension funds and sales of retail bonds.

The initiatives undertaken by the Financial Institutions segment in 2016 includes:

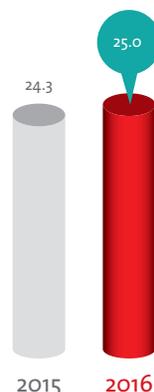
- Cooperating with the Treasury Group in serving Money Market transactions, Reverse Repo, buying and selling of securities and foreign exchange with banking institutions and non-banks on a selective basis to boost the growth of fee-based income.
- Improve cooperation with the financial institutions in the field of export-import through discounted export bill in order to increase the growth of funding especially from the contributions of low cost fund.
- Synergy with Cash Management Team and Trade Finance and related product offerings to increase revenues from fee-based income.

In the future, the business development strategy that had been set in the previous year will still be continued consistently, including by:

- Consistently optimizing the OCBC Group network and expanding correspondent bank networks to improve its service to customers.
- Increasing loan portfolio in the form of short-term and long-term working capital loans selectively to finance companies and securities firms.
- Increasing the contribution of placement of funds, either from bank or non-bank financial institutions.
- In cooperation with correspondent banks and internal units to increase fee-based income.

Corporate Loans (Wholesale and Financial Institution)

Rp Trillion



Transaction Banking Group

Transaction Banking Group which consists of Trade Finance and Cash management focuses on increasing fee-based income contribution from financing and export-import services, client cash flow management, and to improve the funding of current accounts.

Various initiatives to improve its service to customers was done in the scope of Trade Finance in 2016, including:

- Developed Trade Finance products and services including product evaluation policies and work procedures adapted to the conditions and needs of customer business.
- Optimized the role of Trade Counter to support a comprehensive Trade Finance services to its customers.
- Developed Bank Trade System by adding more features to improve the capability and quality of trade finance products and services.
- Developed Value Chain Financing scheme including expediting loan approval process of the anchor members who have formed a partnership to increase the volume of value chain business.

In the scope of Cash Management, the efforts to increase the number of clearing accounts and the acquisition

of fee-based income from the management of client cash flow as follows:

- Ensure cash management solutions are available to customers, in addition to monitoring the use of the service by customers.
- Continue to develop feature, appearances and consistency of customer interaction on the use of Internet Banking application (Velocity) adjusted to customers' needs and technological development.
- Developing and/or adding a feature of clearing accounts to be able to provide superior banking services for customers.

The efforts undertaken by Trade Finance Services and Cash Management to boost their performance in 2016, as evidenced by:

- Total Current accounts of Bank OCBC NISP grew to Rp 24.5 trillion in 2016 from Rp 22.5 trillion in the previous year.
- The number of user of Velocity and Virtual Account increased respectively by 33% and 23% compared to the previous years.

In the coming year, both Trade Finance Services and Cash Management will continue to make breakthroughs in product development and service process respectively.

In the scope of Trade Finance Services, some initiatives will be done such as:

- Increase the volume of trade finance with a focus on export-oriented industries and/or emerging one.
- Optimize the role of Trade Counter spread across 18 cities in Indonesia to support a comprehensive Trade Finance service of to its customers.
- Improve the information system capability of Trade Finance Services to enhance and/or add features available on the system.

Meanwhile, in the scope of Cash Management, some initiatives will be done in the coming year such as:

- Develop and/or add features of clearing accounts products and applications to provide superior banking services for customers.
- Ensure the availability of effective Cash Management solutions and the use of active service for customers.
- Increase the utilization of Internet Banking (Velocity) and e-tax.
- Develop features, appearance and consistency of customer interaction on the Internet Banking (Velocity) application adjusted to customers' needs and technological developments.
- Increase the level of knowledge of the team which becomes the target market so as to provide the best specific solutions for certain sectors as well as to collaborate with the entire community in the industrial sector.

Treasury

The Treasury Group focuses on innovating offered products to accommodate customers' various needs while promoting prudence and transparency to the Bank's customers. The Treasury Group also actively encourages collaboration with the business segment to deliver the best level of service.

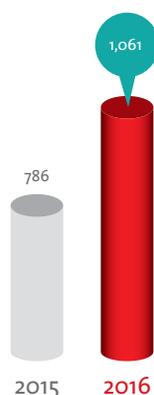
Throughout 2016, the Treasury Group has taken proactive steps to increase revenue contribution, in addition to ensuring liquidity to support the growth of the Bank's business. These steps are as follows:

- Performed management actively and dynamically on liquid assets portfolio.

- Collaborated with the Business Segments (Wholesale, Enterprise, Commercial/ Emerging and Financial Institution) to increase volume of FX from customers who have Treasury needs, including product hedging.
- Provided refreshment training to sales and marketing in the Bank's branches to improve their ability and understanding of offered products.
- Organized investor gathering including market outlook held in various cities in Indonesia.

Income from Treasury

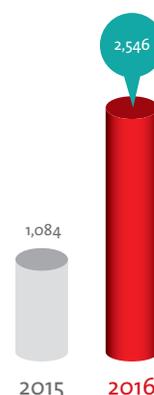
Rp Billion



Despite the economic challenges in 2016 in Indonesia and upheavals in the global market, the initiatives undertaken by the Bank have managed to boost positive performance of the Treasury Group by 75%, to Rp 1,061 billion from the previous year of Rp 786 billion.

Sales Growth of ORI

Rp Billion



Continuing this momentum, in 2017 the Treasury Group will continue implementing business development strategies set in the previous year, such as:

- Implementation of diversification of medium-term and/ or long-term funding through bond issuance or NCD or bilateral loan in USD to adopt to market conditions.
- Launch of innovative and customized products that can provide flexibility in hedging over the risks of foreign currency and interest rate for customers.
- Encourage wider and sustainable internal training related with Treasury products and services that have been implemented and planned for future execution, relevant regulations and given risk factors.
- Hosting customer events on a regular basis to strengthen good relationship between Bank OCBC NISP and customers, and provide latest information on the global and Indonesian economy which are useful for clients.

HUMAN RESOURCES

Bank OCBC NISP developed comprehensive human capital management strategy as we believe that business sustainability will be achieved with full support and dedication from all employees.

Human Capital (HC) is a strategic key for the bank to achieve its vision and mission. The bank improves its ability to attract, develop, and retain its talent by implementing an integrated Human Capital framework. [G4-DMA]

Human Capital Framework



HUMAN CAPITAL ACQUISITION

HC acquisition efforts to attract the right talent are closely related to the Employee Value Proposition & Branding. This value proposition is a key factor that distinguishes the Bank from the competitors and put it at the top mind of potential employees who want to build their career in the banking industry in Indonesia. To support that, the Bank strengthens the recruitment functions by creating a specialized recruitment function in order to improve the capabilities in accelerating the acquisition of human resources.

To appreciate the internal talent, the Bank prioritizes recruitment from internal. In consideration of the availability of the talent, internal and external recruitment process can be performed concurrently.

Fresh graduates hiring is directed into two main channel: Banking Academy and the Management Associate Program. Banking Academy is designed to train fresh graduates in a particular field of expertise, while the Management Associate Program is designed as a program to accelerate the fresh graduate to occupy managerial positions.

Number of New Employees Recruited [G4-LA1]

Year	Male	Female	Total
2016	517 (41%)	745 (59%)	1,262 (100%)
2015	644 (43%)	851 (57%)	1,495 (100%)

Pro-hire recruitment is conducted using a referral program such as Staff Get Staff, advertisement in mass media, job portals, websites, and social media channels.

New Employee Composition by Age Group and Gender [G4-LA1]

Age Group	2016			2015			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
>55	0	0	0	0	0	0	0	0	0
46-55	1	1	2	5	5	10	4	3	7
36-45	35	25	60	39	36	75	53	42	95
26-35	278	295	573	325	288	613	314	285	599
17-25	203	424	627	275	522	797	294	549	843
Total	517	745	1,262	644	851	1,495	665	879	1,544

HUMAN CAPITAL DEVELOPMENT

The Bank continuously improve the competencies of its employees in the forms of training in leadership, self-proficiency, as well as technical capabilities that will drive performance. The Bank has also implemented HC development program that includes Talent Development and Performance Management.

The intensive training program conducted by the Bank is based on the training roadmap, which is aligned to the Bank's target and development needs of each unit. In 2016, the organization trained 68,663 participants as shown in the table below.

The Bank uses technology to promote employee development. Development through e-learning is considered to be more effective and efficient to support bank operation that currently covers the entire territory of Indonesia. Currently, the Bank has 56 e-learning modules and still growing.

The Bank continues to identify HR talents for leadership and strategic position. These identified talents are developed through a variety of programs such as job rotation, job promotion, training, mentoring, and etc.

All the efforts in employee development are directed to optimize the return on investment in the form of employee contribution in achieving the Bank's target. This contribution is measured through performance management evaluation, known as Rencana & Evaluasi Kinerja Anggota OCBC NISP (REKAN).

The Bank implements REKAN to evaluate Key Performance Indicator of its employees that measures goals and objectives, self-development and its contribution to the performance of the Bank. REKAN is reviewed in the middle and end of the year and is used as a basis in decision making related to HC matters.

Table of Trainings Based on the Number of Participants

Types of Training	2016	2015	2014
Induction Program	1,197	1,492	1,309
Managerial Leadership	1,713	4,703	5,201
Compliance, Risk & Regulatory	34,714	10,417	7,147
Sales, Service & Quality	2,707	5,282	2,604
Technical/Functional	26,611	34,761	10,091
Others	1,721	2,235	3,365
Total	68,663	58,890	29,717

Training Expenses

In Billion Rupiah

2016	2015	2014
76.6	87.4	63.1

HUMAN RESOURCES

Average Training Hours per Year per Employee According to Gender and Employee Category [G4-LA9]

In hours

Employee Category	2016		2015		2014	
	Male	Female	Male	Female	Male	Female
Senior Line Management	25.15	29.31	36.05	56.59	37.29	34.07
Middle Line Management	40.48	37.49	50.94	57.06	46.22	49.30
First Line Management	33.27	30.71	39.96	40.47	38.33	40.07
Average	28.14	31.64	42.53	43.60	40.12	41.39

Percentage of Employees Receiving Regular Performance Review and Career Development in 2016 [G4-LA11]



96%



96%

Ratio of Salary and Remuneration of Women to Men in 2016 [G4-LA13]



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Retirement Preparation Program

Employees can participate in retirement preparation program 3 (three) years before reaching retirement age in the form of seminars covering topics such as financial management, health management, post pension activities, business visit and consultations. Bank also provides 24 additional leave days that can be taken 6 (six) months before the retirement age to support the Employees' retirement preparation.

HC RETENTION

Remuneration strategy is one of the Bank's efforts for HC retention. Bank applies the Total Reward principle, which is the principle of giving reward in the form of cash and non-cash in line with the performance and contributions of employees. The Bank considers the aspects of fairness and competitiveness, Bank's financial condition, and labor regulations.

The Bank participates in the remuneration survey conducted by external consultants annually with the goal of keeping the compensation of the Bank to remain competitive. In addition to salary, the Bank is currently providing benefits in the form of health programs for employees

and their families, Social Security Programs/ BPJS (BPJS Health and BPJS Employment), employees loan facility, employees scholarship, award for employees Financial Institution Pension Funds, and pre-retirement program.

HUMAN RIGHTS

Bank OCBC NISP highly appreciates the implementation of human rights to all its employees. One of the implementations is through the implementation of Labor Law which is also stipulated in the Collective Labor Agreement (CLA) of Bank OCBC NISP, the Bank grants maternity leave for 3 (three) months for female employees.

The following is the female employee data 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*	Retention Rate
	296	295	99.7%	295	99.7%

Note: Some employees will return to work in 2017.

EMPLOYEE ENGAGEMENT

Employee engagement to the Bank is one of the successful indicators in managing employees. Engagement is built through engagement activities and internal communication.

Each year, the Bank works with an external consultant to conduct survey to measure employee engagement which can provide feedback for the Bank to design new initiatives that can boost productivity and employee engagement. In 2016, 99.8% of employees of the Bank participated in the survey and the Bank achieved 70% employee engagement.

Bank's internal communications is done through various channels such as e-mail blast, intranet, magazines, posters, stickers, and virtual meetings to convey message to all employees. Information such as Bank's achievement, message from CEO, employment information, and corporate activity information are transmitted via internal communications. [G4-LA16]

The Bank has been providing HC Business Partner and HC Helpdesk as mediums for all employees to inquire and obtain solutions to problems related to employment, administration, benefits, as well as other matters related to HC.

The Bank also uses creative way to build engagement that could create work-life balance through internal and community engagement activities.

Internal community includes community sports (softball, basketball, badminton, and other sports), arts (dance, choir), and social community of nursing mothers that are scattered in various regions. The Bank also supports them by allocating community funds, breastfeeding room and employee health clinics, as well as flexi-time for multiple office locations. [G4-LA2]

Result of Employee Engagement Survey	2016	2015	2014
EES Participation Rate(%)	99.83%	99.39%	99.58%
Employee Engagement Index (%)	70%	67%	66%

The following is the data that goes through the HC Help Desk [G4-LA16]

Number of Complaints on Employment Practices	Number of Settlements	Complaints are still in the Settlement Process
11,318	10,855	463

In 2016, coinciding with the 75th anniversary of the Bank, OCBC NISP held a series of engagement activities with the tagline "COME ON".

COME ON Activity

- COME ON Day** : 75th Anniversary of Bank OCBC NISP held nationally.
- COME ON Share** : CSR activity designed by the employees themselves. Twenty five activities are listed and followed by 750 employees.
- COME ON Appreciation** : Published a special edition of ATM cards for employees to increase the attachment and pride of using Bank products.
- COME ON Inspiring People** : Bank OCBC NISP invites people to express a sense of pride by nominating inspiring person through inspirational videos.

HUMAN RESOURCES

Human Capital Profile

As of 31 December 2016, the Bank employed 6,796 employees with 1:1.4 ratio of male to female employees. This shows equal employment opportunity for men and women, even to leadership top positions, whereby the Bank has three females occupying director position.

Composition of Employees by Gender

	2016	2015	2014
Male	2,871	3,008	2,873
Female	3,925	3,914	3,781
Total	6,796	6,922	6,654

Composition of Employees by Position and Gender [G4-LA12]

	2016			2015			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior Line Management	107	82	189	107	75	182	101	68	169
Middle Line Management	796	721	1,517	741	666	1,407	663	585	1,248
First Line Management	1,968	3,122	5,090	2,160	3,173	5,333	2,109	3,128	5,237
Total	2,871	3,925	6,796	3,008	3,914	6,922	2,873	3,781	6,654

Composition of Employees by Education and Gender [G4-LA12]

	2016			2015			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Bachelor, Master, Doctorate	2,416	3,029	5,625	2,413	2,884	5,297	2,240	2,699	4,939
Diploma	255	493	748	299	499	798	298	483	781
Senior High School	196	402	598	285	530	815	324	598	922
Junior High School	4	1	5	11	1	12	11	1	12
Total	2,871	3,925	6,796	3,008	3,914	6,922	2,873	3,781	6,654

Composition of Employees by Employment Status and Gender

	2016			2015			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent	2,854	3,897	6,751	2,980	3,878	6,858	2,610	3,206	5,816
Contract	17	28	45	28	36	64	263	575	838
Total	2,871	3,925	6,796	3,008	3,914	6,922	2,873	3,781	6,654

Composition of Employees by Age and Gender [G4-LA12]

	2016			2015			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
>55	0	0	0	1	0	1	4	4	8
46-55	301	235	536	295	212	507	291	220	511
36-45	780	729	1,509	777	697	1,474	759	676	1,435
26-35	1,388	1,861	3,249	1,394	1,784	3,178	1,273	1,720	2,993
17-25	402	1,100	1,502	541	1,221	1,762	546	1,161	1,707
Total	2,871	3,925	6,796	3,008	3,914	6,922	2,873	3,781	6,654

Composition of Employees by Working Period and Gender

	2016			2015			2014		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 – 3 months	115	203	318	182	268	450	152	180	322
3 months – 1 year	347	502	849	390	468	858	386	557	943
1 – 2 years	374	507	881	398	563	961	487	683	1,107
2 – 5 years	811	1,254	2,135	848	1,238	2,086	766	1,055	1,821
5 – 10 years	610	724	1,334	595	697	1,292	546	689	1,235
> 10 years	614	735	1,349	595	680	1,275	536	617	1,153
Total	2,871	3,925	6,796	3,008	3,914	6,922	2,873	3,781	6,654

INFORMATION TECHNOLOGY

Bank OCBC NISP performs various developments and improvements to adapt with and follow the information technology outgrowth while maintaining customer satisfaction.

Product innovation and banking services develop dynamically and should be accompanied by adequate Information Technology. Therefore, the Bank is demanded to always conduct the collaboration and integration of all types of services in order to ensure provision of the best service for the customers and business expansion in the future. This has been the focus of Bank OCBC NISP's Information Technology development for 2016.

In addition to the sustainable adjustment and updates in the field of integration, data and information security, the IT team also ensures system availability, process automation and Human Resources management in accordance with the risk management framework and Strategic Plan of Technology.

In terms of the reliability and availability of the information system, the average system uptime in 2016 has reached more than 95% in providing services to customers.

The information technology development related to application focuses on 3 major projects, namely:

1. Digital Banking

In 2016, the Information Technology Team together with the Business Team designed and developed an integrated internet banking and mobile application intended to give new digital banking service and direct control experience for the customer.

2. Enterprise Content Management

Documentation and agreement process had been simplified through workflow in order to create faster, more convenient and well-documented services.

3. Central Limit System

Improvement of the control and monitoring process related to the customer facilities is implemented in a bank-wide and centralized manner.

In addition, the development is conducted by referring to Information Technology Roadmap that has been established together with business team and other support teams.

Related to the Human Resources management, Bank OCBC NISP developed competency and ability of the information technology team through internal and external practices and certification process in accordance with "best practices" standards like PMP (Project Management Professional) and COBIT (Control Objective for Information and Related Technology) which was started in 2015 and was continued until in 2016. The program has been planned to continue in the the next coming years.

Information Technology team joined the bank-wide 3LOD (3 Lines of Defense) project to identify and improve the risk management ability related to working processes, including sustainable improvement related to problem management, working process and implementation of best practices according to ISO Standard (ISO 20000 and ISO 27000).

With the appropriate plans, evaluations and sustainable improvements, Bank OCBC NISP's Information Technology team has achieved various national and international awards, including:

- Domestic Technology and Operation Bank of the Year by the Asian Banking & Finance Wholesale Banking Awards (July 2016)
- Indonesia Country Awards Programme 2016 for Technology Innovations with category of Best CRM Project by the Asian Banker (July 2016)
- ICMG Global Architecture Award of Excellence 2016 by the ICMG World (September 2016)

- Global Business CIOs 2016 by the ICMG World, presented to IT Director, Mr. Yogadharma Ratnapalasari (September 2016)
- TOP 3 Financial Institution Bank Indonesia Best eMark Award 2016 by SWA Magazine & Telkom Jakarta University (October 2016)

The Information Technology team will continue to implement and execute the established short and long term plans, among others:

- To continue the development of Enterprise Content Management, Electronic Web Statement, and Internet & Mobile Banking as well as focusing on process simplification and acceleration through process digitizing and documentation.

- To develop Business Analytics, i.e. managing and processing product data and customer transactions through statistical tools so that it could provide better services in terms of product accuracy and customer portfolio.
- To continue improving infrastructure and IT Framework especially Project Management Framework, so it could ensure that the reliability of the system.
- To improve mobile application to make the customers and employees easier in conducting their banking activities.
- To implement cloud computing technology to support the growth of digital banking.

OPERATIONAL

Bank OCBC NISP continuously promote the high performance culture by implementing optimum performance standard which is monitored from time to time. Improvements are done through various programs to accelerate and improve services to customers.

2016 PERFORMANCE

In its endeavor to safeguard and foster the bank's business operations, the Operational Team has implemented and strictly adhered to the following programs: know your customer, whistle blowing system and anti-money laundering. This ensures that all business transactions and actions are aligned with the legislations set by the Regulator.

To address a growing business and the complexities of its development, the company has established the Corporate Banking Credit Control Function (CBCC) whose role is to review corporate clients' who are engaged in complex industries and their requests for loan disbursements. Valid underlying documents serves as a basis for fund disbursement and must be in accordance with decisions made pertaining to its credit. CBCC ensures strict adherence to credit guidelines (compliance on covenants) for corporate customers to maintain quality of credit.

Increasing Productivity and Cost Efficiency

In cultivating the culture of high performance to support sustainability practices, the Operational Team has created standards to optimize performance and which can be monitored from time to time. Continuous improvements are done through programs in the areas of cost efficiency, development programs, technology upgrades, as well as in increasing the productivity of both frontliners and back office which affects acceleration and improvements of services to clients.

Initiatives that have been carried out by the Operational Team in view of its commitment to provide quality operational services are as follows:

- Frontier Project is a project of e-channel fraud management system whose aim is to improve fraud detection capabilities on customer transactions ranging from debit to credit transactions. It is a continuation of a project implemented on SMS alerts on debit card transaction. Notifications are sent via SMS in realtime online (H + o) as well as alerts and notifications that could automatically block the account for transactions conducted out of the ordinary habits of customers and those transacted overseas.
- Project E-Insurance Policy is a project of streamlining the processes for requests on insurance policy, by eliminating non-value added activity and processes that are deemed inefficient. For example, double-check of data and elimination of data input errors of the debtor. Manual processing of insurance policy has been abolished and has been replaced by a paperless system which automatically eliminates jobs rendered by custody. And because it is paperless, it will no longer require document storage in the warehouse.

Successful process improvements in the bank's operations and upgrades in technology has resulted in increased productivity, improvements in processes and cost efficiency such as follows:

- 43 projects at a cost saving of Rp 9.6 billion.
- 173 Process Improvement Teams (PITs) with cost saving amounting to Rp 1.3 billion.

Improving the Quality of Human Resources

The Operational Team has been actively implementing sustainable people management aimed at competency, work quality and understanding of work culture to align with business developments in the bank and to accommodate needed processes to achieve or exceed customer's expectations through:

1. HR Competency Development is implemented through training and development programs, learning and overseas job assignment programs, talent development, as an integrated program to support the needs and business goals.

2. Educational Program, Certification, Job Attachment and rotation on a regular basis in order to improve employee competencies, develop personal competencies, managerial and leadership, as well as functional and technical competence.
3. Provision of rewards to high performing employees on an ongoing basis to produce qualified and competent human resources.

2016 AWARDS

As evidence of the consistent efforts of the Operational Team in providing the best solutions to customers, the bank has received several awards in 2016, such as follows:

- Straight Through Processing Award from the Bank of New York Mellon.
- Straight Through Processing Award from Wachovia Bank.
- Indonesia Domestic Technology and Operations Bank of The year pada ABF Wholesale Banking Awards dari Asian Banking & Finance Magazine Singapore.

In our aim to become "Your Partner for Life", the Operational Team plans to do the following:

1. Implement automation and develop systems of the current manual processes to improve business services to optimize existing human resources (Zero Growth Employee)
2. Increase self-awareness and self-control of employees while performing their duties and responsibilities, as well as initiation of escalation to overcome obstacles.
3. Conduct intensification of Know Your Customer in order to be more responsive to customers' needs and provide information on the Bank's programs, products, and services.

FINANCIAL REVIEW [G4-EC1] [G4-EC8]

Bank OCBC NISP's performance in 2016 has shown sustainable business resilience which achieved through consistent implementation of prudential banking principle amidst the challenging business condition.

INDONESIAN MACRO ECONOMIC OVERVIEW IN 2016

The global economic uncertainties also affected the economic performance of developing countries, including Indonesia. In 2016, the Indonesian economy grew 5.02% or increasing from 4.88% in 2015. It was triggered, among others, by the increasing household consumption and improvement of investment performance.

On the trade balance side, the cumulative value of Indonesian exports in 2016 reached USD 144.4 billion or decreased by 3.9% y-o-y as compared to 2015. Cumulative value of imports also declined by 4.9% y-o-y to USD 135.6 billion. Meanwhile, the amount of foreign exchange reserves rose by USD 10.5 billion to USD 116.4 billion or equivalent to 8.4 months of imports and government foreign debt repayment compared to USD 105.9 billion as compared to 2015, which was equivalent to 7.4 months of imports and government foreign debt payments, which was above the international adequacy standard by 3 months of import.

Supported by those development, overall, the trade balance recorded a surplus of USD 8.8 billion, and increased from USD 7.6 billion in 2015. The improvement was driven by the rise in trade balance surplus for non-oil and gas and the decline of oil

and gas trade balance deficit. It has supported the Rupiah exchange rate. Rupiah has strengthened by 2.3% by point to point than in 2015, mainly due to the investors' positive perception towards the domestic economy that pushed the capital inflow.

During 2016, the inflation reached 3.0%, or lower than the inflation rate in 2015 of 3.4%. The inflation rate is within the range of the 2016 inflation target set by Bank Indonesia at 4%±1%. On the basis of the inflation rate at the end of the year, Bank Indonesia decided to keep the BI 7-day reverse repo at 4.75%. Meanwhile, SBI auction data in one year amounted to 6.00% at the end of 2016. On the other hand, the lower rate may affect lower banking interest rates that led to the periodic decline of interest rates on deposits and loans.

In 2016, Indonesia received assurance that international rating agencies, Fitch Ratings and Moody's, rated "investment grade" with a rating of BBB minus respectively, with a positive outlook and Baa3 with a stable outlook. While the S&P maintained the rating of BB+ with a positive outlook. While in the capital market of Indonesia, Jakarta Composite Index (JCI) recorded an increase of about 15.3%, reaching the level of 5,296 by the end of 2016 from 4,593 in 2015, the fifth highest among major stock exchanges around the world and the second highest in the Asia Pacific.

Indonesia Economic Indicators

Description	Unit	2016	2015
GDP Growth	% y-o-y	5.0	4.8
Exports	USD billion	144.4	150.3
Imports	USD billion	135.6	142.7
Balance of Trade Surplus	USD billion	8.8	7.6
Foreign Reserves	USD billion	116.4	105.9
Rp/USD (end of period)	Rp	13,472	13,785
Inflation	%	3.0	3.4
BI Rate (end of year)	%	6.00 ^{a)}	7.50
BI 7-day Reverse Repo Rate	%	4.75	n.a
Jakarta Composite Index	end of year	5,296	4,593
Fitch Rating – Foreign Exchange Long Term		BBB- (Positive Outlook)	BBB- (Stable Outlook)

Sources: Statistic Indonesia, Bank Indonesia and Indonesia Stock Exchange
a) Based on auction of SBI 1 year

THE INDONESIAN BANKING INDUSTRY

Business Developments 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	2015
Loans	Rp trillion	4,377	4,058
Deposits	Rp trillion	4,837	4,413
Net Interest Income	Rp trillion	343	308
Non Interest Income	Rp trillion	250	211
Operating Income	Rp trillion	931	858
Income from Operations	Rp trillion	136	133
Net Income	Rp trillion	107	105
Net Interest Margin (NIM)	%	5.6	5.4
Other Operating Income to Operating Income	%	26.8	24.6
Return on Asset (ROA)	%	2.2	2.3
Loan to Deposit Ratio (LDR)	%	90.7	92.1
Non Performing Loans (Gross NPL)	%	2.9	2.5
Capital Adequacy Ratio (CAR)	%	22.9	21.4

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

The loan-to-deposit ratio (LDR) of commercial banks decreased to 90.7% at the end of 2016 from 92.1% in 2015. This in line with the deceleration loan growth followed by a prudent loan disbursement. Loan disbursement rose by 7.9% y-o-y to Rp 4,377 trillion from Rp 4,058 trillion in 2015. The banking industry recorded loan composition by usage was mostly dominated by working capital loan with 46.8%, followed by consumer loans with 27.5% and investment loans with 25.7%. Although the Gross Non Performing Loan (NPL) increased to 2.9%, it was still far below the maximum limit of 5%.

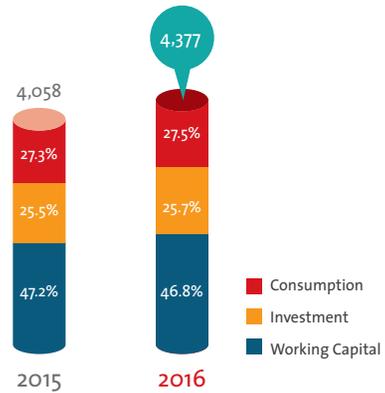
FINANCIAL REVIEW

Loan Gross Composition By Usage

Rp Trillion, except %

Description	2016	2015	YoY	
			Amount	%
Consumption	1,203	1,106	97	8.8
Investment	1,125	1,036	89	8.6
Working Capital	2,049	1,916	133	6.9
Total	4,377	4,058	319	7.9

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



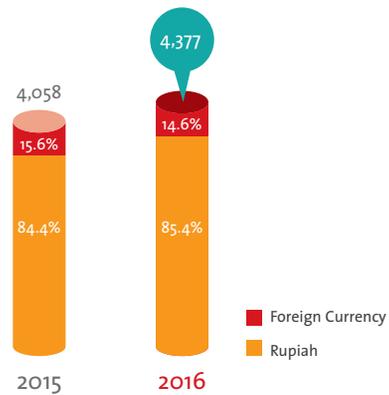
Loan growth in 2016 was driven by strong growth in Rupiah currency loans, reaching 9.2% y-o-y, exceeding the growth in foreign currencies loans of 0.9% y-o-y.

Loan Gross Composition By Currency

Rp Trillion, except %

Description	2016	2015	YoY	
			Amount	%
Rupiah	3,737	3,423	314	9.2
Foreign Currency	640	635	5	0.9
Total	4,377	4,058	319	7.9

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



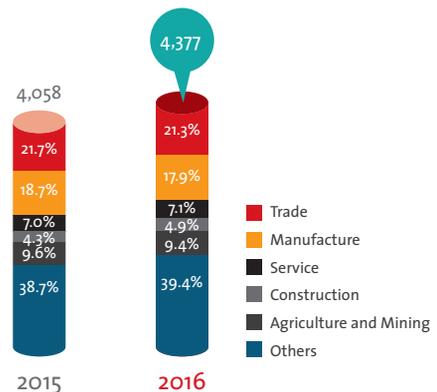
Meanwhile, based on sectors, productive sector has relatively equitable growth in 2016.

Loan Gross Composition by Economic Setor

Rp Trillion, except %

Description	2016	2015	YoY	
			Amount	%
Trade	935	879	56	6.4
Manufacture	782	760	22	2.9
Service	309	285	24	8.3
Construction	214	173	41	24.2
Agriculture and Mining	410	390	20	9.9
Others	1,727	1,571	156	9.9
Total	4,377	4,058	319	7.9

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



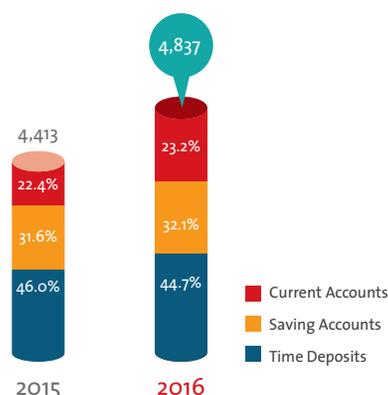
Third Party Deposits reached Rp 4,837 trillion or increasing by 9.6% y-o-y from Rp 4,413 trillion in 2015. The composition of low cost funds such as savings and current accounts grew 11.2% and 13.8% respectively. The increase in low cost funds serves as an indication of public confidence towards the economic outlook and the resilience of the Indonesian banking sector.

Third Party Deposits Composition

Rp Trillion, except %

Description	2016	2015	YoY	
			Amount	%
Time Deposits	2,161	2,029	132	6.5
Saving Accounts	1,552	1,396	156	11.2
Current Accounts	1,124	988	136	13.8
Total	4,837	4,413	424	9.6

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



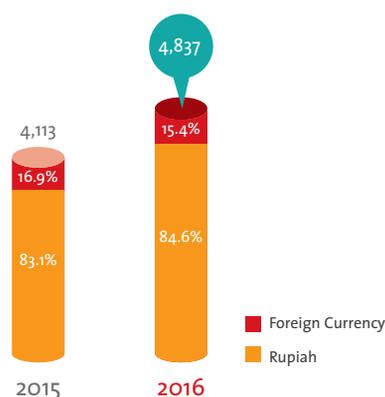
By type of currency, Rupiah-denominated deposits provided a major contribution to total third party deposits. As of 2016, Rupiah-denominated deposits increased by Rp 427 trillion, or 11.6% y-o-y, while deposits denominated in foreign currency declined by Rp 3 trillion or by 0.3% y-o-y.

Third Party Deposits Composition

Rp Trillion, except %

Description	2016	2015	YoY	
			Amount	%
Rupiah	4,092	3,665	427	11.6
Foreign Currency	745	748	(3)	-0.3
Total	4,837	4,413	424	9.6

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



Indonesia's banking industry recorded net income of Rp 107 trillion, increased by 1.8% from Rp 105 trillion in 2015. By the end of 2016, the profitability performance of banking industry grew limitedly but still showed confidence, which can be seen from the growth of net interest income throughout 2016 which reached Rp 343 trillion, or rose by 11.2% y-o-y, exceeding Rp 308 trillion in 2015.

Net Interest Margin (NIM) recorded at 5.6% in 2016 from 5.4% in 2015. This is in line with the increase in net interest income. The non-interest income increased 18.4% y-o-y.

The banking industry stability is still well-maintained as reflected by high capital adequacy ratio (CAR) of 22.9% at the end of 2016 or higher than 21.4% in 2015 and far above the minimum requirement of 8%.

REVIEW OF BANK OCBC NISP'S OPERATIONAL PERFORMANCE

Bank OCBC NISP prevailed in increasing its performance in 2016 with a net profit growth of Rp 1.8 trillion or increasing by 19.3% from Rp 1.5 trillion in 2015. Bank OCBC NISP's return on assets (ROA) and return on equity (ROE) are 1.8% and 9.8% respectively compared to 1.7% and 9.6% in 2015. Return on Assets

FINANCIAL REVIEW

(ROA) and Return on Equity (ROE) of Bank OCBC NISP were 1.8% and 9.8% respectively in 2016 as compared to 1.7% and 9.6% respectively in 2015.

The increase in total assets was primarily driven by the growth of the gross loan to Rp 93.4 trillion or grew by 8.7% as compared to 2015. The loan growth was accompanied by the maintained loan quality, as reflected by the Bank's gross non-performing loans (NPL) of 1.9% from total gross loans. Gross NPL level was relatively lower than the industry average of 2.9%. The growth of total assets was also supported by the growth of third-party deposits reaching Rp 103.6 trillion or grew by 18.7% compared to the previous year. On the side of the capital, total equity reached Rp 19.5 trillion and the Capital Adequacy Ratio (CAR) amounted to 18.3%.

In addition, Bank OCBC NISP managed to strengthen its position as healthy and prudent national private bank by maintaining its 'AAA' local ratings from Fitch Ratings Indonesia and Pefindo, becoming one of the highest credit ratings banks in Indonesia for 2016.

The financial performance is continuously followed by the Bank's efforts to consistently increase the position and capabilities of banking products and transaction services, including network effectiveness of 340 offices, 763 ATMs, 417 thousand EDCs, e-Banking which includes internet and mobile banking services, branding, good corporate governance, system, technology and improvement of working processes in order to build maximum and sustainable economic values for all stakeholders.

Bank OCBC NISP'S Financial Performance

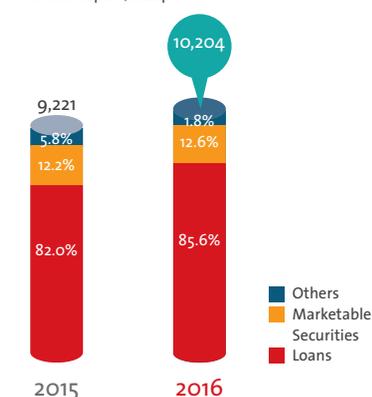
Bank OCBC NISP recorded net income of Rp 1.8 trillion or rising 19.3% from Rp 1.5 trillion in 2015, while Bank OCBC NISP's Return on Assets (ROA) was 1.8% or slightly higher than 1.7% in 2015. Meanwhile, Return on Equity (ROE) was 9.8% or higher than 9.6% in 2015. The net income climbed 19.3%, followed by the increase in equity by 18.9% in 2016.

Interest Income

The interest income in 2016 was Rp 10.2 trillion, increased by Rp 1.0 trillion or 10.7% from Rp 9.2 trillion in 2015. The increase was mainly due to higher gross loans by Rp 7.5 trillion or 8.7% as compared to 2015. The average interest rate of Rupiah denominated gross loans was slightly decreased to 11.8% from 12.1% in 2015, whereas the average interest rate for gross loans in foreign currency denomination also slightly surged to 5.3% in 2016 from 5.2% in 2015.

Interest Income Composition

In Billion Rupiah, except %



Bank OCBC NISP's interest income in 2015 and 2016 is described as follows:

In Billion Rupiah, except %

Assets	2016			2015			Δ% Interest Income
	Interest Income	Average Interest Rate		Interest Income	Average Interest Rate		
		Rupiah (%)	Foreign Currency (%)		Rupiah (%)	Foreign Currency (%)	
Loans	8,730	11.77	5.30	7,561	12.06	5.24	15.5%
Marketable securities and Government bonds	1,291	7.35	1.96	1,121	7.43	3.14	15.2%
Derivatives	-	-	-	337	-	-	-100.0%
Placement with other banks and Bank Indonesia	176	7.20	0.42	197	7.58	0.20	-10.7%
Others	7	-	-	5	-	-	46.8%
Total	10,204			9,221			10.7%

Interest Expenses

In 2016, Interest Expenses was relatively stable which amounted to Rp 4.8 trillion, same as 2015.

Bank OCBC NISP's interest expenses in 2015 and 2016 is described as follows:

In Billion Rupiah, except %

Liabilities	2016			2015			Δ% Interest Expenses
	Interest Expenses	Average Interest Rate		Interest Expenses	Average Interest Rate		
		Rupiah (%)	Foreign Currency (%)		Rupiah (%)	Foreign Currency (%)	
Time Deposits	3,516	7.46	0.88	3,532	8.67	1.68	-0.4
Saving Accounts	331	2.69	0.15	266	2.65	0.35	24.6
Current Accounts	242	1.79	0.67	167	1.62	0.56	44.4
Marketable Securities Issued	339	8.96	-	440	8.59	-	-23.0
Subordinated Bonds	101	11.5	-	101	11.50	-	0.1
Borrowings	51	-	-	49	-	1.47	3.5
Deposits from Other Banks	42	4.58	0.49	72	6.29	0.14	-42.3
Others	189	-	-	175	-	-	8.4
Total	4,811			4,802			0.2

Interest Expense Composition

In Billion Rupiah, except %



The average interest rate of time deposits in Rupiah denomination declined to 7.5% in 2016 from 8.7% in 2015, while the average interest rate of saving in Rupiah denomination rose to 2.7% in 2016 from 2.6% in 2015 and the average interest rate of current accounts in Rupiah denomination also increased to 1.8% in 2016 as compared to 1.6% in 2015. The average interest

rate of time deposits denominated in foreign currencies fell from 1.7% in 2015 to 0.9% in 2016. The average interest rate of saving accounts denominated in foreign currencies declined from 0.3% in 2015 to 0.2% in 2016. Meanwhile, the average interest rate of current accounts denominated in foreign currencies slightly increased from 0.6% in 2015 to 0.7% in 2016.

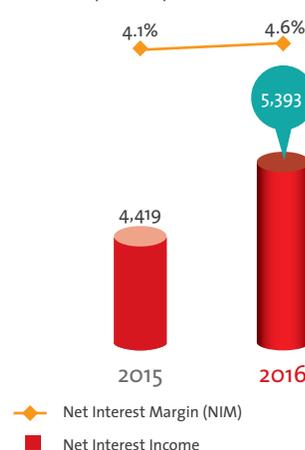
Net Interest Income

Net interest income increased by Rp 974 billion or 22.0% to Rp 5.4 trillion in 2016 from Rp 4.4 trillion in 2015, mainly driven by the increase in interest income along with the growth in the gross loans and decline in average interest rate of time deposits. The contribution of net interest income to total income became 79.2% from 83.8% in 2015.

Meanwhile the net interest margin stood at 4.6% in 2016 from 4.1% in 2015 due to the increase in net interest income of 22.0%, higher than the growth of earning assets of 15.2%.

Net Interest Income and Net Interest Margin (NIM)

In Billion Rupiah, except %



Other Operating Income

In Billion Rupiah, except %

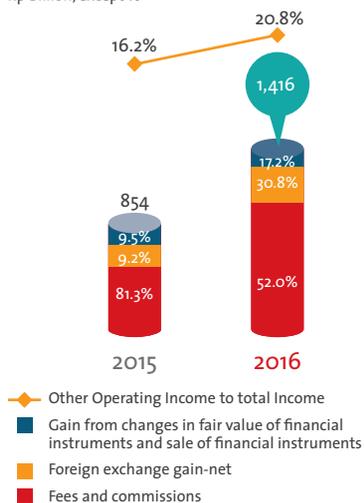
Other Operating Income	2016	2015	Δ %
Fees and commissions	737	694	6.1
Gain from changes in fair value of financial instruments and sale of financial instruments	243	82	197.0
Foreign exchange gain-net	436	78	456.5
Total	1,416	854	65.7

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Other operating income in 2016 amounted to Rp 1,416 billion, and increased by Rp 562 billion or 65.7% from Rp 854 billion in 2015, driven by foreign exchange gain – net and increase of gain from changes in fair value of financial instruments and sale of financial instruments.

Other Operating Income

Rp Billion, except %



The higher operating income has resulted a ratio of other operating income to total income increased from 16.2% in 2015 to 20.8% in 2016.

Allowance for Impairment Losses on Financial and Other Assets

The Bank's allowance for impairment losses on financial and other assets in 2016 and 2015 are described as follows:

Allowance/ (Reversal) for Impairment Losses on Financial Assets and Others	2016	2015	Δ %
Marketable securities	3	(3)	-194.7
Loans	1,370	408	235.7
Acceptance receivable	9	(5)	-301.3
Other assets - Letter of Credit transaction receivables	(65)	54	-221.1
Allowance for impairment losses - Others	(1)	-	-100.0
Total	1,316	454	189.6

Allowance for Impairment Losses on Financial and Other Assets has increased by Rp 862 billion or 189.6% to Rp 1,316 billion in 2016, compared to Rp 454 billion in 2015, driven by general reserves in line with loan growth and non-performing loans (NPL) in absolute amount increased by Rp 632 billion in 2016.

Allowance for Impairment Losses on Financial Assets (Excluded Allowance for Impairment Losses-Others)	2016	2015	Δ %
Loan	1,370	408	235.7
Non Loan	(53)	46	-215.4
Total	1,317	454	189.6

Other Operating Expenses

Bank OCBC NISP's other operating expenses in 2016 and 2015 are described as follows:

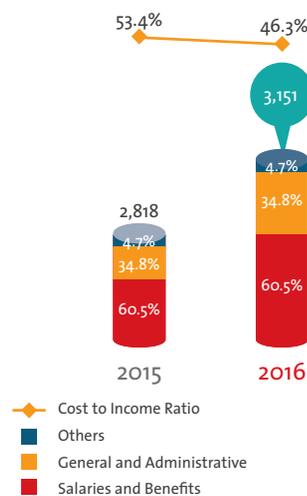
Other Operating Expenses	2016	2015	Δ %
Salaries and Benefits	1,906	1,706	11.8
General and Administrative	1,096	981	11.6
Others	149	131	13.5
Total	3,151	2,818	11.8

Other operating expenses in 2016 amounted to Rp 3.2 trillion, increased by Rp 333 billion or 11.8% from Rp 2.8 trillion in 2015, due to the increasing salaries and allowance worth Rp 200 billion, as well as general and administrative expenses of Rp 115 billion.

The increase in salaries and allowance was mainly contributed by the adjustment of salaries and allowance in 2016. Meanwhile, the increase in general and administrative expenses was mainly contributed by higher expenses for promotional of Rp 32 billion; fixed asset depreciation of Rp 24 billion; repairs, maintenance and transportation of Rp 19 billion; and also communication of Rp 13 billion.

Other Operating Expenses & Cost to Income Ratio

In Billion Rupiah, except %



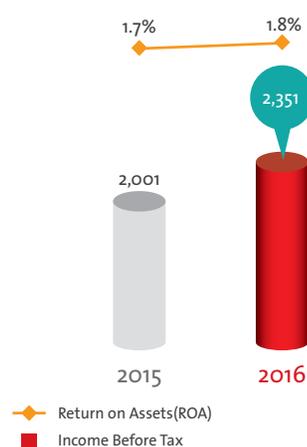
Cost to income ratio declined to 46.3% in 2016 compared to 53.4% in 2015 due to the growth of other operating expenses at 11.8%, lower than the growth of total operating income by 29.1%.

Income Before Tax

Income before tax reached Rp 2.4 trillion in 2016, rose by Rp 0.4 trillion or 17.5% compared to 2015 amounted to Rp 2.0 trillion due to a 22.0% increase in net interest income and 65.7% in other operating income, which is offset by the increase of other operating expenses by 11.8%. The 17.5% growth in income before tax and 14.7% growth in assets resulted higher ROA of 1.8% in 2016 than 1.7% in 2015.

Income Before Tax

In Billion Rupiah, except %



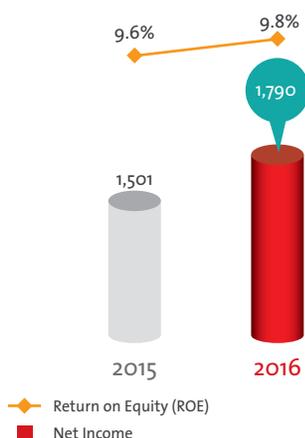
Net Income

In 2016, Bank OCBC NISP recorded net income of Rp 1.8 trillion, and surged by Rp 0.3 trillion or 19.3% as compared to Rp 1.5 trillion in 2015.

The increase was followed by the increase in equity by 18.9%, resulting to a higher ROE from 9.6% in 2015 to 9.8% in 2016.

Net Income & Return on Equity (ROE)

In Billion Rupiah, except %



Comprehensive Income Statement

Bank OCBC NISP's comprehensive income mainly derived from revaluation surplus of fixed assets and 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.

In 2016, Bank OCBC NISP recorded other comprehensive income net of tax amounting to Rp 1.3 trillion due to the items that will not be reclassified subsequently to profit or loss such as revaluation surplus of fixed asset worth Rp 1.3 trillion.

In 2015, Bank OCBC NISP recorded other comprehensive expenses net of tax amounting to Rp 33 billion, which was primarily generated by items that will be reclassified subsequently to profit or loss such as unrealized loss on available-for-sale financial assets amounting to Rp 41 billion and expenses of fair value changes transferred to profit or loss in the amount Rp 24 billion, which was offset by related income tax benefit of Rp 16 billion and also from items that will not be reclassified subsequently to profit or loss such as income from re-measurements on post employment benefit obligation of Rp 21 billion which was offset by related income tax expense of Rp 5 billion.

Comprehensive income statements as of December 31, 2016 and 2015 are as follows:

	In Billion Rupiah, except %	
	2016	2015
Statement of Other Comprehensive Income		
Net Income	1,790	1,501
Other Comprehensive Income/(Expenses):		
Items that will be reclassified subsequently to profit or loss		
Available for Sale Financial Assets		
• Gain/(Loss) for the Year	4	(41)
• Fair value changes transferred to profit or loss	45	(24)
Related Income Tax	(12)	16
Items that will not be reclassified subsequently to profit or loss		
Revaluation surplus of fixed asset	1,258	-
Remeasurements from post employment benefit obligation	13	21
Related Income Tax	(3)	(5)
Comprehensive Income/(Expenses) for the Year, Net of Tax	1,305	(33)
Total Comprehensive Income for the Year, Net of Tax	3,095	1,468

Bank OCBC NISP'S Financial Position

Bank OCBC NISP posted total assets of Rp 138.2 trillion or grew by 14.7% from Rp 120.5 trillion in 2015. This achievement ultimately placed Bank OCBC NISP as the 8th largest national private bank in terms of total assets with a market share of 2.1% in 2016 and 2.0% at the end of 2015. Total assets growth was mainly contributed 8.7% growth of total gross loans, which was also supported by the growth of third-party deposits of 18.7% in 2016. Bank OCBC NISP also diversified funding to support lending activities, among others, by issuing marketable securities with total value of Rp 3.9 trillion, lower than Rp 5.4 trillion in 2015.

Bank OCBC NISP optimally sustained its intermediary function as indicated by Loan to Deposit Ratio – LDR of 89.9%.

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Assets

Total assets as of December 31, 2016 was Rp 138.2 trillion, increased by Rp 17.7 trillion or 14.7% over the same period of 2015 amounting to Rp 120.5 trillion, driven by loan growth – net amounted to Rp 6.2 trillion, marketable securities – net of Rp 10.5 trillion, government bond of Rp 4.2 trillion and fixed asset – net of Rp 1.3 trillion which is compensated by lower placement of Bank Indonesia and other banks amounting to Rp 5.8 trillion. The following table provides details of the Company's total assets as of December 31, 2016 and 2015:

Assets	In Billion Rupiah, except %			
	2016		2015	
Cash	882	0.6%	938	0.8%
Current accounts with Bank Indonesia	8,018	5.8%	7,801	6.5%
Current accounts with other banks	485	0.3%	679	0.6%
Placements with other banks and Bank Indonesia	3,442	2.5%	9,278	7.7%
Marketable securities – net	14,347	10.4%	3,834	3.2%
Government Bonds	12,373	9.0%	8,165	6.8%
Derivative receivables	352	0.3%	545	0.4%
Loans – net	90,248	65.3%	84,041	69.8%
Acceptance receivables – net	3,486	2.5%	2,826	2.3%
Prepayments	418	0.3%	388	0.3%
Fixed assets - book value	2,414	1.7%	1,076	0.9%
Other assets – net	1,361	1.0%	666	0.5%
Prepaid tax	-	-	73	0.1%
Deferred tax assets	370	0.3%	170	0.1%
Total	138,196	100.0%	120,480	100.0%

Loans

As of December 31, 2016, total gross loans amounted to Rp 93.4 trillion, increased by 8.7% compared to Rp 85.9 trillion in the same period last year due to business development initiatives undertaken by Bank OCBC NISP and also continuous improvements of the Bank's internal processes.

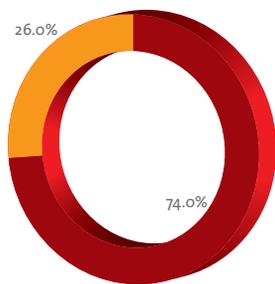
Loan Collectability Rate

Loans based on collectability as of December 31, 2016 and 2015 are as follows:

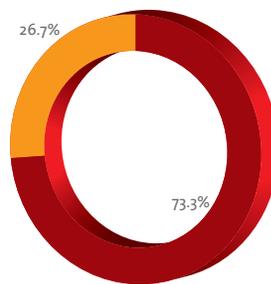
Description	2016		2015	
	Total Loans	Allowance for Impairment Losses	Total Loans	Allowance for Impairment Losses
Pass	90,338	1,943	83,379	1,185
Special mention	1,276	141	1,384	205
Substandard	272	171	382	127
Doubtful	193	96	101	37
Loss	1,284	764	633	284
Total	93,363	3,115	85,879	1,838

Gross Loans Composition in Rupiah and Foreign Currency

Percent (%)



2016



2015

2016: Rp 93,363 billion
2015: Rp 85,879 billion

● Rupiah
● Foreign Currency

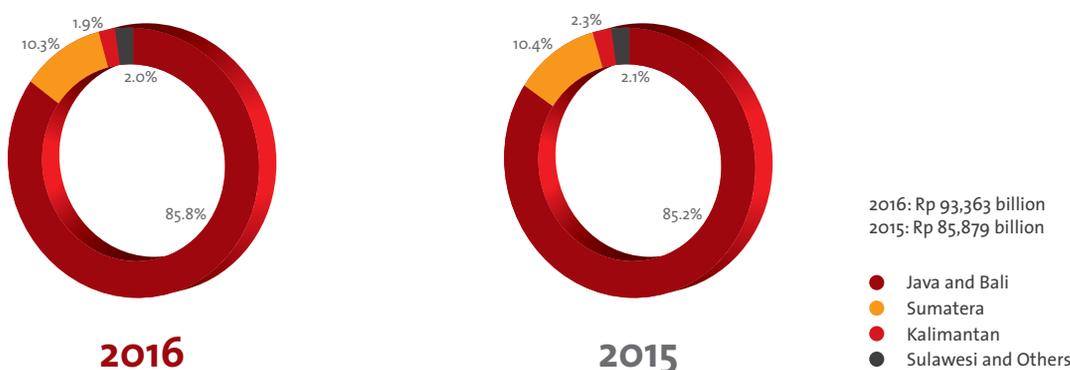
In 2016, the composition of total gross loans in Rupiah and foreign currency denominations was 74.0% and 26.0% respectively. The Rupiah denominated gross loans amounted Rp 69.1 trillion as of the end of 2016, up by 9.8% as compared to previous year. Meanwhile, gross loans in foreign currency denomination had equivalent value of Rp 24.2 trillion, rose by 5.6% from the previous year.

In terms of loan quality, the gross NPL that denominated in Rupiah was 2.2% in 2016 and 1.7% in 2015, whereas gross NPL in foreign currencies was 0.9% and 0.2% respectively. The composition of gross NPL in Rupiah and foreign currencies denominations was 88.2% and 11.8% respectively of the total gross NPL.

In terms of regional distribution, the largest loans contribution was from Java and Bali areas, with 85.8% of total gross loans or amounting to Rp 80.1 trillion, increased by 9.6% from December 31, 2015. Meanwhile, Sumatera gave contribution of 10.3% of total gross loans or amounting to Rp 9.7 trillion, increased by 7.7% over the previous year. Followed by Kalimantan, which contributed 1.9% or amounting to Rp 1.7 trillion, dropped 14.2%, followed by Sulawesi and other regions with contribution of 2.0% or Rp 1.9 trillion, grew 4.2% from 2015.

Gross Loan Composition by Geography [G4-F56]

Percent (%)

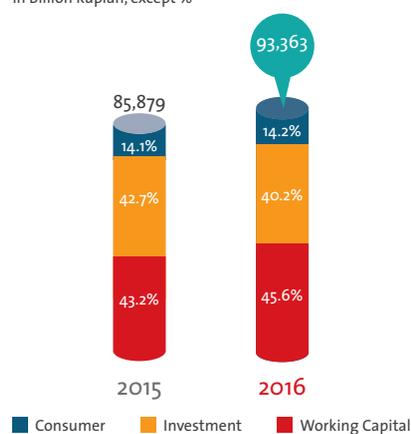


Based on business segments classification, the largest contribution came from the commercial segment, followed by the corporate and consumer segments (including employee loan) in amounts of Rp 55.1 trillion, Rp 24.9 trillion and Rp 13.3 trillion or equivalent to 59.0%, 26.8% and 14.2% respectively at the end of 2016.

Based on type of usage, working capital loans provided the largest contribution of 45.6% of total gross loans at the end of 2016 or amounting to Rp 42.6 trillion, grew by 14.9% from the position on December 31, 2015. Investment loans contributed 40.2% of total gross loans or amounting to Rp 37.5 trillion, rose 2.2% from the previous year. While for consumer loans, which 82% of its composition was dominated by mortgage (KPR), contributed as much as 14.2% of the total gross loans or Rp 13.3 trillion, increasing by 9.5% over the end of 2015.

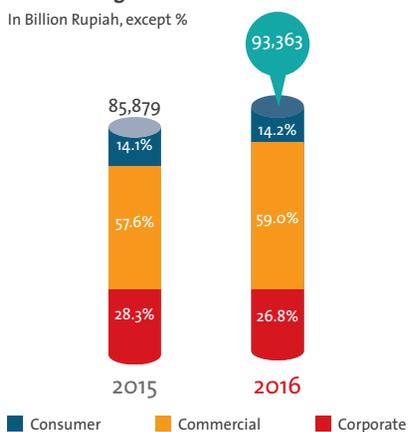
Loan (Gross) Composition by Type of Usage

In Billion Rupiah, except %



Loan (Gross) Composition by Business Segment

In Billion Rupiah, except %

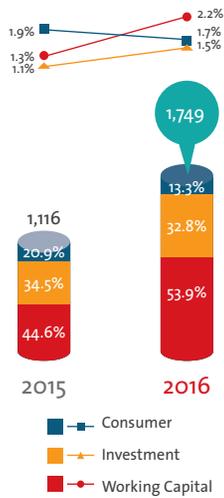


In terms of gross NPL based on type of usage, the largest contribution came from working capital loans, investment loans and consumer loans with the amount of respectively Rp 944 billion, Rp 573 billion and Rp 232 billion, or 2.2%, 1.5%, and 1.7% of total its respective loans by usage at the end of 2016.

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NPL Composition and NPL Ratio by Type of Usage

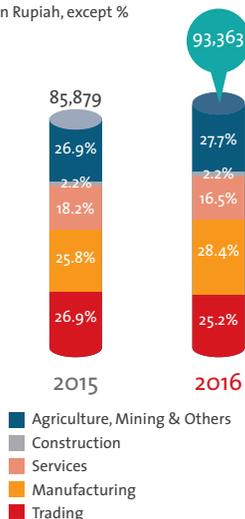
In Billion Rupiah, except %



In terms of loans distribution by economic sectors, the manufacturing sector became the largest contributor at 28.4% of total loans gross at the end of 2016 or amounted to Rp 26.5 trillion, followed by the trading and services sectors with their respective contribution of 25.2% and 16.5% or amounted to Rp 23.5 trillion and Rp 15.4 trillion. Moreover, a combination of the construction, agriculture, mining and other sectors contributed to 29.9% of total loans or Rp 28.0 trillion.

Loan (Gross) Composition by Economic Sector

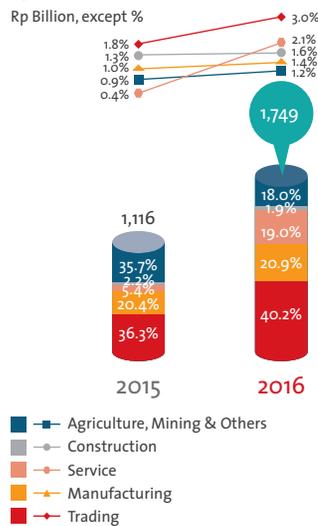
In Billion Rupiah, except %



For gross NPL which is based on economic sectors, the trading sector contributed the largest portion with Rp 704 billion or 40.2% of total loans, followed by manufacturing and services sectors with contribution respectively by Rp 366 billion and Rp 332 billion or 20.9% and 19.0% of total loans in 2016. Meanwhile, the construction, agriculture, mining and other sectors contributed Rp 347 billion or 19.9% of the total loans.

NPL Composition and NPL Ratio (Gross) by Economic Sector

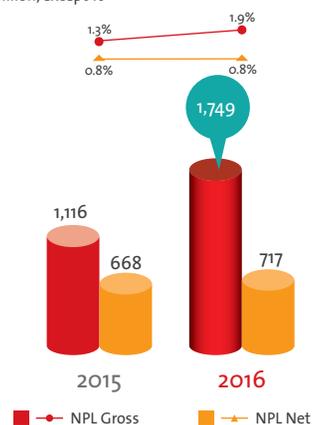
Rp Billion, except %



Bank OCBC NISP maintained its assets quality, as reflected by the gross NPL at 1.9% of total gross loans on December 31, 2016, lower than the industry average of about 2.9% at the end of 2016.

NPL Gross and NPL Net

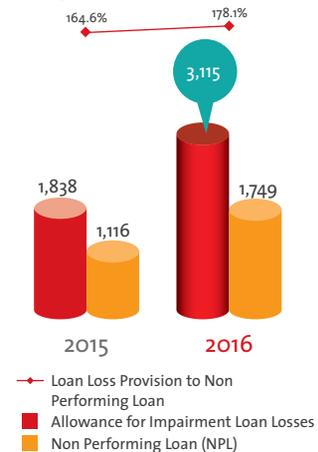
Rp Billion, except %



The bank's net NPL was recorded at 0.8%, which was still far below the benchmark set by Bank Indonesia of 5.0%.

Allowance for Impairment Loan Losses

Rp Billion, except %



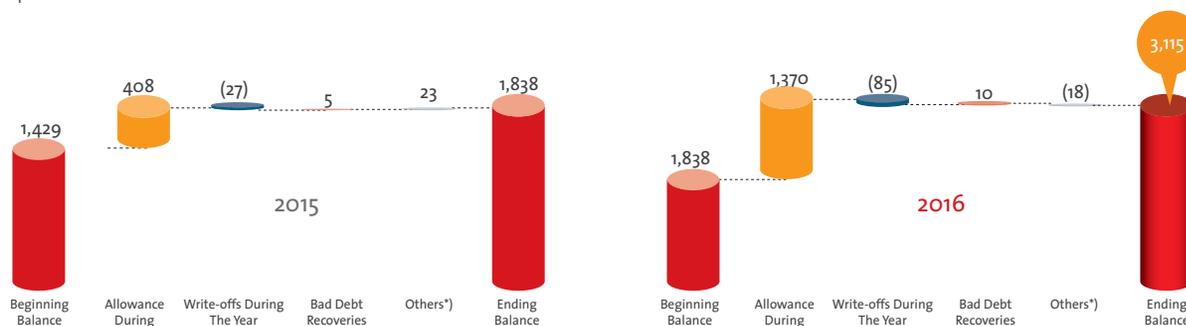
Bank OCBC NISP has allocated adequate allowance for loan losses to cover possible losses from non-performing loans, as reflected in the ratio of loan losses allowance to NPL at 178.1% at the end 2016, which was increased compared to 164.6% in 2015.

The allowance for loan losses on December 31, 2016 stood at Rp 3.1 trillion, rose 69.5% from Rp 1.8 trillion as of December 31, 2015. The increase was driven by the general provision formed to correspond with overall loans expansion in 2016 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



*) Includes effect of foreign exchange translation

Placements with other banks and Bank Indonesia

Total placements with other banks and Bank Indonesia on December 31, 2016 amounted to Rp 3.4 trillion, declined by 62.9% from Rp 9.3 trillion at the end of 2015, as the Bank placed excess liquidity in the form of Bank Indonesia Certificate Deposit in 2016.

Placements at other banks and Bank Indonesia were composed of Rupiah and foreign currency denominations by 99.16% of total placements at the end of 2016.

Marketable Securities

Based on classification, the gross marketable securities comprise

securities for trading and available for sale, as well as loans and receivables respectively in the amounts of Rp 445 billion, Rp 13.716 billion and Rp 193 billion or by 3.1%, 95.6% and 1.3% at the end of 2016.

At the end of 2016, the total gross marketable securities (including Bank Indonesia Certificates/ SBI and corporate bonds) were Rp 14.4 trillion, increased by Rp 10.5 trillion or 274.0% from last year, primarily due to an increased in SBI and Bank Indonesia Certificate Deposit (SDBI) of categorized available for sale in denominated Rupiah and foreign currencies of Rp 4.6 trillion and Rp 4.8 trillion respectively.

The marketable securities are made up of Rupiah and foreign currency denominations, respectively at the amounts Rp 8.8 trillion and Rp 5.6 trillion or 61.3% and 38.7% of the total placements. All marketable securities carried fixed interest rates.

Government Bonds

Government bonds accounted for 9.0% of total assets in 2016, higher than its 6.8% contribution in 2015. In 2016, the government bonds amounted to Rp 12.4 trillion or rose by 51.5% from Rp 8.2 trillion in 2015. The composition of government bonds was 73.6% in Rupiah and 26.4% in foreign currency, while in terms of category by 9.4% was for trading and 90.6% was available for sale.

In Billion Rupiah, except %

Government Bonds	2016				2015			
	Rupiah	Foreign Currency	Total	% of total	Rupiah	Foreign Currency	Total	% of total
Trading	882	282	1,164	9.4%	738	279	1,017	12.5%
Available for Sale	8,225	2,984	11,209	90.6%	5,125	2,023	7,148	87.5%
Total	9,107	3,266	12,373	100.0%	5,863	2,302	8,165	100.0%
Composition %	73.6%	26.4%	100.0%		71.8%	28.2%	100.0%	

Fixed Assets

The fixed assets accounted for 1.7% of total assets in 2016, higher than 2015 which amounted to 0.9%. Fixed assets increased by 124.2% from Rp 1.1 trillion on December 31, 2015 to

Rp 2.4 trillion on December 31, 2016. This increase resulted primarily from the revaluation of land and buildings amounted to Rp 1.3 trillion, which was approved by the Director General of Taxes.

Liabilities

Assets growth was supported by an increase of total liabilities as much as Rp 14.6 trillion or increased by 14.0% to Rp 118.7 trillion at the end of 2016 from Rp 104.1 trillion in 2015. The increase was mainly driven by the growth of

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third-party deposits reaching Rp 16.3 trillion, marketable securities sold under repurchase agreements of Rp 1.3 trillion and deposits from other banks of Rp 1.0 trillion which was compensated by decline in borrowings amounting to Rp 2.8 trillion and marketable securities issued of Rp 1.5 trillion.

The following table provides details of the total liabilities as of December 31, 2016 and 2015:

Liabilities	In Billion Rupiah, except %			
	2016		2015	
Obligation due immediately	444	0.4%	354	0.3%
Deposits from customers 1)	103,560	87.2%	87,280	83.9%
Deposits from other banks	2,507	2.1%	1,479	1.4%
Derivative payables	304	0.3%	948	0.9%
Acceptance payables	3,514	3.0%	2,847	2.7%
Tax Payables	185	0.2%	196	0.2%
Accrued expenses	393	0.3%	380	0.4%
Borrowing	-	-	2,757	2.7%
Securities sold under repurchase agreements	1,346	1.1%	-	-
Marketable securities issued	3,899	3.3%	5,392	5.2%
Employee benefits obligation	657	0.6%	552	0.5%
Other liabilities	1,002	0.8%	1,006	1.0%
Subordinated bonds	879	0.7%	878	0.8%
Total	118,690	100.0%	104,069	100.0%

1) Deposits from Customers consist of current accounts, saving accounts and time deposits

Third Party Deposits

The Bank recorded third-party deposits of Rp 103.6 trillion, increased by 18.7% compared to Rp 87.3 trillion in 2015. Third-party deposits consists of current accounts, saving accounts and time deposits which reached 23.7%, 15.7% and 60.6% respectively at the end of 2016.

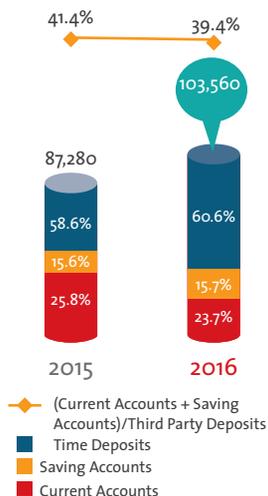
An increased in time deposit of Rp 11.6 trillion or 22.7% to Rp 62.8 trillion at the end of 2016, also accompanied by the growth in saving accounts of Rp 2.6 trillion or grew by 19.4% to Rp 16.3 trillion at the end of 2016 as compared to the end of 2015. The amount of current accounts also increased by

Rp 2.0 trillion or 8.9% to Rp 24.5 trillion compared to the previous year.

In 2016, a fast increased in time deposit, resulted a lower composition of current account and saving account ratio of 39.4% as compared to 41.4% at the end of 2015.

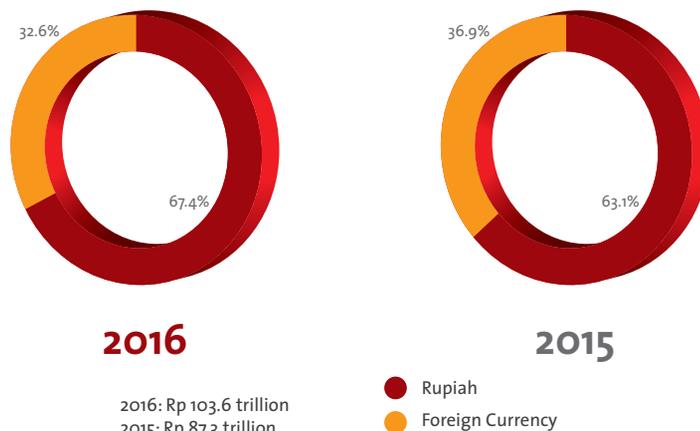
Third Party Deposits

Rp Billion, except %



Third Party Deposits Composition by Currency

Percent (%)

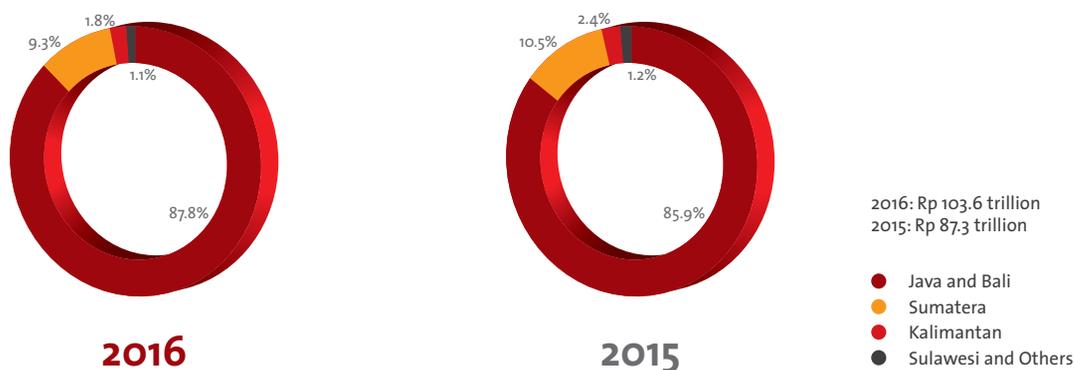


The composition of third-party deposits in Rupiah and foreign currency denominations was 67.4% dan 32.6% at the end of 2016. Third-party deposits in Rupiah amounted to Rp 69.8 trillion at the end of 2016

or increased 26.8% from 2015. Third party deposits in foreign currency denomination had equivalent total of Rp 33.8 trillion, grew by 4.8% from the end of 2015.

Third Party Deposits Composition by Geography

Percent (%)



Based on the regional distribution, the largest contribution came from Java and Bali of 87.8% of total third party deposits in 2016 or Rp 90.9 trillion, an increase by 21.2% from the end of 2015. Meanwhile, Sumatera provided a contribution of 9.3% to total third party deposits or the amount of Rp 9.6 trillion with an increase of 4.4% from the end of 2015. Kalimantan accounted for 1.8% or Rp 1.8 trillion, fell 10.0% from the end of 2015 total, whereas Sulawesi and other regions contributed 1.1% or Rp 1.2 trillion and posting growth of 13.9% from end of 2015.

Deposits from Other Banks

Deposits from other banks on December 31, 2016 amounted to Rp 2.5 trillion, an increase of Rp 1.0 trillion, or 69.6% over the same period in 2015 amounted to Rp 1.5 trillion. The largest contribution derived from the inter-bank call money which rose by Rp 1.0 trillion, or 74.2% from Rp 1.4 trillion in 2015 to Rp 2.4 trillion in 2016. The increase in this is part of the banking activity generally.

Deposits from Other Banks	In Billion Rupiah, except %			
	2016		2015	
Current and Saving Accounts	96	3.8%	100	6.8%
Inter - Bank Call Money	2,378	94.9%	1,365	92.4%
Time Deposits	33	1.3%	13	0.8%
Total	2,507	100.0%	1,478	100.0%

Borrowings

On December 31, 2016, there were no borrowings as compared to the end of 2015 amounted to Rp 2.8 trillion or decreased 100.0%. The decline in borrowings was because Bank OCBC NISP has repaid the loan facility.

Securities sold under repurchase agreements

Securities sold under repurchase agreements on December 31, 2016 amounted to Rp 1.3 trillion or increased by 100.0% than 2015 which amounted to nil. Generally, this increase is part of the banking activity.

Marketable Securities Issued

Bank OCBC NISP diversified its funding through marketable securities issued. By the end of 2016, the total marketable securities issued, after deduction of unamortized issuance cost, amounted to Rp 3.9 trillion, lower than the total of Rp 5.4 trillion at end of 2015, as the Bank has repaid the Continuous Bond I OCBC NISP Phase I Year 2013 Series C amounting to Rp 1.5 trillion, Continuous Bond I

OCBC NISP Phase II Year 2015 Series A amounting to Rp 1.1 trillion and Medium Term Notes I Bank OCBC NISP Year 2013 amounting to Rp 0.9 trillion, respectively in its maturity date. In addition, the Bank also issued Continuous Bond II Bank OCBC NISP Phase I Year 2016 amounting to Rp 2.0 trillion.

Subordinated Bonds

On December 31, 2016, the Bank recorded total subordinated bonds net of unamortized issuance costs at Rp 879 billion, slightly increased from the total of Rp 877 billion in the same period last year, due to amortization of issuance costs throughout 2016.

Equity

Total equity as of December 31, 2016 reached Rp 19.5 trillion, increased by Rp 3.1 trillion or 18.9% compared to Rp 16.4 trillion as of December 31, 2015. The equity increase was mainly contributed by net income amounting to Rp 1.8 trillion and revaluation surplus of fixed asset amounting to Rp 1.3 trillion.

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The following are details of Bank OCBC NISP's total equity as of December 31, 2016 and 2015:

Equity	In Billion Rupiah, except %			
	2016		2015	
Issued and fully paid	1,434	7.3%	1,434	8.8%
Additional paid-in capital/agio	6,829	35.0%	6,829	41.6%
Unrealised loss from decrease in fair value of available for sale marketable securities and Government bonds net of deferred tax	(26)	(0.1%)	(63)	(0.4%)
Revaluation surplus of fixed asset	1,259	6.5%	-	0.0%
Retained earnings - Appropriated	2	0.0%	2	-
Retained earnings - Unappropriated	10,009	51.3%	8,209	50.0%
Total	19,507	100.0%	16,411	100.0%

Cash Flow

Statements of cash flows are prepared using the direct method by classifying cash flows into operating, investing and financed activities.

The table below shows historical data on Bank OCBC NISP's cash flow in 2016 and 2015:

Cash Flow	In billion Rupiah	
	2016	2015
Net Cash Flows Provided from/(Used in) Operating Activities	10,887	(1,280)
Net Cash (Used in)/Provided from Investing Activities	(14,655)	5,354
Net Cash (Used in)/Provided from Financing Activities	(4,257)	2,462

Net Cash Flows Provided from Operating Activities

Net cash flows provided from operating activities in 2016 amounted to Rp 10.9 trillion, or changed by 950.7% from Rp 1.3 trillion in 2015, mainly due to the loan growth which amounted Rp 7.5 trillion in 2016, while Rp 17.5 trillion in 2015, so there was a difference in decline of loan growth with total value of Rp 10.0 trillion.

Net Cash Flows (Used in)/Provided from Investing Activities

Net Cash Flows Used in Investing Activities in 2016 amounted to Rp 14.7 trillion or changed at 373.7% from Rp 5.4 trillion in 2015. These changes mainly occurred due to in 2016 securities purchasing and

government bonds available for sale amounting to Rp 20.2 trillion, or higher than the activity of sale of securities and government bonds available for sale amounting to Rp 5.8 trillion, a difference in the increase in net cash flows used in investing activities which amounted to Rp 14.4 trillion.

While in 2015, the securities purchasing and government bonds available for sale amounting to Rp 6.7 trillion, or lower than securities sale and government bonds available for sale amounting to Rp 12.3 trillion, so there is a difference in the increase of net cash flows provided from investing activities amounted to Rp 5.6 trillion.

Net Cash Flows Used in Financing Activities

Net cash used in financing activities in 2016 reached Rp 4.3 trillion or changed by 272.9% compared to 2015 amounted to Rp 2.5 trillion. This was because Bank OCBC NISP has repaid the Continuous Bond I OCBC NISP Phase I Year 2013 Series C amounting to Rp 1.5 trillion, Continuous Bond I OCBC NISP Phase II Year 2015 Series A amounting to Rp 1.1 trillion and Medium Term Notes I Bank OCBC NISP Year 2013 amounting to Rp 0.9 trillion and borrowing amounting to Rp 2.8 trillion, which was compensated with the Issuance of Continuous Bond II Phase I Year 2016 worth Rp 2.0 trillion, so there was a difference in net cash flows used in financing activities of Rp 4.3 trillion.

Other Important Information

Capital Structure

The composition of the Bank's stock ownership as of December 31, 2016 and 2015 are as follows:

Shares Ownership Composition	Common Shares Nominal Value Rp 125 Per Shares					
	2016			2015		
	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
• Board of Commissioners						
Pramukti Surjaudaja	225,971	28,246,375	0.00	113,439	14,179,875	0.00
• Board of Directors						
Parwati Surjaudaja	1,483,210	185,401,250	0.01	1,483,210	185,401,250	0.01
• Other Shareholders (ownership interest each below 5%)	1,710,243,693	213,780,461,625	14.91	1,710,356,225	213,794,528,125	14.91
Total Issued and Fully Paid	11,472,648,486	1,434,081,060,750	100.00	11,472,648,486	1,434,081,060,750	100.00
Total shares on Portapel	16,527,351,514	2,065,918,939,250		16,527,351,514	2,065,918,939,250	

The following details of Bank OCBC NISP's equity on December 31, 2016 and 2015 are:

In Billion Rupiah

Equity	2016	2015
Issued and fully paid	1,434	1,434
Additional paid-in capital/agio	6,829	6,829
Unrealised loss from decrease in fair value of available for sale marketable securities and government bonds net of deferred tax	(26)	(63)
Revaluation surplus of fixed assets	1,258	-
Retained earnings	10,011	8,211
Total	19,506	16,411

• 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 to sustain the trust of investors, depositors, creditors and the market; to support business expansion and provide an optimum rate of capital return to shareholders, maintain balance between high returns with higher gearing ratio and the securities derived from strong capital position. The Bank completed the following corporate actions over the past five years:

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 Rp 3.5 trillion, which were entirely channeled into assets and used for business expansion through loan distribution, net of issuance cost.

Previously, in order to strengthen capital structure, Bank OCBC NISP completed the limited public offering or Rights Issue VI Bank OCBC NISP. From a

total of 1,506,975,730 shares being offered, total subscription received was recorded to be 1,682,000,179 shares, thereby an oversubscription of the offered shares reached 12%. Through Rights Issue VI, the Bank obtained additional capital funds of Rp 1.5 trillion, which were entirely channeled into assets and used for placement in productive assets to be entirely used for credit distribution.

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, often called the Capital Adequacy Ratio (CAR), shows that Bank OCBC

FINANCIAL REVIEW

NISP maintain capital position at a level which is significantly higher compared to the minimum capital requirement based on risk profile set by regulator of 9.65% in 2016 and 9 to 10% in 2015.

The Bank calculated its capital requirements in accordance with BI regulation No. 15/12/PBI/2013 and OJK regulation No. 6/POJK.3/2015, 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, specific reserve, 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 net of buyback portion.

- Supplementary capital (tier 2), which includes subordinated securities and subordinated debts and allowance for uncollectible account on productive assets according to requirements from prevailing regulations.

The Bank's regulatory capital position under the applicable regulations as of December 31, 2016 and 2015 were as follows:

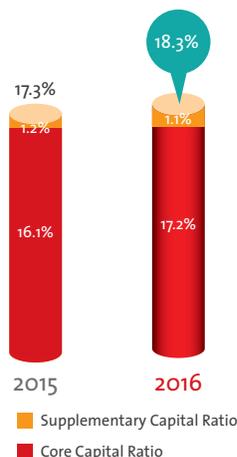
In Billion Rupiah, except %

Bank's Capital Structure	2016	2015
Core Capital (Tier 1)		
Main Core Capital (CET 1)		
• Paid-In Capital	1,434,081	1,434,081
• Additional Paid-In Capital	18,081,198	14,993,615
• Deducting Factor Main Core Capital	(370,025)	(170,373)
	19,145,254	16,257,323
Supplementary Capital (Tier 2)	1,160,435	1,230,684
Total Regulatory Capital	20,305,689	17,488,007
Risk Weighted Assets		
• Credit Risk	101,476,360	92,187,139
• Market Risk	721,963	1,151,508
• Operational Risk	8,860,547	7,644,293
Total Risk Weighted Assets	111,058,870	100,982,940
Capital Adequacy Ratio:		
• Main Core Capital (CET 1) Ratio	17.24%	16.10%
• Tier 1 Ratio	17.24%	16.10%
• Tier 2 Ratio	1.04%	1.22%
• Total Ratio	18.28%	17.32%
Required Capital Adequacy Based on Risk Profile:	9.65%	9%-10%

The Capital Adequacy Ratio (CAR) at the end of 2016 increased by 1.0% to 18.3% from 17.3% at the end of 2015. The increase in CAR was mainly driven by an increase in risk-weighted assets, increasing by 10.0% to Rp 111.1 trillion in 2016 from Rp 101.0 trillion by the end of 2015 in line with the growth in loans. While the core capital (Tier 1) rose by 17.8% to Rp 19.1 trillion at the end of 2016 from Rp 16.3 trillion at the end of 2015, due to current year profit and revaluation surplus of fixed asset.

Capital Adequacy Ratio (CAR)

Percent (%)



Solvency

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:

In Billion Rupiah

Marketable Securities Issued That Has Been Repaid	Series	Effective Date	Principal	Tenor	Maturity Date	Date of Repayment
Continuous Bonds I OCBC NISP Phase I Year 2013 With Fixed Interest Rate	A		973	370 days	March 1, 2014	March 1, 2014
	B	February 11, 2013	529	2 years	February 19, 2015	February 19, 2015
	C		1,235	3 years	February 19, 2016	February 19, 2016
Medium Term Notes I Bank OCBC NISP Year 2013	-	-	900	3 years	April 18, 2016	April 18, 2016
Continuous Bonds I OCBC NISP Phase II Year 2015	A	February 11, 2013	1,095	370 days	February 20, 2016	February 20, 2016

Bank OCBC NISP has fully repaid the principal of the securities in accordance with agreed terms set forth in the prospectus of the issued securities.

Interest Payment of Subordinated Bonds III in 2016

Coupon	Total Payment	Description
Coupon 23	Rp 24,970,000,000	Repaid
Coupon 24	Rp 24,970,000,000	Repaid
Coupon 25	Rp 24,970,000,000	Repaid
Coupon 26	Rp 24,970,000,000	Repaid

Interest Payment of Continuous Bonds I Bank OCBC NISP Phase I Year 2013 With Fixed Interest Rate in 2016

Coupon	Total Payment	Description
Coupon 12	Rp 27,713,000,000	Repaid

Interest Payment Medium Term Notes I Bank OCBC NISP Year 2013 in 2016

Coupon	Total Payment	Description
Coupon 11	Rp 15,750,000,000	Repaid
Coupon 12	Rp 15,750,000,000	Repaid

Interest Payment of Continuous Bonds I Bank OCBC NISP Phase II Year 2015 With Fixed Interest Rate in 2016

Coupon	Total Payment	Description
Coupon 4	Rp 73,377,500,000	Repaid
Coupon 5	Rp 46,002,500,000	Repaid
Coupon 6	Rp 46,002,500,000	Repaid
Coupon 7	Rp 46,002,500,000	Repaid

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Interest Payment of Continuous Bonds II Bank OCBC NISP Phase I Year 2016 With Fixed Interest Rate in 2016

Coupon	Total Payment	Description
Coupon 1	Rp 39,443,125,000	Repaid
Coupon 2	Rp 39,443,125,000	Repaid

In 2016, Bank OCBC NISP has paid interest and principle of issued securities on timely basis.

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

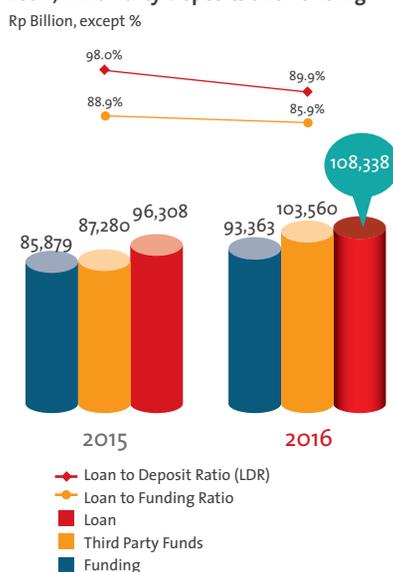
• Liquidity Ratio

Bank OCBC NISP continued to maintain a healthy level of liquidity throughout 2016. One of the measures was the Loan to Deposit Ratio (LDR). Bank OCBC NISP keeps managed an optimum level of LDR, and succeeded in maintaining it at 89.9% on December 31, 2016, whereby decreased by 8.1% from 98.0% on December 31, 2015.

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 even though they are not reflected in the Bank's LDR calculation, comprising of mid-term and long-term financing in the form of senior bonds, Medium Term Notes, borrowings and subordinated bonds.

The Bank has recorded a total funding from Third Party Deposits, Senior Bonds, Medium Term Notes, borrowings and subordinated bonds of Rp 108.3 trillion as of December 31, 2016. Hence, the Loan to Funding Ratio, ratio of distributed loans to total third party deposits plus senior bonds, Medium Term Notes, borrowings and subordinated bonds, stood at 85.9%, a good level to support the bank's business growth in long term.

Loan, Third Party Deposits and Funding



Notes:
 1) Loan to Deposit calculation is based on Bank Indonesia Policy.
 2) Funding includes Third Party Fund, Borrowings, Bonds and Medium Term Notes (MTN).

Dividend Policy

The company strives to create value for stakeholders, and in this regard, includes balancing efforts to maximize shareholder 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 the 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 and also to support business growth and

funding expansion; based on the Annual General Meeting as stated in Deed No. 31 dated April 7, 2016 and Deed No. 32 dated April 9, 2015 of Notary Fathiah Helmi, SH., the shareholders agreed not to distribute dividends from profits in the financial years 2015 and 2014, and to store Rp 100 million into the bank's statutory reserve for each of the financial year.

Description	2016	2015
Cash Dividend Payment Date	-	-
Cash Dividend per Stock (Rp)	-	-
Total Cash Dividend (Rp)	-	-

Capital Investment

The cost of capital investments during 2016 amounting to Rp 232 billion, where the IT-related capital investments in the amount of Rp 133 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

To support business growth and provide better service to customers, the Bank has opened one new office located in Kupang, East Nusa Tenggara. The Bank also added four ATMs and 266 EDC/PC e-channel.

• Types of Capital Investment

Capital expenditure for 2016 consisted of Rp 58 billion for the procurement of buildings, Rp 148 billion for IT and office equipments, and Rp 26 billion for motor vehicles.

Investment Value of Capital Expenditure

Description	In billion Rupiah	
	2016	2015
Land and Building	58	93
Office Equipment and Information Technology Equipment	148	128
Motor Vehicles	26	30
Total	232	251

Significant Capital Commitment

In 2016, Bank OCBC NISP had outstanding capital commitment for capital investment in order to support business expansion.

Objective of Significant Capital Commitment

Most of the commitment was made in regard to expansion of 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 has commitments for capital investments amounting to

Rp 39.7 billion as of December 31, 2016. The composition of capital commitments in Rupiah and foreign currency denominations amounted to Rp 29.3 billion and equivalent of Rp 10.4 billion. The cost used the Bank's internal fund. The composition of capital commitments over the last two years are as follows:

Description	In billion Rupiah	
	2016	2015
In Rupiah	29.3	6.1
In Foreign Currency (Equivalent Rupiah)	10.4	19.7
Total	39.7	25.8

The Bank's step to minimize risk arising from foreign currency 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 is met consistently in a timely manner with funds that have been adequately allocated in advance. Bank OCBC NISP has also prepared the steps in relation to risks of foreign currency fluctuations on capital commitment denominated

in foreign currencies which is managed by the Finance Department with the Treasury Division.

Information of Transaction with Conflict of Interest or Related Parties

In 2015 and 2016, there was no transaction undertaken by Bank OCBC NISP that can be classified as transactions with conflict of interest.

In 2016 and 2015, Bank OCBC NISP performed a number of transactions with related parties, among others are with the Shareholders, other related companies, BOC, BOD, 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, borrowings, 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 45 to the financial statements are presented on page 346 to 353 of this Annual Integrated Report.

Description	In Million Rupiah	
	2016	2015
Current accounts with other banks		
OCBC Bank, Singapore	91,046	88,999
OCBC Bank, Hong Kong	15,388	15,145
Derivative receivables		
OCBC Bank, Singapore	11,561	12,932
Hendrawati	1	-
Hardi Juganda	6	-
Acceptance receivables		
OCBC Bank, Singapore	-	2,696
Loans		
PT Kharisma Inti Usaha	141,354	581,754
Koperasi Binuang	48,593	38,792
PT Pakubumi Semesta	39,835	41,366
Griya Miesejati	33,703	43,570
SAS International	25,990	-
Sosial Enterprener Indonesia	11,429	15,771

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In Million Rupiah

Description	2016	2015
PT Angputra Jaya	10,000	7,935
CV Ganijan Jaya	693	944
Directors and key employees	35,082	19,846
Prepayments		
Building Rental	2,119	56
Deposits from Customers		
Current accounts	148,643	458,925
Savings accounts	67,828	52,845
Time deposits	401,052	371,770
Deposits from other banks		
Current and saving accounts	32,276	38,049
Derivative Payables		
OCBC Bank, Singapore	71,907	13,070
Acceptance Payables		
OCBC Bank, Singapore	59,925	26,052
OCBC Bank, Hongkong	27,902	-
OCBC Bank, China	27,566	13,665
OCBC Bank, Thailand	990	-
Borrowings		
OCBC Bank, Singapore	-	2,757,000
Accrued expenses		
Accrued expenses	502	766
Interest income		
Loans	59,575	126,403
Current accounts and placements with other banks	363	935
Interest expense		
Deposits from customers	26,610	42,167
Deposits from other banks	1,384	628
Borrowings	44,314	52,548
General and administrative expense		
Insurance premium expense	68,858	71,527
Rental expense	3,877	3,522

Information of Investments, Expansion, Divestment, Acquisition or Debt Restructuring

The company did not undertake other significant transactions associated with investment, expansion, divestment, acquisition or debt restructuring activities in 2016.

Report of Realized Utilization of Funds from Public Offering

Besides third party deposits, Bank OCBC NISP also utilized funds raised by issuing marketable securities during 2015 and 2016 to diversify

funding in loan distribution.

- Cumulative Position on Realized Utilization of Funds from Public Offering as at End of Financial Year

- Bank OCBC NISP issued Continuous Bonds I OCBC NISP Phase II Year 2015 with Fixed Rate on February 10, 2015, with total amount of Rp 3.0 trillion in 3 series:
 - a. Series A, with tenor of 370 days in the amount of Rp 1,095 billion at 9.00% per year, maturing on February 20, 2016;

- b. Series B, with tenor of two years in total amount of Rp 670 billion at 9.40% per year, maturing on February 10, 2017; and
- c. Series C, with tenor of three years in total amount of Rp 1,235 billion at 9.80% per year, maturing on February 10, 2018.

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

In million Rupiah

Type of Public Offering	Effective 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	February 11, 2013	3,000,000	8,674	2,991,326	2,991,326	2,991,326	-

In compliance with Bapepam Regulation and LK No. X.K.4, on July 10, 2015, Bank OCBC NISP submitted letter No. 064/CPDD-CDU/GH/PO-II/VII/2015 to the Financial Services Authorities regarding the report on proceeds of public offering of Continuous Bond I OCBC NISP Phase II Year 2015 with Fixed Rate, net of the issuance costs and fund 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 I Year 2016 with Fixed Interest Rate dated May 11, 2016 in total amount of Rp 2.0 trillion in 3 series:
 - a. Series A, with tenor of 370 days in the amount of Rp 837 billion at 7.50% per year, maturing on May 21, 2017;
 - b. Series B, with tenor of two years in total amount of Rp 380 billion at 8.00% per year, maturing on May 11, 2018; and
 - c. Series C, with tenor of three years in total amount of Rp 783 billion at 8.25% per year, maturing on May 11, 2019.

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

In million Rupiah

Type of Public Offering	Effective Date	Realization Value of Public Offering Proceed			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	April 29, 2016	2,000,000	7,250	1,992,750	1,992,750	1,992,750	-

To comply with Financial Service Authority (FSA) Regulation, on January 11, 2017 Bank OCBC NISP submitted letter No. 034/CPDD-CDU/GH/PUB-II/I/2017 to FSA regarding the proceeds from the Continuous Bond II OCBC NISP Phase I Year 2016 with Fixed Rate for the net of issuance costs, have been used entirely for funding business growth by channeling loans, in accordance with the provisions of its prospectus.

There was no change made to the plans for the utilizing proceeds from public offerings carried out by the company in 2015 and 2016.

Changes in Laws and Regulations that Affect Financial Performance

There was no change in statutory laws or regulations of Bank Indonesia or Financial Service Authority (FSA) in 2016 and 2015 that had a material impact on the financial performance or position of Bank OCBC NISP.

Reported Financial Information Pertaining to Extraordinary Events

During 2016, there was no reported financial information containing extraordinary events.

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

Up to 2016, Bank OCBC NISP had not offered stock ownership programs for employees and/or management. Shares owned and held by members

of the bank management at the present time has been derived from shares previously owned.

Subsequent Events

On February 10, 2017, Bank OCBC NISP made repayment of Continuous Bond I OCBC NISP Phase II Year 2015 with Fixed Rate Series B with nominal amount of Rp 670 billion.

Changes in Accounting Policies that Affect on Financial Performance

• Prospective Accounting Pronouncement

Financial Accounting Standard Board of Indonesia Institute of Accountants (DSAK-IAI) issued several new standards, amendments and interpretations but did not take effect for the financial year

FINANCIAL REVIEW

beginning 1 January 2016 are as follows:

- IFAS 31 “Interpretation of SFAS 13 work scope : Investment Property”
- SFAS 1 Amandement “Presentation of Financial Statements”
- SFAS 101 (revised 2016) Presentation of Sharia Financial Statements
- SFAS 102 (amandement 2016) Murabahah Accounting
- SFAS 103 (amandement 2016) Salam Accounting
- SFAS 104 (amandement 2016) Istishna Accounting
- SFAS 107 (amandement 2016) Ijarah Accounting

The ammdements and revisions became effective on January 1, 2017. When the financial statements were issued, the Bank evaluated the possible impact that might appear from new standards and revision as well as its influences on the Bank’s financial statements.

A complete accounting policy could be seen in Note 2 on the company’s financial statements as of 31 December 2016 in other section which is included in this Annual Integrated 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 now at the lowest rate used as the basis in determining lending rates charged to its customers.

Bank OCBC NISP reports that the calculation of prime lending rate in Rupiah to Bank Indonesia 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 was calculated and published at the end of 2016 and 2015 were as follows:

Description	2016	2015
Corporate Loans	10.50%	11.50%
Retail Loans	11.50%	12.25%
Consumer Loans		
• Mortgage	12.50%	12.75%
• Non Mortgage	12.75%	12.75%

PROSPECT AND TARGET OF BANK OCBC NISP

Target and Realization in 2016

Description	Realization 2016	Target 2016
Asset Growth	15%	Around 10-15%
Return On Assets (ROA)	1.8%	Around 1.8%
Revenue / Net Interest Margin (NIM)	4.6%	Around 4%
Capital Structure / Capital Adequacy Ratio (CAR)	18.3%	≥ 17%
NPL (Gross)	1.9%	≤ 2.5%

Bank OCBC NISP has completed 2016 with the following achieved targets, namely:

- Total Assets of Rp 138.2 trillion or an increase of 14.7% as compared with 2015 and achieved its target.
- ROA achieved in 2016 is 1.8% or as targeted.

- Revenue as shown in the Net Interest Margin at 4.6% and as targeted.
- Capital structure, as showed in Capital Adequacy Ratio, is 18.3% and as targetted.
- 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) is kept at 1.9%, lower than the maximum level set by the Bank which is at ffi 2.5%. NPL ratio is also much lower than the maximum level set by the Central Bank which is 5.0% and the average NPL ratio of the industry at 2.9% by the end of 2016.

2017 Target

The Bank’s target growth of total assets, loan, and third party funds has been set at around 10-15% in 2017. The growth strategy of Loan as the largest contributor of the asset growth will focus on the improvement of SMEs and retail credit 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 to 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 to lower cost of fund.

Bank OCBC NISP will 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 network

performance of offices and ATMs.

Description	Target 2017
Asset Growth	Around 10%-15%
Loans Growth	Around 10%-15%
Deposits Growth	Around 10%-15%
Return On Assets (ROA)	Around 2,0%
Revenue / Net Interest Margin (NIM)	Around 4%
Capital Structure / Capital Adequacy Ratio (CAR)	Around 17%
Dividend Policy	Based on the result of Annual General Meeting of Shareholders

BUSINESS PROSPECTS AND STRATEGIC PRIORITIES IN 2017

Indonesian Economic Prospects in 2017

Although Indonesia will face a number of economic challenges, economic growth is expected to improve to 5.1% as compared to 5.0% in 2016. This optimism in the country's growth, however, is supported by

the momentum in the growth of private consumption and investments as steered by the recent economic reform program. Additionally, global commodity prices have been increasing and is predicted to be the catalyst for revenue and investment improvements.

The following are the economic indicators in 2017:

Description	Unit	Assumptions 2017
Real GDP	% y-o-y	5.1
CPI Inflation	% end period	4.0
Exchange Rate (Rp/USD)	Rp	13,300
Government Treasury Bill 3 months	%	5.3
Indonesian Oil Price (USD/barrel)	USD	45
Gas Lifting (Million barrel per Day)	-	1,150
Oil Lifting (Million barrel per Day)	-	815

Source: Finance Ministry

Banking Industry Prospects in 2017

The economic condition in 2017 has been generally predicted will be better than in 2016. The lower credit rate will serve as the catalyst to boost asset growth in the banking sector in 2017 and is foreseen to be in the range of 10-12%. Intermediary functions of the Bank, or the average loan, is projected to grow between 10-12%. Average third party fund is projected to grow by 9-11% this year. The Bank would have a relatively strong capital, in line with the Basel III implementation.

However, there are a number of challenges in 2017 related with among others (1) liquidity due to US Federal Bank which intends to increase the reference rate three times this year. This could trigger capital outflow and may lead to liquidity shortage in the financial markets including Indonesia, and (2) the level of credit risk which still quite high.

Bank OCBC NISP is optimistic to continue perform in 2017 in view of the following indicators namely, external factors and the Company's capabilities as the 12th largest national bank in terms of assets, strong capital support, consistently GCG implementation, network, comprehensive various product and quality services in all industry sectors and business segments.

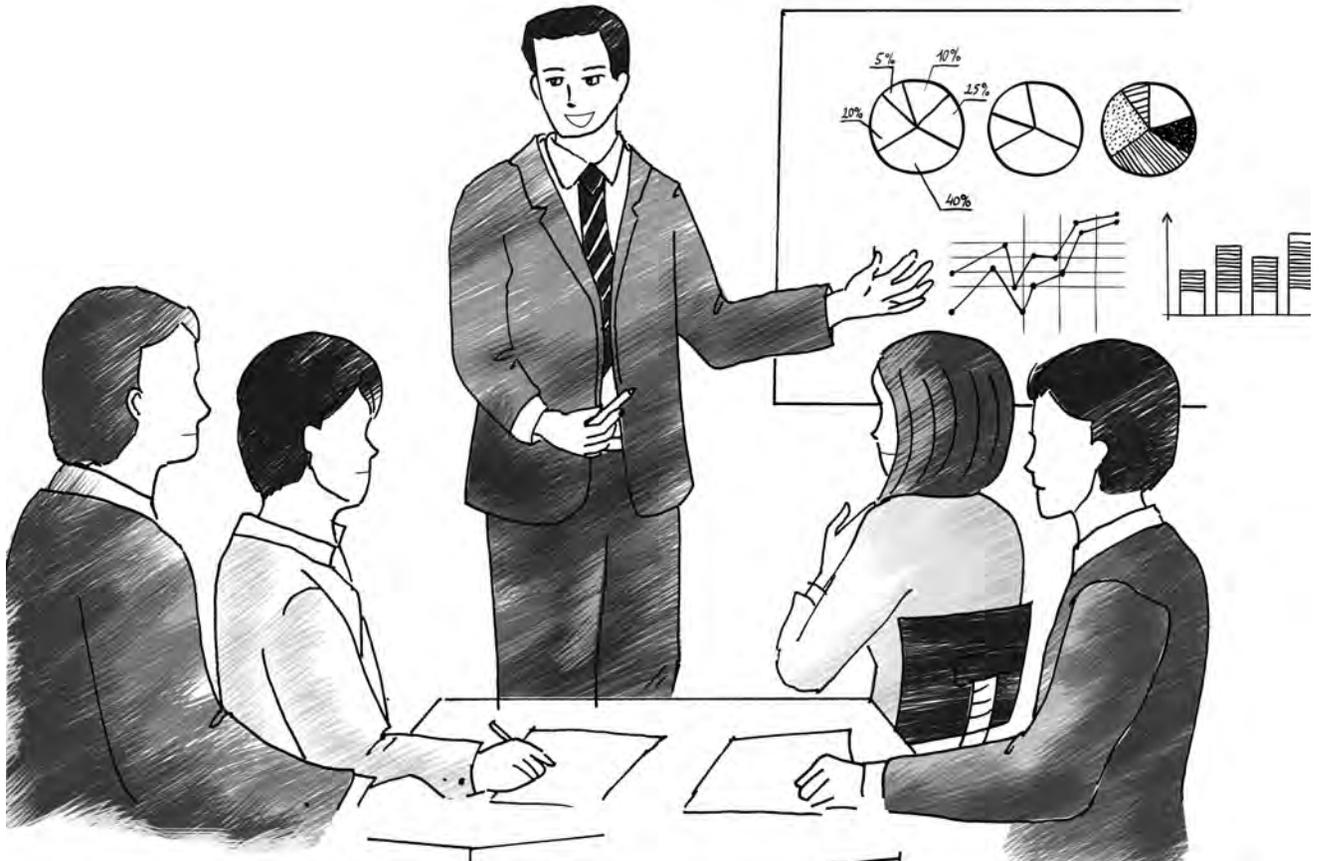
Marketing Aspects and Strategic Priorities in 2017

With Bank OCBC NISP's strong commitment of being "Your Partner For Life", the Bank is dedicated to the highest standards of Good Corporate Governance such as transparency, accountability, responsibility, independency, and fairness, to support the Bank's efficient and ethical operations. This will create added value for all stakeholders which can further raise the market's trust

and confidence, and at the same time minimize reputational risks and sustain financial performance and a sustainable competitive advantage.

Bank OCBC NISP will take these strategic steps to realize the Bank's vision and mission:

1. Strengthening the Bank's business model
2. Continuing transformation in various fields to increase productivity and service effectiveness to customers
3. Increasing good capacity and capability in human capital, operational and technology
4. Effectively executing the three lines of defense
5. Strengthening the brand
6. Optimizing synergy with OCBC Group.



Maintaining Transparency

GOOD CORPORATE GOVERNANCE REPORT

GCG implementation in Bank OCBC NISP is more than just compliance to the applicable laws and regulations. It goes beyond compliance, which is a continuous effort for sustainable innovation and improvement of the GCG implementation principles to provide additional value to all stakeholders, to create sustainable business growth.

INTRODUCTION

Good Corporate Governance (GCG) is one of corporate control mechanism to enable the achievement of Company's objectives and the fulfillment of expectations among the stakeholders and participants in the corporation with their given rights and responsibilities. GCG as an operational basis, ensures that all the processes and mechanisms involved is directed towards the achievement of Company's objectives and impede irregularities and risks that can lead to the failure of company goals.

Commitment in Implementing GCG

As one of the Bank's commitments towards GCG implementation, Bank OCBC NISP has formulated clear Vision and Mission statements as reflected in the long term goals to be achieved in the future, completed with a Mission which describes how to achieve them. Bank OCBC NISP's Vision is "To become the bank of choice with world-class standards and to be recognized for its care and trustworthiness". This Vision is reflected in the Bank's Mission and is based on the corporate culture. With a clear Vision or objectives, all parties within Bank OCBC NISP, starting from employees to Board of Directors and Board of Commissioners, have a clear direction in achieving the corporate goals which enabled them to make decisions to achieve the objectives. In order to achieve its vision and deliver its missions, the Bank upheld GCG's principles, which are Transparency, Accountability, Responsibility, Independence, and Fairness (TARIF). Based on these principles, the Bank developed a Governance Structure which consisted of structure and infrastructure to implement the Governance Process

in accordance with legislation and existing best practices to deliver the results expected by stakeholders, thus creating long-term business sustainability.

Bank OCBC NISP has owned a General GCG Guideline, as a commitment for GCG Implementation. The goals were:

1. To improve the Bank's performance, protect the interest of stakeholders, and improve compliance to laws and regulation as well as ethical values in the banking industry.
2. To manage within the GCG Guidelines for a holistic and integrated policy system, among others:
 - a. Role and responsibilities of each corporate organ in implementing GCG.
 - b. Explanation of the Governance System which consists of Governance Structure, Governance Process, and Governance Outcome, which are based from the five GCG principles (TARIF).
 - c. Other factors related to the Implementation of GCG, including Stakeholders, Conflict of Interest and Remuneration.
 - d. Monitoring, evaluating and reporting of GCG implementation.

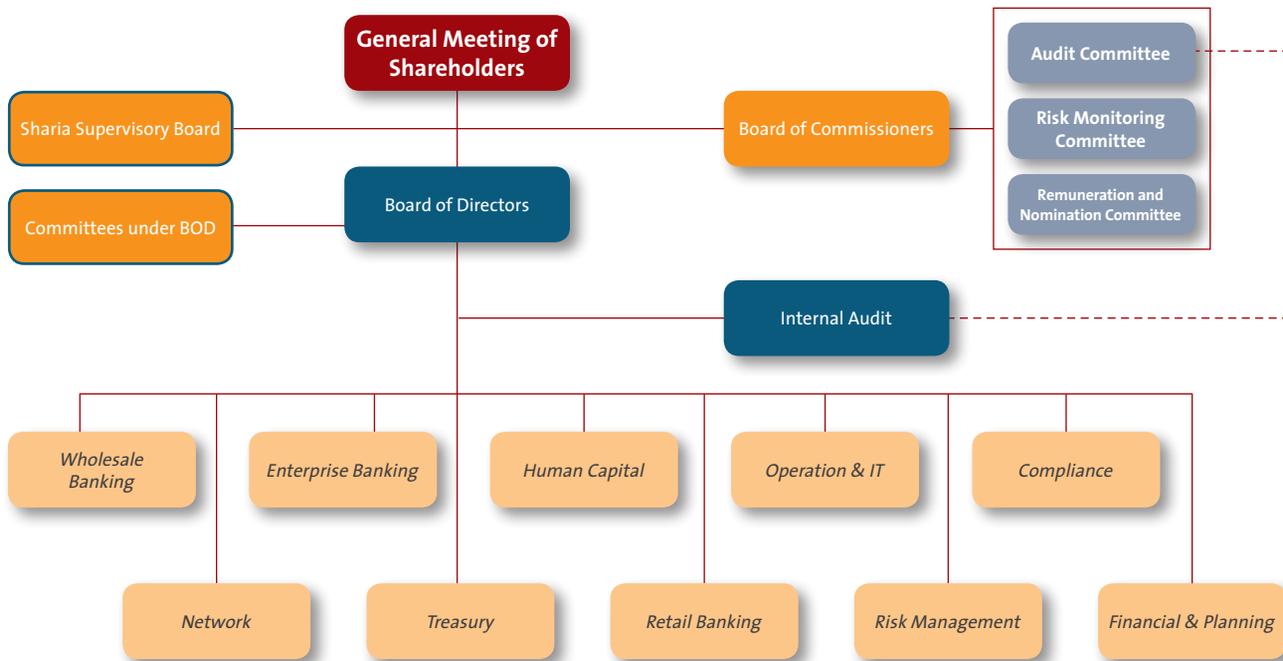
Governance Structure and Infrastructure

GCG Structure [G4-3]

Bank OCBC NISP, a company incorporated in Indonesia, embodies and implements two-boards system which consists of the Board of Commissioners and the Board of Directors who have the authority and responsibility conformed by

GOOD CORPORATE GOVERNANCE

their respective functions mandated in legislation and the Articles of Association. Herein is the structural chart of GCG implementation:



GMS	<ul style="list-style-type: none"> Selects, appoints, supervises and discharges the members of the Board of Commissioners and Board of Directors.
Board of Commissioners (BOC)	<ul style="list-style-type: none"> Oversee the implementation of the Board of Directors duties and responsibilities in managing the company to achieve targets set by GMS. Ensures that the Bank is on the right track and runs efficiently, effectively and minimizes risks of all stakeholders and ensures the implementation of GCG.
Board of Directors (BOD)	<ul style="list-style-type: none"> Manage the company through setting agreed strategic policies to achieve performance targets set by the GMS by minimizing risks and maintaining good relationships with stakeholders. Ensures adherence to various regulations and legislations and in accordance with the principles of GCG.
Committees	<ul style="list-style-type: none"> Provides recommendations, support strategy and policies that have been set by the management Supports better execution the duties of the BOC and BOD.
Risk Management Unit	<ul style="list-style-type: none"> Develops and implements a risk management system that covers all aspects of the Bank's activities. Provides full support and advice to support product launch approval and/or new activity.
Compliance Unit	<ul style="list-style-type: none"> Ensures the Bank's compliance to applicable and current regulations and legislations concurrent with the growth and creation of compliance culture throughout the Bank's business activities at every level of the Bank's organization.
Internal Audit Unit	<ul style="list-style-type: none"> Develops and implements internal control system to provide reasonable assurance on the achievement of company goals through effective and efficient activities, reliability of financial and performance reports, asset security and compliance to regulations.

GCG Infrastructure

Infrastructure constitutes the Bank's policies and procedures in its conduct of business. Infrastructure also includes the Bank's strategic plan prepared in the form of Corporate Plan and Business Plan set in accordance with the Bank's Vision and Mission. Bank OCBC NISP has four policies grouped into planning, implementation, monitoring and reporting.

In addition, Bank OCBC NISP has:

1. BOC and BOD Charters which serves as a reference in the implementation of functions, duties, and responsibilities in managing the company.
2. Policy related to the responsibility for the preservation of natural resources and environment, to participate in the sustainable economic development to improve the quality of life and environment that is beneficial to the Bank, local community and society.
3. Collective Labor Agreement (CLA) that ensures the rights and responsibilities of all parties to support conducive work environment.

4. Whistleblowing system to obtain reports and complaints as well as suggestions and criticisms from employees and other stakeholders and protect the identity of individuals who reported the violations.
5. Business ethics and code of conduct that is implemented continuously and consistently which involves key organs in the organization and within the company to enable the formation of a corporate culture which manifests company values.

Realization of GCG Implementation

For 2016 in general, GCG has implemented the following:

1. Preparation, improvements and adjustment of policies and guidelines on the following:
 - a. Procedure Adjustment of the Selection of Candidates of Commissioners, Directors and Committees into Procedure of Appointment and Dismissal of Commissioners, Directors of Sharia Supervisory and Committees; and the additional new policy of nomination for Commissioners, Directors, Sharia Supervisory and Committees.
 - b. Procedure Adjustment of Planning and Implementation of GMS and Public Expose.
 - c. Improvement of Affiliation Transaction and Transaction with Conflict of Interest Management Policy.
 - d. Re-examination of Information Wall.
 - e. Preparation of Remuneration Policy in fulfilling Financial Services Authority (FSA) Regulation No.45/POJK.03/2015 about the Implementation of Governance in Providing Remuneration for Commercial Bank.
2. Three Lines of Defense
In risk management, the Bank must have an adequate organizational structure of

risk management involving its elements which are divided into three line of defense. BOC and BOD are assisted by Board Risk Committee in conducting active surveillance. BOD established committees namely Credit Risk Management Committee, Headquarter Credit Committee, Specific Provision Committee, Asset Liability Management Committee (ALCO), Market Risk Management Committee, Operational Risk Committee and other committees.

Based on the main principle of risk management, the process is under the responsibility of all employees and risk awareness which is already an integral part of the Bank's corporate culture. With the Three Line of Defense approach, risk management functions are performed comprehensively by all levels within the organization which is started from an oversight and done by BOC and BOD. Top management, all frontline businesses, and all supports unit serve as the First Line of Defense in achieving business growth by considering risk aspects in every decision made. Risk Management Group and Compliance Division are the Second Line of Defense which are in charge of managing risk independently, together with the Bank's Internal Audit Division, which is the Third Line of Defense, and is responsible for providing risk assurance as well as monitoring and periodic evaluation.

Good Corporate Governance Initiatives in 2017

1. GCG is implemented consistently by the Bank to create a healthy and efficient management as well as to contribute to the economy sector.
2. Conduct a review of the compliance of GCG implementation with best practices and perform business with dignified or conforming to ethics.

3. Maintain consistency in applying GCG to which have brought Bank OCBC NISP various achievements, both for its financial performance, and soundness of the Bank as well as national and international awards.

Evaluation and Control

Evaluation and control are the process wherein the the Bank's activities and performance are monitored so that it can be compared with the actual results and targets by using the results in determining the appropriate action and resolve problem. The process is done in accordance with the Bank's Governance Implementation assessment. The self-assessment and the assessment done by external parties are undertaken to ensure that the established standards are implemented, fulfilled, evaluated, and enhanced.

GCG Assessment by Internal and External Parties

GCG assessment is required to ensure that GCG implementation is well-performed. At Bank OCBC NISP, it is implemented by internal parties through self-assessment and assessed by independent external parties.

1. GCG Assessment by Bank OCBC NISP Internal Parties (Self-Assessment)

In order to fulfill FSA Regulation No. 55/POJK.03/2016 regarding GCG Implementation for Commercial Bank, it requires the Bank to perform self-assessment which at least covers 11 GCG Implementation Assessment Factors which are:

- a. Implementation of BOC duties and responsibilities.
- b. Implementation of BOD duties and responsibilities.
- c. Committees' duties implementation and completeness.
- d. Conflict of interest management.
- e. Implementation of compliance function.
- f. Implementation of internal audit function.

GOOD CORPORATE GOVERNANCE

- g. Implementation of external audit function.
- h. Risk management implementation, including internal control system.
- i. Fund provision for related party and provision of large exposures.
- j. Transparency of the Bank's financial and non-financial condition, report on the GCG implementation and internal reporting.
- k. Bank's strategic plans. It is acknowledged that there is sustainable improvement of GCG quality into internal business process through assessment.

Based on the self assessment result from the period of July - December 2016, GCG was well-implemented and supported by duties and responsibilities of BOC, BOD and Committees which showed effectiveness, independence and no violation of the regulations. The setting and implementation of conflict in interest was in accordance with applicable regulations.

GCG was also strengthened by the independent and effective compliance, as well as Internal Audit and External Audit Functions. Bank OCBC NISP has established policies, procedures, management information systems as well as the duties and functions of each organizational structure. Condition disclosing conflicts of interest in decision-making were complemented by minutes of meetings which were administered and documented. Another factor that supported GCG was comprehensive Risk Management Implementation which is according to the complexity of the Bank including active surveillance of BOC and enhancing Internal Control.

Fund provision for related party and large exposures has also

been arranged and well-executed in the Policies and Procedures. Transparency of financial and non financial condition were also adequate, timely and accurate. Business Plan has been prepared in accordance with the Vision and Mission as well as the Corporate Plan which is monitored regularly.

2. GCG Implementation Assessment by External Parties

- a. Corporate Governance Perception Index (CGPI) GCG implementation research and rating according to Corporate Governance Perception Index (CGPI) 2015 by the Indonesian Institute for Corporate Governance (IICG), which is themed "Corporate Governance in Sustainability Perspective" in July to October 2016. Bank OCBC NISP successfully retained the "Most Trusted Company" category and improved its Corporate Governance Index score from 86.52 in 2015 to 86.85 in 2016.
- b. ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard)
As a commitment to improve the quality of Corporate Governance implementation, Bank OCBC NISP commits to meet the good standard of corporate quality, which is not only determined by regulators in Indonesia but also in ASEAN. ASEAN CG Scorecard assessment in Indonesia is administered by the Indonesian Institute for Corporate Directorship (IICD) as a representative of the Domestic Ranking Body ASEAN Corporate Governance Scorecard in Indonesia. The assessment done by IICD refers to the principles of Corporate Governance which is developed by the Organization for Economic Cooperation and Development (OECD), which includes:

- 1) Rights of shareholders.
 - 2) Equal treatment toward shareholders.
 - 3) Role of stakeholders.
 - 4) Disclosure and Transparency.
 - 5) Responsibilities of the Board.
- Based on the assessment above, Bank OCBC NISP managed to receive an award in the category of "Responsibility of the Board" and garnered "Top 10 Public Company" for three consecutive years.

MANAGEMENT AND IMPLEMENTATION OF FINANCIAL CONGLOMERATE

Based on FSA Regulation related to Financial Conglomerate, Bank OCBC NISP has been appointed by OCBC Limited (the Last Controlling Shareholder) through OCBC Overseas Investment Pte. Ltd. (Controlling Shareholder) as Main Entity in OCBC Financial Conglomerate in Indonesia with PT Great Eastern Life Indonesia and PT OCBC Sekuritas as sister company.

In order to meet the provisions of Financial Service Authority (FSA) Regulation No.17/POJK.03/2014 regarding the Implementation of Integrated Risk Management for Financial Conglomerate, FSA Regulation No.18/POJK.03/2014 in relation to the Integrated Governance for Financial Conglomerate and No.26/POJK.03/2015 on Integrated Minimum Capital Adequacy Requirement for Financial Conglomerate, Bank OCBC NISP has been functioning as the Main Entity in performing its duties and responsibility.

Bank OCBC NISP has formed Integrated Governance Committee, Integrated Compliance Working Unit (SCOT) conducted by Compliance Division, Integrated Internal Audit Working Unit (SKAIT) conducted by Internal Audit and Integrated Risk Management

Working Unit (SKMRT) conducted by EPPM Division. All functions have been implemented since the issuance of FSA regulation in relation to Integrated Financial Conglomerate in 2015.

Implementation of Integrated Governance

In accordance with FSA Regulation No.18/POJK.03/2014 regarding the Implementation of Integrated Governance for Financial Conglomerate, Bank OCBC NISP, as Main Entity, are required to apply Integrated Governance comprehensively and effectively by applying the integrated compliance function, integrated internal audit function, integrated risk management, establishment of Integrated Governance Committee on June 12, 2015, and has guidelines for integrated governance as a basis for OCBC conglomerate in Indonesia in applying the principles of integrated governance. Integrated Governance Guidelines have been prepared and submitted to the respective FSI in OCBC Financial conglomerate in Indonesia on June 26, 2015. In 2016, there was no improvement on those guidelines.

In general, OCBC Financial Conglomerate entity in Indonesia has well-implemented the integrated governance with the fulfillment of three aspects consisting of structure, process and outcome. Fulfillment aspects of the adequate structure, infrastructure, and effective governance processes have ensued good outcomes. In assessing these aspects, Bank OCBC NISP as the main entity conducts self-assessment as stipulated in the SEOJK No.15/SEOJK.03/2015 regarding the Implementation of Integrated Governance for Financial Conglomerate based on seven factors of assessment. Overall, it has been overseen by BOC of Main Entity through regular meetings in accordance with applicable regulations. Bank OCBC NISP has submitted 2015 Integrated Governance Report and Integrated

Governance Implementation Assessment Report for the period of January to June 2016 to the FSA.

Main Entities BOD and BOC

1. Main Entities BOD and BOC have met the integrity, competency, and financial reputation requirements and have obtained the Financial Services Authority's approval.
2. All members of the Main Entities BOD and BOC is knowledgeable about the main entity, such as understanding the major business activity and major risks from the Financial Services Institution (FSI) in Financial Conglomeration, gained from education, both formal and non-formal and work experiences.

Duties and responsibilities of the Main Entities BOD

In order to ensure the implementation of Integrated Governance, duties and responsibilities of the Main Entities BOD:

1. Developing Integrated Governance Guidelines.
2. Directing, monitoring, and evaluating the implementation of Integrated Governance.
3. Following up the direction or advice from the Main Entities BOC to develop Integrated Governance.
4. Delivering the Integrated Governance Guidelines to FSI directors in Financial Conglomerate.
5. Ensuring that the audit findings and recommendation from Integrated Internal Audit Unit, External auditor, Integrated Compliance Unit, supervision results from FSA and/or other authorities results which have been followed up by the FSI in Financial Conglomeration.

Report of Main Entities BOD Duties

1. Integrated Governance Guidelines has been arranged and submitted to each BOD FSI in Financial Conglomerate in Indonesia (PT OCBC Sekuritas Indonesia and PT Great EasternLife Indonesia)

through the Corporate Secretary on June 26, 2015.

2. Main Entity BOD has directed, monitored, and evaluated the Integrated Governance Guidelines, among others, through Main Entity BOD Meetings held on a regular basis for at least twice in a year, which have been held on February 10, 2016 and August 3, 2016.
3. During 2016, there was no action needed to be performed by the Main Entity BOD in order to improve Integrated Governance Guidelines. Based on the provisions of Integrated Governance Guidelines, improvements will be made at least two years from the effective date or at any time in the event that changes in the factors affect the business activities of financial conglomerates significantly.
4. Main Entity BOD has followed up the findings of Integrated Internal Audit and Compliance Unit in Main Entity BOD meetings on February 10, 2016 and August 3, 2016, held a meeting with GELI on May 13, 2016, and coordinated with FSI BOD (GELI and PTOs) on May 26, 2016 to ensure that the audit findings and recommendations from the Integrated Internal Audit Unit, external auditors, FSA monitoring results, have been followed up by FSI in Financial Conglomeration.

Main Entity BOC Duties and Responsibilities

In order to monitor the Integrated Governance, the following are their duties and responsibilities:

1. Monitoring governance in each FSI in accordance with Integrated Governance Guidelines.
2. Supervising Main Entity BOD duties and responsibilities, and providing direction or advices on Integrated Governance Guidelines.
3. Approving Integrated Governance Guidelines.
4. Evaluating and developing Integrated Governance Guidelines.

GOOD CORPORATE GOVERNANCE

Main Entity BOC Activities Report

1. Main Entity BOC monitored the Integrated Governance implementation through Main Entity BOC meetings held on April 19 and August 19, 2016.
2. Main Entity BOC has supervised Main Entity BOD duties and responsibilities through Main Entity BOD meetings held on regular basis or at least twice in a year, and were held on April 19 and August 19, 2016.
3. Main Entity BOC has evaluated Integrated Governance Guidelines in accordance with the Integrated Governance Committee advice of the unnecessary development in Integrated Governance Guidelines in 2016.
4. Main Entity BOC Meeting results last April 19 and August 19, 2016 have been set out in the minutes of meeting and are well-documented, including clear

disclosure of dissenting opinions with the following reason.

5. Recommendation of the Main Entity BOC monitoring results on:
 - a) Implementation of the Main Entity BOD duties and responsibilities
 - b) Integrated Governance Implementation
 - c) Evaluation of the Integrated Governance Guidelines

has been submitted to the Main Entity BOD through the Main Entity BOD meetings held on April 19 and August 19, 2016.

Integrated Governance Committee

Legal Basis of Establishment

Integrated Governance Committee was formed by the Main Entity BOC according to Main Entity BOC Decree No. 001/DEKOM-EU/IPC/VI/2015 dated June 12, 2015.

Structure, Composition, and Membership of Integrated Governance Committee

Determination of Committee members are subject to the FSA Regulation No. 18/POJK.03/2014 dated November 18, 2014 on Integrated Governance for Financial Conglomerate (the following are amendments in the future), with a composition consisting:

- Commissioner who becomes the Head of the Main Entity Committee, as Chairman.
- Independent Commissioner who represents and is appointed by FSI in Financial Conglomeration, as member.
- Independent party, as member, and
- Sharia Supervisory Board member from FSI in Financial Conglomeration, as member.

The appointment of Integrated Governance Committee member by Main Entity BOC is through Main Entity BOC Decree No. 002/DEKOM-EU/IPC/VI/2015 dated June 12, 2015, with the following composition:

Position in the Committee	Position	Name
Chairman	Independent Commissioner of PT Bank OCBC NISP Tbk	Jusuf Halim
Member	Independent Commissioner of PT OCBC Sekuritas Indonesia	Nancy Effendy
Member	Independent Commissioner of PT Great Eastern Life Indonesia	Washinton Pandapotan Sihombing
Member	Independent Party	Kurnia Irwansyah
Member	Sharia Supervisory Board of PT Bank OCBC NISP Tbk	Mohammad Bagus Teguh Perwira

Total and composition of the Independent Commissioners from the Integrated Governance Committee at PT Bank OCBC NISP Tbk. as Main Entities in OCBC Finance conglomerate in Indonesia is in accordance with the Financial conglomerate needs as well as the efficiency and effectiveness of the implementation of Integrated Governance Committee tasks with regards to the representation of each financial services sector. Integrated Governance Committee consists of members from PT Bank OCBC NISP Tbk. as Main Entities, and Financial Services Institution: PT OCBC Sekuritas Indonesia and PT Great EasternLife Indonesia.

Integrated Governance Committee Duties and Responsibilities

The following duties and responsibilities are:

- a. Evaluating the Integrated Governance in at least through adequacy assessment of internal control and integrated compliance function.
- b. Providing recommendation to Main Entity BOC in developing Integrated Governance Guidelines.

Policy, Frequency, and Attendance of Integrated Governance Committee Meeting

In accordance with Main Entity BOC Decree, the meeting procedures are:

1. Holding a meeting on a regular basis at least once in each semester.
2. Meeting can be held through video conference.
3. Meeting results shall be set out in the minutes of meeting and well-documented.
4. Dissenting opinions are clearly included in minutes of meeting with the reason.
5. Integrated Governance Committee Meeting is valid and has the right to make decisions if more than half of the members of the Integrated Governance Committee are present or represented in the meeting.

6. Integrated Governance Committee meeting decision must be taken based on deliberation. If the deliberation could not be achieved, a voting will be conducted if more than half of the total votes are validly issued in the meeting.

During 2016, Integrated Governance Committee held 3 (three) meetings dated February 11, 2016, August 4, 2016, and December 13, 2016, with 100% attendance rate.

Integrated Governance Committee Duties Report

1. In 2016, Integrated Governance Committee has evaluated the implementation of Integrated Governance, at least through the adequacy assessment of internal controls and the implementation of integrated compliance function in Integrated Governance Committee Meetings dated February 11, August 4, and December 13, 2016.
2. Integrated Governance Committee suggested to Main Entity BOC that Integrated Governance Guidelines do not need to be developed. Based on the provisions in Point 11.2 of Integrated Governance Guidelines with policy code FCP-00001-L2 dated June 23, 2015, improvements will be made at least two years from the effective date or at any time in the event of changes in the factors that influence the business activities of the financial conglomerate significantly.
3. Integrated Governance Committee Meeting results on February 11, August 4, and December 13,

2016 have been set out in the minutes of the meeting and well-documented, including clear disclosure of dissenting opinions (if any) with the following reason.

Implementation of Integrated Risk Management

Integrated Risk Management Implementation is supervised by SKMRT which coordinates with each Financial Service Institution (FSI). Its provisions require OCBC Financial Conglomerate in Indonesia to implement integrated risk management including reputation risk, credit risk, market risk, operational risk, liquidity risk, strategic risk, legal risk, compliance risk, intra-group transaction risk and insurance risk.

Bank OCBC NISP formed Integrated Risk Management Committee to help the Bank's Board of Directors as Main Entity to give recommendations to Main Entity's Board of Directors in Integrated Risk Management policy development and planning of emergency condition to anticipate any changes due to the business development as well as external condition. Also to improve Integrated Risk Management Policy regularly or incidental due to FSI external and internal condition which will impact to the FSI risk profile and evaluation result of effective Integrated Risk Management implementation.

Each policies and procedures have been submitted to the respective FSI and divisions in the Main Entity as guidelines for the implementation of integrated risk management. The Integrated Risk Management policy

has been reviewed in June 2016 with non-material changes that have been approved by the Director of Main Entity and informed to BOC Main Entity.

Since the issuance of SEOJK No.14/SEOJK.03/2015 on Integrated Risk Management for Financial Conglomerate, Bank OCBC NISP as the Main Entity has complied its obligation by reporting integrated risk profile to FSA for the period of end year 2015 and Semester I of 2016.

Integrated Risk Management Committee

Bank OCBC NISP as Main Entity has formed Integrated Risk Management Committee.

Duties and Responsibilities of Integrated Risk Management Committee

Integrated Risk Management Committee has duties and responsibilities to assist the Board of Director PT Bank OCBC NISP Tbk as Board of Director Main Entity in Financial Conglomerate OCBC in Indonesia to compose Integrated Risk Management Policy, oversee policy implementation as well as giving recommendation in regards to the action taken needed regarding Integrated Risk Management, including the implementation of Risk Management in PT Great Eastern Life Indonesia and PT OCBC Sekuritas Indonesia in relation the Financial Conglomerate.

Composition of Integrated Risk Management Committee is as follows:

Position in Committee	Position	Name
Chairperson	Risk Management Director of PT Bank OCBC NISP Tbk	Joseph Chan
Member	President Director of PT Great Eastern Life Indonesia	Clement Lien Cheong
Member	President Director of PT OCBC Sekuritas Indonesia	Lim Kim Siah
Member	Executive Officer of PT OCBC Sekuritas Indonesia	Yanni Liaw
Member	Head of Credit Risk of PT Bank OCBC NISP Tbk	Heriyanto Lee
Member	Corporate Credit Risk Management Division Head of PT Bank OCBC NISP Tbk	Cindy Siau
Member	Asset Recovery Management Division Head of PT Bank OCBC NISP Tbk	Linda Adam
Member	Market and Liquidity Risk Management Division Head of PT Bank OCBC NISP Tbk	Budi Gunawan
Member	Operational Risk Management Division Head PT Bank OCBC NISP Tbk	Robby Hardijono
Member	Enterprise Risk and Policy Management Division Head PT Bank OCBC NISP Tbk (Secretary)	Caecilia Zilvia Suzanna

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Integrated Risk Management Committee Activities Report

The Integrated Risk Management Committee conducted his duties and responsibilities through meetings to discuss and ensure that the implementation of risk management in regards to the financial conglomerate has been well-implemented at Bank OCBC NISP as Main Entity as well as at PT Great Eastern Life Indonesia and PT OCBC Sekuritas Indonesia as Financial Service Institutions (FSI).

After passing through the preparation in 2015, in 2016 together with both FSI, Bank has conducted assessment on the risk profile of each FSI and integrated risk profile. In addition, measurement on the integrated capital adequacy has also been done, as required by the regulator. Integrated Risk Management Committee has conducted evaluation

and recommendation on several policies needed to become guidance in the implementation of integrated risk management.

Integrated Minimum Capital Adequacy Requirement

According to FSA Regulation No.26/POJK.03/2015 regarding the Integrated Minimum Capital Adequacy Requirement for Financial Conglomerate, whereas the main entity is required to implement integrated capital management comprehensively and effectively. Bank OCBC NISP has had policies and procedures, has conducted an assessment of integrated capital adequacy, monitored and submitted the integrated reports to FSA, had an adequate internal control system related to integrated capital and reviewed the Integrated Capital

Management periodically. As of December 2015, the Integrated Minimum Capital Adequacy Requirement Ratio has met the requirement to be above 100%. The year end 2015 and Semester I - 2016 report have been submitted to FSA.

GENERAL MEETING OF THE SHAREHOLDERS (GMS)

General Meeting of Shareholder (GMS) is Bank OCBC NISP's highest authority, which has the authority not granted upon BOC or BOD, as regulated in the Law on Limited Liability Company and/or the Articles of Association of Bank OCBC NISP.

Resolution and Realization of Annual General Meeting of Shareholders (AGMS) 2015

In 2015, Bank OCBC NISP held AGMS once with the realized resolutions such as:

Agenda	Resolution	Realization
Appointment of Public Accountant for 2015 and determination of relevant honorarium and other requirements regarding the appointment.	Approved the granting of authority to BOD based on the approval of BOC or at least 3 (three) members of BOC, after receiving the recommendation from the Audit Committee to appoint a Public Accountant for 2015 as well as determining the honorarium and other qualifications for the appointed Public Accountant.	In accordance with the recommendation of the Audit Committee No. 001/AC/IV/2015 dated April 16, 2015, the BOC appointed Public Accounting Firm Tanudiredja, Wibisana, Rintis & Rekan as the Public Accounting Firm for 2015 by the BOC Decree.028/DEKOM/IPC-LS/IV/2015 dated April 20, 2015.
Amendments to the Company's Articles of Association.	<ol style="list-style-type: none"> Approved the amendments of the Articles of Association that refers to the applicable regulation and rearranging of the Bank's Articles of Association. Granting the authority to BOD: <ol style="list-style-type: none"> To state the decision of the Meeting in the form of Notarial deed and to perform all necessary actions which are related to the decision. To notify the Minister of Law and Human Rights of the Republic of Indonesia, register and announce the amendments, so that they are legitimate according to the law, which includes the ability to perform alteration or addition to the Articles of Association if required by a competent authority and to do everything necessary as required by the applicable laws and regulations. 	The bank has registered the amendments of the Articles of Association in the Company Register No. AHU-3500716.AH.01.11. YEAR 2015 dated May 5, 2015 and has been announced in Berita Negara RI.
Changes in the composition of BOC and BOD, as well as determination of salary/honorarium and allowances of BOC and BOD.	<ol style="list-style-type: none"> Approved the re-appointment of Samuel Nag Tsien and Hardi Juganda as Commissioners for a term of office after the Meeting was closed until the next Annual General Meeting Shareholders in 2018 is closed. Approved the re-appointment of Yogadharma Ratnapalasari, Rama Pranata Kusumaputra and Martin Widjaja as Directors for a term of office after the Meeting was closed until the next Annual General Meeting Shareholders in 2018 is concluded. Regarding the determination of salary/ honorarium and allowances of BOC and BOD, it has been determined in the Annual General Meeting Shareholders held on April 7, 2014 for financial year of 2014 until 2016. 	Re-appointment of BOC and BOD has been expressed on Notarial deed and registered in the Company Register No.AHU-3500758.AH.01.11. year 2015 dated May 5, 2015.

Schedule of Notification, Announcement, Meeting Invitation and Submission of the Annual GMS Resolution April 7, 2016

Notification	Announcement	Invitation	Meetings	GMS Summary
February 23, 2016 The Bank submitted a notification letter on the AGMS planning to the FSA and IDX (through e-reporting).	March 1, 2016 It was announced in Bisnis Indonesia, Indonesia Stock Exchange's website (through e-reporting) and www.ocbcnisp.com.	March 16, 2016 It was announced in Bisnis Indonesia, Indonesia Stock Exchange's website (through e-reporting) and www.ocbcnisp.com.	April 7, 2016 AGMS was held at 14.14 WIB – end, took place at the 23rd Fl of OCBC NISP Tower, Jl. Prof. Dr. Satrio Kav. 25, South Jakarta.	April 8, 2016 It was announced in Bisnis Indonesia, Indonesia Stock Exchange's website (through e-reporting) and www.ocbcnisp.com.

Resolution and Realization of AGMS 2016

The Implementation Procedures of AGMS 2016 was performed in accordance with the Regulation of the Financial Service Authority (FSA) No. 32/POJK.04/2014 on GMS Planning and Implementation.

In 2016, Bank OCBC NISP has organized AGMS once on April 7, 2016 in a strategic location and easily accessible by the stakeholders and located in the Head Office of Bank OCBC NISP at OCBC NISP Tower, South Jakarta.

The entire results and the proceedings were listed in the deed of AGMS Deed dated 7 April 2016 made by notary, which is available and can be accessed at www.ocbcnisp.com.

The AGMS 2016 had five agendas, all AGMS resolutions have been realized in 2016 were as follows:

Agenda and Total Votes	Resolutions and Realization
<p>First Agenda: Approval on the Company's Annual Report for the financial year 2015.</p> <ul style="list-style-type: none"> Approve : 11,411,183,387 votes Abstain: Nil Disapprove : Nil 	<ol style="list-style-type: none"> Approved the Annual Report of the Financial Year which ended on December 31, 2015 including the BOD and BOC Supervision Reports. 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 & 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. Released all members of BOC and BOD from all responsibilities and liabilities (acquit 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.
<p>Second Agenda: Appropriation of the Company's profit earned in the financial year 2015.</p> <ul style="list-style-type: none"> Approve : 11,411,183,387 votes Abstain: Nil Disapprove: Nil 	<p>Approved the use of the profit earned in financial year 2015 amounting to Rp 1.500.834.527.070,- after being deducted by statutory reserves amounted to Rp 100,000,000,-, 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>Third Agenda Report on the Actual Use of the Proceeds from Continuous Bond I Phase II Year 2015.</p> <ul style="list-style-type: none"> Approve : 11,411,183,387 votes Abstain: Nil Disapprove : Nil 	<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>Fourth Agenda 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"> Approve : 11,411,183,387 votes Abstain: Nil Disapprove : Nil 	<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>Realization: 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 & Rekan as the Public Accounting Firm for 2016 based on BOC Decree No. 020/DEKOM/IPC-LS/V/2016 dated May 20, 2016.</p>

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Agenda and Total Votes	Resolutions and Realization
<p>Fifth Agenda Changes in the composition of BOC and BOD as well as determination of salary/ honorarium and allowances.</p> <ul style="list-style-type: none"> • Approve : 11,411,183,387 votes • Abstain: Nil • Disapprove : Nil 	<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"> • Chairman: Pramukti Surjaudaja • Deputy Chairman: Peter Eko Sutioso (Independent Commissioner) • Independent Commissioner: Roy Athanas Karaoglan • Commissioner: Samuel Nag Tsien • Independent Commissioner: Jusuf Halim • Independent Commissioner: Kwan Chiew Choi • Commissioner: Lai Teck Poh (Dua Teck Poh) • Commissioner: Hardi Juganda <p>The composition of Board of Directors is as follows:</p> <ul style="list-style-type: none"> • President Director & CEO: Parwati Surjaudaja • Managing Director: Yogadharma Ratnapalasari • Managing Director: Rama Pranata Kusumaputra • Managing Director: Emilya Tjahjadi • 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
	<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.</p> <p>The authorization is valid for 3 (three) years, from the financial years 2017 to 2019.</p> <p>Realization:</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>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

There is no resolution of the 2016 GMS that has not been realized or has been delayed.

BOARD OF COMMISSIONERS (BOC)

The Board of Commissioners (BOC) was appointed by the Shareholders to supervise and advice the Board of Directors (BOD) independently, regarding the implementation of BOD duties and responsibilities in managing the Bank. The main duties and responsibilities of BOC are to ensure the sustainability of Bank's business and ensure that the BOD has

performed their duties in good faith as well as other stakeholders

Duties and Responsibilities of the Board of Commissioners

Duties and responsibilities are set in the BOC Charter at www.ocbcnisp.com

Charter of the Board of Commissioners

In implementing their duties, BOC has a Charter which includes:

1. Background
2. Objective
3. Regulation background
4. Composition, Criteria and Term of Office
5. Working Time
6. Values and Work Ethics Code

7. Reporting and Accountability
8. Duties, Responsibilities and Authorities
9. Meetings

BOC Charter was last updated on August 4, 2015 and is reviewed periodically and if deemed to be necessary by the provisions of existing law. For more information, please refer www.ocbcnisp.com.

Number, Composition and Criteria of BOC

As of December 31, 2016, Bank OCBC NISP's BOC comprised of eight members, including 4 (four) person or 50% of the members being Independent Commissioners. Bank OCBC NISP's Board of Commissioners are as follows:

No	Board of Commissioners	Name
1	Chairman	Pramukti Surjaudaja
2	Deputy Chairman (Independent)	Peter Eko Sutioso
3	Commissioner (Independent)	Roy Athanas Karaoglan
4	Commissioner	Samuel Nag Tsien
5	Commissioner (Independent)	Jusuf Halim
6	Commissioner	Lai Teck Poh (Dua Teck Poh)
7	Commissioner (Independent)	Kwan Chiew Choi
8	Commissioner	Hardi Juganda

Criteria in the appointment of BOC member are as follows:

1. Fulfill the requirements as indicated in the FSA Regulation No.33/POJK.04/2014 dated December 8, 2014 regarding BOD and BOC on the Issuer or a Public Company such as:
 - a. Possesses good character, morals and integrity;
 - b. Competence in legal matters;
 - c. Five years prior to the appointment and while in service:
 - 1) Must never been the subject or the cause of a bankruptcy;
 - 2) Must never been as a Director and/or Commissioner who was found guilty or a cause of bankruptcy of a company;
 - 3) No prior conviction or commission of a crime in the financial sector; and
 - 4) As a Director and/ or Commissioner in a company must:
 - a) Never failed to hold General Meeting of the Shareholders;
 - b) Never failed to submit the responsibilities or obtain an approval

of the responsibilities as a Director and/or Commissioner to or from the GMS; and

- c) Actions must never resulted in a company that failed to obtain permits, approval, or registration from the Financial Services Authority and has failed to fulfill the obligation to submit annual reports and/or financial reports to FSA;
 - d. Must be commit to comply with the applicable legislations;
 - e. Must have knowledge and/or skills in the fields that required by the company.
2. Comply to 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 been convicted of a criminal act within the last 20 years prior to the nomination;
- c. Has commitment to comply the applicable regulation and support the FSA policy;
- d. Has commitment to develop a healthy Bank operations; and
- e. Is not included in the Disqualified List;

Requirements for Financial reputation include:

- a. Does not have non-performing loans; and
- 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.

Concurrent Position

No	Name	Position at Bank OCBC NISP	Position in other Company/ Organizations
1	Pramukti Surjajudaja	Chairman	Commissioner of PT Biolaborindo Makmur Sejahtera
2	Peter Eko Sutioso	Deputy Chairman (Independent Commissioner)	-
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	Commissioner	-

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Appointment and Term of Office

1. The replacement and/or appointment of BOC member which emphasized on recommendations of the Remuneration and Nomination Committee and acquired approval from the GMS.
2. The term of office of BOC member based on Articles of Association is effective from the appointment date by the GMS until the third Annual General Meeting after the appointment date.
3. The GMS can reappoint BOC members whose term of office has expired.

In accordance with FSA Regulation No.33/POJK.04/2014 dated December 8, 2014 regarding BOD and BOC of Public Company article 25 and FSA Regulation No.55/POJK.03/2016 dated December 7, 2016 regarding the GCG Implementation for Commercial Bank article 26, the term of office of Independent Commissioners is

limited to two consecutive terms. Independent Commissioners who have been in the position for two periods may be re-appointed in the following period as long as the Board of Commissioners meeting viewed that the Independent Commissioners are able to act independently and stated in the AGMS their independency.

Refer to the above regulations and in accordance to the AGMS Resolutions on April 7, 2014 which approved on the re-appointment of Independent Commissioners term of office, to ensure that the members did not have more than two consecutive periods which starts on the appointment in AGMS 2014.

Policy and Implementation of Frequency, Attendance, and Agenda of BOC Meetings and Joint Meeting of BOC with BOD

1. BOC Meetings Policies

- a. BOC must convene a meeting at least once in every two

months and a meeting with the BOD at least once in every four months.

- b. BOC must schedule meetings for the following year before the end of the financial year.
- c. In the scheduled meeting, the meeting materials must be distributed to participants not later than five days before the meeting is held. In case a meeting is conducted other than on the scheduled date, the materials must be distributed to the participants before the meeting is held.
- d. BOC shall attend at least two meetings either physically or by video conference.
- e. The results must be documented in the minutes of the meeting, and signed by the BOC and BOD members who were present. Copies of the minutes are submitted to all members of BOC and BOD.

2. Frequency and Attendance of BOC Meeting in 2016

No	Name	Meetings	Attendance	% of Attendance
1	Pramukti Surjaudaja	6	6	100%
2	Peter Eko Sutioso	6	6	100%
3	Roy Athanas Karaoglan	6	6	100%
4	Samuel Nag Tsien	6	6	100%
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	6	100%

3. Frequency and Attendance of Joint Meeting of BOC and BOD in 2016

No	Name	Meetings	Attendance	% of Attendance
1	Pramukti Surjaudaja	3	3	100%
2	Peter Eko Sutioso	3	3	100%
3	Roy Athanas Karaoglan	3	3	100%
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	3	100%

4. Board of Commissioners' Meeting Agenda and Joint Meeting of BOC with BOD

Date		Agenda	
February 22, 2016	Joint Meeting BOC-BOD	<ol style="list-style-type: none"> 1. Previous Board Meeting October 30, 2015 2. BOD Report on performance for the Fourth Quarter & Full Year of 2015 (Including all branches achievement) 3. Appropriation of 2015 Net Income 4. Compliance Report and Information on new regulation for the fourth quarter of 2015 	<ol style="list-style-type: none"> 5. Update from Meeting with FSA (Financial Services Authority), January 13, 2016 6. Update on Post Terrorist Attack in Jakarta in January 2016 7. Any Other Business
February 22, 2016	BOD Meeting	<ol style="list-style-type: none"> 1. Previous Board Meeting October 30, 2015 and November 24, 2015 2. BOC Approval for business as usual 3. BOC Approval for approval previously tabled at the committees meeting 	<ol style="list-style-type: none"> 4. BOC and Committees Evaluation 5. Declarations by BOC (if any) 6. Any Other Business
April 19, 2016	BOC Meeting	<ol style="list-style-type: none"> 1. Previous Board Meeting February 22, 2016 2. Financial Performance (January - March, TOP 10 NPL Report) 3. BOC Approval for business as usual 	<ol style="list-style-type: none"> 4. BOC Approval for approval previously tabled at the RMC Meeting 5. Compliance Profile Update 6. Any Other Business
June 23, 2016	Joint Meeting BOC-BOD	<ol style="list-style-type: none"> 1. Previous Board Meeting February 22, 2016 2. Financial Performance (January - May, Top 10 NPL) 3. January - May Action Plan and all branches achievement 4. Revised Business Plan 2016 	<ol style="list-style-type: none"> 5. Strategy 2020 6. Compliance Profile Q2 2016 and Information on new regulation for the Q2 2016 (BI, BAPEPAM, BEI) 7. Any Other Business
June 23, 2016	BOC Meeting	<ol style="list-style-type: none"> 1. Previous Board Meeting February 22, 2016 & April 19, 2016 2. BOC Approval for business as usual 	<ol style="list-style-type: none"> 3. BOC Approval for approval previously tabled at the committees meeting 4. Declarations by BOC (if any) 5. Any Other Business
August 19, 2016	BOC Meeting	<ol style="list-style-type: none"> 1. Previous Board Meeting June 23, 2016 2. Financial Performance (January - July, TOP 10 NPL Report) 3. BOC Approval for business as usual 4. BOC Approval for approval previously tabled at the RMC 	<ol style="list-style-type: none"> 5. BOC Approval for L3 Network Policy 6. Compliance Profile Update 7. Any Other Business
October 28, 2016	Joint Meeting BOC-BOD	<ol style="list-style-type: none"> 1. Previous Board Meeting June 23, 2016 2. Financial Performance (January - September, Top 10 NPL) 3. January - September Action Plan and all branches achievement 	<ol style="list-style-type: none"> 4. Corporate Plan 2017 5. Compliance Profile Q3 2016 and Information on new regulation for the Q2 2016 6. Any Other Business
October 28, 2016	BOC Meeting	<ol style="list-style-type: none"> 1. Previous Board Meeting June 23, 2016 & August 19, 2016 2. For Approval and Discussion 3. BOC Approval for business as usual 	<ol style="list-style-type: none"> 4. BOC Approval for approval previously tabled at the committees meeting 5. Declarations by BOC (if any) 6. Any Other Business
December 13, 2016	BOC Meeting	<ol style="list-style-type: none"> 1. Previous Board Meeting October 28, 2016 2. Financial Performance (January - November) 3. BOD KPI 2017 4. BOC Approval for business as usual 5. BOC Approval for approval previously tabled at the committees meeting 	<ol style="list-style-type: none"> 6. BOC Approval for Nomination Policy for member of The Board of Commissioners, The Board of Directors, Sharia Supervisory Board & Committee of The Board of Commissioners. BOC Approval for Remuneration Policy (New L3 Policy) 7. Compliance Update 8. Velocity Update 9. Any Other Business

BOC Recommendation

In order to implement the supervision function, BOC provided recommendations, such as:

- a. The Bank Business Plan 2016
- b. GCG Implementation
- c. Review and approval of recommendation of Audit Committee, Risk Monitoring Committee, and Remuneration and Nomination Committee
- d. Risk Appetite Statement

- e. Outsourcing Policy
- f. Policy in other Risk Management
- g. Annual Report 2015
- h. Active Supervision of Compliance Function
- i. Implementation of Anti Fraud Strategy
- j. Liquidity Risk Limit and Market Risk
- k. Performance and Effectivity of Management

Training Program and Orientation

BOC Training Program

To support the competence and to harmonize the implementation of duties and responsibilities with the development of the business, BOC received trainings, seminars or workshops, both held internally and externally by various institutions. During 2016, BOC has participated in the following trainings/seminar:

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Name	Trainings	Date	Venue
Pramukti Surjaudaja	Cyber Threats and Defense	January 18, 2016	Singapore
	Dialogue: Malaysia Socio-Political Update	January 18, 2016	Singapore
	Megatrend Asia	January 18, 2016	Singapore
	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
	Annual AML/CFT Training for Directors	June 29, 2016	Singapore
	Brexit-Aftermath and Implications	June 29, 2016	Singapore
	Update on Fintech Development	June 29, 2016	Singapore
	Risk Appetite Framework	August 5, 2016	Jakarta
	Considerations of the New Regulatory Framework	August 11, 2016	Singapore
	The Impact of Indonesia's Tax Amnesty Law	August 31, 2016	Singapore
	Focus to Domestic Economy and Financial Sector Stability	October 7, 2016	Surabaya
	Enterprise Risk Management - Aligning Risk with Strategy and Performance	October 7, 2016	Surabaya
	Facing Global Challenges for Better Economic Growth in 2017	December 9, 2016	Jakarta
	IFRS 9: The Road to Implementation	December 13, 2016	Jakarta
Samuel N. Tsien	Cyber Threats and Defense	January 18, 2016	Singapore
	Dialogue: Malaysia Socio-Political Update	January 18, 2016	Singapore
	The Impact of New Regulation in Islamic Banking - IFSA 2013	January 20, 2016	Singapore
	Tax Evasion in the AML Context	February 4, 2016	Singapore
	Bain Annual Financial Services Breakfast Forum - Disruption in Institutional Banking and Capital Markets	April 15, 2016	Singapore
	International Monetary Conference (IMC)	June 6-7, 2016	Singapore
	J.P. Morgan's 12th Annual Global China Summit - Forging a Brighter Future	June 14 - 15, 2016	Singapore
	Annual AML/CFT Training for Directors	June 29, 2016	Singapore
	OCBC Global Treasury Economic and Business Forum 2016	July 14, 2016	Singapore
	ABS Dialogue with UK Financial Secretary to the Treasury	September 20, 2016	Singapore
	Focus to Domestic Economy and Financial Sector Stability	October 7, 2016	Surabaya
	Enterprise Risk Management - Aligning Risk with Strategy and Performance	October 7, 2016	Surabaya
	BlocBhain as an Enabler	November 16, 2016	Singapore
	FinTech Conference - Leaders' Dialogue: Corporate Banking	November 17, 2016	Singapore
Lai Teck Poh	Cyber Threats and Defense	January 18, 2016	Singapore
	Dialogue: Malaysia Socio-Political Update	January 18, 2016	Singapore
	The Impact of New Regulation in Islamic Banking - IFSA 2013	January 20, 2016	Kuala Lumpur
	PwC's Game of Threats Breakfast for Corporate Directors	January 22, 2016	Singapore
	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
	Annual AML/CFT Training for Directors	June 29, 2016	Singapore
	Brexit-Aftermath and Implications	June 29, 2016	Singapore
	Update on Fintech Development	June 29, 2016	Singapore
Kwan Chiew Choi	The Impact of Indonesia's Tax Amnesty Law	August 31, 2016	Singapore
	Focus to Domestic Economy and Financial Sector Stability	October 7, 2016	Surabaya
	Enterprise Risk Management - Aligning Risk with Strategy and Performance	October 7, 2016	Surabaya
	BlocBhain as an Enabler	November 16, 2016	Singapore
	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
	Focus to Domestic Economy and Financial Sector Stability	October 7, 2016	Surabaya
	Enterprise Risk Management - Aligning Risk with Strategy and Performance	October 7, 2016	Surabaya
IFRS 9: The Road to Implementation	December 13, 2016	Jakarta	

Name	Trainings	Date	Venue
Jusuf Halim	Governance, Risk and Compliance Forum 2016 on "Cyber Security"	March 29, 2016	Jakarta
	Tax Amnesty in Building Indonesia's Economy	May 3, 2016	Jakarta
	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
	Risk Appetite Framework	August 5, 2016	Jakarta
	Contribution of Board of Commissioners and Audit Committee to success Tax Amnesty Program	August 31, 2016	Jakarta
	The 4th Asian SME Conference	September 14, 2016	Jakarta
	Focus to Domestic Economy and Financial Sector Stability	October 7, 2016	Surabaya
	Enterprise Risk Management - Aligning Risk with Strategy and Performance	October 7, 2016	Surabaya
	Regional Public Sector Conference IV	December 8, 2016	Bandung
	Facing Global Challenges for Better Economic Growth in 2017	December 9, 2016	Jakarta
Roy Athanas Karaoglan	IFRS 9: The Road to Implementation	December 13, 2016	Jakarta
	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
Peter Eko Sutioso	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
	Risk Appetite Framework	August 5, 2016	Jakarta
	Facing Global Challenges for Better Economic Growth in 2017	December 9, 2016	Jakarta
Hardi Juganda	IFRS 9: The Road to Implementation	December 13, 2016	Jakarta
	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
	Risk Appetite Framework	August 5, 2016	Jakarta
	Facing Global Challenges for Better Economic Growth in 2017	December 9, 2016	Jakarta
	IFRS 9: The Road to Implementation	December 13, 2016	Jakarta

Orientation Program for New Member of BOC and the Committees under BOC

Bank OCBC NISP has orientation and introduction program for new members of BOC and Committees to provide knowledge and understanding of the Bank and work scope, and is presented by the President Director and other Directors, as follows:

- The Bank's Vision and Mission
- The Bank's Code of Ethics
- The Bank's Organizational Structure
- BOC's and Committees' Charters
- Information on the segments or fields in the Bank delivered by the Director in their respective fields
- Rules related to banking and capital market.

In 2016, there were no orientation program for BOC and the member of Committees under BOC since there were no new member of BOC and Committees under BOC.

Policy of Diversity In the Composition of Board of Commissioners

1. Policy of BOC Diversity

The provision regarding BOC diversity is stated in Bank OCBC NISP BOC Charter as stated on page 96 of this Annual Report (regarding BOC Composition).

2. Diversity of Bank OCBC NISP's Board of Commissioners

In order to execute the duty to supervise the Bank's operations, Bank OCBC NISP's Board of Commissioners composition reflects the diversity of its member, in term of citizenship, education, age and experiences.

Brief Profile of Board of Commissioners is presented on page 33-34

AFFILIATION

Financial and Family Relationship of BOC Member with BOC, BOD and Other Members of BOC, BOD and/or Controlling Shareholders

The majority of BOC member at Bank OCBC NISP do not have any financial or family relationship with other members of BOC, BOD and/or controlling shareholders of the Bank.

The Commissioners who has a family relationship with BOD member is Pramukti Surjaudaja. The Commissioners who have financial relationship with Controlling Shareholders are Pramukti Surjaudaja, Samuel Nag Tsien and Lai Teck Poh (Dua Teck Poh).

GOOD CORPORATE GOVERNANCE

Name	Financial Relationship with			Family Relationship with		
	Controlling Shareholder	Board of Commissioners	Board of Directors	Controlling Shareholder	Board of Commissioners	Board of Directors
Pramukti Surjandaja	√	-	-	-	-	√
Peter Eko Sutioso	-	-	-	-	-	-
Roy Athanas Karaoglan	-	-	-	-	-	-
Samuel Nag Tsien	√	-	-	-	-	-
Jusuf Halim	-	-	-	-	-	-
Lai Teck Poh (Dua Teck Poh)	√	-	-	-	-	-
Kwan Chiew Choi	-	-	-	-	-	-
Hardi Juganda	-	-	-	-	-	-

Notes:
√ : Yes
- : No

Share ownership by BOC members in the amount of and above 5% from the total paid-in capital

No	Name	Shareholdings of 5% or more of the paid-in-capital			
		Bank OCBC NISP	Other Banks	Non-Bank Financial Institution	Other Companies
1.	Pramukti Surjandaja	-	-	-	-
2.	Peter Eko Sutioso	-	-	-	-
3.	Roy Athanas Karaoglan	-	-	-	-
4.	Samuel Nag Tsien	-	-	-	-
5.	Jusuf Halim	-	-	-	-
6.	Lai Teck Poh (Dua Teck Poh)	-	-	-	-
7.	Kwan Chiew Choi	-	-	-	-
8.	Hardi Juganda	-	-	-	-

Independent Commissioners

Criteria of Independent Commissioner

The criteria of Independent Commissioners at Bank OCBC NISP have 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:

- Not an employee of any professional firms or having authority and responsibility to plan, lead, control, or oversee Bank OCBC NISP activities within the last 6 (six) months, except for the

re-appointment as Independent Commissioners on the next tenure.

- Have no any direct or indirect ownership in the Bank OCBC NISP.
- Have no affiliation with Bank OCBC NISP, members of BOC, BOD or majority shareholders of Bank OCBC NISP.
- Have no direct nor indirect business relationship related to Bank OCBC NISP's business.

Statement of Independence of each Independent Commissioners

Independence Aspects	Peter Eko Sutioso	Roy Athanas Karaoglan	Jusuf Halim	Kwan Chiew Choi
Not an insider of professional firms such as Public Accounting Firm, Law or Public Appraisal Company or others who provide assurance services, non-assurance services, that provide services to Bank OCBC NISP within the last 6 (six) months.	√	√	√	√
Have no any direct or indirect ownership in the Bank OCBC NISP.	√	√	√	√
Have no affiliation with Bank OCBC NISP, members of BOC, BOD or majority shareholders of Bank OCBC NISP.	√	√	√	√
Have no any business relationship directly nor indirectly related to business activities of Bank OCBC NISP.	√	√	√	√

The Board of Commissioners Performance Assessment

The Procedures for Implementation, Criteria and Parties who assess the Board of Commissioners

Bank OCBC NISP conducted the performance evaluation process to assess the effectiveness of the implementation of BOC duties. The assessment is conducted through the following:

1. Self Assessment towards BOC performance

The performance assessment conducted once in a year through self assessment method. Every member of BOC provides value towards its performance and the committee who is responsible to BOC.

The assessment procedures are done by filling out questionnaires which are established in reference to the BOC Charter, with the following criteria:

- Composition
- Quality of BOC Meeting
- BOD supervisory function towards the company performance.

- Succession of the Directors
- Ensure the delivery of risk management and internal control.

The questionnaire is 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 are to evaluate the impact and effectiveness of the performance.

2. Assessment through GCG Self Assessment

The assessment is also done 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.

The utilized indicators cover the following assessment aspects:

- Assessment of the governance structure which assesses

the adequacy of the Bank's governance structure and infrastructure to ensure that GCG implementation results reflect the expected outcome by stakeholders.

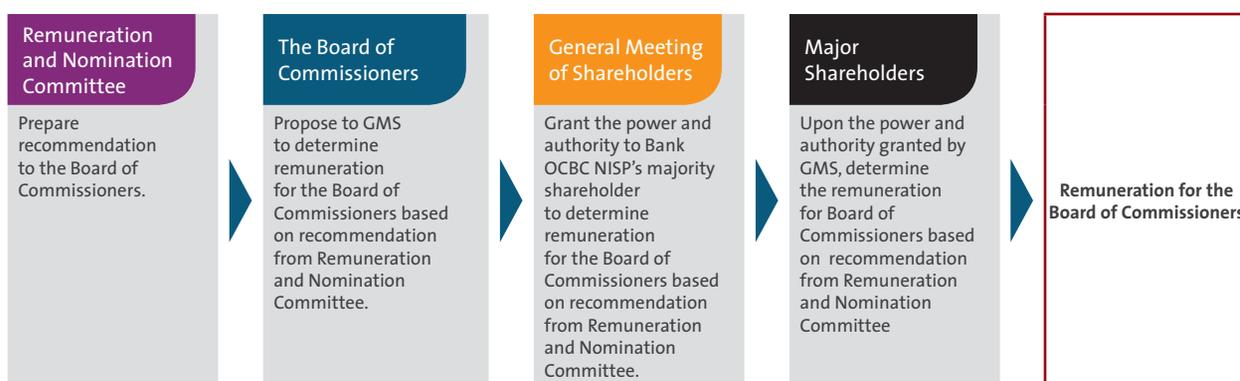
- Assess the effectivity of the implementation process of GCG principles which is supported by the adequacy of Bank's governance structure and infrastructure.
- The assessment of governance outcome to assess the outcome quality expected by stakeholders.

REMUNERATION AND OTHER FACILITIES FOR BOARD OF COMMISSIONERS

Policy of BOC Remuneration

The GMS granted authority on the majority shareholder to determine the amount of salary/honorarium and allowances for BOC based on recommendations of the Remuneration and Nomination Committee.

1. Remuneration Approval Procedure



2. The Structure of Remuneration

As of December 31, 2016 remuneration package for BOC is as follow:

Type of Remuneration and Other Facilities	Board of Commissioners	
	Person	Amount (Rp Million)
Remuneration		
a. Salary, other routine allowances another facilities	8	23,580
b. Bonus	-	-

GOOD CORPORATE GOVERNANCE

Type of Remuneration and Other Facilities	Board of Commissioners	
	Person	Amount (Rp Million)
Other facilities (transportation, health, etc):		
a. Could be owned	-	-
b. Could not be owned	8	532
Total	8	24,112

Type of Remuneration and Other Facilities	Number of Commissioners
> Rp 2 Billion	4
≤ Rp 2 Billion	4

Bank OCBC NISP differentiate itself with other companies in Indonesia, to maintain the independence in carrying out its duties, since 2008 BOC of Bank OCBC NISP does not receive bonus for the achievement of the Bank's performance.

BOARD OF DIRECTORS (BOD)

BOD is responsible for managing and developing GCG at Bank OCBC NISP. BOD also ensure the sustainability of Bank OCBC NISP's business for a long period of time, achievement of performance in line with determined targets, as well as the implementation of prudential banking principles for the stakeholder's interest.

President Director

Bank OCBC NISP's President Director Bank OCBC NISP does not have any financial, structural, share ownership and/or familial relationship with the Bank controlling shareholder, namely OCBC Overseas Investment Pte. Ltd.

The Board of Directors Charter

In performing its duties, BOD refers to BOD Charter which includes:

1. Composition, criteria and term of office
2. Working time
3. The values and work ethics
4. Reporting and accountability
5. Duties, responsibilities and authorities
6. BOD meetings.

BOD Charter was last updated on August 4, 2015 and is reviewed periodically and as necessary, considering the provisions of the existing laws. For more details, please refer to www.ocbcnisp.com

Number Composition, and Criteria of Board of Directors

As of December 31, 2016, Bank OCBC NISP has 10 (ten) BOD members consisting of one President Director, one Compliance Director, one Independent Director and seven Directors.

All members have passed the Fit and Proper Test and received approval from Bank Indonesia/ Financial Services Authority. All members are domiciled in Indonesia.

Criteria in the appointment of BOD member are as follows:

1. That the following requirements are met and as referred to in the FSA Regulation No.33/POJK.04/2014 dated December 8, 2014 regarding BOD and BOC in the Issuer or Publicly Listed Company:
 - 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; and
- iv. Has never been a Director and/or Commissioner who has:
 - a) Failed to hold General Meeting of Shareholders;
 - b) Failed to submit the responsibilities or obtain the approval of the responsibilities as a Director and/or Commissioner to and from GMS; and
 - c) 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 FSA;
 - d) Commit to comply with the applicable legislations;
 - e) Have knowledge and/or skills in the required fields.

2. Comply to 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:

- Legally competent
- Has good character and morals, at least shown by compliance to the prevailing regulations, including never been convicted of a criminal act within the last 20 years prior to the nomination;
- Has commitment to comply the applicable regulation and support the FSA policy;
- Has commitment to develop a healthy Bank operations; and
- Is not included in the Disqualified List.

Requirements for Financial reputation include:

- Does not have non-performing loans
- 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.

Board of Directors' Duties and Responsibilities

Duties and responsibilities are set in the BOD Charter at www.ocbcnisp.com

Structure, Scope of Work and Responsibilities of Each BOD Member

Duties and responsibilities of each member are regulated on BOD Decree No. KPTS/DIR/HCM/HK.02.02/089/2016 dated June 15, 2016 such as:

No.	Name	Position	Roles and Responsibility
1.	Parwati Surjoudaja	President Director	To coordinate the implementation of Bank management through all Directors and is directly responsible for: <ul style="list-style-type: none"> Internal Audit Human Capital
2.	Yogadharma Ratnapalasari	Director	Operation & Information Technology
3.	Rama Pranata Kusumaputra	Director	<ul style="list-style-type: none"> Compliance AML-CFT Corporate Secretary Corporate Communication
4.	Hartati	Director	Financial & Planning
5.	Emilya Tjahjadi	Director	<ul style="list-style-type: none"> Commercial Banking Enterprise Banking
6.	Martin Widjaja	Director	<ul style="list-style-type: none"> Wholesale Banking Transaction Banking Financial Institution
7.	Andrae Krishnawan W.	Director	<ul style="list-style-type: none"> Network Sharia Business Unit
8.	Low Seh Kiat	Director	Retail Banking Business
9.	Johannes Husin	Director	Treasury
10.	Joseph Chan Fook Onn	Director	Risk Management

Concurrent Positions

All members of Bank OCBC NISP BOD 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.

Appointment and Term of Office

The replacement and/or appointment of BOD member paid attention on recommendation of the Remuneration and Nomination Committee. According to the Articles of Association, the term of office of the Director is effective starting from the appointment date in the GMS and expires on the date of the third annual GMS after the appointment date and may be reappointed by GMS.

Policies and Implementation of Frequency, Attendance, and Agenda of BOC and BOD Meeting Attended by BOC

1. BOD Meeting

- BOD meeting is held on a regular basis for at least once a month and meeting with BOC at least once in four months.
- BOD meeting can be held if attended or represented by majority of the members.
- 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

- At the scheduled meeting as referred to point c, the material must be delivered to the participants at least five days before the meeting is held.
- Every policy and strategic decisions must be decided through BOD meeting.
- 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.
- The minutes of BOD meeting and with BOC meeting should be documented by Bank.

Please refer to www.ocbcnisp.com for more details.

GOOD CORPORATE GOVERNANCE

2. Frequency and Meeting Attendance of BOD in 2016

No	Name	Meetings	Attendance	% Attendance
1	Parwati Surjaudaja	23	23	100%
2	Yogadharma Ratnapalasari	23	22	95%
3	Rama Pranata Kusumaputra	23	20	86%
4	Emilya Tjahjadi	23	22	95%
5	Hartati	23	23	100%
6	Martin Widjaja	23	23	100%
7	Andrae Krishnawan W.	23	23	100%
8	Johannes Husin	23	23	100%
9	Low Seh Kiat	23	22	95%
10	Joseph Chan Fook Onn	23	22	95%

3. Attendance at Joint Meeting of BOD with BOC in 2016

No	Name	Meetings	Attendance	% Attendance
1	Parwati Surjaudaja	3	3	100%
2	Yogadharma Ratnapalasari	3	3	100%
3	Rama Pranata Kusumaputra	3	3	100%
4	Emilya Tjahjadi	3	3	100%
5	Hartati	3	3	100%
6	Martin Widjaja	3	3	100%
7	Andrae Krishnawan W.	3	3	100%
8	Johannes Husin	3	3	100%
9	Low Seh Kiat	3	3	100%
10	Joseph Chan Fook Onn	3	3	100%

4. Agenda of Board of Directors' and BOD with BOC Joint Meeting

Date		Agenda
January 13, 2016	BOD Meeting	1. Internal Audit Report December 2015 2. Compliance Profile Report December 2015 3. HC Update 4. Policy Approval 5. Unsecured Loan Strategy 6. KPI BOD 2016
January 127, 2016	Rapat Direksi	1. Financial Performance Report (December 2015) 2. Private Banking Update 3. L3 External Communication Policy 4. HUT 75th Update
February 10, 2016	BOD Meeting	1. Internal Audit Report January 2016 2. Compliance Profile Report January 2016 3. Productivity Update 4. Digital Banking Update 5. L4 National Network Policy
February 24, 2016	BOD Meeting	1. Financial Performance Report (All Units, Network, Segment: Individual, EMB, Business, Commercial-EB, WB-FI, Retail, GTB, Treasury) 2. Three Lines of Defense Update 3. Any Other Business - 75 th Anniversary Update & FONO Update
March 10, 2016	BOD Meeting	1. Internal Audit Report 2. Compliance Profile Report 3. AOB (Update the changes of AOA)
March 17, 2016	Joint Meeting BOD-BOC	1. February 2016 Financial Performance 2. CASA Strategy Progress Update 3. Any Other Business
March 23, 2016	BOD Meeting	1. Financial Performance Report (February 2016) 2. Any Other Business
April 6, 2016	BOD Meeting	1. Internal Audit Report February 2016 2. Compliance Profile Report February 2016 3. HC Update - Productivity Upate (Front Office, Middle Office, Back Office) - Banking Academy Integration 4. Wealth Management Quarterly Bonus Scheme 5. Productivity & PMO Update 6. Any Other Business
April 20, 2016	BOD Meeting	1. Financial Performance Report (March 2016) 2. HC Update (EES Action Plan & Regulatory Update) 3. L4 Approval (L4 National Sales Management) 4. Data Quality Update 5. Any Other Business

Date	Agenda		
May 11, 2016	BOD Meeting	1. Internal Audit Report April 2016 2. Compliance Profile Report April 2016 3. HC Update on EES 2016 Budget & Productivity Update	4. Productivity & PMO Update + Update MOA - Culture framework & High Level Update 5. Any other Business
May 25, 2016	BOD Meeting	1. Promotion budget 2. HC Update (Organization chart & productivity update)	3. Financial Performance Report (April 2016) 4. 2nd Annual Review FMCT Forward 5. Any Other Business
June 8, 2016	BOD Meeting	1. Internal Audit Report May 2016 2. Compliance Profile report May 2016 3. HC Update 4. NPAP L3 Policy Review	5. Revised the Bank Business Plan related to new product and changes of office and ATM relocation. 6. 2020 Strategy 7. Any Other Business
June 17, 2016	BOD Meeting	1. L3 Network Policy, L2 Policy Review, L3 Policy Review 2. HC Update	3. Financial Performance Report (May 2016) 4. Any Other Business
July 13, 2016	BOD Meeting	1. Internal Audit Report June 2016 2. Compliance Profile Report June 2016 3. Implementation Anticipation of Tax Amnesty (Customer Solution Proposition, Internal & Customer Socialization Plan)	4. Culture Update (COME ON Share Progress) 5. Any Other Business
July 20, 2016	BOD Meeting	1. Financial Performance Report (June 2016)	2. Any Other Business
July 20, 2016	Joint Meeting BOD-BOC	1. 1H2016 Financial Performance 2. Network Strategy Progress Update 3. Business Plan 2020	4. Tax Amnesty Update 5. Any Other Business
August 3, 2016	BOD Meeting	1. HC Update (MPP MO/BO) 2. Internal Audit Report July 2016 3. Compliance Profile Report July 2016 4. Product Management Review (NPAP Process Performance, New Product Performance, Product Mgt Roadmap)	5. Productivity & PMO Update 6. Update 2020 Strategy 7. TA Update 8. AOP 2017 9. Repropose Risk Appetite Statement 10. Any Other Business
Agustus 24, 2016	BOD Meeting	1. HC Update 2. Financial Performance Report (July 2016) 3. TA update	4. Strategy 2020 5. Any Other Business
September 7, 2016	BOD Meeting	1. HC Update (employer value proposition, EES, productivity) 2. IAD Report August 2016 3. Compliance report August 2016 4. NPAP 2nd Annual Review	5. Productivity & PMO Update 6. Tax Amnesty Approval 7. Any Other Business 9. AOP 2017 (Proposed Projection 2017-2021 and 5 years strategy)
September 21, 2016	BOD Meeting	1. HC Update (Internal Community policy update, additional 2016 MPP approval) 2. Tax Amnesty Update 3. Trustee Policy	4. Financial Performance Report (August 2016) 5. Annual Operating Plan 2017 6. Any Other Business
September 22, 2016	Joint Meeting BOD-BOC	1. August 2016 Financial Performance 2. OPIT Strategy Progress Update	3. Any Other Business
October 5, 2016	BOD Meeting	1. Network Strategy 2. Internal Audit Report September 2016 3. Compliance Profile Report September 2016	4. Productivity & PMO Update 5. Annual Operating Plan 2017 6. Any Other Business
October 26, 2016	BOD Meeting	1. HC Update (EES, Performance Pension Fund Q3 2016) 2. Organizational Chart 3. Tax Amnesty Update 4. Data Quality Update	5. Product Review 6. Private Banking 7. Financial Performance Report (September 2016) 8. Any Other Business
November 9, 2016	BOD Meeting	1. Internal Audit Report October 2016 2. Risk Maturity Index 3. Customer Analytics 4. Compliance Profile Report October 2016 5. Retail 2020 Project Update	6. HC Update - Budget & Employer Value Proposition (EVP) - 2017 Employee Engagement Activities - Assessment Tools - Organization Structure Framework 7. Any Other Business
November 23, 2016	BOD Meeting	1. HC Update (Material Risk Taker, Organization Chart 2017) 2. Tax Amnesty Update	3. Financial Performance Report (September 2016) 4. Any Other Business
December 14, 2016	BOD Meeting	1. HC Update (Rewards and Changes of Organization Structure) 2. Compliance Profile Report November 2016 3. Internal Audit Report November 2016 4. L4 Accounting Policy	5. Productivity & PMO Update 6. 2nd Annual Review (EDC & TOP UP E-Money) 7. Financial Performance Report (November 2016) 8. Any Other Business

GOOD CORPORATE GOVERNANCE

Voting in The Board of Directors Meeting

According to the Directors Charter, decision-making in the Directors meeting is performed using deliberation. If the deliberation could not be achieved, voting would be conducted based on affirmative votes of at least more than half of total valid votes. All decisions are taken

in accordance with the Articles of Association of the Bank and Charter that binds and becomes responsibility of all Directors members.

Dissenting opinions (if any) has been stated in minute of Directors meeting, which is signed by all members of Directors who attended and are circulated by all members.

Training and Orientation Program

BOD Training Program

To support the implementation of tasks and responsibilities, training on BOD has been instigated since 2015, such as:

Name	Training	Date	Venue
Parwati Surjaudaja	OCBC NISP GELI Strategy Workshop 2016	June 7, 2016	Jakarta
	Insurance & Securities Businesses : The Businesses, Risk, Regulation, And Market Updates	June 22, 2016	Jakarta
	Indonesian-Swedish Digital Forum 2016	September 6, 2016	Jakarta
	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta
	Service Leader Workshop	December 8, 2016	Jakarta
Hartati	International Financial Reporting Standard (Ifrs) 9	May 15, 2016	Jakarta
	Insurance & Securities Businesses : The Businesses, Risk, Regulation, And Market Updates	June 22, 2016	Jakarta
	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta
	Digital In Finance And What It Really Means	November 10, 2016	Jakarta
	Financial Services Accounting & Tax Seminar	November 16, 2016	Jakarta
Andrae Krishnawan	IFRS 9: The Road To Implementation	December 13, 2016	Jakarta
	OCBC NISP GELI Strategy Workshop 2016	June 7, 2016	Jakarta
	Insurance & Securities Businesses : The Businesses, Risk, Regulation, And Market Updates	June 22, 2016	Jakarta
	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta
	Service Leader Workshop	December 8, 2016	Jakarta
Emilya Tjahjadi	Insurance & Securities Businesses : The Businesses, Risk, Regulation, And Market Updates	June 22, 2016	Jakarta
	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta
Johannes Husin	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta
Joseph Chan Fook Onn	Insurance & Securities Businesses : The Businesses, Risk, Regulation, And Market Updates	June 22, 2016	Jakarta
	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta
Low Seh Kiat	Insurance & Securities Businesses : The Businesses, Risk, Regulation, And Market Updates	June 22, 2016	Jakarta
	5th Annual Retail Banking Asia Pasific	January 27, 2016	Kualalumpur
	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta
Martin Widjaja	Insurance & Securities Businesses : The Businesses, Risk, Regulation, And Market Updates	June 22, 2016	Jakarta
	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta
Rama Pranata Kusumaputra	Insurance & Securities Businesses : The Businesses, Risk, Regulation, And Market Updates	June 22, 2016	Jakarta
	Leaders Retreat 1 Day A	June 27, 2016	Jakarta
	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta
Yogadharma Ratnapalasari	Insurance & Securities Businesses : The Businesses, Risk, Regulation, And Market Updates	June 22, 2016	Jakarta
	Advance Communication Skills: Leadership Communication	September 9, 2016	Jakarta

Orientation Program for New Members of BOD

In 2016, no orientation was held due to absence of new members.

AFFILIATION

Financial Relationship and Family Affiliation with Board of Commissioners Members, Other Board of Directors Members and Controlling Shareholders.

Name	Financial Relationship with			Family Relationship with		
	Controlling Shareholder	Board of Commissioners	Board of Directors	Controlling Shareholder	Board of Commissioners	Board of Directors
Parwati Surjaudaja	-	-	-	-	√	-
Yogadharma Ratnapalasari	-	-	-	-	-	-
Rama Pranata Kusumaputra	-	-	-	-	-	-
Emilya Tjahjadi	-	-	-	-	-	-
Hartati	-	-	-	-	-	-
Martin Widjaja	-	-	-	-	-	-
Andrae Krishnawan W.	-	-	-	-	-	-
Johannes Husin	-	-	-	-	-	-
Low Seh Kiat	√	-	-	-	-	-
Joseph Chan Fook Onn	√	-	-	-	-	-

Notes:
√ : Yes
- : No

Board of Directors Share Ownership which reached 5% or more than paid in capital

No	Name	Board of Directors Share Ownership which reached 5% or more than paid in capital			
		Bank OCBC NISP	Others Bank	Non-bank Financial Institution	Others
1.	Parwati Surjaudaja	-	-	-	-
2.	Yogadharma Ratnapalasari	-	-	-	-
3.	Rama Pranata Kusumaputra	-	-	-	-
4.	Emilya Tjahjadi	-	-	-	-
5.	Hartati	-	-	-	-
6.	Martin Widjaja	-	-	-	-
7.	Andrae Krishnawan W.	-	-	-	-
8.	Johannes Husin	-	-	-	-
9.	Low Seh Kiat	-	-	-	Yolland Investment Pte Ltd (15%)
10.	Joseph Chan Fook Onn	-	-	-	-

The Board of Directors Performance Assessment

The Procedures for Implementation, Criteria and Parties who assess the Board of Directors

Bank OCBC NISP 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.

The implementation of the assessment is done through the following methods:

1. Individual Assessment towards the Board of Directors

In carrying out the assessment towards the BOD performance, the Bank utilizes the Balance Score Card (BSC) which is stipulated in a form of goal setting and Key Performance Indicators (KPI) in a more detailed and collectively agreed upon in reference to the Bank's strategies.

The assessment towards the KPIs of BOD refers to the following five aspects, which are: Finance, Customers, Products & Services, Process and People. The weighting criteria for the assessment would be different between one Director and another, depending on each own duties and functions. The individual performance assessment is done by the President Director.

GOOD CORPORATE GOVERNANCE

2. Collective assessment towards performance in group

- a. Assessment towards BOD duties and responsibilities in group is delivered by BOC Report in the page of 20 in this annual report. The performance assessment is assisted by Remuneration and Nomination Committee.
- b. Assessment towards the GCG Implementation (Self Assessment)
The assessment towards BOD performance is also done through self assessment towards the GCG implementation 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 utilized indicators cover the following aspects:

- 1) Assessment of the governance structure which assesses the adequacy of the Bank's governance structure and infrastructure to ensure that GCG implementation results the outcome that is expected by stakeholders.
- 2) Assess the effectivity 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 which is expected by stakeholders.

Policy of The Board of Directors Remuneration

1. Procedure of Determining the Remuneration of the Board of Directors



2. Remuneration Structure

Type of Remuneration and Other Facilities	Board of Directors	
	Person *)	Amount (Rp Million)
Remuneration		
a. salary, bonus, other routine allowances another facilities	9	99,375
b. Bonus		
Other facilities (transportation, health, etc):		
a. Could be owned	-	-
b. Could not be owned	9	2,038
Total	9	101,413

*) 1 (one) Director does not receive remuneration and other facilities from Bank OCBC NISP.

Type of Remuneration and Other Facilities	Number of Directors
> Rp 2 Billion	9
≤ Rp 2 Billion	-

*) 1 (one) Director does not receive remuneration and other facilities from Bank OCBC NISP.

COMMITTEES

Committees under the Board of Commissioners (BOC)

To support the effective execution of duties and responsibilities, BOC established Audit Committee, Remuneration and Nomination Committee, and Risk Monitoring Committee. The Committee's members were appointed by the BOD based on BOC's decision. Each Committee is led by an Independent Commissioner and a Charter which is updated periodically.

Audit Committee

The Audit Committee is referring the following applicable regulations:

1. FSA Regulation No. 55/POJK.04/2015 dated December 23, 2015 regarding the establishment Audit Committee and Work Guidelines.
2. 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.

3. FSA Regulation No. 55/POJK.03/2016 dated December 7, 2016 concerning GCG implementation for Commercial Bank.

Legal Basis of Establishment

The Audit Committee was established and is responsible for 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 comprises of:

- one Independent Commissioner as Chairman
- one Independent Party who has expertise in finance/accounting as a member
- Independent Party who has expertise in law or banking as member.

Audit Committee Charter

Audit Committee has an Audit Committee Charter which has been

approved by the BOC and used as written terms of reference for members in carrying out their duties and responsibilities professionally and independently.

Audit Committee Charter outlines:

- a. Composition
- b. Structure
- c. Member qualifications
- d. Duties and responsibilities
- e. Organizing meetings
- f. Working Procedures
- g. Term of office of Committee members
- h. Activity reporting
- i. Complaints handling of financial reporting matters

Audit Committee Charter was last updated on October 30, 2015 and is subject to periodic review or as deemed necessary by BOC in accordance with the most recent prevailing regulations., and has been uploaded in the website of Bank OCBC NISP at www.ocbcnisp.com.

Composition, Membership, Legal Basis of Appointment, and Term of Office of Audit Committee as of Desember 31, 2016

Position in The Committee	Position in Bank OCBC NISP	Name	BOC Decree	BOD Decree	Term of Office	
					Effective Date	End of Term
Chairman	Commissioner (Independent Commissioner)	Jusuf Halim	036/Dekom/IPC-LS/VI/2014 dated May 6, 2014.	KPTS/DIR/HK.02.02/CORP. SECR/040 B/2014 dated May 6 2014	April 7, 2014	AGMS 2017
Member	Independent Party	Made Rugeh Ramia	007/Dekom/IPC-LS/II/2016 dated February 22, 2016	KPTS/DIR/HK.02.02/CORP. SECR/060/2016 dated March 31, 2016	April 7, 2016	AGMS 2017
Member	Independent Party	Kurnia Irwansyah	038/Dekom/IPC-LS/V/2014 dated May 6, 2014	KPTS/DIR/HK.02.02/CORP. SECR/040F/2014 dated may 6, 2014	July 1, 2014	AGMS 2017

Profil and Expertise of Audit Committee

Jusuf Halim
Chairman

For complete profile please refer to profile of BOC on page 34 on this Report.

GOOD CORPORATE GOVERNANCE



Made Rugeh Ramia
Member

Indonesian Citizen, 76 years old,

Working Experience

- Since March 2013: Member of Bank OCBC NISP's Audit Committee.
- 2010-2013: Member of Risk Monitoring Committee for Bank OCBC NISP
- Since 2009: Serves as the Independent Commissioner of Panin Sekuritas
- 1990 – 2009: President Director of Panin Sekuritas.
- 2001 – 2003: Commissioner in Indonesia Stock Exchange (before Jakarta Stock Exchange)

Education:

Has a Bachelor degree in Economics from Gadjah Mada University, Yogyakarta (1966) and a Financial and Securities Analyst from New York Institute of Finance (1981- 1982).



Kurnia Irwansyah
Member

Indonesian Citizen, 58 years old

Working Experience:

- Since July 2014: Member of Bank OCBC NISP's Audit Committee.
- 1998-2008: Managing Director IFFPT Essence Indonesia
- 1993-1998: Finance Director IFFPT Essence Indonesia
- 1988-1993: Financial Controller IFFPT Essence Indonesia
- 1985-1988: Finance Manager PT Djaya Beverage Bottling Company
- 1983-1985: Manager PT Coca Cola Indonesia
- 1979-1983: Audit Assistant Manager for Public Accounting Firm Hadi Sutanto & Rekan/Pricewaterhouse
- Since 1985: Senior Professor in Accounting for Faculty of Economics, University of Indonesia

Education:

With a Bachelor degree in Economics majoring in Accounting from Faculty of Economics, University of Indonesia (1982), Master Degree in Accounting from MAKSI, from Faculty of Economics, University of Indonesia (2010), Chartered Accountant from Institute of Indonesian Chartered Accountants (2014) and Certified Lecturer from Ministry of Education (2014).

Independency of Audit Committee

All members of Audit Committee have fulfilled the following independency requirements as :

- is not an insider of any professional firms such as Public Accounting Firm, Law Firm or Public Appraisal Company which provides assurance service, non assurance service, appraisal or other consulting services to Bank OCBC NISP in the last six months.
- is not a person who works or with the authority and responsibility to plan, direct, control or supervise the bank activities in the last six months, except Independent Commissioners.
- have no direct or indirect ownership in the Bank.
- have no affiliation relationship with Bank OCBC NISP, members of the BOC, BOD or majority shareholders of the Bank.
- have no direct or indirect business relationship with the Bank's business activities.

Duties and Responsibilities of the Audit Committee

The Audit Committee performs its function as stipulated in the

regulation governing the capital market, banking and stock exchange, and the Audit Committee Charter.

In performing its duties and responsibilities, the Audit Committee acts independently.

The overall duties and responsibilities of the Audit Committee is specified in the Audit Committee Charter and available at the Bank's corporate website (www.ocbcnisp.com).

Frequency and Attendance of Meetings

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 Committee can only make decisions when the meetings are attended by at least three members of the Audit Committee.

During 2016, the Audit Committee held 17 meetings, consisting of:

- Three meetings with the Public Accountant to review ,among others,its independency, focus and audit scope, as well as the results of the internal control evaluation,

significant audit findings, accounting and financial reporting matters and other audit matters.

- Three meetings with Director of Finance to review and discuss matters related to accounting and financial reporting.
- Five meetings with the Internal Audit to review, among others, the adequacy of internal controls system, governance process, audit findings, follow-up of audit findings and improvement of audit methodology .
- Three meetings with Director of Compliance, to review the Bank's compliance to the applicable laws and regulations.
- Three meetings with the BOC to report on the Audit Committee activities and provide relevant inputs and recommendations to the BOC and consult on matters involving the implementation of duties and responsibilities of the Committee.

The record of the Audit Committee attendance at the meetings is as follows:

No	Position in Bank OCBC NISP	Name	Meeting Attendance	% Attendance
1	Chairman	Jusuf Halim	17	100%
2	Independent Party	Made Rugeh Ramia	17	100%
3	Independent Party	Kurnia Irwansyah	17	100%

Training Attended by Audit Committee

Name	Training	Date	Venue
Jusuf Halim	Outlined on the Table of The Board of Commissioners Training on page 100-101		
Made Rugeh Ramia	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
	IFRS 9 : The Road to Implementation	December 13, 2016	Jakarta
	PSAK Terkini Sesuai Program Konvergensi IFRS	May 17-20, 2016	Bali
	IFRS Beyond 2018: The Changing Landscape of Financial Reporting	May 25-26, 2016	Jakarta
Kurnia Irwansyah	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
	IFRS 9 : The Road to Implementation	December 13, 2016	Jakarta
	XIX National Symposium of Accounting - Accounting as Catalyst of Accountant Revitalization Role: Stakeholders Collaboration for Excellent Accountant	August 24-27, 2016	Lampung
	Meeting & Socialization of AACSB and AOL, Curriculum and Productivity Research Culture	August 19-20, 2016	Bogor

Audit Committee Working Program of Implementation and Realization

Through the meetings held in 2016 as described above, the Audit Committee has reviewed, evaluated and monitored within its duties and responsibilities, the followings :

- a. With Compliance Director, among others:
 - 1) Bank's compliance with the prevailing laws and regulations, the implementation of prudential principles, follow up actions on internal audit findings involving compliance matters and corrective actions by the management.
 - 2) Identified non-compliance and the management's actions for improvement to enhance compliance culture.
 - 3) The relevant current regulatory development including its impact to the Bank and management's response on its application.
 - 4) The effectiveness of the compliance monitoring system on legislations, code of conduct and the Management's corrective actions on non-compliance.
- b. With the Director of Finance, such as:
 - 1) Reviewed to be published financial information and monitored the process of financial reporting to ensure the integrity of the financial statements, a sound and transparent financial reporting process, as well as ensuring that the financial statements have been presented in accordance with the applicable Indonesian financial accounting standards.
 - 2) Ensured that Management keeps abreast of current development in financial accounting standards, reviewed the impact of changes in accounting standards to the Bank before its effective date and performed necessary preparatory steps for the readiness on its proper and timely application.
 - 3) Reviewed to ensure that the content and disclosures of financial statements, the application of accounting principles, the use of estimates and significant judgement and the treatment of accounting changes, including the application of new accounting standards effective in the current year, are appropriate and in accordance with the applicable financial accounting standards in Indonesia.
- c. With Internal Audit, such as:
 - 1) Reviewed the identified risks, risk-based audit plan, audit focus and audit scope to ensure that key significant risks and key functions are appropriately addressed in the audit scope, and to ensure an independent, objective, effective and efficient internal audit process. In addition, it also discussed with Internal Audit the proposed improvement of audit methodology, utilization of technological advances in the audit process to improve audit effectiveness and efficiency as well as the the role of Internal Audit in strengthening and empowering three Lines of Defense
 - 2) Based on the periodic reports submitted by the Internal Audit, discussed audit results of internal control evaluation of the Bank's key activities with Internal Audit, risk

GOOD CORPORATE GOVERNANCE

- management and governance process and other significant audit findings, corrective actions taken by BOD on internal audit findings and recommendations. In addition, reviewed with Internal Audit the adequacy and effectiveness of internal control system during the current year.
- 3) Discussed to ensure an effective coordination and communication between Internal Audit and Public Accountant, Financial Service Authority and other supervisory authorities. In addition, monitoring the proper follow-up by management on the recommendations issued by Internal Audit, Public Accountant, Financial Service Authority and other supervisory authorities.
 - 4) Discussed the adequacy and professional competence of internal auditors, and the implementation continuing professional development and education for internal auditors, as well as the efficiency and effectiveness of the audit, and the exercise of independent and objective internal audit process
 - 5) Held meetings with Internal Audit, without the management's presence to discuss any important matters raised by Internal Audit.
- d. With Public Accountant, among others:
- 1) Reviewed with Public Accountant on their independence, audit focus and audit scope to ensure that key risks are appropriately addressed in the audit scope.
 - 2) Discussed audit results on internal control system evaluation, the application of accounting principles and policies, the quality of assumptions used, significant estimates by management,

- significant financial reporting issues, adequacy of disclosures and disagreement with management (if any) to ensure the overall integrity of financial statements. In addition, discussed with Public Accountant on the current development of financial accounting standards to understand the impact of new accounting standards which have been or will be published, including to discuss ED SFAS 71 (adopted from IFRS 9) and the possible impact of its implementation on the Bank's financial statements as well as necessary steps to be taken by Management and key matters for its oversight by the Audit Committee.
- 3) Reviewed to ensure the exercise of an independent, objective and effective external audit process in accordance with the prevailing auditing standards, discussed Bank's compliance with the prevailing laws and regulations and other financial reporting, audit and compliance matters.
 - 4) Held a meeting with the Public Accountant in a separate sessions without Management's presence to discuss any important matters to be conveyed by Public Accountant.
- e. With the BOC, such as:
- Reported quarterly activities of Audit Committee, highlighted important matters and Audit Committee's recommendations to BOC on governance, accounting, audit, compliance and internal control matters including the proposed appointment of the Public Accountant and proposed improvement of the Audit Committee Charter.

In addition, the Audit Committee has held internal discussions on:

- 1) Work plan and key matters to be recommended to the BOC.

- 2) The results of evaluation and proposed appointment of Public Accountant, and the results of self-assessment of Audit Committee's performance.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is according to the FSA Regulation No.55/POJK.03/2016 dated December 7, 2016 concerning the GCG Implementation for Commercial Banks.

Legal Basis of Establishment

The Remuneration and Nomination Committee was established by and responsible to BOC based on the BOC Decree No.KPTS/DEKOM/010/2006 dated December 7, 2006 to assist in performing their functions and duties 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 composition and membership of Remuneration and Nomination Committee has complied with FSA Regulation. The membership 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 in charge of human resources

The Remuneration and Nomination Committee Charter

The Remuneration and Nomination Committee uses the Charter as work guidelines which includes:

- a. Membership
- b. Duties, responsibilities and authorities
- c. Values and work ethics
- d. Working time
- e. Meeting rules
- f. Disclosure and reporting

The Remuneration and Nomination Committee Charter was last updated

in November 5, 2014, reviewed periodically or as necessary by BOC as long as it is in accordance with the latest relevant regulation and has been uploaded in the website of Bank OCBC NISP at www.ocbcnisp.com.

Composition, Membership, Legal Basis of Appointment and Term of Office of the Remuneration and Nomination Committee Members as of December 31, 2016

Position in the Committee	Position in Bank OCBC NISP	Name	BOC Decree	BOD Decree	Term of Office	
					Effective Date	End of Term
Chairman	Commissioner (Independent Commissioner)	Roy Athanas Karaoglan	009/DEKOM/IPC-LS/II/2016 dated February 22, 2016	KPTS/DIR/HK.02.02/CORP. SECR/064/2016 dated March 31, 2016	April 7, 2016	AGMS 2017
Member	Chairman	Pramukti Surjaudaja	019/DEKOM/IPC-LS/II/2015 dated February 13, 2015	KPTS/DIR/HK.02.02/CORP. SECR/011/2015 dated February 13, 2015	April 9, 2015	AGMS 2017
Member	Deputy Chairman (Independent Commissioner)	Peter Eko Sutioso	009/DEKOM/IPC-LS/II/2016 dated February 22, 2016	KPTS/DIR/HK.02.02/CORP. SECR/065/2016 dated March 31, 2016	April 7, 2016	AGMS 2017
Member	Commissioner	Samuel Nag Tsien	019/DEKOM/IPC-LS/II/2015 dated February 13, 2015	KPTS/DIR/HK.02.02/CORP. SECR/012/2015 dated February 13, 2015	April 9, 2015	AGMS 2018
Member	Executive Officer in charged of Human Resources	Mustika Atmanari	012/Dekom/AN-LS/II/2014 dated February 7, 2014	KPTS/DIR/HK.02.02/CORP. SECR/012E/2014 dated February 28, 2014	April 7, 2014	AGMS 2017

Profile of Remuneration and Nomination Committee

Roy Athanas Karaoglan

Pramukti Surjaudaja

Peter Eko Sutioso

Samuel Nag Tsien

For complete profile please refer to profile of BOC on page 33-34 on this Report.



Indonesian Citizen, 54 years old.

Working Experience:

- Since April 7, 2014: Member of Bank OCBC NISP's Remuneration and Nomination Committee
- More than 21 years of experience in banking industry especially in Human Resources.
- 1994: Joined with Bank OCBC NISP with the latest position as Human Capital Management Division Head.

Education:

She had a Master Degree in Management majoring in Human Resources Management from Padjajaran University, Bandung (1994).

Mustika Atmanari

Independency of Remuneration and Nomination Committee's Member

Independent members of Remuneration and Nomination Committee have met the independency requirements as follows:

- Not an insider who works or have the authority and responsibility to plan, control or monitor the Bank's activities within the last 6 (six) months, with the exception of Independent Commissioners.
- Have no direct or indirect ownership in the Bank.
- Have no affiliation with Bank OCBC NISP, members of BOC, BOD or majority shareholders of the Bank.
- Have no business relationship directly nor indirectly related to business activities of Bank OCBC NISP.

Duties and Responsibilities of the Remuneration and Nomination Committee

Remuneration and Nomination Committee performs its duties based on the Bank Indonesia Regulation and Banking Authorities, as well as the Committee's Charter.

Details duties and responsibilities of the Remuneration and Nomination Committee are stated on the Remuneration and Nomination's Charter at www.ocbcnisp.com.

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Policies and Implementation of Frequency and Attendance of Remuneration and Nomination Committee Meeting as of December 31, 2016

1. The Committee meeting is held periodically by at least once within 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 employee representative; and
 - 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 which have the relevant experience and skills in the meeting, if deemed necessary.
5. Meeting decisions are made based on consensus. When the deliberation is achieved, the decision will be done by a majority vote.
6. Dissenting opinions that occurred in the meeting shall be put clearly in the meeting, followed by the reason.
7. All decisions in writing, signed or approved by majority of the Committee will be applied as a decision taken from the meeting and may consist of several documents, each signed by one or

more members of the Committee. The majority members who signed or approved must be independent members and Executive Officers. The terms "in writing" and "signed" includes approval via e-mail or facsimile by the members.

8. The result must be stipulated in the minutes of the meeting and well-documented.
9. 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.

During 2016, Remuneration and Nomination Committee conducted 3 (three) times of meetings with the following attendance:

No	Position in Committee	Name	Meeting Attendance	% Attendance
1	Chairman	Roy Athanas Karaoglan	3	100%
2	Member	Pramukti Surjaudaja	3	100%
3	Member	Peter Eko Sutioso	3	100%
4	Member	Samuel Nag Tsien	3	100%
5	Member	Mustika Atmanari	3	100%

Training of the Remuneration and Nomination Committee Members

To improve their competence and understanding in supporting the implementation of the duties and responsibilities, the members of the Remuneration and Nomination Committee have joined the following seminars, training or workshop in 2016:

Name	Trainings	Date	Venue
Roy Athanas Karaoglan, Pramukti Surjaudaja, Peter Eko Sutioso, Samuel Nag Tsien Outlined on the Table of The Board of Commissioners Training on page 100-101			
Mustika Atmanari	Know Your Customer	July 23, 2016	Jakarta
	UKMR Refreshment Course	September 23, 2016	Jakarta

Remuneration and Nomination Committee Report of Working Program and Realization

Throughout 2016, the Remuneration and Nomination Committee held discussions regarding the following issues:

a. Remuneration Function

- 1) Reviewed compensation and benefits in 2016.
- 2) Reviewed and evaluated the remuneration of BOC and BOD in 2016.
- 3) Reviewed the benefit of Committee members under BOC (Independent Party).
- 4) Reviewed the impact of regional wage minimum increment in 2016 towards the Bank's remuneration policy.
- 5) Reviewed policies on salary increase and performance bonuses for all employees.

- 6) Reviewed concept of 2017 Remuneration Policy.

GCG Implementation for Commercial Banks.

expertise in risk management as a member.

b. Nomination Function

- 1) Reviewed the reappointment of BOD and BOC members as well as members of Committees.
- 2) Reviewed the plan to appoint subsequent members of BOD and Committees.
- 3) Reviewed the composition of BOC and BOD.
- 4) Reviewed Nomination Policy of BOC, BOD, Sharia Supervisory Board and Committees under the BOC.

Legal Basis of Establishment

Risk Monitoring Committee was established and is responsible to the BOC based on BOC Decree No. KPTS/DEKOM/011/2006 dated December 7, 2006 to help perform the functions and duties of BOC in monitoring the implementation of risk management.

Membership and Expertise

Risk Monitoring Committee membership consists of:

- a. One Independent Commissioner as Chairman
- b. One Independent Commissioner as member
- c. Three Non-Independent Commissioners as members
- d. One Independent Party who has expertise in finance as a member
- e. One Independent Party who has

The Risk Monitoring Committee Charter

The Risk Monitoring Committee has a Charter that serves as a guideline and work rule that binds its members which consist of the following:

- a. Membership
- b. Duties, responsibilities and authorities
- c. Values and work ethics
- d. Working hours
- e. Meeting Rules
- f. Disclosure and reporting

The Risk Monitoring Committee Charter was last updated on October 30, 2015 and reviewed on a regular basis every two years, or if deemed necessary by BOC and in accordance with the latest legislation. For more details go to www.ocbcnisp.com

Risk Monitoring Committee

The Risk Monitoring Committee is in accordance with the FSA Regulation No.55/POJK.03/2016 dated December 7, 2016 concerning the

Composition, Membership, Legal Basis of Appointment and Term of Office of the Risk Monitoring Committee Members as of December 31, 2016

Position in Committee	Position in Bank OCBC NISP	Name	BOC Decree	BOD Decree	Term of Office	
					Effective Date	End of Term
Chairman	Commissioner (Independent Commissioner)	Kwan Chiew Choi	011/DEKOM/AN-LS/II/2014 dated February 7, 2014	KPTS/DIR/HK.02.02/CORP. SECR/012C/2014 dated February 28, 2014	April 7, 2014	RUPST 2017
Member	Chairman	Pramukti Surjaudaja	018/DEKOM/IPC-LS/II/2015 dated February 13, 2015	KPTS/DIR/HK.02.02/CORP. SECR/009/2015 dated February 13, 2015	April 9, 2015	RUPST 2017
Member	Commissioner (Independent Commissioner)	Roy Athanas Karaoglan	008/DEKOM/IPC-LS/II/2016 dated February 22, 2016	KPTS/DIR/HK.02.02/CORP. SECR/061/2016 dated March 31, 2016	April 7, 2016	RUPST 2017
Member	Commissioner	Samuel Nag Tsien	018/DEKOM/IPC-LS/II/2015 dated February 13, 2015	KPTS/DIR/HK.02.02/CORP. SECR/010/2015 dated February 13, 2015	April 9, 2015	RUPST 2018
Member	Commissioner	Lai Teck Poh (Dua Teck Poh)	008/DEKOM/IPC-LS/II/2016 dated February 22, 2016	KPTS/DIR/HK.02.02/CORP. SECR/062/2016 dated March 31, 2016	April 7, 2016	RUPST 2017
Member	Independent Party	Willy Prayogo	008/DEKOM/IPC-LS/II/2016 dated February 22, 2016	KPTS/DIR/HK.02.02/CORP. SECR/063/2016 dated March 31, 2016	April 7, 2016	RUPST 2017
Member	Independent Party	Natalia Budiarto	019A/DEKOM/IPC-LS/II/2015 dated February 13, 2015	KPTS/DIR/HK.02.02/CORP. SECR/012A/2015 dated February 13, 2015	April 9, 2015	RUPST 2018

Profile of Risk Monitoring Committee

Kwan Chiew Choi Chairman	Pramukti Surjaudaja Member	Roy Athanas Karaoglan Member	Samuel Nag Tsien Member	Lai Teck Poh (Dua Teck Poh) Member
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For complete profile please refer to Profile of BOC on page 33-34 on this Report.

GOOD CORPORATE GOVERNANCE



Willy Prayogo
Member

Indonesian Citizen, 62 years old.

Working Experience:

- since April 2014: Member of Bank OCBC NISP's Risk Monitoring Committee.
- 2010 – 2013: Member of Audit Committee for Bank OCBC NISP
- 2000-2007: President Commissioner in Bank Resona Perdania President Director Deputy
- 1997-2000: Bank OCBC NISP
- 1993-1997: Director for Bank NISP

Education:

Bachelor degree in Economics from Catholic University Parahyangan (1979), MBA from Prasetya Mulya Management Institute Jakarta (1990) and Master Degree in Management from Management Institute of Prasetya Mulya, Jakarta (1995).



Natalia Budiarto
Member

Indonesian Citizen, 62 years old

Working Experience:

- Since April 2015: Member of Bank OCBC NISP's Risk Monitoring Committee
- 2013-2014: Vice President Director in PT Surya Semesta Internusa
- 2011-2012: Commissioner in PT Sasana Artha Finance.
- 1995-2011: President Director in PT Sasana Artha Finance
- 1993-1995: Bank Universal with the latest position as the Head of Remedial Management Unit

Education:

Master degree in Business Administration in 1981 and Bachelor degree in Business Administration in 1978 from Chaminade University of Honolulu, Hawaii.

Independency of Risk Monitoring Committee's Member

Independent members of Risk Monitoring Committee have met the independency requirements as follows:

1. Not an insider who works or have the authority and responsibility to plan, lead, control, and monitor Bank OCBC NISP's activities within the last six months except Independent Commissioners
2. Have no direct or indirect ownership in Bank OCBC NISP.
3. Have no affiliation with Bank OCBC NISP, members of BOC, BOD or majority shareholders.
4. Have no business relationship directly nor indirectly related to business activities of Bank OCBC NISP.

Duties, Responsibilities and Authorities of the Risk Monitoring Committee

Bank OCBC NISP's Risk Monitoring Committee performs its duties based on the Risk Monitoring Committee Charter which also regulates the function of the Committee. The Risk Monitoring Committee has the role and responsibility to provide recommendations to the BOC in monitoring the risk management policy in the Bank's business activities.

Details duties and responsibilities of the Risk Monitoring Committee are stated on the Risk Monitoring Committee's Charter at the Bank's corporate website (www.ocbcnisp.com).

Policies and Implementation of Frequency and Attendance of Risk Monitoring Committee as of December 31, 2016

1. The Committee meeting is held periodically, at least four times within a year.
2. The meeting could only be held if it is attended by at least 51 percent of total members including an Independent Commissioners and Independent Parties
3. The Committee is entitled to request the presences of related parties which have the relevant experience and skills in the meeting, if deemed necessary.
4. 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.
5. Committee may set up meetings rules of procedure, meeting management, invitation, voting and meeting mechanism, drafting

and saving minutes of meeting, as well as reviewing the minutes by themselves.

6. Meeting decisions are made based on consensus. When the deliberation could not be achieved, the decision will be done by a majority vote.
7. Dissenting opinions that occurred in the meeting shall be put clearly in the minutes of meeting, followed by the reason.
8. All decisions in writing, signed or approved by majority of the Committee will be applied as a decision taken from the meeting and may consist of several documents, each signed by one or more members of the Committee. The majority members who signed or approved must be independent members and Executive Officers. The terms "in writing" and "signed" includes approval via e-mail or facsimile by the members.
9. The result must be stipulated in the minutes of the meeting and well-documented.
10. A copy of minutes of the meeting signed by all of the members of Committee who attended must be distributed to all members of Committee and BOC.

The Committee Meeting was held in accordance with the Bank's need. Throughout the year 2016, the Risk Monitoring Committee held six meetings. The members of the Risk Monitoring Committee that attended the meetings were the following:

No	Position in Committee	Name	Meetings	Meeting Attendance	% Attendance
1	Chairman	Kwan Chiew Choi	6	6	100%
2	Member	Pramukti Surjaudaja	6	6	100%
3	Member	Roy Athanas Karaoglan	6	6	100%
4	Member	Samuel Nag Tsien	6	6	100%
5	Member	Lai Teck Poh (Dua Teck Poh)	6	6	100%
6	Member	Willy Prayogo	6	6	100%
7	Member	Natalia Budiarto	6	6	100%

Training Attended by Risk Monitoring Committee

Name	Trainings	Date	Venue
Kwan Chiew Choi, Pramukti Surjaudaja, Roy Athanas Karaoglan, Samuel Nag Tsien, Lai Teck Poh Outlined on the Table of The Board of Commissioners Training on page 100-101			
Natalia Budiarto	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta
Willy Prayogo	Insurance & Securities Businesses : The Businesses, Risk, Regulation, and Market Updates	June 22, 2016	Jakarta

Risk Monitoring Committee Report of Working Program and Realization

Throughout 2016, the Risk Monitoring Committee, among others, discussed the following issues:

- Conducted an annual review of the risk appetite statement as one of the key principles which became a guideline for the overall risk management framework, risk limit and all policies related to existing risk management.
- Monitored the Bank's risk profile quarterly based on Risk Based Bank Rating Approach set by the Financial Services Authority.
- Reviewed and approved policies concerning risk management implementation and other policies according to the policy architecture, among others Corporate Legal Framework, Legal Risk Management Policies, Internal Capital Adequacy

- Assessment Process (ICAAP) Policies, Product Management Policies, Counterparty Risk Policies, Outsourcing Policies, External Communication Policies, Business Continuity Management Policies, Liquidity Risk Management Policies and Framework for Assets and Liabilities Management.
- Reviewed and approved limits including Market Risk & Liquidity Limit Application for 2016, Target Market Strategy & Portfolio Industry Cap for 2016, and FX Option Limit.
- Monitored credit stress testing portfolio (Business Banking and Consumer).
- Monitored IT Risk Management based on the submitted reports.
- Assisted the Board of Commissioners of the Main Entity to do Integrated Risk Management monitoring.

Performance Assessment of the Committees of the Board of Commissioners

Audit Committee, Remuneration and Nomination Committee and Risk Monitoring Committee Assessment

At the end of the year, BOC conducted an evaluation on the contribution, effectiveness and performance of the Audit Committee, Remuneration and Nomination Committee, and Risk Monitoring Committee. The evaluation was mainly focused on the implementation of duties and responsibilities, frequency and quality of meetings as well as the Committee members' recommendations, mixed capabilities, experiences and expertise to support the effective implementation of their duties and responsibilities.

The members of the Audit Committee, Remuneration and Nomination Committee and Risk Monitoring Committee also required self assessments to evaluate the performance of each Committee throughout 2016.

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Executive Committees of the Board of Directors

Committee	Scope of Work	Membership	Assessment of Committees' Performance
Board Risk Committee (BRC)	Assist The Bank's Directors in compiling a risk management policy, supervising the implementation of policies and providing recommendations concerning the matters that need to be done by the Directors in relation to risk management, including Sharia Business Unit	<ul style="list-style-type: none"> Chairman: President Director Deputy Chairman: Director of Risk Management Member with voting right: all Directors 	The Risk Management performed its duties diligently and actively to ensure good implementation of the risk management in the Bank, allowing the Bank to anticipate all changes due to the business development and external conditions. Throughout 2016, the Risk Management Committee conducted a review and approved the framework, policies and limits, including the Bank's Risk Appetite to support the Bank's Business Plan. The Risk Management Committee has also approved the Bank's risk profile that are conducted regularly, including the risk profile of Sharia Business Unit.
Credit Risk Management Committee (CRMC)	Assist the Directors in monitoring the loan portfolio developments and conditions, formulating and supervising the implementation of credit policies as well as giving feedback on corrective action.	<ul style="list-style-type: none"> Chairman: President Director Deputy Chairman: Director of Risk Management Member with voting right: all Directors 	The Credit Risk Management Committee (KMRK) had effectively monitored the loan portfolio current state and developments, as well as assisting the Board of Directors in formulating and overseeing the implementation of credit policies and provide them with feedbacks for improvements. During 2016, the Risk Management Committee Credit had intensely monitored the Bank's credit quality by doing credit concentration risk analysis, credit stress test analysis on portfolio and industry sector, and determined the Target Market and Industry Cap for the Bank to engage in 2017.
Market and Risk Management Committee (MRMC)	Manage market risk exposure entirely, monitor the implementation of the Bank's market risk management, and ensure that the policies and practices are carried out correctly and effectively to support the Bank's business strategy.	<ul style="list-style-type: none"> Chairman: Director of Risk Management Member (Chairman Caretaker I): Director of Operation and Information Technology Member (Chairman Caretaker II): Director of Financial and Planning Member: <ul style="list-style-type: none"> Director of Treasury Market and Liquidity Risk Division Head Treasury Trading Division Head Asset and Liability 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. It discussed the monitoring on market risk exposures on limits and regulations routinely, and the Bank's risk appetite.
Asset and Liabilities Committee (ALCO)	Establish policies and strategies for Assets and Liabilities management in order to manage liquidity risk and interest rate risk dynamically and efficiently according to the prudential principle in the corridors of risk appetite and set acceptable limits, to maximize net interest income on regular basis as well as to maintain the Bank's liquidity.	<ul style="list-style-type: none"> Chairman: President Director Deputy Chairman: Director of Risk Management Member with voting right: <ul style="list-style-type: none"> Director of Operation and Information Technology Director of Financial & Planning Director of Wholesale Banking Director of Enterprise Banking Director of Network Director of Retail Banking Director of Treasury Member without voting right: Director of Compliance 	The ALCO Committee had monthly meeting to monitor the liquidity risk and Interest Rate Risk in Banking Book (IRRBB), to set the strategy on optimizing the Balance Sheet composition and optimizing the Bank's Net Interest Margin (NIM)
Operational Risk Management Committee (ORC)	Supervise the implementation of operational risk management.	<ul style="list-style-type: none"> Chairman: Director of Risk Management Deputy Chairman: Director of Compliance and Communication Member: <ul style="list-style-type: none"> Director of Operation and Information Technology Director of Financial & Planning 	The Operational Risk Management Committee held quarterly meetings to actively monitor the implementation of operational risk management at the Bank to ensure it runs properly and adequately.
Fraud Committee	Provide guidelines and take decisions on each fraud/ indications of fraud reports and its handling processes submitted by Fraud Management Team (FMT), sanctions, improvement of processes/controls that are fundamental or have been recommended by the FMT and Operational Risk Management Division, but are not approved by related work unit.	<ul style="list-style-type: none"> Chairman: President Director Deputy Chairman: Director of Risk Management Member: <ul style="list-style-type: none"> Director of Operation and Information Technology Head of Human Capital 	The Fraud Committee held quarterly meetings to actively monitor and direct the strategy and implementation of fraud risk management according to the set framework and policies.

Committee	Scope of Work	Membership	Assessment of Committees' Performance
Human Capital Committee	Assist the Directors in: 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 include Human Capital planning, recruitment, development, performance management, talent management, as well as competitive remuneration system	<ul style="list-style-type: none"> • Chairman: President Director • Member: <ul style="list-style-type: none"> - Director of Operation and Information Technology - Director of Financial & Planning - Director of Network - Head of Human Capital 	The Human Capital Committee contributed in the improvement and alignment of HR policies with strategy and objectives of the company.
Information Technology (IT) Steering Committee	Determine and monitor the Bank's IT strategic plan, including monitoring the IT development in line with its strategic and business plans.	<ul style="list-style-type: none"> • Chairman: President Director • Member: <ul style="list-style-type: none"> - Director of Risk Management - Director of Operation and Information Technology - Director of Financial & Planning 	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, approved 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 ensured investment to Information Technology projects to be executed to give optimal results.
Komite Network	<ol style="list-style-type: none"> a. Decided strategic investment on network b. Ensured optimization of network distribution on branches and ATMs c. Approved locations for new branches and ATMs. d. Set policies on distribution network to achieve the network optimizing objective. Including are authorization to set geographic distribution and organization structure in the network. 	<ul style="list-style-type: none"> • Chairman: President Director • Member: <ul style="list-style-type: none"> - Director of Network - Director of Retail Banking - Director of Operations and Information Technology - Director of Financial & Planning 	The Network Committee had made several decisions and policies related to the office network, including: determining the office and ATM network strategy, annual RBB plan for office network, performance monitoring, Business Mapping, procurement plan on building / asset and many more.
Brand Committee	Routinely and actively review the brand campaign and ensure that the corporate brand is to be developed according to the Bank's strategy.	<ul style="list-style-type: none"> • Chairman: President Director • Member: <ul style="list-style-type: none"> - Director of Compliance and Communication - Director of Network - Director of Retail Banking - Director of Wholesale Banking 	<p>The Brand Committee had made important contributions to the good Corporate Branding activities that build a positive reputation of the company.</p> <p>The Brand Committee is actively reviewing and monitoring significant branding activities, including monitoring the integration of promotional activities in all segments in order to create more impactful branding activities.</p> <p>The Integrated Risk Management Committee held regular meetings to discuss and ensure the risk management related the financial conglomeration has been well implemented in Bank OCBC NISP as the main entity and in PT Great Eastern Life Indonesia and PT OCBC Sekuritas Indonesia as the Financial Services Institutions.</p> <p>After its preparation in 2015, the Bank, together with the two FSIs, had assessed each risk profiles and integrated risk profiles in 2016. They also reviewed measures related to the integrated capital adequacy, in accordance with the Regulation. The Committee had evaluated and recommended a number of policies necessary to guide the integrated risk management.</p>

CORPORATE SECRETARY

Legal Basis of Establishment

The position of Corporate Secretary at Bank OCBC NISP is held by Ivonne Purnama Chandra which was effective since February 28, 2014 until present. This appointment was based on BOD Decree No. KPTS/DIR/ HCM/HK.02.02/180/2014 dated February 28, 2014.

Profile of Corporate Secretary



Ivonne P. Chandra
Sekretaris Perusahaan

Indonesian citizen, 53 years old.
Domicile in Jakarta

Working Experience:

- February 28, 2014 - now: 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 Bank OCBC NISP.
- Established a professional career for more than 25 years in banking and insurance sector in different positions at Citibank (1989-2008), Bank Universal (Bank Permata) (1994-2003), Astra CMG Life (Commonwealth Life) (2003-2006), and Bank Danamon (2006-2008) dengan posisi terakhir sebagai SVP-Privilege Banking Business Head.

Education:

MBA from Golden Gate University, San Francisco, USA majoring in Marketing (1988) and Bachelor from Padjadjaran University, Bandung, Faculty of Communication, majoring in Public Relations (1986).

Training Program to Improve the Competency in 2016

Trainings	Time	Venue
Workshop ICSA: Socialization of OJK Circular Letter concerning CG Guidelines	January 27, 2016	Jakarta
Socialization ASEAN CG Scorecard 2016	February 15, 2016	Jakarta
Socialization FSA Regulation by AEI	March 15, 2016	Jakarta
Refreshment-Risk Management Certification-Level 4: "Managing People Risk in a Bank", KIRAN Resources	April 18, 2016	Jakarta
Financial Accounting for Auditor, PT Emerio Indonesia	June 15-16, 2016	Jakarta
Tax Amnesty & Development of Indonesia Economic Policy, KSEI & IDX	July 26, 2016	Jakarta
Risk Appetite Framework Workshop, Group RPM-OCBC Bank	August 5, 2016	Jakarta
FSA Workshop: Information Disclosure of Public Listed Company	November 15, 2016	Jakarta
FSA Workshop: ASEAN CG Scorecard	November 16, 2016	Jakarta

In addition to the above the Corporate Secretary also monitors/attends socialization of new regulations issued by the FSA and IDX.

Corporate Secretary Activities Report

In order to fulfill its responsibilities, the Corporate Secretary and employees in the Working Unit which perform the function of the corporate secretary conducted the following activities throughout 2016, among others:

1. Followed the development of Capital Market, particularly related to the applicable regulation.
2. Provided inputs to BOD and BOC to comply with the applicable laws and regulations in Capital Market.
3. Ensured compliance to the BOC and BOD charters and implementation in accordance with the applicable regulations.
4. Provided information to the public through IDX e-Reporting and Bank OCBC NISP website.
5. Prepared and submitted reports related to regulation in Capital Market, both periodic and incidental reports to FSA and IDX in a timely manner.
6. Conducted Self-Assessment of GCG Implementation related to duties of BOC, BOD and Committee under BOC and Conflict of Interest for the first and second half of 2016.
7. Conducting Self-Assessment of Integrated Corporate Governance Implementation for Financial Conglomerat in relation to the implementation of BOD and BOC of Main Entity as well as Integrated Corporate Governance Committee for the period of Semester I and II Year 2016.
8. Prepared GCG Implementation Report in Annual Report 2016 related to BOC, BOD, Committee under BOC and Corporate Secretary.
9. Enhanced and aligned the implementation of GCG practices with ASEAN CG Scorecard assessment which is conducted every year.
10. Coordinated the Annual General Meeting and Annual Public Expose 2016.
11. Ensured the frequency and coordinated meetings of BOC and BOD including Committees under BOC in accordance with regulations in Capital Market and Banking, as well as the availability of the meeting agenda and materials.
12. Attended BOC meetings, BOC with BOD meetings, committees under BOC meetings, BOD meetings, joint meeting of BOD and BOC.
13. Coordinated and attended meetings of BOD of Main Entity, BOC of Main Entity and Integrated Governance Committee in terms of Financial Conglomerate in Indonesia.
14. Coordinated the production of the minutes of the meeting of BOC and BOD, including minutes

of the meetings of BOC and BOD Main Entity, Committee under BOC and Integrated Governance Committee meeting, as well as documented with the other corporate document such as deeds of GMS, Articles of Association, Shareholders list, BOD/BOC Decree and Certificate of Company Registration.

15. Produced the BOC Decree for the actions/ transactions/conditions that require approval from BOC as stipulated in the Articles of Association with regard to Law on Limited Company.
16. Produced the Proposal from BOC to GMS in terms of appointment and/or reappointment of BOC and BOD members.
17. Produced the Recommendation Letters from the Committee, such as the appointment of BOD, BOC and members of Committees under BOC.
18. As a liaison between Bank OCBC NISP as the Issuer and shareholders, coordinating with Investor Relation Unit, including request of information related with the performance of Bank's shares, in cases of lost shares, etc.
19. Administer and documenting BOC and BOD Decrees and Circular Letters.
20. Administer and distribute all incoming letters to the related Division/Unit.

IMPLEMENTATION OF COMPLIANCE FUNCTION

Compliance Function

A rapid growth in the banking industry is commonly accompanied by the increasing complexity of the Bank's business activities which results in increasing risk exposure, particularly the compliance risk that needs to be controlled through various efforts to mitigate risks through preventive (ex-ante) and curative (ex-post) actions. The preventive (ex-ante) is carried out by complying to banking norms to reduce/minimize the risk

by enhancing the role and functions of the Bank's compliance, so that the potential risks within the Bank's business activities may be anticipated. This preventive function is mandated in Bank Indonesia Regulation and is the responsibility of the members of the Bank's Board of Directors who are in charge of the Compliance function. The Director in-charge is responsible for ensuring that all decisions taken by the Board of Directors does not deviate from the applicable rules and regulations.

Role of the BOC and Directors

Bank OCBC NISP's Board of Commissioners actively conducts the compliance function by evaluating it through the biannual report from the Director in charge of compliance function, BOC meetings, and Audit Committee meetings. Based on the evaluation, BOC provides advice in order to improve the quality of the compliance function in Bank OCBC NISP. BOC duties are in accordance with Bank Indonesia Regulation No. 13/2/PBI/2011 dated January 20, 2011 regarding Implementation of Compliance Function for Commercial Bank. The Board of Directors play a role in ensuring the implementation of compliance function as well as develops and ensures the implementation of compliance culture at all levels of the organization and the Bank's business activities by developing policies and/or establish decisions guided by applicable laws and regulations. BOD has the responsibility of assuring that the Bank's existence is in compliance with the risk management policy. The Bank compliance policy will not be effective unless there was a clear commitment by BOD to promote the values of honesty and integrity of all organizations, and compliance with applicable laws. Regulations and standards should be seen as an important means for the implementation of these objectives.

Director in Charge of Compliance Function

The role and function of the Director in charge of Compliance Function is very important. The Director-in-charge of Compliance must play an active role in determining prudential means of compliance to various rules and regulations, and monitor the same. Bank OCBC NISP has appointed a BOD member as the Director in charge of the Compliance Function, with the approval of Bank Indonesia (BI). Bank OCBC NISP's Compliance Director has met the independence criterion and other criteria in accordance with Bank Indonesia Regulation No. 13/2/PBI/2011 regarding the Implementation of Compliance Function of Commercial Banks. Currently, the position of Compliance Director is occupied by Rama P. Kusumaputra. In performing the good Compliance Function and managing compliance risk faced by the Bank, Compliance Director's roles and responsibilities are in accordance to PBI No. 13/2/PBI/2011.

Compliance Working Unit

The role of the Compliance Working Unit in banking is very crucial to ensure that the rules made by the Bank are in harmony with external rules/ regulations and to ensure that the rules/ regulations are properly implemented. In relation with the implementation of compliance function, duties and responsibilities have been in accordance with BI Regulation No.13/2/PBI/2011 on the Implementation of Compliance Function of Commercial Bank.

The Bank's Compliance Working Unit is led by Compliance Division Head that has met the independence requirements and other criteria in accordance with PBI No. 13/2/PBI/2011 on the Implementation of Compliance Function of Commercial Banks. The position of Compliance Division Head is Imelda Widjaja.

Compliance Function Implementation

Bank OCBC NISP always performs the Compliance Function in accordance

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with the applicable regulations to increase the Bank's compliance to Bank Indonesia's Regulations, FSA and other regulations. The Compliance Function runs well with the active participation of all compliance organization team members which consists of Compliance Director, Compliance Division Head and Compliance Working Unit. In order to ensure the Bank's adherence to Bank Indonesia Regulations, FSA and other regulations and Bank's commitment with authorities, the Director-in-charge of the Compliance Function is assisted by the Compliance Division and has carried out these activities:

1. Conducting socialization on the importance of the compliance function and roles in Bank's activities based on prudential principle and put the compliance function as an integral part of Bank OCBC NISP activities in order to promote Compliance Culture.
2. Establishing actions to support compliance and ensure that the Bank's policies, regulations, systems, procedures and business activities are in line with Bank Indonesia, FSA, and other prevailing laws and regulations, including Sharia Principles for the Sharia Business Unit.
3. Monitoring and maintaining the Bank's business activities that should not deviate from prevailing regulations, thereby minimizing the Bank's compliance risk.
4. Taking preventive actions if required, so that policies and/or decisions made by the Bank's BOD do not deviate from Bank Indonesia, FSA and other regulations, including Sharia Principles for the Bank's Sharia Business Unit.
5. Monitoring and ensuring compliance in all agreements and commitments made by the Bank to Bank Indonesia and/or FSA and other supervisory authorities.
6. Distributing letters/circulars from Bank Indonesia, and/or FSA and other institutions to relevant Divisions/Functions for follow-up.

7. Preparing summary of regulations, analyzing the impacts to the Bank, and disseminating information concerning the banking regulations from Bank Indonesia and/or FSA to the entire BOD and related Division/ Function Head in order to facilitate the performance of compliance function.
8. Serving as liaison officers in the Bank's working relations with BI and/or FSA.
9. Evaluating the implementation of prudential banking within Bank OCBC NISP, covering:
 - a. Capital Adequacy Ratio (CAR)
 - b. Legal Lending Limit (LLL) and Loan to Value (LTV)
 - c. Net Open Position (NOP)
 - d. Statutory Reserves (GWM)
 - e. Current levels of Non-Performing Loan (NPL) and Non-Performing Financing (NPF)
 - f. Stock ownership loans
 - g. Land purchase loans
 - h. Good Corporate Governance (GCG)
 - i. Short Term offshore Borrowing (PLN)
 - j. Compliance with other regulations.

Compliance Activities in 2016

During 2016, Compliance Division has carried out the following activities:

1. Published the Bank Indonesia Regulation and Circular Letter and/or FSA regarding Commercial Bank and prepared a summary and their implications to the Bank's operations as distributed to relevant working units. This was aimed to ease compliance with the regulations by the working units.
2. Regularly updated and compiled the database of regulations on the Bank's owned intranet (Compliance Website), which serves as references for all units in the effort to comply with the provisions of regulators.
3. Ensured that the correspondence with BI, FSA and other regulatory agencies have been well-managed by monitoring the fulfillment of commitments and/or required responses.

4. Conducted final review of the drafts of policies and procedures, proposals for new products, strategic activities, and lending applications forms to ensure full compliance with existing external regulations, the Bank's internal regulations and the prudential principle.
5. Conducted the socialization and training program, named Compliance Roadshow, which became a means to enhance compliance understanding and awareness the provisions of BI, FSA and the prevailing legislations.
6. Recommended updates and improvement of policies, regulations, and procedures in accordance with the applicable regulations and suggested improvement of policies, regulations, and procedures, if necessary.
7. Provided assessment, advice, and assistance to ensure that related unit activities are in accordance with the applicable provisions.
8. Maintained effective communications with BI and FSA to bridge the Bank's needs to comply with BI and/or FSA regulations and provide information/explanations to BI and/or FSA on or request directives and advice from BI and/or FSA.
9. Evaluated and measured compliance risk management/ implementation of the Bank's compliance to the prevailing legislations by providing the tools, namely the Regulatory Requirement Self-Assessment (RSSA) and continued with the assurance process from the RRSA results.
10. Monitored the Bank's commitments to the fulfillment of FSA and other authority Institutions and other authorities, in general.

Compliance Indicators in 2016

The compliance indicators for 2016 derived from financial reports and internal data under the following conditions are:

1. The capital position of Bank OCBC NISP met the requirement of BI, as specified in the Bank Indonesia Regulation No. 14/18/PBI/2012 on Minimum Capital Adequacy Requirement for Commercial Banks. The good capital structure was reflected in the high Capital Adequacy Ratio (CAR), more than 17.32 percent as of December 2016.
2. In 2016, there was no violation of the Bank Indonesia regulation on Legal Lending Limit (LLL).
3. Bank OCBC NISP managed to maintain the good quality composition of its earning assets portfolio, as seen in the Earning Assets Quality and Non Performing Loan (NPL) ratios. The net NPL ratio was below 5 percent and below the requirement limit of 0.78 percent as of December 2016.
4. Aside from maintaining Earning Assets Quality and Non Performing Loan (NPL) ratio, Bank OCBC NISP set aside Reserve for Impairment Losses, mandated for bank in case of impairments, in accordance with PSAK 55 and PAPI 2008.
5. Complies with Bank Indonesia Regulation No. 15/15/PBI/2013 dated March 10, 2016 regarding the third changes in PBI No. 15/15/PBI/2013 related to the Commercial Bank Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial

Banks. The Bank has fulfilled the applicable regulations.

For Risk Profile Assessment, Bank OCBC NISP has adjusted its risk profile assessment methods with BI Regulation No. 13/1/ PBI/2011 and SEBI No. 13/24/DPNP regarding Soundness Level Assessment of Commercial Banks, as well as SEBI No. 13/23/DPNP regarding Risk Management Implementations for Commercial Banks. The Bank's risk profile for the fourth quarter of 2016 stood at the risk composite rating of Low, or showed an improvement from the previous quarter. In this risk profile assessment, Bank conducted a comprehensive analysis on the inherent risk and risk management implementation quality. For each risk types with consideration of the application regulation stipulated by Regulator, Bank Business Plan, Risk Appetite, comparison with other peer group and other banks, forward-looking assessment, as well as internal and external audit findings.

Activity Related to Anti-Money Laundering And Combatting the Financing of Terrorism (AML-CFT) in 2016

Bank OCBC NISP is committed to run the Anti-Money Laundering and Combatting the Financing of Terrorism

(AML-CFT) program to mitigate the various risks that might arise such as, among others, legal risk, reputation 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 Law on Prevention and Eradication of Money Laundering Crime, Financing of Terrorism Crime, BI Regulation, BI Circular Letter AML-CFT, and PPATK Regulation.

Implementation of AML-CFT Program in 2016

Implementation of AML-CFT program in 2016 among others are:

1. Governance of Policy and Procedures

AML-CFT Division has conducted periodic review on AML-CFT Policies and Procedures to continue running the Bank's business activities in accordance with the development of AML-CFT regulations that apply locally and internationally.

The Bank procedures, which were reviewed in 2016:

Procedure	Status
Sanctions AML- CFT	New
Regulatory Reporting	New
Suspicious Financial Transaction Indicator	Periodic Review
Cash and Walk in Customer Transaction	Periodic Review
High Risk Area and Enhance Due Diligence	Periodic Review

2. Information Technology Infrastructure AML-CFT

The Bank always follows the latest technology developments related to the AML-CFT program. Bank OCBC NISP has developed support applications for AML-CFT Program to make it more accurate and comprehensive such as:

- a. Improving Red Flag parameter by adding Risk Based Approach

methodology for transaction including Red Flag.

- b. Improving Wire Screening for Hit Sanctions Database transaction.
- c. Developing high risk country database, Sanctions Database, and List of Customer Rejection input method.
- d. Developing automatic process and dual control with the

opening customer account screening system.

3. Risk-Based Approach

- a. AML-CFT Special Working Unit
The Management has set a specific working unit to implement AML-CFT, namely AML-CFT Division as a specific working unit at the Head Office and a High Complexity

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branch office, and Supervisor-Level Officers in the Branch Office of Non High Complexity Branch Office. In 2016, the entire High Complexity Branch Office consisted of eleven branches. AML-CFT Division defines branch offices with high business complexity based on the complexity of operations and criteria that has been defined in accordance with existing regulations and procedures. AML-CFT Division prepares monitoring, reporting, and evaluation methods for all branches

- b. **Monitoring Customers Financial Transactions**
Effective August 1, 2016, AML-CFT split financial transaction monitoring function with red flag parameter into two categories, namely High Risk made by Transaction Analysis Team 2, Medium and Low Risk made by Transaction Analysis Team 1.
- c. **Updating Customer Data**
Bank OCBC NISP is continuously updating customer data based on customer risk profile which has been set at the beginning of the business relationship. AML-CFT Division provides a method of updating customer data that can be used by all branches. Monitoring and advisory function was also conducted to ensure that data updating process was performed optimally and in accordance with the commitment made each year by Bank OCBC NISP to the regulators.

4. AML-CFT Training Program and Socialization

Training was done regularly and by tier in accordance with the training program prepared by the AML-CFT Division and HC Learning and Development Division. This training aims to

constantly improve the awareness and prudential principle of all Bank OCBC NISP employees, provide information on regulation and the latest modus and typologies of money laundering and terrorism 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. Monitoring and Analysis of Customer Financial Transactions; and
- f. Sanction Implementation

Bank OCBC NISP implemented training programs such as New Employee Orientation as well as training for existing employees. Employees who 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 AML-CFT knowledge and understanding of the frontliners and business working unit at the Branch Office, AML-CFT Division cooperating with Operation Services Division conducted socialization through face-to-face methods in class. Socializations that have been done throughout 2016 were at the branch office in Pontianak, Medan, Pondok Indah, Kebon Jeruk, Semarang, Tangerang, Bekasi, Semarang, Surabaya, Kelapa Gading, Gunung Sahari and Head Office. The socialization material focused on the provision of risk mitigation that needs to be done by working units, on AML-CFT cases that occurs in the branch office.

AML-CFT Training Program also includes the special program or classes organized by HC Learning and Development Division including Teller Scholarships, Management Associate, and Workshop Frontliners.

5. Cooperation of Money Laundering Prevention

To support the government's program in preventing and combating money laundering, Bank OCBC NISP is cooperating with the Indonesian National Police (POLRI), the Corruption Eradication Commission (KPP), the National Narcotics Agency (BNN), and the relevant regulator (PPATK and FSA). The scope of cooperation is dissemination of relevant information and supporting data on the incidences of money laundering that is being examined by law enforcement officials

6. Reporting

Bank OCBC NISP has the obligation set by the Law on Money Laundering to report to the Center for Financial Transaction Reporting and Analysis (PPATK). 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 of 2016, Bank OCBC NISP has submitted 489 LTKM in a timely manner and there were no reprimands, sanctions, or fines related to the reporting obligations.

INTERNAL AUDIT

Internal Audit Function

Bank OCBC NISP's Internal Audit function is conducted by the Internal Audit Division led by Internal Audit

Division Head. The function of Internal Audit Division includes:

- Provide assurance to Directors and Board of Commissioners (through the Audit Committee) that the Bank's governance, risk management, and internal control process have been planned and implemented adequately and effectively.
- Provide consulting or advisory service to the internal parties of the Bank within the Internal Audit scope of works. However, the consulting or advisory service will not be provided if it would impair Internal Audit's independence and/or objectivity.

The Appointment and Dismissal of Internal Audit Division Head

Internal Audit Division Head is appointed by the President Director with an effective approval from the Board of Commissioners as of 1 December 2015. The appointment of the Internal Audit Division has been reported to the FSA in the letter No. 4752/HCS-JKT/OR.08.03/NA/XII/2015 dated 1 December 2015, in relation to the Appointment and Dismissal of Internal Audit Division Head of PT Bank OCBC NISP Tbk.

The Internal Audit Division Head is directly responsible to the President Director and functionally to Board of Commissioners through the Audit Committee.

Profile of Internal Audit Division Head



Indonesian Citizen, 52 years
Domiciled in Jakarta

Work experience:

- 1 December 2015-now: Internal Audit Division Head at Bank OCBC NISP.
- 2008-2015: Head of Wholesale Banking Bank OCBC NISP.
- 1998-2008: Head of Corporate Finance at Rabobank International Indonesia.

Education:

Certified Internal Auditor (2016) from The Institute of Internal Auditors (IIA), Master in Business Administration (2008) from Institute of Technology Bandung (ITB) and Bachelor of Economics in Accounting (1988) from University of Indonesia.

Sani Effendy

Trainings for Internal Audit Division

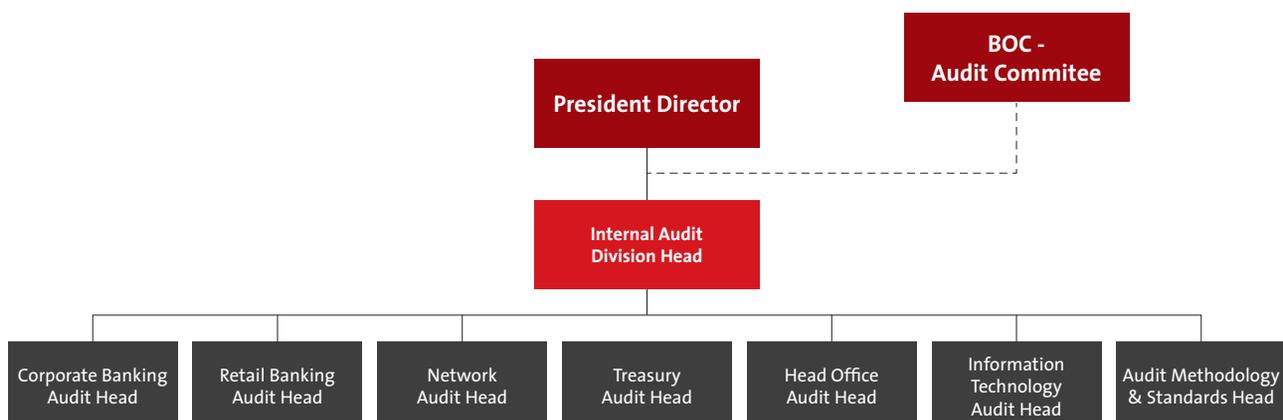
To enhance his competency, the Internal Audit Division Head joined the following trainings during 2016: Group Audit Management Workshop, Advanced Communication Skills, Service Leader Workshop.

Number of Employees and Internal Audit Certification

As of 31 December 2016, the total number of employees is 46 including the Internal Audit Division Head. As required by FSA, all employees have obtained the certification of risk management. To improve the competency of employees, the Internal Audit Division has also conducted education and training programs continually in accordance with training Road Map.

The Internal Audit Division has employees with various educational background. Each auditor has specific job descriptions and qualifications for all positions. To improve the auditors' competence, each auditor attends relevant trainings to his/her roles and responsibilities in the Internal Audit Division

Structure and Position of Internal Audit Division



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Internal Audit Charter

Inline with the FSA Regulation No. 56/POJK.04/2015 dated 23 December 2015 regarding the Establishment and Guidelines for Internal Audit Charter and BI Regulation No. 1/6/PBI/1999 dated 20 September 1999, regarding the Assignment of Compliance Director and the Application of Banking Internal Audit Function (SPFAIB), in the establishment and execution of its duties, the Internal Audit Division is guided by the Internal Audit Charter which includes the status, Vision, Mission, Scope of Works, Independence and Objectivity, Code of Conducts, Accountability, Responsibility, Authority, Impartiality, and Internal Audit Standard Practice. Internal Audit Charter is reviewed regularly every year or at any time as needed, the latest review was on 29 April 2016.

Audit Implementation Standard

Internal Audit Division activities are guided by the Audit Manual and the Internal Audit Charter which is based on Standard for the Practices of Banking Internal Audit Function (SPFAIB) from Bank Indonesia and Establishment and Guidelines for Internal Audit Charter from FSA. As a reference towards global best practices, the Internal Audit Division also adopts standards and code of conducts issued by The Institute of Internal Auditors (IIA)

Duties and Responsibilities

Internal Audit Division has the following duties and responsibilities as stated in its Internal Audit Charter:

- Develop an Annual Audit Plan, using an appropriate risk-based audit methodology.
- Maintain Auditors' professionalism with sufficient knowledge, skills and experience.
- Ensure that the Internal Audit adhere to the SPFAIB and refer to global best practices guided by standards and code of conducts issued by The Institute of Internal Auditors (IIA).

- Issue periodic Audit Reports to the President Director and Board of Commissioners (through the Audit Committee).
- Liaise with External Auditors and Regulators for the purpose of providing optimal audit coverage to the Bank.
- Provide information to the President Director and Board of Commissioners (through Audit Committee) on the development of Internal Auditing practices and provide recommendations for revision of Audit Charter and Audit Manual as necessary.
- Perform consulting or advisory service for internal parties of the Bank within the scope of Internal Audit. However, the consulting or advisory service will not be provided if it would impair Internal Audit's independence and/or objectivity.

The Implementation of Internal Audit 2016

In 2016, Internal Audit Division focused on the following activities:

- Assessment of the adequacy and effectiveness of governance, risk management, internal control processes and compliance to the existing regulations.
- Increased the auditors' competence by participating in internal and external trainings and certification programs.
- Updated the Internal Audit Charter and Manual to align the audit methodology with the Bank's business development.
- Include the scope of audit in relations to the Bank OCBC NISP's role as the Main Entity under Financial Conglomeration.

During 2016, Internal Audit Division completed 74 (seventy four) audit engagements.

Focus of Audit in 2017

Internal Audit Division has formulated its work plan for 2017 which includes the following:

- Expand of audit coverage in relations to the Financial Conglomeration.

- Continue to increase the auditors' competence through internal or external certification and training programs.
- Update Internal Audit Charter and Audit Manual to align with the development of the Bank's business and audit methodology

Internal Audit Scope of Works and Effectivity

Scope of Work

The scope of work of Internal Audit includes (but not limited to): assessments on the governance process, adequacy and effectiveness of risk management systems, control environment, and compliance to the internal and external policies. Internal Audit also perform consulting or advisory service for internal parties of the Banks within the scope of Internal Audit. However, the consulting or advisory service will not be provided by Internal Auditors if it would impair Internal Audit's independence and/or objectivity.

Effectiveness

The Internal Audit function has been adequately implemented. The Internal Audit Division had conducted Annual Audit Plan whereas the process includes evaluation on Audit Universe (AU) in accordance with the updated Bank's organization structure and to determine suitable approach to define Auditable Units. Each Auditable Units' risk rating will be assessed and such rating will be one of the factors in determining the audit cycle for each Auditable Units.

Effectiveness of the Internal Audit's function and compliance to the Banking Internal Audit Implementation Standard (SPFAIB) will be reviewed by the Internal Audit once a year, and by an independent external party at least once in 3 (three) years.

EXTERNAL AUDIT

Appointment of Public Accountant

The Annual GMS on 7 April 2016 approved the granting of authority to BOD based on the approval of BOC or at least three members of BOC who are appointed by BOC after receiving recommendation from the Audit Committee upon the appointment of the Public Accountant for the financial year of 2016 and determining the honorarium and other requirements for the appointed Public Accountant, to conduct independent audit on Bank OCBC NISP's Financial Statements for 2016. Furthermore, BOD has appointed Public Accounting Firm Tanudiredja,

Wibisana, Rintis & Rekan (a member firm of PricewaterhouseCoopers Global Network) which is registered at FSA to conduct an independent audit on Bank OCBC NISP's Financial Statements for 2016.

The Effectiveness of the External Audit Implementation and Bank Compliance to the Regulations

In accordance to the SEBI No.15/15/DPNP Year 2013 on GCG Implementation for the Commercial Bank, the effectiveness of the 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 Accounting and the Public Accounting Firm had worked independently and professionally according to the SPAP, the working agreement and the determined scope of works
3. The Public Accountant had been objective in its audit according to the scope of works established in the regulations. The audit result and the management letter had been submitted to the FSA in time.

Public Accounting Firm and Public Accountants Who Have Audited Bank OCBC NISP's Financial Statements

	2016	2015	2014	2013	2012
Accountant's Name	Lucy Luciana Suhenda, SE, AK, CPA	Lucy Luciana Suhenda, SE, AK, CPA	Drs. Muhammad Jusuf Wibisana, M.Ec., CPA	Drs. Muhammad Jusuf Wibisana, M.Ec., CPA	Drs. Muhammad Jusuf Wibisana, M.Ec., CPA
Public Accounting Firm	KAP Tanudiredja, Wibisana, Rintis & Rekan	KAP Tanudiredja, Wibisana, Rintis & Rekan	KAP Tanudiredja, Wibisana & Rekan	KAP Tanudiredja, Wibisana & Rekan	KAP Tanudiredja, Wibisana & Rekan

Fee for Each Service Provided by the Public Accountant.

Total fee paid to the Public Accounting Firm Tanudiredja, Wibisana, Rintis and Partner (a member firm of PricewaterhouseCoopers Global Network) for their audit on the annual financial statements and interim financial statements and non-audit fee for the Public Offering of the Continuous Bonds II Phase I Year 2016 is Rp4,113 million (excluding VAT).

The evaluation and appointment/ replacement of the Public Accounting Firm is performed annually according to the AGMS resolution which authorized the BOD under the approval of BOC or at least 3 (three) members of BOC who were appointed by BOC, after receiving recommendation from

Audit Committee to appoint Public Accountant and determine the honorarium and other requirements for the appointed Public Accountant.

Other Services provided by the accountant beside the audit on the annual financial statements

On 2016, beside the audit on the annual financial statements, the Public Accountant Firm Tanudiredja, Wibisana, Rintis & Partner also provided non-audit services for the Public Offering of the Continuous Bonds II Phase I.

IMPLEMENTATION OF RISK MANAGEMENT INCLUDING INTERNAL CONTROL

Detailed explanation over Implementation of Risk Management and Internal Control System can be found in the Risk Management section on page 144-176.

FUND PROVISION FOR RELATED PARTY AND PROVISION OF LARGE EXPOSURE

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 principle. The policy is always updated, so it is align with the applicable laws and regulations.

The Board of Commissioners takes role on monitoring to ensure that fund provision for related party has been align with the applicable laws and regulations.

In 2016, 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.

GOOD CORPORATE GOVERNANCE

No	Exposures of Funds	Amount	
		Debtors	Nominal (in Million Rupiah)
1	To Related Parties	321	1,361,329
2	To Main Debtors		
	a. Individual	2	3,605,061
	b. Group	23	45,650,730

BANK STRATEGIC PLAN

As a bank that has a commitment to become “Your Partner for Life”, Bank OCBC NISP will always strive to support for each customer in realizing aspirations and goals at every stage of their lives, including provision of appropriate and comprehensive solutions to customers, so that well-established relationship may continue to benefit in the long term.

Bank OCBC formulated the direction of future policies in its strategic plans in short and middle term as stipulated in Business Plan and long term plan as outlined in Corporate Plan.

Short Term Strategic Plan

In its Business Plan, Bank OCBC NISP has set up strategic plan including:

1. Strengthening the Bank’s business model.
2. Continuing transformation in the field of human capital, process and technology.
3. Increasing capacity and capability.
4. Effectively executing the three lines of defense.
5. Strengthening the brand.
6. Optimizing synergy with OCBC Group.

Medium and Long Term Strategic Plan

Bank OCBC NISP has set medium and long term strategic steps (3 to 5 years) as follows:

1. Continuing the transformation process as an effort to strengthen the Bank’s business model and increase efficiency as well as productivity.
2. Increasing the loan disbursement while at the same time pay full attention to the credit growth and maintain the non performing

loan ratio based on prevailing regulation.

3. Focusing on the low cost funding which includes current account and savings account to improve better the funding structure and efficient cost of fund.
4. Improving the contribution of fee based income through product bundling, cross selling and launching of new products, services and latest features aligned with customers’ needs.
5. Developing human capital competence through technical and managerial skills trainings.

FINANCIAL AND NON-FINANCIAL TRANSPARENCY THAT HAS NOT BEEN DISCLOSED IN OTHER REPORTS

The information on the Bank’s financial condition has been stipulated clearly and transparently in several reports, such as:

Financial Transparency

1. The Annual Report contained:
 - a. Summary of Key Financial Information, including stock highlights, reports from Board of Commissioners and Directors, company profile, business review, business support review, financial review, corporate governance, risk management, and corporate social responsibilities.
 - b. Audited financial statements by the Public Accountant and Public Accounting Firm.
 - c. Statement in which the Directors and the Board are fully responsible for the accuracy of the Annual Report.
2. Quarterly Financial Statement through Publication

Bank OCBC NISP routinely announced its quarterly financial statement through publication according to the applicable regulations. The announcement was signed by two members of the Directors in an Indonesian newspaper that has circulated and presented on the Bank’s website (www.ocbcnisp.com).

3. Monthly Financial Statement through Publication
Bank OCBC NISP published its monthly financial statement on www.ocbcnisp.com according to FSA format.

Non-Financial Transparency

Bank OCBC NISP has provided clear, accurate, and latest information of its products. It can be obtained easily by customers in the form of brochure in bank and/or electronic information through Call OCBC NISP or www.ocbcnisp.com.

For customers who want to convey complaints and/or feedbacks, Bank OCBC NISP has provided communication channels such as Call OCBC NISP, “Contact Us” menu in website, and social media.

For other stakeholders like stockholders and regulator, the website has also provided other non-financial information such as GCG Implementation Report, Stockholder Structure, Company’s activities through Press Release, Awards, and etc.

RATIO OF HIGHEST AND LOWEST SALARIES

Salaries are considered 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 for 2016:

Description	Ratio of the Highest and Lowest
Employees	81.6
Directors	2.1
Commissioners	4.3
Ratio of the Highest Directors' and The Highest Employees' Salaries	2.7

CONFLICT OF INTEREST TRANSACTIONS

During 2016, there were no conflict of interest transactions that may cause potential losses for Bank OCBC NISP.

ANTI CORRUPTION [G4-So4]

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 developed a whistleblowing program in order to make employees feel safe and not afraid to report abuses of other employees, from the lowest to the highest level.

Submission of Abuse Report

Submission of Abuse Report is done through:

- Verbal or written report, addressed to:
 - Internal Audit Division Head or
 - Operational Risk Management (ORM) Division Head or
 - Human Capital Services Division Head or
 - Fraud Management Team (FMT) or

- Direct email to Whistleblowing@ocbcnisp.com
 - If the Whistleblower feels uncomfortable in reporting the incident to the appointed Bank officials, the Whistleblower can directly submit the report to the President Director or President Commissioner.
- Reporting through Web Application (for Bank's employees) on https://rlw.ocbcnisp.com/notifikasi_rled/.

Customers or external parties may submit the report through Branch offices, call center or website at www.ocbcnisp.com.

Any information submitted by the Whistleblower will be kept confidential and will immediately be investigated by the FMT. The investigation process will maintain the presumption of innocence and will exercise objectivity based on the supporting evidence. If the results of the investigation reveal any irregularities, the Head of the Fraud Management Team will report to the President Director to take appropriate action.

Protection System for Whistleblower

Bank OCBC NISP has policies and procedures pertaining to the Protection System for Whistleblowing Employees, Investigating Employees, and Fraud Management Employees. The Bank guarantees protection by:

- Maintaining the confidentiality of the whistleblower's identity and the submitted report.
- Safeguarding against any harm after the report, such as dismissal, demotion, isolation, any form of harassment or threat, discrimination, and unfair treatment.

Handling Complaints

The Bank will conduct an investigation to prove each whistleblowing report received. If the whistleblowing statements proved to be incorrect, then the Bank will also investigate to determine whether the whistleblowing report is based on bad intention. The Bank may impose sanctions to the whistleblowing employees that gave incorrect whistleblowing reports and was based on a bad intention.

Complaints Management

The Whistleblowing report will be processed by the authorized unit:

- FMT is responsible for investigating the abuses on authority, acts of fraud, or violations on code of conduct.
- ORM Division is responsible for receiving and consolidating whistleblowing reports as well as distributing whistleblowing statistic reports to Internal Audit Division and Fraud Committee.
- The President Director receives the whistleblowing report—a report that has been proven to be true with potential significant losses of at least Rp 1 billion.

Policy on Imposing Sanctions

Bank will impose sanctions to employees who were involved in abuse of authority, acts of fraud or violations of its code of conduct, as set out in the policy on imposing sanctions. Moreover, the Bank may also forward the case of fraud to the Law Enforcement Officers.

Number of Incoming and Processed Complaints and Follow-Up

In 2016, 7 (seven) reports categorized as whistleblowing reports had been received, as can be seen on the table below.

Year	Report Received	Sources		As per December 31, 2016		Classification	
		Internal	External	Resolved	In Process	Complaint	Report of Breach
2016	7	7	0	3	4	0	7

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Internal Fraud

Fraud is an offense or omission deliberately done to deceive, defraud or manipulate the Bank, customers or other parties, which occurred in the Bank and/or utilize the Bank's tools that could result the Bank, customers or other parties suffer losses and/or the perpetrators obtained financial benefit either directly or indirectly.

Internal fraud means an act of fraud made by the Board members, Directors members, permanent employees and non-permanent employees (permanent and non-permanent).

Throughout 2016, there were two cases of internal fraud done by internal employees with loss exposures more than Rp 100.000.000 (one hundred million rupiah).

Internal Fraud Cases in 1 year	Total Cases Caused by					
	Management		Permanent Employee		Non Permanen Employee	
	Previous Year (2015)	Current Year (2016)	Previous Year (2015)	Current Year (2016)	Previous Year (2015)	Current Year (2016)
Total Fraud Case	0	0	3	2	0	0
Resolved	0	0	2	2	0	0
In the process of resolution internally within the Bank	0	0	0	0	0	0
Resolution have not been carried out	0	0	0	0	0	0
Pursued legal process	0	0	1	0	0	0

In order to increase awareness on Anti-Corruption Procedure Policies, Bank OCBC NISP conducts communication and trainings regularly. During 2016, these following activities were:

Communication and Training on Anti-Corruption Policies and Procedures* [G4-SO4]	2016		2015	
	Participants	% of Total	Participants	% of Total
Communication Anti-Corruption Policies and Procedures on the highest Authority**	18	100%	18	100%
Communication Anti-Corruption Policies and Procedures to Employees***	6,796	100%	6,922	100%
Anti-Corruption Training on the Board of Directors and Board of Commissioners	-	-	-	-
Anti-Corruption Training to Employees****	5,277	77.85%	2,492	36%

* Anti-Corruption including: AML-CFT and Anti-Fraud Campaign

** Communication fraud policies and procedures conducted through Committees meeting related to risk

*** Communication 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 Awareness

POLICIES ON GRATIFICATIONS

In doing business, the Bank has to make relationships and interact with internal and external parties to weave harmonious, congenial, and sustainable relationships with regard to the corporate governance principles. In the business relationship, however, there are inevitable and constantly appearing practices of gratifications from one side to another.

Bank OCBC NISP realizes that the assertive attitudes on gratification at all level are important to run the business in accordance with the

corporate governance standard. To do that, Bank OCBC NISP has a policy on the Gratification Management that is aligned with the Code of Conduct and the Bank's values. The policy aims to avoid the risks that may arise with the gratifications. The policy puts forward the principles of transparency, independence, accountability, responsibility and fairness in managing the Bank.

The policy regulates how to manage the gratitude received or given by the Officers/Employees of the Bank from and to parties related to the Bank's business activities, among others:

1. All Officers / Employees of the

Bank and/or their families are not allowed to accept or demand gifts or souvenirs and/or other types of presents from External Parties, directly or indirectly.

- All Officers / Employees of the Bank and/or their 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.
- 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.

SIGNIFICANT CASES FACED BY THE COMPANY/SUBSIDIARIES/MEMBERS OF BOD/BOC

The following is the data important matters faced by Bank OCBC NISP in the period 2016:

Legal Cases	Civil Case	Criminal Case
Resolved (final and binding)	31	0
O-going process	33	3
Total	64	3

Civil case faced by the Bank OCBC NISP in 2016 was due to:

1. Objection to the auction value of collateral.
2. Debtor disputes between 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.

Case Facts/Lawsuit and Settlement Status

The followings are three civil cases with the biggest amount faced by the Bank until November 25, 2016:

No	Case Facts	Parties	Case Value	Settlement Status
1	Plaintiff as Debtor objected the Execution of Mortgage Auction.	Plaintiff: AUHM Bank as Defendant	Rp 3.89 billion	<ul style="list-style-type: none"> • DC: In favor of Bank • HC: In favor of Bank • Cassation: on-going process
2	Plaintiff as Debtor objected the Execution of Mortgage Auction.	Plaintiff: RKS Bank as Defendant	Rp 7.5 billion	<ul style="list-style-type: none"> • DC: In favor of Bank • HC: In favor of Bank • Cassation: In favor of Bank • Supreme Court Review: on-going process
3	Plaintiff as Debtor objected the Execution of Mortgage Auction.	Plaintiff: RF Bank as Defendant	Rp 2.12 billion	<ul style="list-style-type: none"> • DC: In Favor of Bank • HC: In Favor of Bank

*) Notes:

- DC : District Court;
- HC : High Court.

Impact on the Condition of the Company

From all the important cases encountered by the Bank during 2016, there is no legal case that will give a negative impact on the financial condition and business continuity of Bank OCBC NISP.

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

Throughout 2016, there is no Important Case faced by the Bank involving the members of BOC and BOD.

Administrative Sanction

Other than the above activities, monitoring is also made as administrative sanctions provided by the authorities. Most violations are errors and delays in reporting transactional i.e. LKPBU, LHBU,

Centralized Trading Platform, prefund debit syariah, SISMONTAVAR dan BI-RTGS. Generally, it was caused by human error and system error which can be followed-up immediately.

INFORMATION ACCESS AND COMPANY DATA

Bank OCBC NISP provides various communication channel for all stakeholders to access the company data, such as financial performance, corporate action, product and promotion, customer handling, etc.

In addition, to get more details information, stakeholders may also contact the following emails:

1. Customer may contact Call OCBC NISP (021) 1500-999 atau dari Hp 66-999 or email to callcenter@ocbcnisp.com.

2. Regulator may contact Corporate Secretary at corporate.secretary@ocbcnisp.com
3. Shareholders and investors may contact Investor Relations at ir@ocbcnisp.com.
4. Media and public may contact Corporate Communication at corporate.communication@ocbcnisp.com.

Website and Social Media

In line with the development of information technology, the Bank also utilizes various digital communication channels to convey information to the public.

The Bank's website www.ocbcnisp.com provides comprehensive and updated information on the Bank's products and services as well as information about the company such as Annual Report, Financial Report,

GOOD CORPORATE GOVERNANCE

GCG Implementation Report, and etc. Information on the website is presented in both Indonesian and English to facilitate the accessibility of the public in getting the information they need. The public may use the website to submit suggestions, questions and complaints that will be followed up in accordance with the applicable provisions.

Bank OCBC NISP also manages several digital communication platforms through its social media accounts such as:

- Facebook: Bank OCBC NISP
- Twitter: @bankocbcnisp
- Instagram: ocbc_nisp

This is to increase its brand awareness and engagement with its customers and non-customers by offering a variety of general information, and banking education using a less formal style of communication. Social media is also used as a means to encourage the enthusiasts or followers to get finance-related education and information on banking. In addition to updates on general information and banking, Bank OCBC NISP's social media also serves as a customer service that caters to questions and complaints.

Mass Media

Bank OCBC NISP realizes that mass media is a critical communication channel for broadcasting important

messages and information to the public. Therefore, Bank OCBC NISP maintains good relations and 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, Bank OCBC NISP actively invites mass media representatives through conferences, special interviews, one on one meeting and media visits. Accordingly, this mechanism ensures that the public is constantly obtaining the Bank's development information through balanced reviews in mass media.

Bank OCBC NISP has published 24 press releases in 2016.

List of Press Release in 2016

No.	Subject	Date
1	Bank OCBC NISP provide easiness for Customer to do UnionPay International transaction	January 25, 2016
2	OCBC NISP Sharia Business Unit Opens Its 10th Branch in Batam	January 28, 2016
3	Bank OCBC NISP's Loans grew 26% (YoY) - Performance Report as at 31 December 2015 (Audited)	February 2, 2016
4	Bank OCBC NISP's KPR Kendali Presents Flexibility to Customers	February 23, 2016
5	"Indonesia's 2016 Market Outlook" in Wealth Panel of Bank OCBC NISP	March 17, 2016
6	Bank OCBC NISP's Profit Grew 13% - A Glimpse of Annual GMS Results	April 7, 2016
7	Bank OCBC NISP Continues the Tradition of Free Education and Blood Screening	April 25, 2016
8	Bank OCBC NISP Posts 23% Net Income Increase (YoY)	April 27, 2016
9	Parwati Surjandaja Named Among "Top 50 Asia's Power Business Woman"	April 29, 2016
10	Bank of Singapore Acquires Barclays, Strong Reference for Development of OCBC NISP's Wealth Management	May 4, 2016
11	Bank OCBC NISP Issues Rp 2 Trillion Bonds	May 10, 2016
12	Improving Services for Customers, Bank OCBC NISP Relocated to Jati Junction Branch - Medan	May 25, 2016
13	Bank OCBC NISP Wins 3 Awards in Various Categories	May 27, 2016
14	OCBC NISP Sharia Introduces iB Sempel Savings in Makassar	May 30, 2016
15	Bank OCBC NISP Expands Its Office Network at Hayam Wuruk Jambi to Increase Service to Customer	May 31, 2016
16	Development of Wealth Management Service in Indonesia	June 20, 2016
17	Bank OCBC NISP Distributed 2,500 Packages of Staple Food "Clean Our Hearts, Offer Thanksgiving, Win the Intrinsic Victory"	June 21, 2016
18	Net Profit of Bank OCBC NISP Increased by 24% (YoY) - Performance Report for Semester I - 2016 (Unaudited)	July 27, 2016
19	"Prize For Everyone" from Bank OCBC NISP's Tanda Funtastrip With Grand Prize of London Vacation Package	August 1, 2016
20	Officially Appointed as a Gateway Bank, Bank OCBC NISP Invites Customers to Maximize Investment	September 16, 2016
21	Bank OCBC NISP Posts 28% Net Income Increase (YoY) - (Unaudited Financial Performance Q3-2016)	October 26, 2016
22	Bank OCBC NISP Encourages People to Learn How to Manage Their Finance	October 31, 2016
23	Encouraging Customers to Maximize Their Investment, Bank OCBC NISP Launched Its Trust Service	November 28, 2016
24	Bank OCBC NISP's CSR in Health and Entrepreneurship	December 7, 2016

Bank OCBC NISP Optimalkan Layanan Trust Individu

JAKARTA - PT Bank OCBC NISP Tbk mengoptimalkan layanan trust individu untuk memberikan kenyamanan lebih kepada pemegang saham, dengan mengoptimalkan proses pendaftaran.

Presiden Direktur Bank OCBC NISP Parwati Surjandaja mengatakan, komitmen awal perusahaan dengan menjadi bank penuh masuk (entry) asset trust adalah membuat peserta trust lebih dari tiga tahun dibuktikan dalam jangka panjang. "Untuk bisa membuat dana asset trust diinvestasikan lebih dari tiga tahun dibutuhkan nilai yang berkelanjutan," ujar dia di Jakarta, Selasa (29/11).

Sementara itu, *Nasional Pading* bermitra Bank OCBC NISP dan Surjandaja menjelaskan, layanan trust menjadi salah satu fasilitas bagi peserta yang membutuhkan keamanan. Padahal, layanan trust yang dikembangkan Bank OCBC NISP berada dalam unit terpisah, sehingga tidak bisa digunakan sebagai aset. Apabila bank dipukul, dana tersebut tetap aman. "Tama yang ada di bank trust tidak bisa masuk ke balance sheet,

Perkuat Modal, Bank OCBC NISP Tak Bagi Dividen

JAKARTA - PT Bank OCBC NISP Tbk memutuskan untuk tidak membagikan dividen pada tahun ini. Keputusan yang diambil ini dari hasil rapat umum pemegang saham tahunan (RUPST) terakhir bertepatan untuk memperkuat modal perusahaan.

Presiden Direktur Bank OCBC NISP Parwati Surjandaja menjelaskan, selama 10 tahun terakhir perusahaan adalah pemegang aset atau agensi pembawa, dan memfokuskan aset agensi yang bisa memaksimalkan dana trust ke instrumen investasi. Sejak Agustus 2016 hingga saat ini, Ezy tidak berbeda mengoptimalkan secara detail dan trust individu ataupun pendanaan berbasis biaya (low hand fee) yang diperbaiki. "Kami bangun trust yang 10 tahun pada tahun awal untuk trust individu," jelas dia.

Selain layanan trust individu, Bank OCBC NISP sudah menjalankan layanan trust korporasi sejak tahun 2012. Namun, berbeda dengan bank lain yang juga membangun layanan trust untuk aset seperti mata uang dan gas, Bank OCBC NISP memilih fokus pada aset mata uang kecil dan menengah (FXM). Padahal, pasar di luar negeri juga lebih besar. (gtr)

LABA BERSIH MENINGKAT



Presiden Direktur PT Bank OCBC NISP Tbk Parwati Surjandaja (tengah), berdiskusi dengan Direktur Permodalan, dan Direktur Pemenuhan Permodalan Internal dalam rapat umum pemegang saham tahunan di Jakarta, Kamis (29/11). Surjandaja tahun 2015 Bank sudah mencatat laba bersih 24% lebih tinggi dibanding tahun sebelumnya.



Mudik Asyik Syariah OCBC NISP. Direktur Bank OCBC NISP Rama P Kumonputra (kanan) bersama Kepala Unit Usaha Syariah (UUS) OCBC NISP Koko T Rachmadi (kiri dari kanan) melepas bus "Mudik Asyik OCBC NISP Syariah 2016" di Jakarta, Selasa (28/11). Kegiatan mudik syariah merupakan salah satu rangkaian acara pemudik di bulan Ramadan Bank OCBC NISP.

Labanya Bank OCBC NISP Naik 24% Aset Pun Meningkat 7 Persen

JAKARTA - PT Bank OCBC NISP Tbk mengumumkan pencapaian nyata menjaga pertumbuhan bisnis, dengan membukukan kinerja keuangan positif pada semester I 2016. Presiden Direktur Bank OCBC NISP Parwati Surjandaja, melalui siaran pers, Selasa (26/7/2016) mengatakan, Bank OCBC NISP mencatat peningkatan laba bersih 24% (YoY) menjadi Rp 914 miliar pada semester I 2016 dari Rp 735 miliar pada semester I 2015. Menurut dia, di tengah gejolak perekonomian saat ini, aset meningkat 7% (YoY) menjadi Rp 129 triliun di semester I 2016. Naikannya Aset ditopang pertumbuhan Dana Pihak Ketiga (DPK) sebesar 9% (YoY) menjadi Rp 92,6 triliun pada semester I 2016 dibandingkan Rp 84,7 triliun pada semester I 2015. "Kondisi pasar penuh tantangan di tahun 2016, memacu terus memprioritaskan pertumbuhan portofolio dengan disiplin, Kepercayaan nasabah yang tinggi kepada Bank OCBC NISP, menjadi motivasi sentensial memberikan nilai tambah dan kualitas terbaik kepada seluruh nasabah," ujarnya. (KS)***

PROFIL CEO BANK OCBC NISP Menjaga Kepercayaan

lbarat kayu, sekali patah, tidak bisa disambung lagi. Begitu pula kepercayaan, yang sekali saja hilang, tak bisa pulih lagi. Maka, kepercayaan nasabah harus dijaga. "Ayah saya selalu mengingatkan, nasabah adalah segalanya," kata Presiden Direktur dan CEO PT Bank OCBC NISP Tbk Parwati Surjandaja.



OLEH DEWI INDIARSTUTI

Nasihat ayahnya, Karna Sirejandaja, itu selalu dipegang erat oleh Parwati, yang menduduki kursi Presiden OCBC NISP sejak Desember 2008.

Bank NISP adalah bank tertua terapan di Indonesia, yang didirikan pada 4 April 1941 di Bandung dengan nama NY Netherlandische Indische Spaar en Deposito Bank. Setelah melewati proses akuisisi dan tender sejak 2004, OCBC Bank-Singapura menjadi pemegang saham mayoritas Bank OCBC NISP dengan kepemilikan 83,1 persen saham. Bank yang per tanggal 31-12-2016 memiliki laba bersih Rp 14 triliun ini terus menjaga kehati-hatian, tata kelola, dan kepercayaan.

Berikut ini profil sangwanara Karna-pa dengan Parwati, yang beberapa tahun terakhir sedang gemas dengan wisata alam, di lereng 24. Menteri OCBC NISP Jakarta, beberapa waktu lalu.

"Kondisi perekonomian di Indonesia belum baik. Apa strategi OCBC NISP menghadapi kondisi ini?"

"Kalau lihat, rasio kredit bermasalah belum mencapai puncak. Prioritas pertama kami, menjaga aset. Kemudian dukungan ke mitra-mitra. Di bidang ini dengan negara lain, masih ada ruang untuk tumbuh. Perlu konsolidasi internal untuk perubahan struktur, proses, dan budaya. Kalau kondisi sudah pulih, kami bisa tinjau gas. Akan tetapi, kami juga tidak tertutup untuk melihat peluang. Tahun lalu industri tumbuh 10 persen, kami 20 persen. Tahun ini tidak seperti tahun lalu, tapi kami lihat (per-

Bank OCBC NISP Luncurkan Produk KPR Kendali

[JAKARTA] PT Bank OCBC NISP Tbk meluncurkan produk kredit pemilikan rumah (KPR) Kendali. Produk ini merupakan fasilitas kredit properti yang di-bundling dengan rekening tabungan nasabah.

Secured Loan Division Head Bank OCBC NISP Veronika Susanti menjelaskan, KPR Kendali memiliki skema pembiayaan yang fleksibel, karena saldo akhir tabungan nasabah dapat diperhitungkan untuk merencanakan bunga kredit pada hari tersebut.

"Semakin besar saldo tabungan, maka semakin ringan bunga kredit yang akan dibayarkan oleh nasabah. Semakin besar saldo tabungan juga dapat mempengaruhi berkurangnya jangka waktu KPR," jelas Veronika dalam keterangan Bank OCBC NISP.

KPR Kendali Bank OCBC NISP merupakan fasilitas yang dikembangkan untuk mendukung pertumbuhan *consumer banking*. Bank OCBC NISP mencaipai pertumbuhan total kredit sebesar 26% hingga Rp 85,9 triliun per 31 Desember 2015. [ID/M-6]

investasi melalui bank, dan tidak bisa digunakan oleh bank. Kedua, berdasarkan ketentuan monobank, uang yang diinvestasikan ke bank harus memiliki kepastian yang tinggi. Di Indonesia, menurut Ezy, Bank OCBC NISP merupakan salah satu bank swasta yang memiliki layanan trust individu. Selain Bank OCBC NISP terdapat tiga bank yang memiliki produk asing yang memiliki layanan trust tersebut. Meski demikian, perusahaan memiliki keunggulan dari sisi cakupan regional yang meliputi di lima negara seperti Singapura, Tiongkok, Taiwan, Hong Kong, dan Thailand.

Ezy menjelaskan, peserta asset trust ataupun nasabah yang ingin mendapatkan layanan trust Bank OCBC NISP ditawarkan memiliki dana minimal Rp 5 miliar. Besarnya dana minimal tersebut membuat perusahaan menargetkan nasabah premium. Dalam pemenuhan instrumen investasi, menurut Ezy, investor dapat memanfaatkan aset yang mereka miliki dan gas. Bank OCBC NISP memilih fokus pada aset mata uang kecil dan menengah (FXM). Padahal, pasar di luar negeri juga lebih besar. (gtr)

sebagai trustee akan mengelola dana tersebut dan memberikan bantuan kepada beneficiary secara langsung sesuai keinginan trust.

Ezy menjelaskan, sejak mendapatkannya pada 10 Agustus 2016, pihaknya terus memaksimalkan layanan trust tersebut. Fasilitas trust individu perusahaan adalah pemegang aset atau agensi pembawa, dan memfokuskan aset agensi yang bisa memaksimalkan dana trust ke instrumen investasi. Sejak Agustus 2016 hingga saat ini, Ezy tidak berbeda mengoptimalkan secara detail dan trust individu ataupun pendanaan berbasis biaya (low hand fee) yang diperbaiki. "Kami bangun trust yang 10 tahun pada tahun awal untuk trust individu," jelas dia.

Selain layanan trust individu, Bank OCBC NISP sudah menjalankan layanan trust korporasi sejak tahun 2012. Namun, berbeda dengan bank lain yang juga membangun layanan trust untuk aset seperti mata uang dan gas, Bank OCBC NISP memilih fokus pada aset mata uang kecil dan menengah (FXM). Padahal, pasar di luar negeri juga lebih besar. (gtr)

Investor Relations Bank OCBC NISP actively engages shareholders and investors in discussions and investors in information sharing sessions, 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 event of materiality, as well as press releases, and website updates.

Bank OCBC NISP 2016 Annual Integrated Report

GOOD CORPORATE GOVERNANCE

CODE OF CONDUCT

Banking is a trust business. Maintaining the trust of all stakeholders determines the continuity of the Bank's business today and in the future. Each individual action in the Bank when interacting with stakeholders has a direct impact on the reputation, image, and the level of confidence.

The Bank complies with the Code of Conduct and corporate culture as the reference standard for its conduct.

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 in All Level of Organization

Code of Conduct is the most basic rule of the Bank that must be obeyed by all employees, including BOD and BOC. The management of the Bank can not be separated from the rules of the game which are based on the rules of laws, morality and ethics. Therefore, Code of Conduct will continue to be refined or harmonized, according to the Bank's condition and the condition of the community.

Dissemination of Code of Conducts

The Bank uses various media to disseminate code of conduct through:

internal website, internal magazine, and e-learning which is currently used as a means for employees to read, acknowledge and promise to comply code of conduct.

Sanction for Any Violation of Code of Conduct

All employees shall implement the code of conduct and corporate culture internally or externally. Each violation will be firmly dealt with and be given sanctions from first warning to termination of employment, in accordance with applicable regulations. Bank pushes every employee to abide by the code of conduct by implementing the whistleblowing policy that gives protection to the whistleblower, Know Your Employee (KYE) policy, and internal audit.

STOCK OWNERSHIP PROGRAMS FOR EMPLOYEES AND/OR MANAGEMENT (ESOP/MSOP)

Until 2016, Bank OCBC NISP had not offered stock ownership programs for employees and/or management. Stock ownership of the bank management currently comes from stocks that have been previously owned.

BUY BACK SHARES AND/OR BUY BACK BONDS

Bank OCBC NISP did not carry out any share or bond buyback throughout 2016.

ALLOCATION OF FUNDS FOR SOCIAL AND/OR POLITICAL ACTIVITIES

Bank OCBC NISP has never been involved in any political activities and support for political activities. On the other hand, the Bank aims to

be recognized as caring and reliable Bank in accordance with its vision and mission. Bank OCBC NISP consistently contributes to social activities in line with the company's Social Responsibility policy.

For Financial Year 2016, Bank OCBC NISP allocated funds for Corporate Social Responsibility (CSR) activities amounting to Rp 7.495.744.169 to provide support in the education, environment preservation and other social aspects. The information of Bank OCBC NISP's CSR activities is shown on page 175 of this Annual Report.

INSIDER INFORMATION

Bank OCBC NISP restricts its Commissioners, Directors, and all employees to use 'insider information' in transacting Bank OCBC NISP's shares for benefits either personally or for others' use. All information is fairly presented to all shareholders. In order to prevent conflict of interest, all employees must adhere to the Employee's Code of Conduct and Corporate Policy.

FULFILLING THE RECOMMENDATION GCG CODE FOR PUBLIC COMPANIES

Following up the release of Number 21/ POJK.04 / 2015 dated November 16, 2015 on the Application of Guidelines of Corporate Governance in Public Company, and SEOJK No. 32 / SEOJK.04 / 2015 dated November 17, 2015 on Guidelines of Corporate Governance in Public Company, Bank OCBC NISP has conducted various activities in order to meet the recommendations as described in the table below:

No.	Recommendation	Description
Aspect 1: Relationship Between Public Company and Stakeholders in Guaranteeing Their Rights		
Principle 1: Enhance GMS Value		
1.1.	Public Company has voting procedure either publicly or confidentially which promotes independence and interest of stakeholders.	Completed. The Bank has an open voting system done through raising of hands following the selected option offered by the chairman of the GMS that prioritizes the independence and interests of the shareholders. This is as stated in the Rules of GMS and can also be found in our website www.ocbcnisp.com
1.2.	All members of BOD and BOC in Public Company attend in AGM.	Completed. All members of the Board of Directors and 3 (three) members of the Board of Commissioners have attended the 2016 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.	Completed. The summary of GMS Conclusion for the 3 (three) consecutive years can be obtained in our website www.ocbcnisp.com.
Principle 2: Improve Communication Quality with Stakeholders or Investors.		
2.1.	Public Company has communication policies with stakeholders or investors.	Completed. The Bank has already have Policy on Information Disclosure and Performance Report to the Investors and Analysts since 2015.
2.2.	Public Company discloses communication policies with stakeholders or investors on website.	Completed. The Policy on Information Disclosure and Performance Report for the Investors can be obtained at the website www.ocbcnisp.com
Aspect 2: BOC Functions and Roles		
Principle 3: Strengthen members and composition		
3.1.	Determining the number of BOC members that are considered the company's condition.	Completed. The Bank has 8 (eight) members of the Board of Commissioners, with the 4 (four) members as Independent Commissioners.
3.2.	Determining the composition of BOC members that paid attention on various skills, knowledges, and experiences.	Completed. The Bank's Board of Commissioners have the skills, knowledge and experience as shown in the Board of Commissioners Profiles on page 33-34
Principle 4: Improve Quality of Tasks and Roles		
4.1.	BOC has self-assessment policy for its performance.	Completed. The Bank has self assessment policy to assess the performance of the Board of Commissioners as a peer member.
4.2.	The self-assessment policy was disclosed through the Annual Report.	Completed. The self assessment policy can be seen in the Annual Report on page 86.
4.3.	BOC has policies relating to the resignation of BOC members if is involved in financial crimes.	Completed. The Guidelines and Code of Conduct of the Board of Commissioners require that any member of the Board must never be subjected to a crime or sentenced under a 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.
4.4.	BOC or Committee that conducted Nomination and Remuneration function compiled policies on the succession of BOD members nomination.	The Remuneration and Nomination Committee has implemented Talent and Successor identification process including for the position of Directors.
Aspect 3: BOD Functions and Roles		
Principle 5: Strengthen members and composition		
5.1.	Determining number of BOD members that considered the company's condition and effectiveness in decision making.	Completed. Currently the Bank has 10 (ten) Directors.
5.2.	Determining the composition of BOD members that paid attention on various skills, knowledges, and experiences.	Completed. The Bank's Board of Commissioners have the skills, knowledge and experience as shown in the Board of Commissioners Profiles on page 33-34
5.3.	BOD members who are in charge of accounting or financial have expertise and/or knowledge in accounting.	Completed. Please refer to the Profile of the Directors on page 36
Principle 6: Improve Quality of BOD Task and Roles		
6.1.	BOC has self-assessment policy for its performance.	Completed 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. The Bank also assesses the Directors' performance based on Balance Score Card individually and a peer member.

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No.	Recommendation	Description
6.2.	The self-assessment policy was disclosed through Annual Report.	Completed The policy is shown on page 109
6.3.	BOC has policies relating to the resignation of BOC members if involved in financial crimes.	The Board of Directors' Guidelines and Code of Conduct The Guidelines and Code of Conduct of the Board of Commissioners require that any member of the Board must never be subjected to a crime or sentenced under a 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.
Aspect 4: Stakeholder Participation		
Principle 7: Enhance the Aspects of Good Corporate Governance through Stakeholder Participation.		
7.1	Public Company has policy to prevent insider trading.	Completed 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.	Completed 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.	Completed The Bank has a Policy on vendor selection process thru 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.	Completed The Bank has a GCG Policy/ Guidelines that also regulates the Bank's liabilities in order to protect and fulfill the creditors' rights. The creditors' rights have to be included in the creditors' loan agreement.
7.5.	Public Company has whistleblowing system policy.	Completed The Bank has a policy on whistleblowing system.
7.6.	Public Company has a policy related to long-term incentives to BOD and employees.	Completed The Bank has a policy on Remuneration that includes among others granting long term benefits to the Directors and employees.
Aspect 5: Information Disclosure		
Principle 8: Develop Information Disclosure		
8.1.	Public Company benefits information technology widely besides website as a form of media in information disclosure.	Completed The Bank has utilized information technology development as seen in the company's website www.ocbcnisp.com 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.	Completed The Bank has disclosed in this Annual Report on page 38

BANK OCBC NISP SHARIA BUSINESS UNIT CORPORATE GOVERNANCE REPORT

The Sharia Business Unit of Bank OCBC NISP ("Bank OCBC NISP's SBU") is committed to support the effective implementation of Good Corporate Governance.

With the establishment of Bank OCBC NISP's Sharia Business Unit on October 12, 2009, the Bank expects to meet the customers' needs for sharia banking products and services in Indonesia. As such, the SBU of Bank OCBC NISP will keep on developing Sharia Branch Offices and Sharia services in Indonesian cities.

Bank OCBC NISP Sharia has opened 10 (ten) Sharia Branch Offices Jakarta, Bandung, Surabaya, Semarang, Makassar, Medan, Balikpapan, Palembang, Pontianak and Batam. Another 277 (two hundred seventy seven) Sharia Services Offices have been established throughout Greater Jakarta Area (Jakarta, Bogor, Tangerang and Bekasi), Banten, West Java, East Java, Yogyakarta, Central Java, South Sulawesi, North Sumatera, East Kalimantan, South Sumatera, Bali, West Nusa Tenggara, North Sulawesi, Southeast Sulawesi, West Kalimantan, Jambi, South Kalimantan, West Sumatera, Riau and Lampung.

The implementation of good corporate governance in Sharia business unit is in total compliance with the provisions of applicable legislations, sharia and prudent principles in the banking industry.

Principles of Corporate Governance

To support the implementation of GCG, Bank OCBC NISP's SBU applies the principles of Transparency, Accountability, Responsibility,

Professional, and Fairness. In applying GCG, the Bank has prepared a Charter for the Director of SBU and Sharia Supervisory Board.

Director of SBU

Bank OCBC NISP has appointed Mr. Andrae Krishnawan W. as the Director of SBU based on the resolution of the General Meeting of Shareholders last April 3, 2013, who is responsible for the implementation of Bank OCBC NISP's SBU management based on the prudential and Sharia principles.

The duties and responsibilities are:

1. SBU Director is fully responsible for the management of business activities based on Sharia and the prudential principles.
2. The Sharia Business Unit Director shall follow up the recommendations of the Sharia Supervisory Board
3. The Sharia Business Unit Director shall provide accurate, relevant and timely data and information about the Islamic principle to the Sharia Supervisory Board.
4. The Sharia Business Unit Director 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.
- f. Ensuring that the risk management function has operated independently.
- g. Conducting regular review to ensure:
 - 1) The accuracy of risk assessment methodologies
 - 2) The adequacy of risk management information system implementation
 - 3) The accuracy of policies, procedures and risk limits.

Sharia Supervisory Board

Bank OCBC NISP's SBU has two members of the Sharia Supervisory Board, namely:

1. Chairman : Muhammad Anwar Ibrahim
2. Member: Mohammad Bagus Teguh Perwira

1. Duties and Responsibilities of SBU Director

The Sharia Supervisory Board performs the duties and responsibilities by providing advice and suggestions to the SBU's Director and by overseeing the activities of the Bank OCBC NISP's SBU which are conducted based on Sharia principles, including:

- a. Assessing and ensuring SBU products' compliance with Sharia Principles.

GOOD CORPORATE GOVERNANCE

- b. Overseeing the developmental stages of new SBU products from the beginning until the product is released.
- c. Providing Sharia-related opinions on new products and/or restructured financing.
- d. Requesting the National Sharia Board to issue an edict about a new SBU product where no decision on their sharia status has been made.
- e. Regularly reviewing the sharia compliance status of fund collecting and channeling mechanisms, as well as the Bank's services.
- f. Requesting data and information related to the sharia aspect of the SBU in order to support the board's duties.
- g. 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 existing regulations.

2. Criteria and Independence of Sharia Supervisory Board

Since 2016, the composition, criteria and independence of the

Sharia Supervisory Board (SSB) has complied with the following Bank Indonesia regulations:

- a. Board members must display integrity, which at least includes:
 - 1) Good character and morals.
 - 2) Committed to obey Sharia Banking's requirements and other existing regulations.
 - 3) Committed in developing healthy and sustainable Sharia Banking.
 - 4) Not included in fit and proper test list as regulated under Bank Indonesia's fit and proper test requirements.
- b. 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.
- c. Board members must have good financial reputation with:
 - 1) No inclusion in non-performing loan lists.
 - 2) Never 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 to bankruptcy of the company and/or institutional, in five years before their nomination as a member of the board.

- d. Board members are not allowed to serve as SSB members in more than four other sharia financial institutions.

The following are other positions held by SSB members of Bank OCBC NISP:

Muhammad Anwar Ibrahim

1. SSB Chairman of Bank Internasional Indonesia Syariah.
2. SSB Chairman of PT. Prudential Life Assurance.

Muhammad Bagus Teguh Perwira

1. Member of SSB at PT Schroder Investment Management Indonesia
2. Member of SSB at Citibank N.A.
3. SSB Chairman of PT Indosurya Asset Management.
4. SSB Chairman of PT Aberdeen Asset Management.

3. Sharia Supervisory Board Terms of Office

No	Name	Position	Date of First Appointment	GMS	Terms of Office
1	Muhammad Anwar Ibrahim	SSB Chairman	Started on September 14, 2009	April 7, 2014	2014-2017
2	Mohammad Bagus Teguh Perwira	SSB Member	Started on September 14, 2009	April 7, 2014	2014-2017

4. Sharia Supervisory Board Meeting

Sharia Supervisory Board Meeting must be held at least once in one month. During 2016, the Board conducted twelve meetings which were attended by each member of SSB, making the frequency of meetings attended by the Board during 2016 compliant with the applicable regulations.

Outcomes and Important Decisions of SSB Meetings as of

December 2016 were:

- a. Third Party Fund Products, namely Mudharabah iB Savings, Prize in Sharia Savings, Granting Point, Customers/beneficiary that close their accounts before the deadline of profit sharing, Cash Teller Gap,
- b. Financing Products, namely Take Over Top Up, Changes in payment date on the financing facilities, Signing

Proposal for Sharia Financing, Stay Mortgage iB, Notice of Reconsideration Rental (Ujrah Bank), Akad Musyarakah Mutanaqisah corporate, the financed company, cost of commitment, Financing to Multi-financing

- c. Treasury Products, namely Sukuk, RAK, Akad Wadiah RAK, Bank Correspondent.

5. Training for Sharia Supervisory Board

To perform their duties and responsibilities, SSB members should attend Ijtima' Sanawi (Annual Meeting) which was held annually in December 8-0, 2016.

6. Sharia Supervisory Board (SSB) Monitoring Report

In the second semester of 2016, SSB reported:

- a. 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):
 - 1) There is a suitability in the products and services with the provisions of

National Sharia Council - Indonesian Ulama Council for financing activities (mortgage iB), third-party funds (Tanda iB, iB Savings, Taka iB, Current Accounts iB, Deposit iB, Community Savings, Mudharabah iB Savings and Simple iB Savings), Treasury activities (Sukuk of Retail Government and FASBIS) and banking services (transfer and Electronic Banking).

- 2) There are no products and services which are not/ not yet regulated in the provisions of the National Sharia Council - Indonesian Ulama Council.

- b. Monitor the Bank activities, from 14 samples of mortgage iB, 716 samples of third-party fund, 32 samples of treasury transaction and 480 samples of services, there were no activities that does not/ not yet comply with the Bank's SOP.

7. Sharia Supervisory Board Remuneration

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, 2016 was:

Type of Remuneration and Other Facilities	Sharia Supervisory Board (DPS)	Total
	People	(Rp Million)
Remuneration (Salary, bonus, other routine allowances and other facilities)	2	790
Other facilities (housing, transportation, insurance, health, etc):	-	-
a. Could be owned	-	-
b. Could not be owned	-	-
Total	2	790

List of Sharia Business Unit Consultants

In 2016, Sharia Business Unit (SBU) did not hire any consultant to support its activities. Late in 2010, SBU used consultant to launch financing product namely KPR iB with Adad Musyarakah Mutanaqisah. The consultant is Bratajaya & Associates who render the service in the revision of Akad draft for each financing. Since then, revision of Akad is conducted by Bank OCBC NISP inhouse legal supported by Corporate Legal Division.

Internal Fraud

Since the launch of the SBU until December 31, 2016, no fraud cases took place.

Internal Fraud Dalam 1 Tahun	Jumlah Kasus Yang Dilakukan oleh					
	Dewan Komisaris/Direksi		Pegawai Tetap		Pegawai Tidak Tetap	
	Tahun Sebelumnya	Tahun Berjalan	Tahun Sebelumnya	Tahun Berjalan	Tahun Sebelumnya	Tahun Berjalan
Total Fraud Case	-	-	-	-	-	-
Resolved	-	-	-	-	-	-
In the Process Of Resolution Internally Within the Bank	-	-	-	-	-	-
Resolution have not been carried out	-	-	-	-	-	-
Pursued Legal Process	-	-	-	-	-	-

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Legal Cases

Until December 31, 2016, there had been no civil lawsuits or criminal cases involving the SBU of Bank OCBC NISP.

Legal Cases	Civil	Criminal
Resolved (with firm legal basis)	-	-
In the process resolution	-	-
Total	-	-

Distribution of Interest-free Loans for Social Activities

In 2016, Bank OCBC NISP SBU has distributed the interest-free loans for social activities amounted to Rp 431,411,174 through social activities including:

- iB Peduli coordinated by Bank Indonesia (BI)
- Various activities during Ramadhan.
- Sharia Economy Movement Activities (Gres) coordinated by PPES (Sharia Economic Communication Center) and BI.
- Home-coming (Ramadhan activities)
- CSR activities in MTQ in Batam
- Giving donation to orphanage children in Yayasan aitul Maal Hidayah

Non-Halal Incomes and Uses

Until December 31, 2016, no activities of the SBU had generated non-halal incomes.

SBU's Financial and Non-Financial Transparency

SBU announced its quarterly financial reports through publications on national newspapers and submitted to Bank Indonesia.

SBU Self-Assessment

In 2016, 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 the SBU, comparing the GCG implementation with the minimum criteria set by Bank Indonesia.

The assessments 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, channelling 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 Sharia Business Unit in Bank OCBC NISP with minimal criteria, the GCG is reported as follows:

No	Factor	Rating (a)	Weight (b)	Score (a) X (b)	Note
1	The execution of the Directors' duties and responsibilities	1	35.00%	0,35	The Directors at the Sharia Business Unit pays close attention to the unit's management based on prudent principles and Sharia banking principles. They always follow-up on the recommendations based on the DPS' monitoring and is ready with the data and information related to the fulfillment of accurate, relevant, and in-time Sharia Principles.
2	The execution of the Sharia Monitoring Board's duties and responsibilities	1	20.00%	0,2	DPS has a proper composition, criteria and independence. The duties, responsibilities and the meetings had been implemented in accordance with the provisions. DPS has been transparent on concurrent positions and do not take advantage on Sharia Business Unit for personal gain.
3	Sharia principle implementation in raising and disbursement activities and services.	1	10.00%	0,1	The Sharia Business Unit has fulfilled the Sharia principles in the unit's products, raised and disbursement of funds and services.
4	Disbursement of funds to core financing customers and saving of funds by core depositors	1	10.00%	0,1	The Sharia Business Unit has applied the prudent principles and has the updated policies and procedures in disbursing funds to the Core Customers and saving funds by the Core Depositors.
5	Transparency in financial and non-financial condition, implementation report on GCG and internal report.	1	25.00%	0,25	Transparency in financial and non-financial condition, implementation report on GCG and internal report that had been done according to the provision.
Composite Score			100.00%	1.00	Very Good

Composite Score Descriptions

Composite Score	Composite Rating
Composite <1.5	Excellent
1.5 Composite <2.5	Good
2.5 Composite < 3.5	Fairly Good
3.5 Composite < 4.5	Sub Standard
4.5 Composite < 5	Poor

Composite Score and Rating

The result of self-assessment on GCG in 2016 showed that the implementation score of GCG in the Bank's SBU is 1.00 or Very Good.

The Weakness and Factors of Self-Assessment Result on GCG in 2016

It shows that there is no significant weakness in the implementation of the GCG in the Bank's SBU.

The Strength of GCG Implementation

The Directors of the SBU and the Sharia Monitoring Board are paying close attention to ensure the implementation of Sharia principles in all its businesses and commitments of all parties in the SBU structure and related units. The efforts to ensure the SBU's GCG has been implemented

in accordance to the effective regulations with high regard to the Sharia principles.

Follow-Up

In developing its businesses, the Bank's SBU is committed to implement the GCG and continues to perfect all the aspects of the GCG for the sustainable future of the governance.

Profile of Sharia Supervisory Board



Muhammad Anwar Ibrahim
Chairman

Indonesian citizen, age 76.

Chairman of Sharia Supervisory Board of Bank OCBC NISP since 2009.

Currently also serves as Daily Executive Vice President 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 in Bank Internasional Indonesia Sharia, Chairman of Sharia Supervisory Board of 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 Ushululfiqh (Source and Philosophy of Islamic Laws) from University of Al Azhar, Cairo.



Mohammad Bagus Teguh Perwira
Member

Indonesian citizen, 39 years.

Sharia Supervisory Board of Bank OCBC NISP since 2009.

He currently serves as a member of Sharia Supervisory Board of PT Schoders Investment Management Indonesia, Chairman of Sharia Supervisory Board of PT. Aberdeen Asset Management, Chairman of Sharia Supervisory Board of PT. PT. Indosurya Asset Management, Advisory Council of Sharia in Citibank NA, Member of Banking and Financial Working Group – National Economic and Industry Committee – Republik of Indonesia, Member of Daily Executive of Indonesian National Board of Sharia of The Majelis Ulama Indonesia, and worked as an Independent Financial Planner.

Completing the Islamic Studies courses and Arabic at Al Azhar University, Cairo (1999) and Post - Graduate programs of Islamic Economics at Islamic University Syarif Hidayatullah, Jakarta (2007).

With Regard,

Pramukti Surjaudaja
Chairman

Parwati Surjaudaja
President Director

RISK MANAGEMENT [G4-14] [G4-15]

Enhancing harmonious synergy through improved risk management framework is required to support sustainable business growth while considering the social and environmental impacts.

2016 RISK MANAGEMENT OVERVIEW

During 2016, risk management performed by Risk Management Group has been strengthened by the reasserting of risk culture based on three lines of defense, namely synergized risk management culture on the Bank's business activities. This goes along with the Bank's development strategy in product, services, process, distribution network, business portfolio and other aspects.

In order to implement risk management in an efficient and timely manner, the Bank improved its Service Level Agreement (SLA) credit process through Straight Through Process (STP) mechanism on Emerging Business (EMB) Credit Risk Management system and Portfolio Review Management (PRM) system, as well as optimized the use of Scoring Model. For Consumer Credit Risk Management, the Bank has improved Loan Origination System (LOS) to support acquisition in accordance with the strategy and product requirements.

The credit quality was also well maintained, even within the deceleration of domestic and global economic condition. As of end-December 2016, the Non-Performing Loan (NPL) has been successfully maintained at below 2 percent.

Enterprise Risk Management (ERM) has been improved through

Risk Appetite Statement holistic review, Internal Capital Adequacy Assessment Process (ICAAP) enhanced methodology, as well as risk profile assessment for the Bank, its Sharia Business Unit, and Financial Conglomerate. ICAAP is assessed at least twice a year to ensure that the Bank maintains sufficient capital to anticipate potential losses that may occur in various stress scenarios.

In addition, the implementation of Policy Lifecycle Management Approach and policy monitoring tools are continuously improved to ensure that the Bank's policies are available and updated, both related to risk management policies and other policies in accordance with the Bank's policy architecture.

The Bank sets the strategy for effective implementation of Three Lines of Defense. The effective implementation of it is done through the awareness of each employee toward their role and responsibility, either as the first, second or third line of defense. The First Line of Defense is achieving business growth by considering risk aspects in every decision made; the Second Line of Defense is in charge of managing risk independently; Internal Audit Division as the Third Line of Defense is responsible for providing risk assurance as well as monitoring and periodic evaluation.

To cultivate the risk awareness as a part of employees working process, the Bank has five risk culture principles:

1. We possess the capabilities and be accountable for managing risk.
2. We optimize profit by striking a balance between risk and return.
3. We synergize to achieve an effective and efficient risk management system.

4. We promote lessons learnt to enrich our capabilities in managing risk.
5. Managing risk is the responsibility of everyone in the organization.

RISK MANAGEMENT AT BANK OCBC NISP

Bank OCBC NISP implements the risk management function in line with the risk management framework which is the combination of the Bank's corporate identity and image, shareholders' direction and set strategies.

BOC and BOD Active Supervision

In implementing the supervision function, the BOC has clear duties and responsibilities, which among others are reviewing and approving the recommendation of Risk Monitoring Committee, in relation to:

- Implementation of risk management policies
- Implementation of Risk Monitoring Committee and Risk Management Group Divisions decisions
- Approval of credit facility granting to Related Party
- Implementation of integrated risk management in Financial Conglomeration

In order to implement risk management function, BOD has performed its duties and responsibilities, namely:

- Develop written and comprehensive policies and risk management strategies.
- Responsible for the implementation of risk management policies and risk exposures taken by the Bank in holistic manner.

- Evaluate and decide on transactions that require the BOD approval.
- Develop a risk management culture at all levels of the Bank organization.
- Ensure the competence improvement of human resources associated with risk management.
- Ensure that the risk management functions operate independently.
- Carry out the periodic review to ensure accuracy of risk assessment methodologies, the adequacy of the risk management information system implementation; and the accuracy of the policies, procedures as well as the risk limits.
- Ensure that each Financial Services Institution (FSI) affiliated in Financial Conglomeration has implemented risk management effectively.

Adequacy of Policies, Procedures, and Risk Management Limit

The Bank has adequacy of 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, and also adding value to the Bank's stakeholders.

Policies, Procedures, and Risk Management Limit are documented and reviewed periodically which are adjusted with the internal and external development.

Adequacy In The Process Of Identification, Measurement, Monitoring And Risk Control And Risk Management Information System

Risk Management Group cooperates with all business and supporting units to conduct identification, measurement, monitoring, risk control and establish risk management information system thoroughly.

Basel Implementation

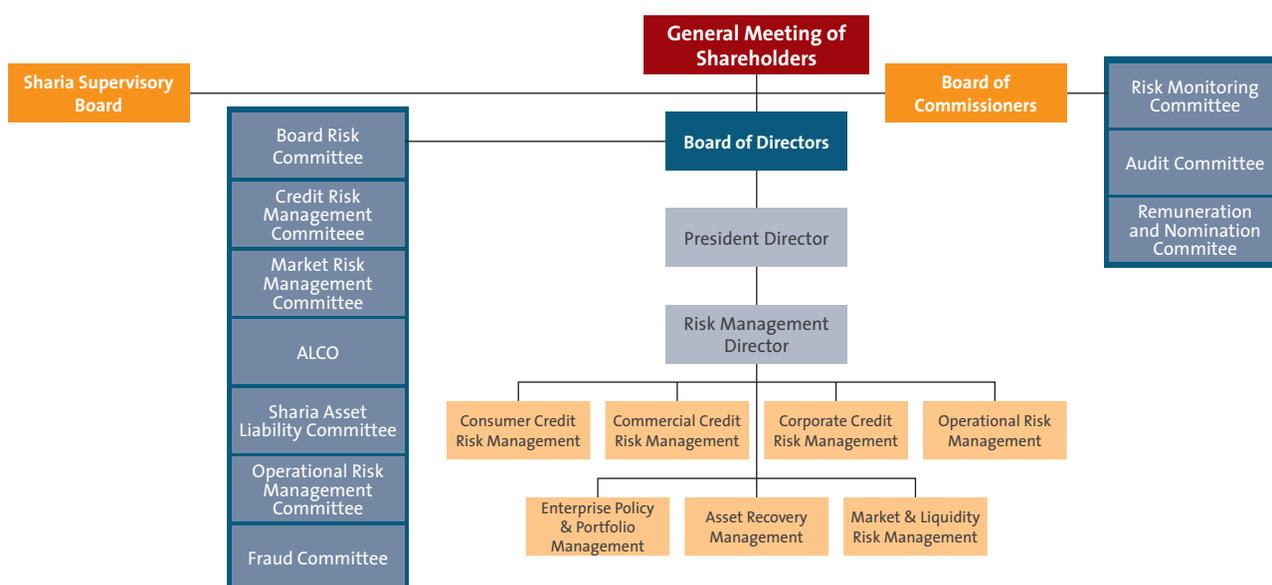
The Bank continuously follows the development of the Basel Requirement and banking regulations which may affect the Bank's business activities scheme, including the increasing liquidity and capital requirements as stipulated in the Basel III.

Related to the Basel III implementation, the Bank also actively involves in Qualitative Impact Studies (QIS) held by Financial Services Authority and Bank Indonesia.

THE ORGANIZATION AND RISK MANAGEMENT GOVERNANCE

To manage different types of inherent risk in accordance with the complexity of the business, there are several dedicated working units in the organizational structure of the Risk Management Group that are responsible on credit risk, market risk, liquidity risk, operational risk and other risks (legal, strategic, compliance, and reputation risk).

As the Second Line of Defense, the Risk Management Group exercises its responsibility for running risk management governance independently, while simultaneously working together and partnering with all business units and supporting units, encompassing the strategic and down to the transaction levels, in order to build the process of identifying, measuring, monitoring, controlling risk and information and comprehensively internal control systems. Organization supervision is undertaken by the Board of Commissioners, assisted by risk management related committees and the Audit Committee, as provided on the organizational structure.



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, also ensuring that all credit risks have been optimally managed.
- The Market and Liquidity Risk Management Division is charged with the function, scope and responsibility for developing risk management processes in order to improve the effectiveness of market risk management, control, and monitoring functions by formulating policies and limits, as well as through the implementation of regulations and reporting; and is also responsible for proper monitoring, measuring and reporting liquidity risk and interest rate risk management in the banking book, and serving as an independent party who performs control function on risk from balance sheet and liquidity positions.
- Operational Risk Management Division is responsible for managing operational risk according to the best practices in minimizing unpredictable losses and in managing estimated losses, while also 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 Policy and Portfolio Management Division is responsible for the sufficiency of policies, procedures and limits, including building bank-wide policy architecture, as well as developing enterprise portfolio management and risk profile evaluation that are more suitable to the business conditions and characteristics of the Bank, with

due consideration to current regulations on risk management.

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 2016, SBU composite risk rating was "Low".

RISK CONTROL FOR NEW PRODUCTS AND/OR ACTIVITIES

The dynamics of the developments in the banking business, products and/or activities extensive innovation to meet customer needs are important factors in achieving the set targets. Bank OCBC NISP performs identification and mitigation of inherent risks for new products and/or services. To ensure that the risk management towards such business activities are implemented properly in accordance with the Bank's risk profile, the Product Management Policy or known as New Product Approval Process (NPAP) has been applied.

Risk identification is performed for credit risk, market risk, liquidity risk, operational risk, legal risk, compliance risk, strategic risk and reputation risk. The risk identification is performed by Product Developer as risk owner of the new product and/or activity who is coordinating with the Risk Management Group and other related

units as Functional Specialist (risk control).

For complex new product and/or activity, risk review and approval must be given by the Product Management Committee (PMC), which is chaired by the President Director included Directors who represent Business, Risk Management, Finance, Compliance, Operation and Information Technology functions as the members.

A particular unit is delegated as Product Management that is responsible for managing new product and/or activity, including the administration of application of the new product and/or activity and monitoring the application process and reviewing the implementation schedule.

INTEGRATED RISK MANAGEMENT

In the Integrated Risk Management Implementation for Financial Conglomeration, Bank OCBC NISP has been appointed as the Main Entity by OCBC Ltd. through the OCBC Overseas Investment Pte. Ltd. as the controlling shareholder.

The Bank has implemented the Integrated Risk Management comprehensively. In the Financial Conglomeration, Bank OCBC NISP is related with Great Eastern Life Indonesia and OCBC Sekuritas Indonesia.

The Bank maintains the Alignment established with the related companies within the Financial Conglomeration, considering that the ownership and/or controlling relationship within any financial service sector will affect the sustainability of financial service institutions due to the risk exposure which emerges both directly and indirectly from the business activities of companies that belong to the same Financial Conglomeration.

Integrated risk management monitoring and supervision includes ten types of risk that has been set by the Financial Services Authority, consisting of credit, market, operational, liquidity, legal, strategic, reputation, compliance, intra-group transactions and insurance risks.

Integrated risk management implementation includes four main pillars, consisting of:

1. Supervision by BOC and BOD of the Main Entity.
2. Adequacy of Integrated Risk Management policies, procedures, and limits.
3. Adequacy of integrated risk identification, measurement, monitoring and control, as well as information system.
4. Holistic integrated Internal control system to the implementation of Integrated Risk Management.

Based on the self-assessment result, the Bank's composite risk rating was at Low rank, both as the main entity and integrated entity in the end of 2016.

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 not to violate external rules and/or internal prudential guidelines.

Capital Management is the Bank's effort to maintain financial stability and sustainability management. Therefore, it has remained in the Bank's operational procedures as legal entity and strategic plans. On the other hand, Capital Management Strategy is driven by the strategic objectives, requirements, and Risk Appetite set by the BOD.

Based on regulations and measurable capital, and in support of 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.

Capital Adequacy

The Bank has adequate capital rate above the minimum requirement set by the FSA. The consolidated capital stood at 18.3 percent as per 31 December 2016.

In relation to each working unit's initiatives to the Risk Management Group, in 2016 Bank OCBC NISP conducted the following initiatives, such as:

CREDIT RISK MANAGEMENT

Credit risk is the risk which exists due to the failure of the debtor and/or counterparty 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, Commercial and Emerging business), Consumer Banking, Financial Institutions (FI) and Non-Bank Financial Institutions (NBFIs) segments. The banking activities, including trading and investments in form of derivatives trading, debt securities, foreign currency exchange, and settlement transactions also expose the Bank to counterparty risk and issuer credit risk.

Credit Risk Management Supervision and Organization

The Credit Risk Management Committee (CRMC) is a committee which is designed to assist the Board of Directors 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 working unit is also responsible for controlling

lending activities by supervising the risk portfolio, risk measurement methodology, risk reporting and loan remedial to be aligned with the prudential principle 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, and Special Mention and Non-Performing Loan portfolio. In addition, stress testing is also performed for credit portfolio of the Business Banking segment (Corporate Banking, Commercial Banking, and Emerging Business) as well as Consumer Banking. Risk Analytic Team was formed to analyze performance, trend, and credit portfolio behavior of each segment. Therefore, the Bank has prepared actions to be taken if stress tests scenario occurs.

In order to support the consumer credit risk management process, monitoring the quality of the loan portfolio is regularly arranged and submitted to the BOD, Credit Risk Management Committee (CRMC) and Board Risk Committee (BRC) in a timely, objectively, and transparent manner. The reports can be used by management, related to corrective measures which have to be taken to ensure the quality of healthy loan 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 uses 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

RISK MANAGEMENT

adequate return for increasing shareholder 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 decision of the experience credit officers whose appointment is periodically examined.

Loans for Consumer and Emerging Business

The credit risk of Consumer and Emerging Business customers are managed according to credits portfolio, including mortgage loans, credit cards, unsecured loans, auto loans, commercial property loans, working capital and investment loans. Loans should clearly describe the target market, requirements, and the maximum amount of the loan.

The original documents, which are used as a source of credit analysis and independent verification, should be in place to prevent fraud. The portfolio is closely monitored on monthly basis using MIS analytic. The scoring model is also used within the credit decision process for most of the products to enable objectivity, efficiency, and consistent decisions within the credit process. The behavioral scores are used for early identification of the potential non-performing loans.

Loans for Commercial, Corporate and Institutions

Customer Loans for commercial, corporations and institutions 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 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 directed 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 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 three main categories: Grow, Maintain and Reduce with regard to the industry of each debtor/potential debtor. Meanwhile, the Risk Acceptance Criteria contains a number of criteria which are used when the Bank analyzes the quality of debtors, which describes the Bank's Risk Appetite.

Credit Risk of Investing or Trading Activities

Counterparty 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 counterparty defaults. The credit limit is set for each counterparty by complying the assessment of counterparty credit capacity in accordance with internal policy, as well as complying the feasibility and suitability of products offered. The credit exposure is controlled through independent monitoring and reported directly in regards to the breach of approved limit and risk mitigation threshold.

Development of Credit Risk Management Measurement

Currently, the Bank applies the standardized approach in credit risk measurement and is in the stage of preparing for implementing the Internal Rating Based (IRB) as part Basel II implementation. To support the implementation of the IRB, the Bank is committed to continuously develop a credit infrastructure that will facilitate the acceleration of the credit process and credit portfolio improvement.

Bank OCBC NISP has developed several instruments of rating model, including: Credit Rating System (CRS) which is constantly developed to support the portfolio in the Corporate Banking segment, which will be implemented for Financial Institution, Non-Bank Financial Institution and Commercial Banking segment. The Pro Star application which is used in the Emerging Business segment as a tool for loan decisions, and the Loan Origination System (LOS) that has been used in the Consumer Banking segment by using the scorecard as credit approval supporting tools.

Credit Risk Control

Human resource development is performed continuously by providing training programs, both for business and risk functions related to credit. Collaboration with the business unit is strengthened by various improvement efforts, including working together with the risk management teams from the initial process of credit proposal to final credit approval. Implementation of this activity renders more efficient work process and shorter credit processing.

To support the credit risk management infrastructure, the Bank formulates and has a complete credit policy in accordance with the prevailing policy architecture. The Bank also implements forward-looking emerging risk assessment to see the potential risk in the future. Assessment is a collaborative effort between the Business Units and Credit Risk Management. The following are commonly used scenarios: global economic crisis risk, Indonesia's macroeconomic conditions, interest rate hikes, inflation, Rupiah depreciation, and other scenarios related to credit risk.

Based on the results of the emerging risk assessment and with due consideration to the current economic conditions, the Bank will conduct stress testing both with a top-down approach (portfolio 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 businesses using some predefined stress assumptions.

The Bottom-Up approach is carried out by considering, on a per-account basis, the debtor's financial capacity under certain stress scenarios. Stress testing is routinely performed to assess the Bank's capital condition in case of stressed condition. In addition, stress testing is also useful to sharpen the ability of the Business Units and Credit Risk Management Unit in anticipating the emergence of potential risks under stressed conditions.

Based on the results of stress testing and assessment performed by the Business Units and Credit Risk Management Unit, the Bank will undertake proactive and preventive measures, such as determining a watchlist category for companies whose financial condition is projected to decline as affected by changes in certain economic conditions. The Bank shall undertake close and periodic monitoring on debtors who are under the Watchlist in anticipation of deterioration in the credit quality in the future.

By implementing the above strategies, the Bank is able to consistently maintain Non-Performing Loan (NPL) at the lowest level during the year 2015. Such condition reflects the Bank's remarkable implementation of the prudential principle in credit risk management. NPL bank-wide as of December 31, 2016 reached 1.9% (gross).

Credit Risk Mitigation

To calculate the Risk Weighted Assets (RWA) of credit risk using the Standardized Approach, Bank OCBC NISP is allowed to recognize the availability of collateral, warranty, guarantee, or credit insurance as credit risk mitigation techniques (CRMT).

Disclosure of Net Receivables Risk Weighted after Credit Risk Mitigation – Bank Individually can be seen from the table 1 page 161

Disclosure of Net Receivable and Credit Risk Mitigation Technique – Bank Individually can be seen from the table 2 page 162

The Calculation of RWA for Credit Risk

The Bank's individual Risk Weighted Assets (RWA) for Credit Risk as of December 31, 2016 was Rp 101.5 trillion. The following table illustrates the calculation of the Bank's RWA for Credit Risk using the standardized approach as of December 31, 2016, presented in millions of rupiah.

Asset Exposure in the Balance Sheet see on table 3 page 163

Exposure of Commitment/Contingency Responsibility on Off Balance Sheet Transaction see on table 4 page 164

Exposure of Counterparty Credit Risk see on table 5 page 164

Exposure at Sharia Business Unit see on table 6 page 164

Total Measurement of Credit Risk see on table 7 page 164

Concentration of Credit Risk Management

Credit concentration risk is the risk which arises due to the financing concentration, among others to the certain debtor, geographic regions, products, types of financing or certain business field. These risks should be managed properly to avoid any losses.

In managing credit concentration risk, Bank OCBC NISP has had limit determination guideline which is stated in the Risk Appetite statement, provisions of the Target Market and Risk Acceptance Criteria (TM RAC), and 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 able to be controlled because credit exposure to certain party and industrial sector has been limited, managed and monitored effectively on a regular basis.

Remedial Management

The Bank consistently strives to anticipate the non-performing loans timely, and proactively manage the credit at the time it begins to deteriorate and/or recover to become healthy loan. The Bank appreciates customer long-term relationships so the Bank prefers to cooperate with customers in facing difficulties.

The Bank has dedicated special working unit in managing non-performing loans namely, the Asset Recovery Management (ARM) Division. Specifically for the consumer portfolio, the risk control function is performed by the Collection team, with the exception of mortgages in arrears over 180 days. Supported by 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

Bank OCBC NISP defines matured account receivables as all receivables, which are 90 days overdue, on principal and/or interest repayments. All receivables are subject to impairment if the Bank's evaluation found objective evidence demonstrating that the impairment occurred 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.

RISK MANAGEMENT

The Bank has established the criteria used as the basic guideline in determining objective evidence of impairment. Also, there are additional criteria used specifically for credit in significant amount.

Disclosure of Net Receivables by Region – Bank Individually see on table 8 page 165

Disclosure of Net Receivable Based on Maturity Term - Bank Individually see on table 9 page 165

Disclosure of Net Receivable Based on Economic Sector - Bank Individually see on table 10 page 166

The approach used for the Formulation of Allowance for Impairment Losses (CKPN)

In the event that impairment occurred after estimation and there is a difference between the recorded and the current amounts of loans, the Bank shall have CKPN to cover it.

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. Collective CKPN is applied on individually insignificant financial assets who is experiencing 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.

The following tables provide details of receivables and allowance based on region and economic sector, for the Bank individually.

Disclosure of Receivables and Allowance Based on Region - Bank Individually see on table 11 page 167

Disclosure of Receivables and Allowance Based on Economic Sector - Bank Individually see on table 12 page 167

Disclosure of Details on Movements of Allowance for Impairment Losses (CKPN) - Bank Individually see on table 13 page 168

Bank Indonesia Regulation and Basel Compliance

In line with Bank OCBC NISP'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.

According to Bank Indonesia Circular Letter No. 13/6/DPNP dated February 18, 2011, the Risk Weighted Assets (RWA) of the credit risk is measured using the Standardized Approach, in which risk weighting is set based on the rating of debtor or counterparty, 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 corporates and claims on past due exposures. Risk weighting uses the provision set by regulator. In the event of having rated receivables, the Bank uses a rating agency recognized by regulator; aligned with the regulation, the Bank shall nominate Pefindo as the domestic credit rating agency, and S&P, Moody's and Fitch for international credit rating agency.

Disclosure of Net Receivables Based on Portfolio and Individual Rating Scale December 31, 2016 see on table 14 page 169

Counterparty credit risk in Bank OCBC NISP is risk of counterparty default on the contract with the Bank which is caused a potential loss to the Bank to replace the contract. In general, counterparty credit risk arises from exposure in over the counter derivative transaction and repo/ reverse repo transaction. Mitigation of counterparty credit risk is done by appropriate mitigation technique according to Bank Indonesia Circular Letter No. 13/6/DPNP, which is by recognizing the availability of collateral, warranty, guarantee, or loan insurance and complemented by the Bank policy to manage the counterparty credit risk.

The following table provides details on Counterparty credit risk - Derivative Transactions see on table 15 page 170

Disclosure of Counterparty credit risk: Repo Transaction - Bank Individually see on table 16 page 170

Disclosure of Counterparty credit risk: Reverse Repo Transactions - Bank Individually see on table 17 page 170

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.

Market risk limits are set as the Bank's risk appetite operational guideline in ensuring that any market risk exposure are kept at the Bank's risk tolerance level. The market risk limits are reviewed regularly.

Market Risk Management Organization and Supervision

To ensure the adequacy of market risk management, the Bank requires adequate and effective oversight by BOD and BOC. At the BOD level, the oversight function is performed by the Market Risk Management Committee (MRMC) and the Board Risk Committee (BRC), while at the BOC level, the oversight function is performed by the Risk Monitoring Committee (RMC). The MRMC meeting is held on a monthly basis, while the BRC and RMC meetings are held on a quarterly basis.

MRMC is a main senior management body that supports BRC and President Director in managing the overall market risk exposure on a wide basis. The MRMC oversees the execution of the Bank's Market Risk Management, and ensures that the Market Risk policies and practices are appropriate, effective, and sufficient to support the Bank's business strategy. Any potential problems in the market risk will be reported to BRC along with the other risk functions.

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 operationalizing market risk management framework to support business growth while ensuring adequate risk control and oversight.

Market Risk Management Framework

Market risk management framework establishes the Bank's overall approach to market risk management. Commensurate with the management supervision on market risk management, the Bank has adequate policies and procedures, as well as a clear segregation of duties, authorities and responsibilities for market risk management and escalation process to support an effective market risk management processes.

The Bank periodically reviews the adequacy of policies and procedures, in order to update with new regulations or market practice and ensure that those policies are applicable.

Market Risk Management Approach

Market risk management is a shared responsibility. Business units are responsible for undertaking proactive risk management within their approved trading strategies and mandates, while MLRMD acts as an independent control and monitoring unit to ensure good governance. A structured approach to market risk management revolves around the key risk processes, among others:

- **Market Risk Identification**
The risk identification is addressed through the Bank's New Product Approval Process-NPAP. The market risks are also identified by risk managers, from their ongoing interactions with the business units.
- **Market Risk Measurement**
Market risk appetite statement is articulated by BOD and contained in the level of risk appetite approved by BOC. The Bank measures and creates the parameters of market risk through risk appetite and control measures, as described below.
 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 measurements are 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, to supplement its risk measurement.

3. Stress Testing

The market risk stress testing complements 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 quantify and to assess potential losses arising from low profitability but plausible extreme market conditions.

The stress test scenarios are regularly reviewed and adjusted to ensure that the scenarios remain relevant to the Bank's trading activities, risk profile, and prevailing and forecast economic condition. These analyses determine whether potential losses from extreme market conditions remain within the limit level of risk tolerance.

The results are presented to MRMC on a monthly basis. The BRC and RMC updated on the results, in line with the frequency of meetings were held.

• Market Risk Monitoring and Management

1. Limit

Only authorized trading activities that can be performed by various trading units are those which have been approved for a product. All trading risk positions are

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monitored by an independent unit under the Risk Management Group on daily basis.

Monitoring is implemented by an independent unit under Risk Management Group. Limits are approved to reflect the availability and opportunities of trading that have been anticipated, which clearly defined exception escalation procedures. Exceptions, including any temporary breaches, are promptly reported and escalated to the relevant authorities.

2. Model Validation

Model validation is an integral part of the Bank's risk control process. Risk models are used to price 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 and risk and limit control measurement.

3. Back-testing

To ensure the ongoing integrity of the VaR model, the Bank conducts back-testing to confirm the consistency of actual daily trading P&L, as well as theoretical P&L towards the assumptions of the 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 materials, both on and off-balance sheet.

The Bank uses Murex as a main system to manage, measure, and control market risk exposures arise from the trading and the banking book portfolio.

- **Risk Reporting**

The Bank sees that risk reporting is critical 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 transaction decision level.

VaR Table see on table 18 page 170

PVo1 Table see on table 19 page 171

Market Risk-Weighted Assets (RWA) see on table 20 page 171

ASSETS AND LIABILITIES RISK MANAGEMENT

Assets and liabilities management is the strategic management of the balance sheet structure and liquidity needs, in order to maximize the adjusted returns over the long-term risk and manage the overall interest rate and liquidity risk in accordance to 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 Oversight and Organization

The Asset Liability Management Committee ("ALCO") is responsible for the oversight of the Bank's balance sheet management. ALCO consists of the entire BOD and chaired by the President Director.

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 Framework and Control

Risk management practice on liquidity risk and IRRBB are guided by Bank's risk appetite statement. Limit and policies to manage ALM risk exposure are established in line with the Bank's strategies and risk appetite. Some policies that guided the implementation of liquidity risk management and IRRBB are:

- ALM Framework
- Liquidity Management Policy
- Interest Rate Risk in the Banking Book Management Policy
- Contingency Funding Plans (CFP) Policy
- Fund Transfer Pricing (FTP) Policy

Equipped with guidelines, assumptions, methodologies, 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 according to predetermined tolerance boundaries. These limits are set in line with the risk appetite and balance sheet strategy.

Policies and limits are appropriately approved and consistently evaluated and reviewed to ensure their relevance against the external environment.

Control system is equipped with an escalation process to monitor the risk profile against the approved risk threshold. Regular simulation and stress testing are provided to anticipate potential market changes and measure the capability of the Bank to withstand against plausible worst case condition.

Assets and Liabilities Risk Management Measurement and Approach

- **Liquidity Risk Management**

The liquidity risk refers to all risk related to Bank's ability to provide sufficient funds to meet the obligations and commitments. The Liquidity risk management aims to ensure 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.

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 mix and asset. 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 paper, to ensure the adequacy of liquid asset reserves for emergency use in liquidity crisis.

Preparing for the Basel III liquidity standards, the Bank also monitors the Liquidity Coverage Ratio (LCR) on a daily basis.

The Bank has built an early warning indicator, both quantitative and qualitative, which are monitored on a monthly basis, to provide early warning to the management with regards to potential liquidity risk that might occur. 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, 2016.

Maturity Profile IDR Currency see on table 21 page 171

Maturity Profile Foreign Currency see on table 22 page 172

Maturity Profile All Currencies see on table 23 page 173

Liquidity Ratio see on table 24 page 173

- **Interest Rate Risk in Banking Book Management**

Interest rate risk in the banking book ("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 may have been exposed to adverse movements in interest rate.

The IRRBB management aims to ensure 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 measures such as present value of one basis point ("PVO1") method and repricing gap profile analysis.

The other methods include the impact of variety interest rate scenarios on net interest income and economic value of the Bank's 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 assess impact of extreme interest rate changes, the Bank also performs a stress test analysis, both anticipatively as well as based on historical data, to measure resilience against market interest rates, changes including the worst-case scenario.

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 rate that best reflects the repricing characteristics of assets and liabilities.

It has enabled business units to focus on managing interest rate spread between the underlying market rate and the received interest rate for an asset or settle liabilities.

In order to obtain a general description of Bank OCBC NISP's

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interest rate risk in banking book, the following tables present repricing gap information as per December 31, 2016.

Repricing Gap All Currencies see on table 25 page 174

- **Systems and Infrastructure**

In 2016, 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. In addition, in order to support the implementation of a more effective risk management, the Bank is in the process of implementing a new system, which is called "Fermat", to allow a more effective process of assets and liabilities risk management.

OPERATIONAL RISK MANAGEMENT

Operational risk is the risk of loss resulting from inadequate or failed internal processes, human error, system and management failures, or external events. With a support from Senior Management, the operational risk management aims to manage losses that are unexpected and unpredictable, including the losses that had an enormous impact, as well as to create new business opportunities with controlled risks.

Supervision of Operational Risk Management

In the organizational structure, Operational Risk Management Division is an independent, not involved in the process that associates with the business activity or operation. Head of Operational Risk Management Division provides reports directly to the Director of Risk Management.

Operational Risk Management Committee (ORC) is a committee that oversees the implementation of operational risk management and information technology security. It has

been applied effectively to support the Bank's business strategy. The Bank has a framework, policies and procedures for managing operational risk exposure arising from business activities and operations.

Supervision of Operational Risk Management

Risk Management covers identification, assessment/ measurement, treatment or mitigation, monitoring and reporting to operational risk exposure.

- **Operational Risk Measurement and Identification**

Implementation of risk management in division or working units involves ORP (Operational Risk Partner). Each unit conducts self-assessment periodically of the risks to the existing process. Key Risk Indicator (KRI) is used to give early warning to take an appropriate action prior to the potential risk that causes damage. Control on trading activities by end to end, is done by Control Assurance Function. Each year, management reports to the CEO on the adequacy and effectiveness of internal control systems and the risk management.

To support the identification and measurement process, the Bank has established policies and procedures that govern it, and also system that can be accessed by every working unit to report operational risk exposure (Pro-RPT system). Operational risk measurement using RACM (Risk Assessment Criteria Matrix) to determine the level of risk of an incident whether it is High, Medium or Low, by considering Likelihood and Impact factors.

- **Operational Risk Mitigation**

Operational risks mitigation is created by each unit as the first line of Defense. Operational Risk Management Division on the second Line of Defense conducts oversight of the mitigation

measures that were made by the unit to ensure that are sufficient in controlling the risk event that does not harm the Bank.

In order to reduce the significant impact of losses, the Bank has insurance program to enhance awareness for employees to minimize the fraud acts and cyber attacks.

Business Continuity Management

The Bank has business continuity management to reduce disruption to business processes and services in a crisis situation. A review and testing on the Business Sustainability Management plan are conducted every year.

Outsourcing

The Bank has owned policies for managing the risks that arise in this program in accordance with the regulations.

Fraud Risk Management

The Bank implements four pillars consisting of Prevention, Detection, Investigation, Reporting & Sanction, and Monitoring, Evaluation & Follow-Ups. The whistleblowing program has been conducted to detect a fraud event, which is periodically reported to Fraud Committee and BOC with the handling and control improvements.

The Information Security Technology Risk Management Strategy

The Bank protects and ensures the confidentiality, integrity and availability of asset information by implementing adequate controlling measures to prevent and avoid misuse of the Bank's asset information. The information technology risk management framework is conducted to ensure that risk of using technology has been identified, managed or mitigated, and monitored consistently and continuously. The report is presented periodically to Operational Risk Management Committee.

Cyber Security

The Bank continuously upgrades its protection and monitoring methods to combat increasing cyber attacks. The Bank has established a 24-hour Cyber Security Operation Center (CSOC). With the application of current technology the Bank also periodically communicates and trains all employees on cyber security.

Operational Risk-Weighted Asset (RWA)

Operational Risk-Weighted Asset (RWA) was calculated by Basic Indicator Approach. The capital allocation and Operational Risk-Weighted Asset (RWA) can be seen from table 26 page 174

LEGAL RISK MANAGEMENT

Legal risk occurs as a result of legal claim and/or weaknesses in legal aspects, among others:

1. Weaknesses in legal aspect caused by weaknesses in contracts, for example non-compliance of legal requirement of agreement or imperfect security/collateral contract;
2. Absence and/or changes in laws that caused a transaction undertaken by the Bank become incompliance with the respective regulation.
3. Litigation arising from a claim/ lawsuit filed by a third party against the Bank or alternatively by the Bank against a third party.

Organization of Legal Risk Management

Legal risk management is under Corporate Legal Division and other working units in the bank, which are: Asset Recovery Management Division, Human Capital Services Division and Fraud Handling Team.

The organizational work patterns of legal risk management are:

1. Corporate Legal Division requests and receives reports, data and/or documentation from other working units for Legal Risk

Management as determined by Banking Authority.

2. Corporate Legal Division submits feedback from Bank Management or Bank Authority (if any) to relevant working unit to follow-up such reports.

Legal Risk Control Mechanism

Legal risk control is conducted based on the Legal Risk Management Strategy approach, such as:

1. Avoid

The Bank will not perform any business activities that could cause violation against the prevailing laws and regulations.

2. Mitigation

In the event that there is still no clear legislation on the prospective Bank's business/activities, the Bank shall conduct necessary actions in accordance with the general legal knowledge/provisions and banking best practices in preventing and/or mitigating Legal Risk.

3. Assign

Bank shall assign Legal Risk or potential Legal Risk to competent third party to settle/manage the case.

In the event of Risk Issue and Risk Event relating to legal matter in litigation or non-litigation, each unit shall:

1. Request legal opinion from Corporate Legal Division according to its authority and competence; or
2. Submit request of legal assistance and/or handling litigation cases to the competent/authorized working units in the Bank.

In order to control Inherent Legal Risk, Corporate Legal Division may consult with external agency (Public Notary and Advocate/Legal Consultant/ External Lawyer).

STRATEGIC RISK MANAGEMENT

The strategic risk refers to the risk that may arise due to any decisions and/or implementation of the Bank's strategy which is improperly performed, and the risks that may arise if the Bank fails to respond or anticipate changes in the business environment.

Strategic risk management at Bank OCBC NISP is carried out by a process of deliberation and decision-making in a collective and comprehensive manner within a group of oversight and executive committees that influence the strategic decisions in the framework of the Bank's policy.

In making strategic plans, Bank OCBC NISP always plans carefully and realistically to pay attention on the principles of prudence and risk management implementation. The Bank's strategic plan is prepared by the Directors and after being agreed by the Board, the plans will be communicated to officials or employees at every level of the organization.

Each Division Head and Region Head is responsible for ensuring the alignment of the annual action plan in each of their Divisions/Regions to comply with the action plan established by BOD.

The BOD and BOC perform periodic review of achievement levels against the financial target and realization of the strategy and action plan within the framework of Corporate Plan and Bank Business Plan, through various forums such as BOD meetings, Customer Solution Forum, OCBC NISP One Forum, CEO Dialogue, and Committee Meetings.

COMPLIANCE RISK MANAGEMENT

The complexity of the Bank's business activities provides a very large impact on the risk exposure faced by the Bank so that it is required to mitigate the

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risk of the Bank's business activities. Considering the development of the Bank's business challenges and higher risk, some efforts are needed to mitigate the risks, which are ex-ante and ex-post.

To mitigate compliance risk, the Bank continues to abide by a compliance culture and ensure the internal compliance function is well implemented, by carrying out measures as the follows:

1. Implementing compliance culture at every level of the organization and in every business activity undertaken by the Bank.
2. Managing compliance risk faced by the Bank.
3. Ensuring that the Bank's policies, requirements, procedures and business activities has complied regulatory provisions and other prevailing legislation.
4. Ensuring that the Bank complies with the commitment that is made to Bank Indonesia and/or other supervisory authorities.

Indirectly, compliance risk is inherent with the Bank's risk that relates to prevailing legislation and other provisions such as credit risk (CAR, Productive Assets Quality, Provisions, LLL) and other related risk.

Compliance Risk Management Strategy

In order to carry out the compliance functions, Compliance Division constantly designs and implements working program to promote and preserve the compliance awareness and culture across the organizational lines. The compliance work program continues to support the company in achieving its goals and objectives through a transparent and a risk-based process that identifies which activities are high risk or may pose a significant risk to the company.

Compliance Division has set the core strategies to implement compliance function, such as:

1. Being a reliable partner for the business units and other support

functions. In achieving these objectives, Compliance Division continuously strives to:

- a. Provide professional recommendations to ensure the suitability of the policies and activities of the Bank with applicable provisions.
 - b. Coordinate with business units related to the opportunities and threats as a result of new regulations or the relaxation of rules issued by the Regulator.
 - c. Ensuring compliance policies and business activities of the Bank with applicable provisions through RRSA for each working unit.
2. Raising compliance awareness and compliance culture in the Bank through several activities, namely:
 - a. Managing and ensuring Bank's compliance with prevailing regulations issued by the regulator.
 - b. Improving the implementation of the Compliance Function in managing Compliance Risk. As one of Compliance Risk management efforts throughout the organization line in the Bank, Compliance Division has implemented a self-assessment on the working units gradually.
 3. Implementing integrated governance within Financial Conglomeration Framework. As the designated Main Entity, Bank OCBC NISP's Compliance Division implements integrated compliance functions by:
 - a. Ensuring that Integrated Governance is in the Integrated Governance framework which has been approved and in accordance with the prevailing regulations by conducting the monitoring and assurance to each Financial Services Institutions.
 - b. Increasing the level of governance in each Financial Services Institutions to strengthen the governance

framework, improve the risk management quality and the compliance function as well as increasing the level of staff competence that run the compliance function on each of the Financial Services Institutions.

- c. Reviewing and improving the governance framework continuously.

Compliance Risk Monitoring and Control Mechanism

Monitoring mechanism towards the implementation of compliance function is conducted by:

1. Monitoring of the implementation of the Bank precautionary principle among others, in the fulfillment of ratios in accordance with the prevailing regulations.
2. Monitoring on breaches committed by the Bank, among others, based on a letter from the regulator and the results of internal and external audit.
3. Monitoring in the form of self-assessment is filling RRSA (Regulatory Requirement Self-Assessment). RRSA is a tool for a working unit to monitor compliance with regulations that have a significant impact. The application of RRSA is done gradually by considering the approach and available resources.

The results are periodically submitted by Compliance Division to BOD and BOC in the BOD meetings in monthly basis and BOC meetings in quarterly basis.

REPUTATION RISK MANAGEMENT

Reputation Risk Management Organization

The Bank has a strong commitment in managing reputation risk. A number of work units have been appointed as stakeholder management in managing reputation risks in Bank OCBC NISP, namely Human Capital Group Division, Network Sales

Management Division, Corporate Communication and Corporate Secretary.

Reputation Risk Management Policies and Mechanism in Improving Customer Service Quality

The process and implementation of reputation risk management include:

1. Anticipating negative perception that may induce risk to Bank OCBC NISP's reputation by:
 - a. Conveying information about the company, employees, and internal activities, as well as product and services through a variety of communication channel.
 - b. Publishing the Bank's quarterly financial statement and performance through mass-media and website.
 - c. Conducting Corporate Social Responsibility (CSR) activities to understand more about banking.
 - d. Developing and maintaining harmonious relationship with local and national media to open information access and provide news source.
 - e. Conducting measurable surveys of customer expectation in order to obtain feedback directly from customer.
 - f. In the case of negative coverage emerged, the bank will proactively seek information and have necessary preparation to get the best solution for all parties.
2. Managing process to handle customer complaints, including:
 - a. Forming a sub-division specifically to address customer complaints via phone (24 hours), mails, emails and social media.
 - b. Receiving customer complaints through branch offices, website, mass media and social media which are centralized to Complaint Handling Management (CHM) and

followed up through related divisions/ work unit.

- c. Monitoring the recorded complaints in CHM and their follow-up actions and monitoring the active Service Level Agreement (SLA). The complaints are analyzed periodically through coordination with related work units in order to do anticipatory action in the future.
3. Conducting periodic and comprehensive monitoring to potential impact on the Bank's reputation, among others:
 - a. Monitoring the company's news through printed and online/ digital media which are reported to BOD on a daily basis.
 - b. Reviewing business cooperation through New Product Approval Process (NPAP) by all related functional specialist.
 - c. Analyzing the suitability of product with customer profile and informing risk & return transparently.

Reputation Risk Management in Crisis Situation

1. The Bank has a Business Continuity Plan in crisis situation, that is if any event may potentially disrupt services and harm the reputation should occur. This procedure includes crisis management, such as:
 - a. Emergency resolution,
 - b. Customer transaction services during crisis and alert situation.
 - c. Accelerating the recovery process in a disastrous situation.
 - d. Implementing back-up system to avoid high risk business failure.
2. The Bank has formed a Crisis Management Team which is responsible in coordinating crisis management.

3. Conducting Crisis Communication, namely to coordinate crisis communication to customers and other external parties including mass media.

Active supervision on reputational risk management at the Bank is carried out by BOC and BOD by monitoring the risk level, mitigating and governing the reputation risk.

INTERNAL CONTROL SYSTEM

The Bank has owned an Internal Control System Policy, a controlling mechanism which is determined continually by the management. The internal control system covers five main components, which are:

1. Management supervision and control supporting environment (control environment).
2. Process of risk identification, measurement and management (risk assessment).
3. Activation of control and segregation of role and responsibilities (control activities).
4. Reliability in effective information and communication (information and communication).
5. Monitoring and improvement of weakness (monitoring).

The implementation of Internal Control involves an active role from all parties, 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 staffs who are stationed at both Head Office and Branch Office.

The Internal Control is implemented towards the following:

1. Operational Control, such as:
 - a. Daily operational processes which are supported by policies, procedures, provision on transaction limit provisions, approval

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- authorities, authorization, verification, reconciliation, four-eyes principle, and roles and responsibilities separation.
- 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 before getting implemented.
- c. Risk and Control Self-Assessment (RCSA) has also been implemented by the Bank for early identification of control weakness in operational process. The improvement plan has also been drafted to mitigate potential risks. The RCSA results were reported to the Operational Risk Management Division on a regular basis.
- d. The Bank also implemented Key Risk Indicator (KRI) as an approach to identify weaknesses based on quantitative analysis on indicator/ parameter which affects the Bank's risk exposure. The result was reported to the Operational Risk management Division on a regular basis.
- e. Routine review and updates on the policies and procedures to ensure the adequacy of control activities is in line with Bank's internal and external environment.
- f. To ensure that the Bank's operational and business activities may still run in a crisis situation, whether it is caused by internal or external factors, the Bank has prepared a Business Continuity Plan which is updated and tested on a regular basis.
- g. Monthly and quarterly regular report on the Bank's performance as well as issues and risks, along with their resolution, were submitted to BOD and BOC.

- 2. Control of Compliance with Regulations and Legislations, such as:
 - 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 owns a Compliance Division which is not involved in any businesses or operational activities. This division supports Bank's compliance to applicable regulations.
 - c. The Regulatory Requirement Self-Assessment (RRSA) by Working Units and assurance process on RRSA which are conducted by the Compliance Division, to give an assurance to the Bank's management on compliance with the applicable regulations.

The implemented monitoring programs were done by, among others, the Quality Assurance, Operation Monitoring and Internal Audit.
- 3. Financial Control, such as:
 - a. Bank's strategies which are stated in the Bank's Business Plan, for both short-term and long-term achievement
 - b. The Business Plan is drafted by considering the Bank's capital power, not only to support its business growth, but also to strengthen effective control, including:
 - 1) The separation of roles and responsibilities which is supported by prominent system and human resources.
 - 2) The formation of Controlling Unit and Quality Assurance which supervise the process of each related working unit.
 - 3) Risk Management Working Unit, Compliance Division and Internal Audit which are independent from any

businesses and operational activities.

- 4) Information system and communication channel which observes the principles of information security are protected by an excellent encryption system protection and education for data and information security.

Alignment with COSO International System and Regulations

In designing the Internal Control System, the Bank combines a number of references, including the regulations issued by the Regulator and Committee of Sponsoring Organizations of the Treadway Commission (COSO), with the aim to ensure:

- a. Compliance with the applicable regulations and legislations
- b. Availability of correct, complete and timely financial information and control
- c. Efficiency and effectiveness of Bank's business activities.
- d. Improvement of the risk culture effectiveness at the organization.

Evaluation of the Effectiveness of Internal Control System

Management has submitted statements of internal control adequacy to the Board of Commissioners stating that the internal control and risk management have been done adequately and effectively.

RISK MANAGEMENT EVALUATION

Evaluation related to risk management at Bank OCBC NISP has become a routine activity, because the Bank has operated effective systems and procedures for monitoring, hence allowing in-depth and thorough evaluation process. By implementing 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 taken risk and to prepare the appropriate strategies to mitigate each risk.

Evaluation on risk management is not only undertaken by working units in the Risk Management Group and internal audit unit as independent supervisors, but is also actively handled by the BOC and BOD. At the Board level, an active oversight mechanism is done through committees that are specially formed related to the scope of each type of risk being managed.

At the level of the BOC, the Risk Monitoring Committee has main task to approve and to evaluate the Bank's risk appetite, risk limit, and the Bank's risk profile, to approve the Bank's risk management framework and policies, and monitor and evaluate the performance of the Risk Management Committee and risk management unit. The Committee meets at least once in every three months to make evaluation, provide approval, and discuss issues related to risk, potential losses and mitigation measures.

At the BOD's level, there are several committees related to the risk management function in charge of different scopes, namely The Board Risk Committee (BRC), 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 2016 can be seen at the description of the Bank's Committees in GCG part page 120-121

A more in-depth evaluation is carried out by the risk management unit and other related supporting units using the Risk-Based Bank Rating (RBBR) approach in accordance with guidelines on 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 application 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.

Evaluation on the quality of risk management application on these risks includes: risk governance, risk management framework, risk management processes, the adequacy of information systems, human resources and control system. The output of the assessment and evaluation of inherent risks and quality of risk management application is summarized as the Bank's overall risk profile, subsequently submitted and evaluated by BOC through Board Risk Committee and BOD through Risk Monitoring Committee.

As testimony that risk management governance and application at Bank OCBC NISP has operated well and provided additional values, Bank had managed to retain the title of "Indonesia Most Trusted Company" by CGPI Award (Corporate Governance Perception Index) for the fifth time in 2016.

REVIEW ON THE EFFECTIVENESS OF RISK MANAGEMENT SYSTEM

Oversight and evaluation of risk management is performed by a number of committees related to risk management and the Internal Audit unit. As executor of internal control and risk assurance, Internal Audit will actively make evaluation and recommendations on the quality and processes of risk governance at Bank OCBC NISP as a whole. In addition to internal evaluation, the Bank also obtains independent risk management evaluation from the external auditor and other external parties. Based on assessment

completed in 2016, Internal Audit considers that the overall risk management system is generally acceptable.

RISK MANAGEMENT MOVING FORWARD

Considering developments in banking activities that have become increasingly diverse and complex and accompanied by rising potential risk, the Bank will continually refine risk management system, in terms of organizational structure and human resources, policies and procedures, supporting systems, and methodologies.

Risk Management Group has risk management strategy plans with focus on:

1. Aligning the credit growth portfolio with the macroeconomic condition according to the market target and risk acceptance criteria.
2. Enhancing the capacity of human resources in order to meet the adequacy of risk analytics and monitoring systems.
3. Implementing systems and leading-edge risk management tools.
4. Optimizing the use of rating and scoring models for the implementation of Basel II Internal Rating Based.
5. Ensuring compliance with the Basel III liquidity standards.
6. Establishing control assurance functions in critical areas.
7. Running the policy lifecycle management consistently.
8. Developing risk management methodologies.
9. Developing the Bank's function as Main Entity to improve risk management in the affiliated Financial Services Institution (FSI)

With effective risk management planning, the Bank will be able to anticipate the challenges and constraints in running the business, in order to be able to provide the best service to all customers. In

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In addition, the Bank will also be able to anticipate regulatory changes made by Bank Indonesia, particularly related to the implementation of Basel's Pillar 2 provision, such as Internal Capital Adequacy Assessment Process (ICAAP), interest rate risk in the banking book, and credit concentration risk; as well as preparation for the implementation of Basel III requirements, including liquidity risk management (Liquidity Coverage Ratio / LCR, Net Stable Funding Ratio/ NSFR, and Leverage Ratio).

	Inherent Risk Rating	Risk Management Implementation Quality Rating	Risk Rating Q4-2016	Risk Rating in Previous Year Q4-2015
Credit Risk	Low to Moderate	Strong	Low to Moderate*	Low to Moderate
Market Risk	Low to Moderate	Strong	Low	Low to Moderate
Liquidity Risk	Low to Moderate	Strong	Low	Low to Moderate
Operational Risk	Low to Moderate	Satisfactory	Low to Moderate	Low to Moderate
Legal Risk	Low	Satisfactory	Low	Low to Moderate
Strategic Risk	Low	Strong	Low	Low to Moderate
Compliance Risk	Low to Moderate	Satisfactory	Low to Moderate	Low to Moderate
Reputation Risk	Low	Strong	Low	Low to Moderate
Composite Risk Rating			Low	Low to Moderate

* Adjusted

The Bank's overall risk profile for the fourth quarter of 2016 was "Low", improved compared to the composite risk ranking at the previous end of year period. This rating indicates the improvement of risk management, which will continue to be maintained and or even improved in the future in order to achieve a sustainable performance.

TABLE OF RISK MANAGEMENT

Table 1 Disclosure of Net Receivables Risk Weighted after Credit Risk Mitigation – Bank Individually

in million IDR

No	Portfolio Category	December 31, 2016										RWA	Capital Charge
		Net Receivable After Credit Risk Mitigation											
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others		
A Balance Sheet Exposures													
1.	Claims on Government/ Sovereign	31,498,501	-	-	-	-	-	-	-	-	-	-	-
2.	Claims on Public Sector Entities	-	-	-	-	-	794,179	-	-	-	-	397,090	31,767
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-
4.	Claims on Banks	-	1,105,720	-	-	-	2,901,452	-	-	-	-	1,661,446	132,916
5.	Claims Secured by Residential Property	-	-	6,005,507	-	-	-	-	-	-	-	2,101,927	168,154
6.	Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	30,816,266	-	-	30,361,799	2,428,944
7.	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	-	-	-	-	-	-	3,632,312	-	-	-	2,689,173	215,134
9.	Claims on Corporates	-	1,166,608	-	-	-	357,797	-	54,551,111	126,128	-	52,383,026	4,190,642
10.	Claims on Past Due Exposures	-	-	-	-	-	-	-	87,598	508,343	-	849,302	67,944
11.	Other Assets	-	-	-	-	-	-	-	3,871,014	421,130	-	3,620,960	289,677
12.	Sharia Exposures	-	-	-	-	-	-	-	-	-	-	810,961	64,877
Total Balance Sheet Exposures		31,498,501	2,272,328	6,005,507	-	-	4,053,428	3,632,312	89,325,989	1,055,601	-	94,875,684	7,590,055
B Commitment and Contingencies Liabilities Exposures on Administrative Account													
1.	Claims on Government/ Sovereign	-	-	-	-	-	-	-	-	-	-	-	-
2.	Claims on Public Sector Entities	-	-	-	-	-	139,291	-	-	-	-	69,645	5,572
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-
4.	Claims on Banks	-	-	-	-	-	503	-	55,872	-	-	28,187	2,255
5.	Claims Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-	-
6.	Claims Secured by Commercial Real Estate	-	11,389	-	-	-	867,931	-	-	-	-	879,320	70,346
7.	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	-	35,122	-	-	-	127,035	-	231,153	-	-	294,982	23,599
9.	Claims on Corporates	-	663,641	-	-	-	3,664,796	-	1,462,733	-	-	5,791,170	463,294
10.	Claims on Past Due Exposures	-	40	-	-	-	161	-	-	-	-	302	24
11.	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures on Administrative Account		-	710,192	-	-	-	4,799,717	-	1,749,758	-	-	7,063,606	565,090

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in million IDR

No	Portfolio Category	December 31, 2016										RWA	Capital Charge	
		Net Receivable After Credit Risk Mitigation												
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others			
C Counterparty Credit Risk Exposure														
1.	Claims on Government/Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-
2.	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	Claims on Banks	-	115,828	-	-	-	414,349	-	-	-	-	230,340	18,427	
5.	Claims on Micro, Small, and Retail Portfolio	-	-	-	-	-	-	52,588	-	-	-	39,441	3,155	
6.	Claims on Corporates	-	-	-	-	-	-	-	78,250	-	-	78,250	6,260	
7.	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	
Total of Counterparty Credit Risk Exposure		-	115,828	-	-	-	414,349	52,588	78,250	-	-	348,031	27,842	

Table 2 Disclosure of Net Receivable and Credit Risk Mitigation Technique – Bank Individually

in million IDR

No	Portfolio Category	December 31, 2016						Unsecured Portion
		Net Receivable	Portion Secured By					
			Collateral	Guarantee	Credit Insurance	Others		
A Balance Sheet Exposures								
1.	Claims on Government/Sovereign	31,498,501	-	-	-	-	31,498,501	
2.	Claims on Public Sector Entities	794,179	-	-	-	-	794,179	
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	
4.	Claims on Banks	4,007,172	20,847	-	-	-	3,986,325	
5.	Claims Secured by Residential Property	6,005,507	-	-	-	-	6,005,507	
6.	Claims Secured by Commercial Real Estate	30,816,266	548,774	-	-	-	30,267,492	
7.	Claims on Pension Loans	-	-	-	-	-	-	
8.	Claims on Micro, Small, and Retail Portfolio	3,632,312	46,748	-	-	-	3,585,564	
9.	Claims on Corporates	56,201,644	3,126,533	-	-	-	53,075,111	
10.	Claims on Past Due Exposures	595,941	540	-	-	-	595,401	
11.	Other Assets	4,292,144	-	-	-	-	4,292,144	
12.	Sharia Exposures	-	-	-	-	-	-	
Total Balance Sheet Exposure		137,843,666	3,743,442	-	-	-	134,100,224	
B Commitment and Contingencies Liabilities Exposures on Administrative Account								
1.	Claims on Government/Sovereign	-	-	-	-	-	-	
2.	Claims on Public Sector Entities	139,291	-	-	-	-	139,291	
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	
4.	Claims on Banks	56,375	-	-	-	-	56,375	
5.	Claims Secured by Residential Property	-	-	-	-	-	-	
6.	Claims Secured by Commercial Real Estate	879,320	-	-	-	-	879,320	

in million IDR

No	Portfolio Category	December 31, 2016					Unsecured Portion
		Net Receivable	Portion Secured By				
			Collateral	Guarantee	Credit Insurance	Others	
7.	Claims on Pension Loans	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	393,310	-	-	-	-	393,310
9.	Claims on Corporates	5,791,170	-	-	-	-	5,791,170
10.	Claims on Past Due Exposures	201	-	-	-	-	201
11.	Sharia Exposures (if any)	-	-	-	-	-	-
Total Exposures on Administrative Account		7,259,667	-	-	-	-	7,259,667
C Counterparty Credit Risk Exposure							
1.	Claims on Government/Sovereign	-	-	-	-	-	-
2.	Claims on Public Sector Entities	-	-	-	-	-	-
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4.	Claims on Banks	530,176	-	-	-	-	530,176
5.	Claims on Micro, Small, and Retail Portfolio	52,588	-	-	-	-	52,588
6.	Claims on Corporates	78,250	-	-	-	-	78,250
7.	Sharia Exposures (if any)	-	-	-	-	-	-
Total of Counterparty Credit Risk Exposure		661,014	-	-	-	-	661,014

Table 3 Asset Exposure in the Balance Sheet

in million IDR

No	Portfolio Category	December 31, 2016		
		Net Receivable	Risk Mitigation	RWA After Credit Risk Mitigation
1.	Claims on Government/Sovereign	31,498,501	-	-
2.	Claims on Public Sector Entities	794,179	397,090	397,090
3.	Claims on Multilateral Development Banks and International Entities	-	-	-
4.	Claims on Banks	4,007,172	1,671,870	1,661,446
5.	Claims Secured by Residential Property	6,005,507	2,101,927	2,101,927
6.	Claims Secured by Commercial Real Estate	30,816,266	30,816,266	30,361,799
7.	Claims on Pension Loans	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	3,632,312	2,724,234	2,689,173
9.	Claims on Corporates	56,201,644	55,152,523	52,383,026
10.	Claims on Past Due Exposures	595,941	850,112	849,302
11.	Other Assets	4,292,144	-	3,620,960
Total		137,843,666	93,714,022	94,064,723

RISK MANAGEMENT

Table 4 Exposure of Commitment/Contingency Responsibility on Off Balance Sheet Transaction

in million IDR

No	Portfolio Category	December 31, 2016		
		Net Receivable	Risk Mitigation	RWA After Credit Risk Mitigation
1.	Claims on Government/Sovereign	-	-	-
2.	Claims on Public Sector Entities	139,291	69,645	69,645
3.	Claims on Multilateral Development Banks and International Entities	-	-	-
4.	Claims on Banks	56,375	28,187	28,187
5.	Claims Secured by Residential Property	-	-	-
6.	Claims Secured by Commercial Real Estate	879,320	879,320	879,320
7.	Claims on Pension Loans	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	393,310	294,982	294,982
9.	Claims on Corporates	5,791,170	5,791,170	5,791,170
10.	Claims on Past Due Exposures	201	302	302
Total		7,259,667	7,063,606	7,063,606

Table 5 Exposure of Counterparty Credit Risk

in million IDR

No	Portfolio Category	December 31, 2016		
		Net Receivable	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	530,176	230,340	230,340
5.	Claims on Micro, Small, and Retail Portfolio	52,588	39,441	39,441
6.	Claims on Corporates	78,250	78,250	78,250
Total		661,014	348,030	348,030

Table 6 Exposure at Sharia Business Unit

in million IDR

No	Transaction Type	December 31, 2016	
		Less Factor	RWA
1.	Total Exposure	-	-

Table 7 Total Measurement of Credit Risk

in million IDR

	December 31, 2016	December 31, 2015
Risk weighted assets credit risk	101,476,360	92,187,139
Capital charge factor	-	-

Table 8 Disclosure of Net Receivables by Region – Bank Individually

in million IDR

No	Portfolio Category	December 31, 2016					
		Net Receivable Based on Region					
		Java Bali	Sumatera	Kalimantan	Sulawesi	Others	Total
1.	Claims on Government/Sovereign	31,498,501	-	-	-	-	31,498,501
2.	Claims on Public Sector Entities	933,470	-	-	-	-	933,470
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4.	Claims on Banks	4,593,723	-	-	-	-	4,593,723
5.	Claims Secured by Residential Property	4,975,923	782,180	137,875	94,863	14,666	6,005,507
6.	Claims Secured by Commercial Real Estate	26,016,145	3,953,746	964,308	744,701	16,686	31,695,586
7.	Claims on Pension Loans	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	3,286,415	592,147	96,065	96,704	6,878	4,078,209
9.	Claims on Corporates	56,395,461	4,302,241	508,328	811,724	53,310	62,071,064
10.	Claims on Past Due Exposures	484,442	63,920	24,936	22,530	314	596,142
11.	Other Assets	4,093,795	115,705	28,679	50,266	3,698	4,292,143
12.	Sharia Exposures (if any)	-	-	-	-	-	-
Total		132,277,875	9,809,939	1,760,191	1,820,788	95,552	145,764,345

Table 9 Disclosure of Net Receivable Based on Maturity Term - Bank Individually

in million IDR

No	Portfolio Category	December 31, 2016					
		Net Receivable Based on Maturity					
		< 1 year	> 1 - 3 years	> 3 - 5 years	> 5 years	Non Contractual	Total
1.	Claims on Government/Sovereign	20,172,065	8,015,909	859,538	2,450,989	-	31,498,501
2.	Claims on Public Sector Entities	91,146	8,615	9,184	824,525	-	933,470
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-
4.	Claims on Banks	2,857,785	1,545,490	190,448	-	-	4,593,723
5.	Claims Secured by Residential Property	204	11,732	78,381	5,915,190	-	6,005,507
6.	Claims Secured by Commercial Real Estate	6,833,476	6,537,454	2,174,006	16,150,650	-	31,695,586
7.	Claims on Pension Loans	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	413,725	567,501	180,871	2,916,112	-	4,078,209
9.	Claims on Corporates	21,686,169	13,886,056	6,496,080	20,002,759	-	62,071,064
10.	Claims on Past Due Exposures	149,299	162,925	13,047	270,871	-	596,142
11.	Other Assets	-	-	-	-	4,292,143	4,292,143
12.	Sharia Exposures (if any)	-	-	-	-	-	-
Total		52,203,869	30,735,682	10,001,555	48,531,096	4,292,143	145,764,345

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Table 10 Disclosure of Net Receivable Based on Economic Sector - Bank Individually

in million IDR

No	Economic Sector	December 31, 2016											
		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	Sharia Exposures (if any)
1	Agricultures, hunting and forestry	-	-	-	-	-	5,472,261	-	9,907	3,162,541	2,110	-	-
2	Fisheries	-	-	-	-	-	66,854	-	2,127	27,181	-	-	-
3	Mining and Quarrying	-	-	-	-	-	237,217	-	7,728	4,021,118	3,070	-	-
4	Processing industry	-	898,977	-	-	-	13,363,302	-	106,140	12,615,257	142,214	-	-
5	Electricity, gas and water	-	-	-	-	-	18,766	-	3,072	625,061	-	-	-
6	Construction	-	34,493	-	-	-	827,415	-	36,208	1,174,318	10,740	-	-
7	Big and retail trade	-	-	-	-	-	8,387,368	-	402,767	12,418,159	217,623	-	-
8	Provision of accommodation and food supply drinking	-	-	-	-	-	1,131,719	-	9,143	617,834	1,506	-	-
9	Transportation, warehousing and communications	-	-	-	-	-	729,886	-	27,323	5,453,183	36,332	-	-
10	Transitional Finance	31,498,501	-	-	4,593,723	-	7,062	-	610	808,057	-	-	-
11	Real estate, Rental Business, and services company	-	-	-	-	-	1,179,364	-	34,573	7,376,165	25,372	-	-
12	Government administration, the defense and compulsory social security	-	-	-	-	-	29,471	-	531	114,763	178	-	-
13	Education services	-	-	-	-	-	-	-	-	-	-	-	-
14	Health and social services	-	-	-	-	-	119,513	-	4,040	163,151	188	-	-
15	Community, Sociocultural, Entertainment and Other Individual Services	-	-	-	-	-	111,606	-	8,265	156,759	1,394	-	-
16	Individual services which serve households	-	-	-	-	-	-	-	-	-	-	-	-
17	Extra agency international agency and other international	-	-	-	-	-	-	-	-	-	-	-	-
18	Business Activities which are not clearly defined	-	-	-	-	-	7,951	-	1,615	47,508	-	-	-
19	Credit Recipients Non Industrial Origin	-	-	-	-	-	5,831	-	456,374	31,876	-	-	-
20	Others	-	-	-	-	6,005,507	-	-	2,967,786	13,258,133	155,415	4,292,143	-
Total		31,498,501	933,470	-	4,593,723	6,005,507	31,695,586	-	4,078,209	62,071,064	596,142	4,292,143	-

Table 11 Disclosure of Receivables and Allowance Based on Region - Bank Individually

in million IDR

No	Portfolio Category	December 31, 2016					Total
		Java Bali	Sumatera	Kalimantan	Sulawesi	Others	
1.	Receivables	132,155,449	9,712,919	1,719,693	1,814,616	95,288	145,497,965
2.	Impaired Receivables	1,428,828	53,955	27,212	14,787	430	1,525,212
	a. Non Past Due	480,449	20,861	1,380	9,240	-	511,930
	b. Past Due	948,379	33,094	25,832	5,547	430	1,013,282
3.	Allowance for Impairment Losses - Individual	909,241	17,392	13,414	4,857	-	944,904
4.	Allowance for Impairment Losses - Collective	1,833,513	263,662	29,694	42,404	810	2,170,083
5.	Claims written off	82,475	918	1,285	1,166	-	85,844

Table 12 Disclosure of Receivables and Allowance Based on Economic Sector - Bank Individually

in million IDR

No.	Economic Sector	December 31, 2016					Claims Written off
		Receivable	Impaired Receivables		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective	
			Non Past Due	Past Due			
1	Agricultures, hunting and forestry	8,646,819	6,600	1,150	1,946	183,048	-
2	Fisheries	96,162	-	-	-	339	-
3	Mining and Quarrying	4,269,133	71,272	-	69,614	66,131	19
4	Processing industry	27,125,890	126,545	295,346	251,250	685,472	309
5	Electricity, gas and water	646,899	-	-	-	1,528	-
6	Construction	2,083,174	9,003	13,296	8,182	30,304	-
7	Big and retail trade	21,425,917	176,065	452,268	378,221	671,299	382
8	Provision of accomodation and food supply drinking	1,760,202	-	-	-	51,177	-
9	Transportation, warehousing and communications	6,246,724	84,799	126,218	148,143	138,825	-
10	Transitional Finance	36,907,953	-	-	-	1,685	-
11	Real estate, Rental Business, and services company	8,615,474	32,342	53,831	66,767	211,171	20
12	Government administration, the defense and compulsory social security	144,943	-	-	-	-	-
13	Education services	-	-	-	-	777	-
14	Health and social services	286,892	-	-	-	918	14
15	Community, Sociocultural, Entertainment and Other Individual Services	278,024	-	-	-	3,591	27
16	Individual services which serve households	-	-	-	-	-	-
17	Extra agency international agency and other international	-	-	-	-	-	-
18	Business Activities which are not clearly defined	57,074	-	-	-	184	-
19	Credit Recipients Non Industrial Origin	494,081	767	4,858	235	24,432	84,022
20	Others	27,937,816	4,537	65,885	20,546	99,202	1,051
Total		147,023,177	511,930	1,012,852	944,904	2,170,083	85,844

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Table 13 Disclosure of Details on Movements of Allowance for Impairment Losses - Bank Individually

in million IDR

No	Portfolio Category	December 31, 2016	
		Allowance for Impairment Losses - Individual	Allowance for Impairment Losses - Collective
1.	Beginning Balance - Allowance for Impairment Losses	384,786	1,453,465
2.	Allowance/(reversal) for impairment losses during the year (Net)		
a.	Allowance for impairment losses during the year	592,549	777,697
b.	Reversal for impairment losses during the year	-	-
3.	Allowance for impairment losses used to claims written off during the year	(21,131)	(64,713)
4.	Other allowance/(reversal) during the year	(11,300)	3,634
Ending Balance		944,904	2,170,083

Table 14 Disclosure of Net Receivables Based on Portfolio and Individual Rating Scale December 31, 2016

in Million IDR

		December 31, 2016												Unrated	Total
		Net Receivables													
No	Portfolio Category	Rating Agency	Long-Term Rating						Short-Term Rating						
		Standard and Poor's	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	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	Less than B-	F1+ to F1	F2	F3	Less than F3		
		Moody's	Aaa	Aa1 to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Less than B3	P-1	P-2	P-3	Less than P-3		
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) to AA-(idn)	A+(idn) to A-(idn)	BBB+(idn) to BBB-(idn)	BB+(idn) to BB-(idn)	B+(idn) to B-(idn)	Less than B-(idn)	F1+(idn) to F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)		
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ to [Idr]AA-	[Idr]A+ to [Idr]A-	[Idr]BBB+ to [Idr]BBB-	[Idr]BB+ to [Idr]BB-	[Idr]B+ to [Idr]B-	Less than [Idr]B-	[Idr]A1+ to [Idr]A1	[Idr]A2+ to [Idr]A2	[Idr]A3+ to [Idr]A3	Less than [Idr]A3		
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ to idAA-	idA+ to idA-	idBBB+ to idBBB-	idBB+ to idBB-	idB+ to idB-	Less than idB-	idA1	idA2	idA3 to idA4	Less than idA4		
1.	Claims on Government/ Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	31,498,501	31,498,501
2.	Claims on Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-	933,470	933,470
3.	Claims on Multilateral Development Banks and International Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	Claims on Banks	-	136,074	101,502	-	-	-	-	-	-	-	-	-	4,356,148	4,593,724
5.	Claims Secured by Residential Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.	Secured by Commercial Real Estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Claims on Pension Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Claims on Micro, Small, and Retail Portfolio	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Claims on Corporates	-	605,902	560,706	357,797	90,247	-	-	126,128	-	-	-	-	60,330,283	62,071,064
10.	Claims on Past Due Exposures	-	-	-	-	-	-	-	-	-	-	-	-	596,141	596,141
11.	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.	Sharia Exposures (if any)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		-	741,976	662,208	357,797	90,247	-	-	126,128	-	-	-	-	97,714,543	99,692,900

RISK MANAGEMENT

Table 15 Disclosure Counterparty Credit Risk - Derivative Transactions

in million IDR

No	Underlying Variables	December 31, 2016							
		Amount			Derivatives Receivable	Derivatives Payable	Net Receivables Before Credit Risk Mitigation	Credit Risk Mitigation	Net Receivable After Credit Risk Mitigation
		< 1 year	> 1 - 5 years	> 5 years					
Bank Individually									
1.	Interest Rate	2,634,876	2,254,084	-	1,890	3,657	11,270	-	11,270
2.	Foreign Exchange	20,754,242	1,805,240	-	90,926	109,759	297,804	-	297,805
3.	Others	-	-	-	259,123	190,902	-	-	-
Total		23,389,118	4,059,324	-	351,939	304,318	309,075	-	309,075

Table 16 Disclosure of Counterparty Credit Risk: Repo Transaction - Bank Individually

in million IDR

No	Portfolio Category	December 31, 2016			
		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	-	-	-	-
7.	Sharia Exposures (if any)	-	-	-	-
Total		-	-	-	-

Table 17 Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Bank Individually

in million IDR

No	Portfolio Category	December 31, 2016			
		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	-	-	-	-
7.	Sharia Exposures (if any)	-	-	-	-
Total		-	-	-	-

Table 18 VaR

Full amount IDR

Description	2016				2015			
	Year End	Average	Minimum	Maximum	Year End	Average	Minimum	Maximum
IR VAR	1,783,942,119	5,988,278,581	1,783,942,119	13,140,600,718	7,499,038,014	5,256,843,475	2,538,177,190	10,803,374,624
FX VAR	119,029,667	1,857,907,464	101,317,666	7,928,065,728	1,878,366,101	859,735,281	50,235,198	3,574,271,613
Total VAR	1,514,035,400	6,556,957,240	1,514,035,400	14,435,171,527	6,625,834,996	5,450,845,042	1,949,751,067	11,753,868,022

Table 19 Pvo1

in thousand IDR

Description	2016				2015			
	Year End	Average	Minimum	Maximum	Year End	Average	Minimum	Maximum
PVo1 - Trading Book*	103,198	253,818	787	661,610	327,003	375,382	115,775	686,900

* Absolut value

Table 20 Market Risk-Weighted Assets (RWA)

in million IDR

No.	Risk Type	December 31, 2016	
		Bank	
		Capital Charge	RWA
1.	Interest Rate Risk	-	-
	a. Specific Risk	6,367	79,583
	b. General Risk	31,508	393,853
2.	Foreign Exchange Risk	19,882	248,528
3.	Equity Risk *)	-	-
4.	Commodity Risk *)	-	-
5.	Option Risk	-	-
Total		57,757	721,964

*) For banks having subsidiaries with above risk exposure.

Table 21 Maturity Profile - IDR Currency

As of December 2016 (in million IDR)

No.	Description	Maturity						
		<=1M	>1 - 3M	>3 - 6M	>6 - 12M	>1 - 3Y	>3 - 5Y	>5Y
A. Assets								
1	Cash	742,920	-	-	-	-	-	-
2	Current Account with Central Bank	76,333	-	-	-	-	-	4,901,598
3	Loans to Customer	4,078,113	9,336,391	7,476,920	6,119,239	12,215,175	18,221,666	11,645,128
4	Placement with Central Bank	3,598,121	253,291	939,628	980,481	-	-	1,193,479
5	Interbank Placement	177,260	1,232,348	559,239	498,533	788,903	-	-
6	Marketable Securities	4,336,718	1,029,085	147,244	268,634	4,063,330	-	1,473,041
	a. HTM	-	-	-	-	-	-	-
	b. AFS	4,052,163	52,292	147,244	268,634	4,063,330	-	1,473,041
	c. Trading	284,555	976,793	-	-	-	-	-
7	Other Asset	273,735	727,870	80,419	1,293,451	136,943	-	1,904,300
	Total Assets	13,283,200	12,578,985	9,203,450	9,160,338	17,204,351	18,221,666	21,117,546
B. Liabilities								
1	Current Account	1,419,458	963,185	710,104	871,416	2,452,975	2,452,975	1,226,487
2	Saving Account	1,406,768	916,646	877,188	1,100,956	3,373,385	3,373,385	1,686,693
3	Time Deposit	2,916,300	2,128,051	2,226,731	2,942,952	14,728,196	14,728,196	7,364,098
4	Borrowing from Central Bank	-	-	-	-	-	-	-
5	Interbank Borrowing	-	-	-	-	-	-	-
6	Debt Securities Issued	-	669,882	835,815	879,371	2,393,294	-	-
7	Borrowing	9,242	-	-	-	-	-	-
8	Other Liabilities	4,241,160	1,968,970	11,952	38,817	11,385	-	241,420
	Total Liabilities	9,992,928	6,646,734	4,661,790	5,833,512	22,959,235	20,554,556	10,518,698

RISK MANAGEMENT

As of December 2016 (in million IDR)

No.	Description	Maturity						
		<=1M	>1 - 3M	>3 - 6M	>6 - 12M	>1 - 3Y	>3 - 5Y	>5Y
	Capital	-	-	-	-	-	-	17,713,684
	On Balance Sheet Gap	3,290,272	5,932,251	4,541,660	3,326,826	(5,754,884)	(2,332,890)	(7,114,836)
	On Balance Sheet Cumulative Gap	3,290,272	9,222,523	13,764,183	17,091,009	11,336,125	9,003,235	1,888,399
C. Off-Balance Sheet								
	Derivative Inflows	3,227,604	2,835,247	1,593,896	2,219,419	1,272,992	-	-
	Derivative Outflows	4,733,214	1,844,379	1,395,626	982,726	562,043	133,250	3,069,753
	Off Balance Sheet Gap	(1,505,610)	990,868	198,270	1,236,693	710,949	(133,250)	(3,069,753)
	Gap (A+B+C)	1,784,662	6,923,119	4,739,930	4,563,519	(5,043,935)	(2,466,140)	(10,184,589)
	Cummulative Gap (A+B+C)	1,784,662	8,707,781	13,447,711	18,011,230	12,967,295	10,501,155	316,566

Table 22 Maturity Profile - Foreign Currency

As of December 2016 (in million IDR)

No.	Description	Maturity						
		<=1M	>1 - 3M	>3 - 6M	>6 - 12M	>1 - 3Y	>3 - 5Y	>5Y
A. Assets								
1	Cash	138,829	-	-	-	-	-	-
2	Current Account with Central Bank	94,539	-	-	-	-	-	2,946,076
3	Loans to Customer	3,805,287	3,294,914	2,171,538	2,769,066	5,064,546	4,946,346	2,177,164
4	Placement with Central Bank	2,737,385	396,286	528,381	704,508	-	-	955,077
5	Interbank Placement	270,791	-	-	-	-	-	-
6	Marketable Securities	1,523,702	465,207	220,159	-	483,430	88,064	542,816
	a. HTM	-	-	-	-	-	-	-
	b. AFS	1,432,660	269,466	220,159	-	483,430	88,064	542,816
	c. Trading	91,042	195,741	-	-	-	-	-
7	Other Asset	1,113,187	1,481,545	933,319	71,336	85,437	(3,377,610)	795,483
	Total Assets	9,683,720	5,637,952	3,853,397	3,544,910	5,633,413	1,656,800	7,416,616
B. Liabilities								
1	Current Account	6,449,794	1,812,620	1,208,991	1,147,862	1,514,623	1,514,623	757,312
2	Saving Account	1,929,878	84,879	76,896	102,249	537,365	537,365	268,682
3	Time Deposit	3,527,572	2,404,321	1,553,635	1,793,128	2,662,672	2,662,672	1,331,336
4	Borrowing from Central Bank	-	-	-	-	-	-	-
5	Interbank Borrowing	3,797,278	21,525	-	1,024	-	-	-
6	Debt Securities Issued	-	-	-	-	-	-	-
7	Borrowing	13,701	-	-	-	-	-	-
8	Other Liabilities	(2,895,044)	1,534,640	805,752	86,503	54,330	(2,284,494)	2,508,624
	Total Liabilities	12,823,179	5,857,985	3,645,274	3,130,766	4,768,990	2,430,166	4,865,954
	Capital	-	-	-	-	-	-	1,792,891
	On Balance Sheet Gap	(3,139,459)	(220,033)	208,123	414,144	864,423	(773,366)	757,771
	On Balance Sheet Cumulative Gap	(3,139,459)	(3,359,492)	(3,151,369)	(2,737,225)	(1,872,802)	(2,646,168)	(1,888,397)
C. Off-Balance Sheet								
	Derivative Inflows	9,250,150	2,911,770	1,392,976	1,101,603	611,249	134,725	-
	Derivative Outflows	8,480,272	5,810,750	2,104,125	2,381,862	1,581,682	-	991,861
	Off Balance Sheet Gap	769,878	(2,898,980)	(711,149)	(1,280,259)	(970,433)	134,725	(991,861)
	Gap (A+B+C)	(2,369,581)	(3,119,013)	(503,026)	(866,115)	(106,010)	(638,641)	(234,090)
	Cummulative Gap (A+B+C)	(2,369,581)	(5,488,594)	(5,991,620)	(6,857,735)	(6,963,745)	(7,602,386)	(7,836,476)

Table 23 Maturity Profile - All Currencies

As of December 2016 (in million IDR)

No.	Description	Maturity						
		<=1M	>1 - 3M	>3 - 6M	>6 - 12M	>1 - 3Y	>3 - 5Y	>5Y
A. Assets								
1	Cash	881,749	-	-	-	-	-	-
2	Current Account with Central Bank	170,872	-	-	-	-	-	7,847,674
3	Loans to Customer	7,883,400	12,631,305	9,648,457	8,888,304	17,279,721	23,168,012	13,822,292
4	Placement with Central Bank	6,335,506	649,577	1,468,009	1,684,990	-	-	2,148,556
5	Interbank Placement	448,051	1,232,348	559,239	498,533	788,903	-	-
6	Marketable Securities	5,860,420	1,494,292	367,403	268,634	4,546,760	88,064	2,015,856
	a. HTM	-	-	-	-	-	-	-
	b. AFS	5,484,823	321,758	367,403	268,634	4,546,760	88,064	2,015,856
	c. Trading	375,597	1,172,534	-	-	-	-	-
7	Other Asset	1,386,921	2,209,415	1,013,738	1,364,787	222,380	(3,377,610)	2,699,783
	Total Assets	22,966,919	18,216,937	13,056,846	12,705,248	22,837,764	19,878,466	28,534,161
B. Liabilities								
1	Current Account	7,869,252	2,775,805	1,919,095	2,019,277	3,967,598	3,967,598	1,983,799
2	Saving Account	3,336,646	1,001,525	954,084	1,203,205	3,910,750	3,910,750	1,955,375
3	Time Deposit	6,443,872	4,532,372	3,780,366	4,736,080	17,390,868	17,390,868	8,695,434
4	Borrowing from Central Bank	-	-	-	-	-	-	-
5	Interbank Borrowing	3,797,278	21,525	-	1,024	-	-	-
6	Debt Securities Issued	-	669,882	835,815	879,371	2,393,294	-	-
7	Borrowing	22,943	-	-	-	-	-	-
8	Other Liabilities	1,346,117	3,503,610	817,704	125,320	65,714	(2,284,494)	2,750,044
	Total Liabilities	22,816,108	12,504,719	8,307,064	8,964,277	27,728,224	22,984,722	15,384,652
	Capital	-	-	-	-	-	-	19,506,575
	On Balance Sheet Gap	150,811	5,712,218	4,749,782	3,740,971	(4,890,460)	(3,106,256)	(6,357,066)
	On Balance Sheet Cumulative Gap	150,811	5,863,029	10,612,811	14,353,782	9,463,322	6,357,066	-
C. Off-Balance Sheet								
	Derivative Inflows	12,477,754	5,747,017	2,986,872	3,321,022	1,884,241	134,725	-
	Derivative Outflows	13,213,485	7,655,129	3,499,751	3,364,587	2,143,725	133,250	4,061,614
	Off Balance Sheet Gap	(735,731)	(1,908,112)	(512,879)	(43,565)	(259,484)	1,475	(4,061,614)
	Gap (A+B+C)	(584,920)	3,804,106	4,236,903	3,697,406	(5,149,944)	(3,104,781)	(10,418,680)
	Cummulative Gap (A+B+C)	(584,920)	3,219,186	7,456,089	11,153,495	6,003,551	2,898,770	(7,519,910)

Table 24 Liquidity Ratio

No.	Liquidity Ratio	December 31, 2016	December 31, 2015
1	Loan to Funding Ratio	88.20%	95.36%
2	Secondary Reserve Ratio	23.57%	20.43%
3	Net Interbank Borrowing Ratio	2.17%	-
4	Medium Term Funding Ratio	127.76%	144.47%
5	Liquidity Coverage Ratio	139.96%	142.01%

RISK MANAGEMENT

Table 25 Repricing Gap - All Currencies

As of December 2016 (in million IDR)

No.	Description	Up to 1 mont	> 1M – 3M	> 3M – 1Y	> 1Y – 2Y	> 2Y – 3Y	> 3Y – 4Y	> 4Y – 5Y	> 5Y	Non interest	Total
A. ASSETS											
1	Cash	-	-	-	-	-	-	-	-	881,749	881,749
2	Current account with Bank Indonesia	170,872	-	-	-	-	-	-	-	7,847,674	8,018,546
3	Current account with other banks	485,592	-	-	-	-	-	-	-	-	485,592
4	Placements with other banks and Bank Indonesia	383,893	1,232,348	1,394,785	431,044	-	-	-	-	-	3,442,070
5	Marketable securities	454,192	2,031,811	9,849,606	789,684	1,228,224	-	-	-	-6,762	14,346,755
6	Government bonds	187,816	1,421,743	1,098,108	6,310,328	2,804,403	161,735	205,043	183,574	-	12,372,750
7	Derivative receivables	-	-	-	-	-	-	-	-	351,939	351,939
8	Loans	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
9	Acceptance receivables	-	-	-	-	-	-	-	-	3,485,765	3,485,765
10	Other assets	32,347	30,795	131,565	-	-	-	-	-	702,696	897,404
	Total Assets	66,385,515	23,061,240	14,712,303	10,662,534	5,294,452	396,029	1,025,777	1,083,860	11,908,511	134,530,221
B. LIABILITIES											
1	Obligations Due Immediately	-	-	-	-	-	-	-	-	444,398	444,398
2	Deposits from Customers										
	Current Accounts	24,511,895	-	-	-	-	-	-	-	-	24,511,895
	Saving Accounts	14,955,257	196,348	1,066,993	69,674	-	-	-	-	1,202	16,289,474
	Time Deposit	45,094,560	14,213,608	3,217,199	233,224	-	-	-	-	-	62,758,591
3	Deposits from other banks										
	Current Accounts + Saving Accounts	96,373	-	-	-	-	-	-	-	-	96,373
	Interbank call money	2,378,000	-	-	-	-	-	-	-	-	2,378,000
	Time Deposit	11,667	20,000	1,000	-	-	-	-	-	-	32,667
4	Borrowings	-	-	-	-	-	-	-	-	-	-
5	Derivative Payable	-	-	-	-	-	-	-	-	304,318	304,318
6	Security Sold Under Repurchase Agreement	1,345,723	-	-	-	-	-	-	-	-	1,345,723
7	Acceptance Payables	-	-	-	-	-	-	-	-	3,513,459	3,513,459
8	Marketable Securities Issued	-	670,000	837,000	1,615,000	783,000	-	-	-	(6,009)	3,898,991
9	Accrued Expenses	-	-	-	-	-	-	-	-	392,544	392,544
10	Other Liabilities	-	-	-	-	-	-	-	-	712,964	712,964
11	Subordinated Bonds	-	-	880,000	-	-	-	-	-	(629)	879,371
	Total Liabilities	88,393,475	15,099,956	6,002,192	1,917,898	783,000	-	-	-	5,362,247	117,558,768
	Repricing Gap	(22,007,959)	7,961,284	8,710,111	8,744,636	4,511,452	396,029	1,025,777	1,083,860	6,546,264	16,971,453

Table 26 Capital Location & RWA of Operational Risk

in million IDR

No	Approach Used	December 31, 2016		
		Gross Income (Average, in the past 3 years)	Capital Charge	RWA
1.	Basic Indicator Approach	4,725,625	708,844	8,860,547

**CORPORATE SOCIAL
RESPONSIBILITY**



Empowering Community

CORPORATE SOCIAL RESPONSIBILITIES

Bank OCBC NISP unfaltering commitment to corporate social responsibility as proven by the Bank's consistency in implementing programs that contributes to the sustainable development of the communities where it operates.



Tree Planting

2,000 Trees



Total Volunteer

497 Employee



MDTC 2016
Program Recipients

150 Children

INTRODUCTION

Bank OCBC NISP realized that business continuity is not only based on economic aspects but is also closely related to the performance of employees, satisfying customer needs, and improvement of people's welfare. On a larger scope, it is the Sustainable Environment.

Bank OCBC NISP is committed in managing its Corporate Social Responsibility (CSR) to provide sustainable benefits to the community and invite its employees to create values for the people and their environment.

The Bank's CSR activities are under umbrella policies which are based on three spirits, namely:

- **Equal Partnership** with all stakeholders (employees, customers, society) based on the principle "equal before God".
- **Sharing Value** principle is put forward in every program and community development activities to promote self-reliance.
- Providing all stakeholders with **Sustainable Benefit**, for short term purposes but also for long-term sustainability.

In implementing the Corporate Social Responsibility, Bank OCBC NISP focuses on the responsibility to the environment, social and community welfare, K3 (Labor, Health, Safety) and its customers. [G4-SO1]

RESPONSIBILITY TO THE ENVIRONMENT

In its operation, Bank OCBC NISP does not embrace harmful activities or activities that will potentially damage the environment. Moreover, concerned about climate changes around us, Bank OCBC NISP is committed to play an active role in earth conservation, either directly or indirectly. We believe that earth conservation should be the main concern of each citizen. The conservation should be sought for by each citizen, as individuals and, in a larger scale, as a company.

Internal Activities

In conserving the earth, Bank OCBC NISP as a financial company can minimize business practices with negative impact on the people and its environment.

Policy

This commitment is implemented through Sustainable Finance Policy, which is putting forward environmental criteria in terms of credit, so the Bank could limit the potential environmental damage by the debtor candidates' activities. [DMA-EN] [DMA-PR]

Some of the parameters used as a criteria for granting loans are:

- a. Questionnaires that would indicate how many potential debtors would pay attention and minimize environmental and social impacts that may result 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 debtor, if the debtor rating is black or red, the Bank will ask the debtor 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.

Implementation

Implementing this policy is the bank's commitment in forcing the business to reduce potential negative impacts to the environment and society as a result of its business operations.

By doing the evaluation in the early stages, the businesses are geared to do no harm on public assets or the public and cause a serious effect of damaging the environment and other social impacts.

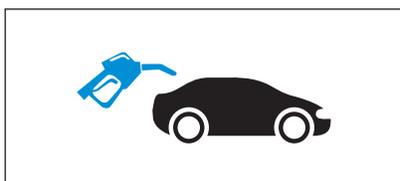
Apart from responsible loan disbursement, Bank OCBC NISP also optimizes various systems and online applications that support the operations and banking transactions which can accelerate working time, reduce the use of paper, fuel oil, and electricity. [G4-EN3] [G4-EN6]

Inisiatif Penghematan Energi, Air dan Kertas Periode 2016 [G4-EN3] [G4-EN6]



Saving Electricity

- Conversion to LED lamps from TL lamps.
- Change the pattern of electricity usage after office hours.
- Use of air conditioning system with Variable Refrigerant Volume (VRV) technology to save energy and the ozone layer.



Fuel Savings

- Shuttle car policy that connects the two large Bank offices in Jakarta.
- Car pool policy to optimize the use of vehicle.
- Video conference facilities called ON Meeting.



Saving Water

- Change of the manual faucet to automatic faucet.
- Saving Water campaign



Paper Saving

- Optimize online application in a number of Bank's operations
- Recycle the archived documents
- Use of bottled water policy for employees.

External Activities

Decent living environment could be seen from, among others, availability of clean water, public facilities and its maintenance and a clean environment.

Policy

Bank OCBC NISP has a CSR management which includes the environment.

CORPORATE SOCIAL RESPONSIBILITIES

Implementation

Saving water resources becomes a particular concern whereas water is a part of our basic needs and its conservation for the people's need must be optimal so the water will not be wasted.

In 2016, the saving water resources activity was held in Jayagiri, Lembang, by procuring water tanks to contain water from springs, and building pipelines next to tanks to be able to reach the houses. This activity aims

to filter turbid water from the rain in the rainy period to decent water for people. In addition to providing the clean water, the Bank also planted 2.000 Dammar gum trees in Jayagiri, Lembang Bandung.



Tree planting and the improvement of public facilities in the village Jayagiti, Lembang, Bandung

LABOR, HEALTH & SAFETY

Human resources (HR) are the main component driver to reach the vision, mission, and strategic objectives of the Bank. The Bank is committed to develop quality, competence, and improve the welfare and protection of the employees as an effort to grow comfort and pride to work in Bank OCBC NISP.

Labor Practises

1. Policy

The Bank published labor management-related policies which are generally aiming to create comfort, safety, and improve employee welfare.

- **Collective Labour Agreement (CLA)**

CLA would be the common guide to the harmonious, dynamic and fair industrial relationship between the Bank and employees. CLA regulates matters relating to the employment relationship with parts that regulate employee benefits and rules for occupational safety and health. [G4-LA8]

- **Access to Bank Policy**

The Bank provides various facilities that open online accesses for employees to various employment policies. The Bank informs the latest employment policies issued to keep the employees updated.

- **Information Disclosure**

The Bank has various internal communication media, namely broadcasted e-mails, CEO message, internal magazine (digital and printed version), posters, internal website, and the employee can contact HR personnel or via online through HC Helpdesk specially for administrative and personnel-related information.

- **Work-Life Balance**

Conducive working environment supports each employee to achieve their best performances. Various engagement activities are expected to support the creation of worklife balance in the Bank.

- **Job Opportunity**

The Bank provides equal employment opportunity to every employee regardless of gender, ethnicity, religion, and race. The Bank applies performance-based culture which focuses on performance, contribution and competence of each employee in considering HR-related decision making.

- **Remuneration**

One of the employee retention efforts of the Bank is performed by applying a competitive remuneration by adhering to the principle of total reward. Efforts to maintain a competitive level follow the remuneration banking industry survey conducted by external consultants and benchmarking remuneration with other banks.

2. Gender Equality and Job Opportunity [G4-LA12]

Bank OCBC NISP does not discriminate the treatment based on gender and provides equal

opportunity to all employees to work, develop, and obtain other facilities and benefits according to the provided contribution of the company.

The total female employee as of December 31, 2016 was 3.925 employees (57.8 percent of total employee). Bank OCBC NISP currently has three female employees who hold top

management positions. The composition, based on position and gender, can be seen on page 56. [G4-LA12]

There were no discrimination incidents that occurred in 2016. [G4-HR3]

Composition of Governance Body by Gender [G4-LA12]

Description	2016		2015		2014	
	Male	Female	Male	Female	Male	Female
BOC & BOD	15	3	15	3	16	3
Percentage of Female		17%		17%		16%

3. Industrial Relations [G4-LA4]

To accommodate the employees' aspiration on employee relations with the corporate/ industrial relations, the Bank recognizes the existence of trade unions in the workplace Bank as the official body representing and acting for and on behalf of all its members. Each permanent employee has the right and the freedom to become a member of the United Workers. [G4-HR4]

The unions are formed by the Bank's employees in compliance with Article 2 paragraph (1) Ministry of Manpower and Transmigration No. Kep 16/ Men/2001 dated February 15, 2001 and has been restated at Manpower Office in Bandung with registration number: 250/ SP.NIBA-SPSI/BANK.ON-CTT.15-Disnaker/2010.

The Bank and unions agree on the requirements for joint guidelines to achieve harmonious, dynamic and equitable industrial relations in the form of Collective Labour Agreement (CLA), which is constantly reviewed once in every two (years). In 2015, the CLA had been updated and re-registered to the Ministry of Labour of the Republic of Indonesia based on the decision of the Directorate General of Industrial Relations and Labor Social Security No. Kep.168/PHIJSK-PCOAD/PPB/X/2015.

Percentage of Employee Covered in 2016 Collective Labour Agreement [G4-11]



Occupational Health and Safety

Occupational health and safety supports every employee to contribute optimally. The Bank pays attention to the health and safety through the provision of facilities and infrastructure policies and employee benefits. [G4-LA2]

1. Employee Health

In addition to its policies and procedures, the Bank's employees, through Trade Unions, participated in arranging the discussion related to health and safety in the Collective Labour Agreement (CLA), which includes [G4-LA8]:

- Health Insurance
- Outpatient Care allowance
- Inpatient Care allowance
- Eyeglasses purchase benefit
- Examination, pregnancy, maternity costs, miscarriage, childbirth with surgery benefits
- Medical Check Up Program

Implementation

Health facilities and supporting infrastructure are currently provided by the Bank includes: a special health clinic for employees and lactation room.

Bank OCBC NISP engages employees into the National Social Security program, namely Employment BPJS and Health BPJS. Besides BPJS, Bank OCBC NISP also involves employees to health insurance program which covers employees and their spouses with a maximum of three children.

Bank OCBC NISP's Health Insurance includes outpatient, inpatient, pregnancy and childbirth, medical checkup for employees at a certain level, and eyeglasses purchase. The provision of health insurance over the health BPJS is a manifestation of the seriousness of the Bank to support the health and employee's welfare. Health insurance also provides comfort and convenience access of health facilities with a national scope, and for the cooperating health facilities, employees can use cashless facility.

Periodically, the Bank's neighborhood held a health seminar to sensitize employees in maintaining good health. There were some health seminars that presented the topics of The Power

CORPORATE SOCIAL RESPONSIBILITIES

of Exercise, Healthy Food, Injury Prevention at Workplace, and Woman Healthy.

2. Employee Safety

Employees are an important asset in the sustainability of the company. With the objective of ensuring that employees are in a good condition and are capable of supporting the Bank's business activities and the various risks thereof, Bank OCBC NISP has formulated the following procedures and policies namely:

1. Crisis Management policy which has direct systematic responses against unexpected events that threatens life, property, staff and continuation of operations of Bank OCBC NISP.
2. Employee Protection Policy for emergency situations which provides a set of guidance for each employee in cases of emergency situations.
3. Office Safety Equipments Policy which has installed standard safety equipments such as CCTV and alarms all over the office and which included tests of the equipments in installed.

Implementation

To ensure the fulfillment of the above, the Bank's Operations Risk Management shall be responsible for ensuring that the Bank has a good and thorough Business Continuity Plan (BCP) specially when facing the consequences if all the precautions have failed.

The implemented BCP activities include:

1. Familiarization through visual media and messages (posters) placed in strategic locations as well as practice drills for emergency situations.

2. The establishment of small scale emergency response teams, i.e. branch offices, the head office etc.
3. Regular training such as fire handling, flood, safety briefing etc.
4. Building of communication lines for emergency situations of the Bank called Call Tree Crisis Management and periodic tests to monitor accuracy and response time.
5. Building of a Business Recovery Team that is responsible for continuous critical process pre-determined by each working unit.

Additionally, in view of the fact that majority of Bank OCBC NISP's business activities and employees work indoors, the Bank has provided facilities and needed infrastructure to handle work safety in every office floor consisting of CCTV, alarms, sprinklers, smoke detectors, small fire extinguishers, medical emergency kits, hydrant hose boxes, fire blankets, evacuation route indicators, and paging devices to make announcements during an emergency situation. The Bank has also organized an occupational health and safety training for employees organized by the Ministry of Labor. The participating employees have been assigned to occupational health and safety committee. Furthermore, the Bank has appointed a Floor Commander for each floor as the Person in Charge (PIC) in the event of an emergency situation.

In 2016, 47 employees have attended trainings related to emergency response coordination. **[G4-LA5]**

Although the Bank's Work Accident Rate is relatively small compared to mining or manufacturing sectors, Bank OCBC NISP continues to optimize its application and performance of K3 to ensure safety and security. In 2016, there has been no recorded accidents in Bank OCBC NISP.

ZERO ACCIDENT



The operations during 2016 run without any work accidents **[G4-LA6]**

3. Employees Welfare

The Bank pays attention on employees welfare by performing periodic evaluation towards the remuneration by considering the company's condition and banking industry benchmark to create fair and competitive remuneration.

In addition to provide remuneration in the form of salary, health insurance, and BPJS, Bank OCBC NISP also provides other loan facilities, Pension Funds of Financial Institution, scholarships, and impending retirement training for employees.

Bank OCBC NISP also supports internal community by giving opportunities for employees to be involved and actualized themselves through sports, arts, and social activities.

Employee Turnover **[G4-LA1]**

During 2016, the employee turnover was recorded 20.1 %, higher than the previous year amounted to 16.3 %.

Employee Turnover Karyawan Based on Age Group and Gender [G4-LA1]

Description	2016		2015		2014	
	Male	Female	Male	Female	Male	Female
>55	1		6	4	6	4
46-55	59	22	27	28	57	29
36-45	88	79	57	67	103	72
26-35	347	381	236	296	372	410
17-25	156	255	185	321	214	358
Total	651	737	511	716	752	873

SOCIAL AND COMMUNITY DEVELOPMENT

Education and Entrepreneurship Policy

Bank OCBC NISP's implementation of CSR activities in the social and community fields refers to the Bank's Corporate Social Responsibility policies.

1. Financial Education and Literacy Program [DMA PR]

Access to financial inclusion and understanding of the benefits of financial services is still low, which is one of the

obstacles in improving financial independence and welfare. To enhance financial inclusion, Bank OCBC NISP prepares Education & Financial Literacy program, which is expected to improve better understanding of finance ("Smart Future")

The Bank made an interesting edutainment tool, making the language of finance easier to understand and not "scary" in the form of Smart Future Board Game. The participants will learn about financial management, this is basic knowledge which must be acknowledged in early age.

The Financial Management Program in 2016 named "Today is for Tomorrow", utilized edutainment tools especially Smart Future – Board that provides financial literacy for senior high school students, in Jakarta, Tangerang, Bandung, Malang, Palembang, and Makassar.

Financial Education and Literacy has been conducted since three years in a row for students, professionals, and employee with a total of 536 people.



Implementation of education and financial literacy program for students

2. Entrepreneurship Program

This CSR program is aiming to support young entrepreneur spirit. It will be held from start up level to on going Business level.

Entrepreneurship program consists of several stages, namely:

a. Business Verification :

The verification process is implemented with visits to

several selected candidates in various locations in Indonesia, especially small business which have already been running more than two years.

b. Preparatory Learning :

Preparatory Learning for some candidates of selected young entrepreneurs from all

over Indonesia. The material includes:

- Changes in entrepreneur mindset
- Knowledge of Business Plan.
- Human resource Management.
- Exploiting the potential of local resources/ local wisdom.

CORPORATE SOCIAL RESPONSIBILITIES

- Market opportunities, product value proposition.
- The process of distribution and networking
- Preparation to become bankable entrepreneurs and financially independent

c. Mentoring and Coaching:

Bank OCBC NISP cooperates with business practitioners to provide intensive and sustainable mentoring in its business development, so that the participants can discuss and get solutions.

d. Venture Capital Support:

For the winners, Bank OCBC NISP also provides capital support for business development as a form of social empowerment, which is given based on the needs of each business gradually.

Entrepreneurship program is expected to increase young entrepreneurs in ensuring the business sustainability through preparatory learning, mentoring and venture capital.

Young entrepreneurs are expected to become bankable and can ensure the sustainability of its business independently. Young Entrepreneur Spirit Program conducted since 2013 has already delivered results for the empowerment of 18 business units from among the youth. Coaching and support will continue to be developed in order to reach sustainability efforts at independence.

Social and Public Welfare

1. Thalassaemia Educational & Screening Program

One of Bank OCBC NISP's CSR activities has focused on health and specifically breaking the genetic chain of Thalassaemia. The Bank realizes that Thalassaemia has received little attention even with the spread of the disease can somehow be prevented by avoiding the marriage of two carriers of Thalassaemia and through peripheral blood screening to identify early indicators of a Thalassaemia carrier. As such, the Bank held the "Recognize, Avoid, Break

Thalassaemia!" seminar to break the chain of Thalassaemia disease from spreading.

Therefore, the Bank held the "Recognize, Prevent, Break Thalassaemia!" seminar. The educational and screening was given to premarital age where can prevent its development, in addition to education, free screening service are also given through blood test to determine whether the person is infected or not.

The educational program and screening was given to people in premarital ages to prevent the marriage of two Thalassaemia gene carriers that may result in the birth of a child with Thalassaemia.

The Thalassaemia Educational and Screening has been performed in several cities and total participants in 2016 reached 846 people. It is expected to prevent the spreading.



Screening Thalassaemia Activity



Free Groceries Sharing Program



Free Trip with Bank OCBC NISP

Bank OCBC NISP also held My Dream Come True (MDCT) program with the staffs by granting the children's dreams especially those who are infected Thalassaemia. The program was done by giving educational support so that children with Thalassaemia are able to go to school and achieve their dreams like the other kids.

2. Free Groceries Sharing Program

This Groceries Sharing program is the Bank's tradition conducted every year, especially during Ramadan. Bank OCBC NISP wants to build a relationship with the surroundings, as well as providing support for poor people with free and cheap groceries.

Groceries are given to the elderly, widows and orphans around

the office. The employee has the opportunity to give directly to the communities and get to know more closely as part of the community of mutual support.

In addition to this program, Bank OCBC NISP held Free Homecoming Program with sharia units, the program is intended for disadvantaged communities around the office who is not able

to return home during Ramadan. The participants are given VIP treatment during free trip to various areas in Central Java and its surroundings.

RESPONSIBILITIES TO CONSUMER

Policy

Bank OCBC NISP has policies and procedures of handling customer complaints which contain mechanisms and working units that are responsible for addressing and resolving customer complaints so the Bank's daily performance can guarantee that the customer complaints to be resolved quickly, precisely and effectively that refers to Service Level Agreement (SLA) and other SLA that also has been set by Bank Indonesia and Financial Service Authority (FSA).

Implementation

Bank OCBC NISP always pays attention to the customer voice for the provided services. Customer complaints are regarded as an opportunity for the Bank to measure how effective the products, processes, and services of the Bank against the customer in meeting their banking needs.

The Bank provides a range of media that allows the customer to convey expressions of dissatisfaction or their grievances through, among others:

- Call OCBC NISP ready to serve 24 hours via the number 1500-999 or 66-999 through mobile phone.
- *Email:* callcenter@ocbcnisp.com.
- The entire branch office closest to customers.
- Contact Us at our corporate website www.ocbcnisp.com.
- Social media: Twitter and Facebook.

The entire activity of receiving complaints, following-up handling as well as the completion and awarding of the best solutions to customers are recorded, documented and constantly

monitored through Complaint Handling Management (CHM). CHM is the internal communication media for functions related to handling of customer complaints. The CHM system facilitates and monitors SLA and conduct cascading over escalation of complaints where the settlements are still pending in the certain time.

The system allows the Bank to provide an effective response, quick and precise. For example, the customer who conveys the complaint will receive a notification via SMS from Bank OCBC NISP that contain a notice that the complaint has been received and is being acted upon. The settlement will take more than 20 working days in accordance with BI and OJK, the Bank also sends a notification to the customer via SMS that the complaint is still followed up and apologizes for any inconvenience to the customer.

In case the customer is not satisfied with solutions that the Bank provided, they have the right to proceed with its complaint to the banking mediation or alternative dispute resolution.

To make sure that customer complaints are handled carefully, the Bank formed a special unit to monitor, manage and ensure the entire mechanism of handling customer complaints are conducted rapidly, appropriately and effectively, namely Service Recovery work unit under the coordination of Network Sales Management Division. Periodically, the Service Recovery work unit coordinate with related work units/divisions in performing evaluation and analysis to find the root caused of the problem and followed up with recovery action and preventive action in order to make sure that the same complaint will not be repeated as well as development program, improvement and refinement of products, processes and services to the customer.

The attention of the highest management (BOD) against the scheduled report of customer complaints is shown on a regular basis and the discussion held in the BOD meeting so as to get a very clear direction in improvement and development.

The declining number of repetitive complaints and repairment of SLA complaints resolution from time to time are some of the services provided by Bank OCBC NISP in order to continually increase customer satisfaction.

Customer complaints is compulsory learning material which is actionable for employees who were directly involved in addressing customer complaints, starting from joining and periodic refreshment through training class, e-learning, and morning briefing. Learning materials for internal employees are also provided through Edu Complaint which can be accessed on the Bank's internal website.

As an appreciation for handling customer complaints which have been made, in 2016 Bank OCBC NISP received an award from the FSA as one of the Financial Services Businesses that has been implemented the principles of protection in financial services consumer based on self-assessment in 2015.

Customer Complaints Handling

For the period of January to December 2016, Bank OCBC NISP recorded 6,662 related to complaints for potential financial loss where 99% of which have been completed properly. This shows the serious concern of the Bank in the protection of the customer and the efforts to improve the quality of products, processes and services in order to meet the client' expectations, and even exceed them.

CORPORATE SOCIAL RESPONSIBILITIES

Tabel Laporan Keluhan Nasabah dan Penyelesaiannya Tahun 2016

Reporting Period	Total Complaints	Total Settlement	On Progress Complaints Handling
Quarter I	2,069	2,069	0
Quarter II	1,831	1,831	0
Quarter III	1,412	1,412	0
Quarter IV	1,350	1,257	93
Total	6,662	6,569	93
Percentage of Complaint Settlement	100%	99%	1%

CSR BUDGET REALIZATION 2016 [G4-SO1]

CSR Activities	Period	Biaya
I. ENVIRONMENT PROGRAM		
Joint CSR with OCBC Bank, Singapore Building Water Installations and Tree Planting in Jayagiri village, Lembang, Bandung.	May 27, 2016	Rp 391.745.447,-
II. EDUCATION PROGRAM		
Financial Literacy Program Together with Bank OCBC NISP branch office, attended by 357 students and employees in 13 locations in 6 cities (Jakarta, Tangerang, Bandung, Malang, Makassar, Palembang).	November - December 2016	Rp 242.638.108,-
Scholarship Program Together with Karya Salemba Empat Foundation (KSE) for 29 public universities.	2016 - 2017	Rp 350.000.000,-
Young Entrepreneurship Spirit (YES)	2016 - 2017	Rp 250.000.000,-
Scholarship (to Tellers and Employees)	2016	Rp 1,955,219,760,-
III. SOCIAL AND COMMUNITY PROGRAM		
COME ON Share in celebrating 75th year of Bank OCBC NISP followed by 25 Divisions / Branch Offices of Bank OCBC NISP.	May 2016	Rp 393.629.632,-
Sharing of Free and Cheap Daily Needs Distribution of 1,000 Free Daily Needs and 1,500 Cheap Daily Needs in 8 Branch Offices in Jakarta, Bandung, Surabaya, Palembang, Medan, Makassar.	June 2016	Rp 326.386.150,-
Fun Back to the Province with OCBC NISP Sharia Business Unit. Held in Jakarta and Bandung, participated by 186 people.	June 2016	Rp 169.200.000,-
Ascension and Eid al-Adha Observance of Ascension and Eid al-Adha at the mosques surrounding Bank OCBC NISP	May, September 2016	Rp 23.000.000,-
Thalassaemia Education and Screening attended by 846 students in 6 (six) cities (Batam, Denpasar, Makassar, Pekanbaru, Pontianak, Surakarta)	April - September 2016	Rp 86.636.100,-
My Dreams Come True (MDCT) Realizing the Dreams of 180 Thalassaemia children in Greater Jakarta, Bandung, Tasik, Garut	November - December 2016	Rp 486.933.300,-
Blood Donation (total 1,088 donors)	2016	Rp 30,059,175,-
Employee Community Activity: 90 Communities followed by 1.200 employees Badminton, Futsal, Gymnastics, Table Tennis, Dance, Running, Zumba, Yoga, Basket Ball, Bicycle, Lactation, Parenting.	2016	Rp 290,296,497,-
IV. OTHER SOCIAL PROGRAM		
Environment and Cultural Preservation through Restoration of Arjuna Wijaya Statue - Jakarta		Rp 2,500,000,000,-
Total		Rp 7,495,744,169,-

FINANCIAL STATEMENTS

PT BANK OCBC NISP Tbk

**LAPORAN KEUANGAN/
*FINANCIAL STATEMENTS***

31 DESEMBER/*DECEMBER* 2016, 2015 DAN/*AND* 2014

**SURAT PERNYATAAN DIREKSI
TENTANG
TANGGUNG JAWAB ATAS LAPORAN
KEUANGAN PADA TANGGAL 31 DESEMBER 2016,
2015 DAN 2014 SERTA
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016, 2015 DAN 2014**

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 2016,
2015 AND 2014 AND
FOR THE YEARS ENDED
31 DECEMBER 2016, 2015 AND 2014**

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 2017

Atas nama dan mewakili Direksi/For and on behalf of the Board of Directors



Parwati Surjaudaja
Presiden Direktur/
President Director

Hartati
Direktur/
Director



**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 2016, 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 2016, 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

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's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Tanggung jawab auditor

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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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*



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 2016, 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 2016, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

JAKARTA

25 Januari/January 2017

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 2016, 2015 DAN 2014**
(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016, 2015 AND 2014**
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	2016	2015	2014	
ASET					ASSETS
Kas	2c,2f,5	881,749	938,280	989,252	Cash
Giro pada Bank Indonesia	2c,2g,6	8,018,546	7,801,395	6,816,392	Current accounts with Bank Indonesia
Giro pada bank lain	2c,2g,7				Current accounts with other banks
- Pihak berelasi	2e,45	106,434	104,144	59,566	Related parties -
- Pihak ketiga		379,158	574,661	483,226	Third parties -
		485,592	678,805	542,792	
Penempatan pada bank lain dan Bank Indonesia	2c,2h,8	3,442,070	9,278,095	3,908,139	Placements with other banks and Bank Indonesia
Efek-efek	2c,2i,9	14,353,517	3,838,124	13,192,037	Marketable securities
Dikurangi: Cadangan kerugian penurunan nilai		(6,762)	(3,616)	(5,552)	Less: Allowance for impairment losses
		14,346,755	3,834,508	13,186,485	
Obligasi pemerintah	2c,2j,10	12,372,750	8,164,656	4,837,253	Government bonds
Efek-efek yang dibeli dengan janji dijual kembali	2c,2k,11	-	-	708,660	Securities purchased under resale agreements
Tagihan derivatif	2c,2l,12				Derivative receivables
- Pihak berelasi	2e,45	11,568	12,932	3,513	Related parties -
- Pihak ketiga		340,371	531,908	341,601	Third parties -
		351,939	544,840	345,114	
Pinjaman yang diberikan	2c,2m,13				Loans
- Pihak berelasi	2e,45	346,679	749,978	581,947	Related parties -
- Pihak ketiga		92,711,298	84,827,363	67,554,409	Third parties -
Pendapatan bunga yang masih akan diterima		304,662	301,678	226,883	Accrued interest income
Dikurangi: Cadangan kerugian penurunan nilai		(3,114,987)	(1,838,251)	(1,429,627)	Less: Allowance for impairment losses
		90,247,652	84,040,768	66,933,612	
Tagihan akseptasi	2c,2n,14				Acceptance receivables
- Pihak berelasi	2e,45	-	2,696	-	Related parties -
- Pihak ketiga		3,513,459	2,843,943	2,886,148	Third parties -
Dikurangi: Cadangan kerugian penurunan nilai		(27,694)	(20,914)	(25,723)	Less: Allowance for impairment losses
		3,485,765	2,825,725	2,860,425	
Beban dibayar dimuka	2o,15				Prepayments
- Pihak berelasi	2e,45	2,119	56	189	Related parties -
- Pihak ketiga		416,338	387,557	370,437	Third parties -
		418,457	387,613	370,626	
Aset tetap	2p,16	2,987,170	2,035,032	1,814,599	Fixed assets
Dikurangi: Akumulasi penyusutan		(573,183)	(958,426)	(827,471)	Less: Accumulated depreciation
		2,413,987	1,076,606	987,128	
Aset lain-lain	2c,2q,17	1,365,301	737,371	482,144	Other assets
Dikurangi: Cadangan kerugian penurunan nilai		(4,247)	(71,519)	(16,574)	Less: Allowance for impairment losses
		1,361,054	665,852	465,570	
Pajak yang dibayar dimuka	2y,22a	-	72,887	45,069	Prepaid tax
Aset pajak tangguhan	2y,22d	370,025	170,372	114,597	Deferred tax assets
JUMLAH ASET		138,196,341	120,480,402	103,111,114	TOTAL ASSETS

PT BANK OCBC NISP Tbk

**LAPORAN POSISI KEUANGAN
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(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016, 2015 AND 2014**
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	2016	2015	2014	
LIABILITAS DAN EKUITAS					LIABILITIES AND EQUITY
LIABILITAS					LIABILITIES
Liabilitas segera	2c,2r,18	444,398	354,250	275,025	Obligations due immediately
Simpanan nasabah	2c,2s,19				Deposits from customers
Giro					Current accounts
- Pihak berelasi	2e,45	148,643	458,925	96,065	Related parties -
- Pihak ketiga		24,363,252	22,047,305	13,929,004	Third parties -
		24,511,895	22,506,230	14,025,069	
Tabungan					Saving accounts
- Pihak berelasi	2e,45	67,828	52,845	34,289	Related parties -
- Pihak ketiga		16,221,646	13,593,232	11,215,851	Third parties -
		16,289,474	13,646,077	11,250,140	
Deposito berjangka					Time deposits
- Pihak berelasi	2e,45	401,052	371,770	1,445,277	Related parties -
- Pihak ketiga		62,357,539	50,756,167	46,084,571	Third parties -
		62,758,591	51,127,937	47,529,848	
Simpanan dari bank lain	2c,2s,20				Deposits from other banks
Giro dan tabungan					Current and saving accounts
- Pihak berelasi	2e,45	32,276	38,049	30,385	Related parties -
- Pihak ketiga		64,097	62,223	40,110	Third parties -
		96,373	100,272	70,495	
Inter-bank call money					Inter-bank call money
- Pihak ketiga		2,378,000	1,365,000	2,416,950	Third parties -
Deposito berjangka					Time deposits
- Pihak ketiga		32,667	13,274	762,091	Third parties -
Liabilitas derivatif	2c,2l,12				Derivative payables
- Pihak berelasi	2e,45	71,907	13,070	29,059	Related parties -
- Pihak ketiga		232,411	934,515	565,440	Third parties -
		304,318	947,585	594,499	
Liabilitas akseptasi	2c,2n,21,45				Acceptance payables
- Pihak berelasi		116,383	49,228	456,192	Related parties -
- Pihak ketiga		3,397,076	2,797,411	2,429,956	Third parties -
		3,513,459	2,846,639	2,886,148	
Utang pajak	2y,22b				Tax payables
- Pajak penghasilan		72,589	80,627	69,475	Corporate income tax -
- Pajak lain-lain		112,384	115,730	113,183	Other taxes -
		184,973	196,357	182,658	
Beban yang masih harus dibayar	2c,23				Accrued expenses
- Pihak berelasi	2e,45	502	766	772	Related parties -
- Pihak ketiga		392,042	379,486	344,471	Third parties -
		392,544	380,252	345,243	
Pinjaman yang diterima	2c,2e,2t, 24,45	-	2,757,000	2,477,000	Borrowings
Efek-efek yang dijual dengan janji dibeli kembali	2c,2k,25	1,345,723	-	-	Securities sold under repurchase agreements
Efek-efek yang diterbitkan	2c,2u,26	3,898,991	5,392,378	2,919,725	Marketable securities issued
Liabilitas imbalan kerja	2z,43	657,326	552,118	492,917	Employee benefits obligations
Liabilitas lain-lain	2c,27	1,001,662	1,005,475	1,062,764	Other liabilities
Obligasi subordinasi	2c,2v,28	879,371	878,211	877,176	Subordinated bonds
JUMLAH LIABILITAS		118,689,765	104,069,055	88,167,748	TOTAL LIABILITIES

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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 2016, 2015 DAN 2014**
(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016, 2015 AND 2014**
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	2016	2015	2014	
LIABILITAS DAN EKUITAS (lanjutan)					LIABILITIES AND EQUITY (continued)
EKUITAS					EQUITY
Modal saham -					Share capital -
Modal dasar					Authorised capital
28.000.000.000 lembar saham					28,000,000,000 shares
pada tanggal 31 Desember 2016,					as at 31 December 2016,
2015 dan 2014					2015 and 2014
dengan nilai nominal					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 2016,					as at 31 December 2016,
2015 dan 2014					2015 and 2014
Tambahan modal disetor/agio saham	1b,1g,29	1,434,081	1,434,081	1,434,081	Additional paid-in capital/agio
Kerugian bersih yang belum	29	6,829,361	6,829,361	6,829,361	Unrealised loss from
direalisasi dari penurunan					decrease in fair
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	2c	(26,211)	(63,097)	(14,717)	net of deferred tax
Surplus revaluasi aset tetap	2p,16	1,258,402	-	-	Revaluation surplus
Saldo laba					of fixed asset
- Sudah ditentukan penggunaannya	30	1,950	1,850	1,750	Retained earnings
- Belum ditentukan penggunaannya		10,008,993	8,209,152	6,692,891	Appropriated -
					Unappropriated -
Jumlah saldo laba		10,010,943	8,211,002	6,694,641	Total retained earnings
JUMLAH EKUITAS		19,506,576	16,411,347	14,943,366	TOTAL EQUITY
JUMLAH LIABILITAS DAN EKUITAS		138,196,341	120,480,402	103,111,114	TOTAL LIABILITIES AND EQUITY

PT BANK OCBC NISP Tbk

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAINNYA
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016, 2015 DAN 2014**
(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2016, 2015 AND 2014**
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	2016	2015	2014	
PENDAPATAN/(BEBAN) BUNGA DAN SYARIAH					INTEREST AND SHARIA INCOME/(EXPENSE)
Pendapatan bunga	2e,2w,2x, 31,45	9,969,869	8,976,441	7,758,416	Interest income
Pendapatan syariah	31	234,472	244,564	149,137	Sharia income
Beban bunga	2e,2w,2x, 32,45	(4,696,173)	(4,646,444)	(4,064,485)	Interest expense
Beban syariah	32	(114,881)	(155,644)	(98,370)	Sharia expense
PENDAPATAN BUNGA DAN SYARIAH BERSIH		5,393,287	4,418,917	3,744,698	NET INTEREST AND SHARIA INCOME
PENDAPATAN OPERASIONAL LAINNYA					OTHER OPERATING INCOME
Provisi dan komisi (Kerugian)/keuntungan dari perubahan nilai wajar instrumen keuangan	2x,33 2c	736,579 (3,067)	694,335 919	678,549 (4,507)	Fee and commissions (Loss)/gain from changes in fair value of financial instruments
Keuntungan dari penjualan instrumen keuangan	2c,34	245,891	80,837	156,424	Gain from sale of financial instruments
Laba/(rugi) selisih kurs - bersih	2d,35	436,103	78,372	(87,205)	Foreign exchange gain/(loss) - net
Jumlah pendapatan operasional lainnya		1,415,506	854,463	743,261	Total other operating income
Cadangan kerugian penurunan nilai atas aset keuangan	2c,36	(1,316,742)	(454,617)	(222,852)	Allowance for impairment losses on financial assets
Pembalikan penyisihan - lainnya	2q,37	1,086	310	1,517	Reversal of possible losses-others
BEBAN OPERASIONAL LAINNYA					OTHER OPERATING EXPENSES
Gaji dan tunjangan Umum dan administrasi	2e,2z,38 2e,39,45	(1,906,514) (1,095,567)	(1,705,772) (981,494)	(1,468,683) (923,478)	Salaries and benefits General and administrative
Lain-lain	40	(148,595)	(130,920)	(97,755)	Others
Jumlah beban operasional lainnya		(3,150,676)	(2,818,186)	(2,489,916)	Total other operating expenses
LABA OPERASIONAL		2,342,461	2,000,887	1,776,708	INCOME FROM OPERATIONS
Pendapatan/(beban) bukan operasional - bersih	41	8,641	574	4	Non operating income/ (expenses) - net
LABA SEBELUM PAJAK PENGHASILAN		2,351,102	2,001,461	1,776,712	INCOME BEFORE TAX
PAJAK PENGHASILAN (Beban)/manfaat pajak penghasilan	2y, 22c				INCOME TAX Income tax (expense)/benefit
- Kini		(776,497)	(545,449)	(443,535)	Current -
- Tanggihan		215,295	44,823	(995)	Deferred -
Beban pajak penghasilan - bersih		(561,202)	(500,626)	(444,530)	Income tax expense - net
LABA BERSIH		1,789,900	1,500,835	1,332,182	NET INCOME

PT BANK OCBC NISP Tbk

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPRESIF LAINNYA
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016, 2015 DAN 2014**
(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED
31 DECEMBER 2016, 2015 AND 2014**
(Expressed in millions of Rupiah,
unless otherwise stated)

	Catatan/ Notes	2016	2015	2014	
(BEBAN)/PENGHASILAN KOMPRESIF LAIN:					OTHER COMPREHENSIVE (EXPENSES)/INCOME:
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		3,775	(41,229)	134,474	<i>Gain/(loss) for the - year</i>
- Perubahan nilai wajar yang ditransfer ke laporan laba rugi		45,407	(23,278)	(30,313)	<i>Fair value changes - transferred to profit or loss</i>
Pajak penghasilan terkait		(12,296)	16,127	(26,040)	<i>Related income tax</i>
		<u>36,886</u>	<u>(48,380)</u>	<u>78,121</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,16	1,258,402	-	-	<i>Revaluation surplus of fixed asset</i>
Pengukuran kembali atas liabilitas imbangan pasca kerja	2z,43	13,387	20,701	(9,042)	<i>Remeasurements from post employment benefits obligations</i>
Pajak penghasilan terkait		(3,346)	(5,175)	2,260	<i>Related income tax</i>
		<u>1,268,443</u>	<u>15,526</u>	<u>(6,782)</u>	
PENGHASILAN/(BEBAN) KOMPRESIF LAIN TAHUN BERJALAN, SETELAH PAJAK		<u>1,305,329</u>	<u>(32,854)</u>	<u>71,339</u>	OTHER COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR, NET OF TAX
TOTAL LABA KOMPRESIF TAHUN BERJALAN, SETELAH PAJAK		<u>3,095,229</u>	<u>1,467,981</u>	<u>1,403,521</u>	TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX
LABA BERSIH PER SAHAM (Nilai penuh)	2ab,44	<u>156.01</u>	<u>130.82</u>	<u>116.12</u>	EARNINGS PER SHARE (Full amount)

PT BANK OCBC NISP Tbk

**LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016, 2015 DAN 2014**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2016, 2015 AND 2014**
(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal saham/ Share capital	Tambahan modal disetor/ Additional paid in capital	(Kerugian)/ keuntungan bersih yang belum direalisasi dari kenaikan/ (penurunan) nilai wajar efek-efek dan obligasi pemerintah yang tersedia untuk dijual/ Unrealised (loss)/ gain from increase/ value of available for sale marketable securities and government bonds	Surplus revaluasi aset tetap/ Revaluation surplus of fixed asset	Saldo laba/Retained earnings Cadangan umum dan wajib/ 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 periode berjalan	-	-	-	-	-	1,789,900	1,789,900
- Laba periode berjalan	-	-	-	-	-	-	-
- Pendapatan komprehensif lain	-	-	-	-	-	-	-
Aset keuangan yang tersedia untuk dijual	-	-	3,775	-	-	-	3,775
- Keuntungan untuk periode berjalan	-	-	45,407	-	-	-	45,407
- Transfer kerugian ke laba rugi	-	-	-	1,258,402	-	-	1,258,402
Surplus revaluasi aset tetap	-	-	-	-	-	-	-
Pengukuran kembali atas liabilitas	-	-	-	-	-	-	-
Imbalan pasca kerja	-	-	-	-	-	13,387	13,387
Beban pajak penghasilan terkait	-	-	(12,296)	-	-	(3,346)	(15,642)
Total pendapatan komprehensif untuk periode 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

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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.

**LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016, 2015 DAN 2014**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
31 DECEMBER 2016, 2015 AND 2014**

(Expressed in millions of Rupiah, unless otherwise stated)

PT BANK OCBC NISP Tbk

Catatan/ Notes	Modal saham/ Share capital	Tambahan modal disetor/ Additional paid in capital	(Kerugian)/ keuntungan bersih yang belum direalisasi dari kenaikan/(penurunan) nilai wajar efek-efek dan obligasi pemerintah yang tersedia untuk dijual/ Unrealised (loss)/gain from increase/(decrease) in fair value of available for sale marketable securities and government bonds	Saldo laba/Retained earnings		Jumlah ekuitas/ Total equity
				Sudah ditentukan penggunaanya/ Appropriated	Belum ditentukan penggunaanya/ Unappropriated	
Saldo awal 1 Januari 2015	1,434,081	6,829,361	(14,717)	1,750	6,692,891	14,943,366
Penghasilan komprehensif tahun berjalan	-	-	-	-	1,500,835	1,500,835
- Laba tahun berjalan	-	-	-	-	-	-
- Beban komprehensif lain	-	-	(41,229)	-	-	(41,229)
- Aset keuangan yang tersedia untuk dijual	-	-	(23,278)	-	-	(23,278)
- Kerugian untuk tahun berjalan	-	-	-	-	-	-
- Perubahan nilai wajar yang ditransfer ke laporan laba rugi	-	-	-	-	-	-
- Pengukuran kembali atas liabilitas	-	-	-	-	20,701	20,701
- Imbalan pasca kerja	-	-	-	-	(5,175)	(5,175)
- Manfaat/(beban) pajak penghasilan terkait	-	-	-	-	-	-
Total penghasilan komprehensif untuk tahun berjalan	-	-	(48,380)	-	1,516,361	1,467,981
Penyisihan cadangan wajib	-	-	-	100	(100)	-
Total transaksi dengan pemilik yang dicatat langsung ke ekuitas	-	-	-	100	(100)	-
Saldo akhir 31 Desember 2015	1,434,081	6,829,361	(63,097)	1,850	8,209,152	16,411,347

Beginning balance as at 1 January 2015

Comprehensive income for the year

Net income for the year -

Other comprehensive expenses -

Available for sale financial assets

Loss for the year -

Fair value changes transferred -

to profit or loss

Remeasurements from post employment -

benefits obligations

Related income tax benefit/(expense) -

Total comprehensive income for the year

Appropriation to statutory reserve

Total transaction with owners recorded directly to equity

Ending balance as at 31 December 2015

PT BANK OCBC NISP Tbk

**LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016, 2015 DAN 2014**

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
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(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal saham/ Share capital	Tambahan modal disetor/ Additional paid in capital	(Kerugian)/ keuntungan bersih yang belum direalisasi dari kenaikan/(penurunan) nilai wajar efek-efek dan obligasi pemerintah yang tersedia untuk dijual/ Unrealised (loss)/gain from increase/(decrease) in fair value of available for sale marketable securities and government bonds	Saldo laba/Retained earnings Sudah ditentukan penggunaanya/ Appropriated	Belum ditentukan penggunaanya/ Unappropriated	Jumlah ekuitas/ Total equity
Saldo awal 1 Januari 2014	1,434,081	6,829,361	(92,838)	1,650	5,367,591	13,539,845
Pendapatan komprehensif tahun berjalan	-	-	-	-	1,332,182	1,332,182
- Laba tahun berjalan	-	-	-	-	-	-
- Penghasilan/(beban) komprehensif lain	-	-	-	-	-	-
Aset keuangan yang tersedia untuk dijual	-	-	134,474	-	-	134,474
- Keuntungan untuk tahun berjalan	-	-	-	-	-	-
- Perubahan nilai wajar yang ditransfer ke laporan laba rugi	-	-	(30,313)	-	-	(30,313)
- Pengukuran kembali atas liabilitas imbalan pasca kerja	-	-	-	-	(9,042)	(9,042)
- (Beban)/manfaat pajak penghasilan terkait	-	-	(26,040)	-	2,260	(23,780)
Total penghasilan komprehensif untuk tahun berjalan	-	-	78,121	-	1,325,400	1,403,521
Penyisihan cadangan wajib	-	-	-	100	(100)	-
Total transaksi dengan pemilik yang dicatat langsung ke ekuitas	-	-	-	100	(100)	-
Saldo akhir 31 Desember 2014	1,434,081	6,829,361	(14,717)	1,750	6,692,891	14,943,366

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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
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**CASH FLOWS STATEMENTS
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(Expressed in millions of Rupiah,
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	Catatan/ Notes	2016	2015	2014	
Arus kas dari aktivitas operasi:					Cash flows from operating activities:
					<i>Interest and commissions received</i>
Penerimaan bunga dan komisi		9,795,343	8,870,452	7,757,109	
Penerimaan pendapatan syariah	31	234,472	244,564	149,137	<i>Sharia income received</i>
Pembayaran bunga		(4,677,534)	(4,577,375)	(4,031,470)	<i>Interest paid</i>
Pembayaran beban syariah	32	(114,881)	(155,644)	(98,370)	<i>Sharia expense paid</i>
Penerimaan lainnya		1,401,349	1,158,784	780,318	<i>Other revenues received</i>
Pembayaran beban operasional lainnya		(2,896,459)	(2,621,368)	(2,334,911)	<i>Operational expenses paid</i>
Penerimaan dari pinjaman yang diberikan yang telah dihapusbukukan	13m	10,290	4,634	6,613	<i>Bad debt recoveries</i>
Penurunan/(kenaikan) dalam aset operasi:					<i>Decrease/(increase) in operating assets:</i>
Penempatan pada bank lain dan Bank Indonesia		(2,156,858)	96,412	(487,731)	<i>Placements with other banks and Bank Indonesia</i>
Efek-efek dan obligasi pemerintah untuk diperdagangkan dan pinjaman yang diberikan dan piutang		(239,967)	362,067	(558,757)	<i>Marketable securities and government bonds trading and loans and receivables portfolio</i>
Efek-efek yang dibeli dengan janji dijual kembali		-	708,660	(708,660)	<i>Securities purchased under resale agreements</i>
Pinjaman yang diberikan		(7,483,620)	(17,515,780)	(4,396,126)	<i>Loans</i>
Tagihan derivatif		192,901	(199,726)	548,773	<i>Derivative receivables</i>
Aset lain-lain		(535,749)	(221,044)	(27,726)	<i>Other assets</i>
Kenaikan/(penurunan) dalam liabilitas operasi:					<i>Increase/(decrease) in operating liabilities:</i>
Simpanan nasabah		16,279,716	14,475,187	3,868,366	<i>Deposits from customers</i>
Simpanan dari bank lain		1,028,494	(1,770,990)	2,042,374	<i>Deposits from other banks</i>
Efek-efek yang dijual dengan janji dibeli kembali		1,345,723	-	-	<i>Securities sold under repurchase agreement</i>
Liabilitas derivatif dan liabilitas lain-lain		(512,052)	395,682	(941,686)	<i>Derivative liabilities and others liabilities</i>
Pembayaran pajak penghasilan badan:					<i>Payment of corporate income tax:</i>
- tahun berjalan	22c	(703,908)	(464,822)	(374,060)	<i>current year</i>
- tahun lalu		(80,627)	(69,475)	(34,353)	<i>prior year</i>
Arus kas diperoleh dari/ (digunakan untuk) aktivitas operasi		10,886,633	(1,279,782)	1,158,840	Net cash flows provided from/ (used in) operating activities
Arus kas dari aktivitas investasi:					Cash flows from investing activities:
Pembelian aset tetap	16	(232,281)	(251,272)	(317,186)	<i>Acquisitions of fixed assets</i>
Hasil penjualan aset tetap	16	11,760	5,206	6,368	<i>Proceeds from sale of fixed assets</i>
Pembelian efek-efek dan obligasi pemerintah tersedia untuk dijual		(20,208,064)	(6,681,218)	(12,437,462)	<i>Purchase of marketable securities and government bonds available for sale</i>
Penjualan efek-efek dan obligasi pemerintah tersedia untuk dijual		5,773,726	12,281,152	9,926,425	<i>Sale of marketable securities and government bonds available for sale</i>
Arus kas bersih (digunakan untuk)/ diperoleh dari aktivitas investasi		(14,654,859)	5,353,868	(2,821,855)	Net cash flow (used in)/provided from investing activities

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**CASH FLOWS STATEMENTS
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	Catatan/ Notes	2016	2015	2014	
Arus kas dari aktivitas pendanaan:					Cash flows from financing activities:
Pelunasan Obligasi Berkelanjutan I Tahap I Seri A	26	-	-	(973,000)	Redemption of Continuous Bond I Phase I Series A
Pelunasan Obligasi Berkelanjutan I Tahap I Seri B	26	-	(529,000)	-	Redemption of Continuous Bond I Phase I Series B
Pelunasan Obligasi Berkelanjutan I Tahap I Seri C	26	(1,498,000)	-	-	Redemption of Continuous Bond I Phase I Series C
Penerimaan dari penerbitan Obligasi Berkelanjutan I Tahap II	26	-	3,000,000	-	Proceeds from issuance of Continuous Bond I Phase II
Biaya emisi Obligasi Berkelanjutan I Tahap II	2aa,26	-	(8,674)	-	Continuous Bond I Phase II issuance cost
Pelunasan Obligasi Berkelanjutan I Tahap II Seri A	26	(1,095,000)	-	-	Redemption of Continuous Bond I Phase II Series A
Penerimaan dari penerbitan Obligasi Berkelanjutan II Tahap I	26	2,000,000	-	-	Proceeds from issuance of Continuous Bond II Phase I
Biaya emisi Obligasi Berkelanjutan II Tahap I	2aa,26	(7,250)	-	-	Continuous Bond II Phase I issuance cost
Pelunasan <i>Medium Term Notes</i> I	26	(900,000)	-	-	Redemption of Medium Term Notes I
Pelunasan pinjaman yang diterima	24	(2,757,000)	-	-	Repayment of borrowings
Arus kas (digunakan untuk)/ diperoleh dari aktivitas pendanaan		(4,257,250)	2,462,326	(973,000)	Net cash flows (used in)/provided from financing activities
(Penurunan)/kenaikan bersih kas dan setara kas		(8,025,476)	6,536,412	(2,636,015)	Net (decrease)/ increase in cash and cash equivalents
Kas dan setara kas awal tahun		18,055,256	11,518,844	14,154,859	Cash and cash equivalents at beginning of year
Kas dan setara kas akhir tahun		10,029,780	18,055,256	11,518,844	Cash and cash equivalents at end of year
Pengungkapan tambahan					Supplementary disclosures
Kas dan setara kas terdiri dari:					<i>Cash and cash equivalents consist of:</i>
Kas	5	881,749	938,280	989,252	Cash
Giro pada Bank Indonesia	6	8,018,546	7,801,395	6,816,392	Current accounts with Bank Indonesia
Giro pada bank lain	7	485,592	678,805	542,792	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia *)		643,893	8,636,776	3,170,408	Placements with other banks and Bank Indonesia *)
Jumlah kas dan setara kas		10,029,780	18,055,256	11,518,844	Total cash and cash equivalents

*) 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 Deputy 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. 32 tanggal 7 April 2016, yang dibuat di hadapan Notaris Fathiah Helmi, dimana pemegang saham telah menyetujui perubahan susunan Dewan Komisaris dan Direksi Bank. Pemberitahuan Perubahan Data Bank tersebut telah diterima dan dicatat di dalam database Sistem Administrasi Badan Hukum-Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-AH.01.03-0043005 tanggal 25 April 2016.

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 2016, 2015 dan 2014, Bank mempunyai kantor cabang, kantor cabang pembantu, kantor kas, kantor fungsional, kantor kas, kantor cabang syariah, *payment point* dan ATM sebagai berikut di seluruh Indonesia (tidak diaudit):

	2016	2015	2014	
Kantor cabang	46	45	45	Branch offices
Kantor cabang pembantu	249	249	249	Sub-branch offices
Kantor kas	22	22	22	Cash offices
Kantor cabang syariah	10	10	8	Sub-branch sharia office
<i>Payment point</i>	12	12	12	Payment point
ATM	763	759	759	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 Deed of Resolution of Annual General Meeting of Shareholders of PT Bank OCBC NISP Tbk. No. 32 dated 7 April 2016 of Fathiah Helmi Notary in Jakarta, whereby the shareholders agreed the changes of the Bank's Boards of Commissioners and Board of Directors. The Bank's Data amendment notification has been accepted and recorded in Legal Entity Administration System database of the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0043005 dated 25 April 2016.

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 2016, 2015 and 2014, 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**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**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

Pada tanggal 31 Desember 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.

As at 31 December 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.

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1. INFORMASI UMUM (lanjutan)

b. Penawaran Umum Saham Bank dan Obligasi Subordinasi Bank (lanjutan)

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 28).

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 26):

- 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.

1. GENERAL INFORMATION (continued)

b. Public Offering of the Bank's Shares and Subordinated Bonds (continued)

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 28).

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 26):

- 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.

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1. INFORMASI UMUM (lanjutan)**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 26):

- 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.

Untuk tahun yang berakhir 31 Desember 2016, Bank telah membayar bunga Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015, masing-masing sebesar Rp 62.980 dan Rp 121.030 untuk Seri B dan 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 26):

- 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%.

Untuk tahun yang berakhir 31 Desember 2016, Bank telah membayar bunga Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016, Seri A sebesar Rp 31.387, Seri B sebesar Rp 15.200 dan Seri C sebesar Rp 32.299 secara tepat waktu dan tepat jumlah.

f. 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 (lihat Catatan 26).

Bank telah melakukan pembayaran pokok dan pelunasan bunga *Medium Term Notes*, sebesar Rp 915.750 pada tanggal 18 April 2016.

1. GENERAL INFORMATION (continued)**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 26):

- 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.

For the year ended 31 December 2016, the Bank has paid the Interest of *Continuous Bond I OCBC NISP phase II year 2015, Series B* Rp 62,980 and *Series C* Rp 121,030 respectively, 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 26):

- 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%.

For the year ended 31 December 2016, the Bank has paid the interest of *Continuous Bond II OCBC NISP Phase I Year 2016, Series A* Rp 31,387, *Series B* Rp 15,200 and *Series C* Rp 32,299, on a timely and accurate basis.

f. 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 (refer to Note 26).

The Bank had paid the principal and interest of *Medium Term Notes*, with total amount Rp 915,750 on 18 April 2016.

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1. INFORMASI UMUM (lanjutan)
g. 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.

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 di setujui 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.

1. GENERAL INFORMATION (continued)
g. 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.

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.

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1. INFORMASI UMUM (lanjutan)

g. Penggabungan Usaha PT Bank OCBC Indonesia ke dalam PT Bank OCBC NISP Tbk (lanjutan)

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.

Susunan pemegang saham Bank sebelum dan pada tanggal penggabungan usaha adalah sebagai berikut:

	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
- Overseas-Chinese Banking Corporation Limited	-	-	788,040	99.00	1,215,094,637	1,215,094,637	17.26
- PT Bank OCBC NISP Tbk	-	-	7,960	1.00	12,273,683	12,273,683	0.17
- Pemegang saham lainnya/masyarakat (kepemilikan masing-masing dibawah 5%)	<u>1,052,160,933</u>	<u>18.10</u>	-	-	-	<u>1,052,160,933</u>	<u>14.94</u>
	<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.

1. GENERAL INFORMATION (continued)

g. Merger of PT Bank OCBC Indonesia into PT Bank OCBC NISP Tbk (continued)

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.

The shareholders composition of the Bank before and at the merger date were as follow:

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.

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1. INFORMASI UMUM (lanjutan)
g. Penggabungan Usaha PT Bank OCBC Indonesia ke dalam PT Bank OCBC NISP Tbk (lanjutan)

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.

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.

h. Dewan Komisaris, Direksi, Komite Audit, Divisi Internal Audit, Karyawan Kunci dan Corporate Secretary

Berdasarkan Rapat Umum Pemegang Saham Tahunan Perseroan Terbatas PT Bank OCBC NISP Tbk. No. 32 tanggal 7 April 2016, yang dibuat di hadapan Fathiah Helmi Sarjana Hukum, pemegang saham telah menyetujui perubahan susunan Dewan Komisaris dan Direksi Bank. Pemberitahuan Perubahan Data Bank tersebut telah diterima dan dicatat di dalam database Sistem Administrasi Badan Hukum-Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-AH.01.03-0043005 tanggal 25 April 2016.

1. GENERAL INFORMATION (continued)
g. Merger of PT Bank OCBC Indonesia into PT Bank OCBC NISP Tbk (continued)

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.

On 13 June 2011, OCBC Limited transferred the ownership of 1,227,368,320 shares or 17.43% in PT Bank OCBC NISP Tbk to the OCBC Overseas investment Pte. Ltd, therefore OCBC Overseas Investment Pte. Ltd ownership increased to 85.06%.

Bank OCBC NISP and Bank OCBC Indonesia were under the common control of OCBC Singapore. Therefore, the merger transaction of these two banks is accounted for using the pooling of interest method. Under SFAS 38 (Revision 2012) - Business Combination of Entities Under Common Control, the difference between the transfer price and book value of the merged Bank in the restructuring transaction of entities under common control amounting Rp 781,874 is recorded as part of additional paid-in capital/agio.

h. Board of Commissioners, Directors, Audit Committee, Internal Audit Division, Key Employee and Corporate Secretary

Based on Annual General Meeting of Shareholders of PT Bank OCBC NISP Tbk. No. 32 dated 7 April 2016 made before Fathiah Helmi, Bachelor of Law, Notary in Jakarta, the shareholders agreed the changes of the Bank's Boards of Commissioners and Board of Directors. The Bank's Data amendment notification has been accepted and recorded in Legal Entity Administration System database of the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0043005 dated 25 April 2016.

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1. INFORMASI UMUM (lanjutan)

h. Dewan Komisaris, Direksi, Komite Audit, Divisi Internal Audit, Karyawan Kunci dan Corporate Secretary (lanjutan)

Pada tanggal 31 Desember 2016, 2015 dan 2014, susunan Dewan Komisaris Bank adalah sebagai berikut:

	2016	2015	2014
Presiden Komisaris	Pramukti Surjaudaja	Pramukti Surjaudaja	Pramukti Surjaudaja
Wakil Presiden Komisaris	Peter Eko Sutioso*	Peter Eko Sutioso*	Peter Eko Sutioso*
Komisaris	Roy Karaoglan*	Roy Karaoglan*	Roy Karaoglan*
Komisaris	Jusuf Halim*	Jusuf Halim*	Jusuf Halim*
Komisaris	Lai Teck Poh (Dua Teck Poh)	Lai Teck Poh (Dua Teck Poh)	Lai Teck Poh (Dua Teck Poh)
Komisaris	Kwan Chiew Choi*	Kwan Chiew Choi*	Kwan Chiew Choi*
Komisaris	Samuel Nag Tsien	Samuel Nag Tsien	Samuel Nag Tsien
Komisaris	Hardi Juganda	Hardi Juganda	Hardi Juganda

* Komisaris Independen

Pada tanggal 31 Desember 2016, 2015 dan 2014 susunan Direksi Bank adalah sebagai berikut:

	2016	2015
Presiden Direktur dan Direktur <i>Human Capital</i>	Parwati Surjaudaja	Parwati Surjaudaja
Direktur <i>Operation</i> dan IT	Yogadharma Ratnapalasar	Yogadharma Ratnapalasar
Direktur Kepatuhan dan <i>Corporate Communication</i>	Rama P. Kusumaputra	Rama P. Kusumaputra
Direktur <i>Enterprise</i> dan <i>Commercial Banking</i>	Emilya Tjahjadi Hartati*)	Emilya Tjahjadi Hartati*)
Direktur <i>Financial & Planning</i>	Martin Widjaja	Martin Widjaja
Direktur <i>Wholesale</i>	Andrae Krishnawan W	Andrae Krishnawan W
Direktur <i>Network</i>	Low Seh Kiat	Low Seh Kiat
Direktur <i>Retail Banking</i>	Johannes Husin	Johannes Husin
Direktur <i>Treasury</i>	Joseph Chan Fook Onn	Joseph Chan Fook Onn
Direktur Manajemen Risiko		

*) Direktur Independen

	2015	2014
Presiden Direktur dan Direktur <i>Human Capital</i>	Parwati Surjaudaja	Parwati Surjaudaja
Direktur <i>Operation</i> dan IT	Yogadharma Ratnapalasar	Yogadharma Ratnapalasar
Direktur Kepatuhan dan <i>Corporate Communication</i>	Rama P. Kusumaputra	Rama P. Kusumaputra
Direktur <i>Enterprise</i>	Emilya Tjahjadi Hartati*)	Emilya Tjahjadi Hartati*)
Direktur <i>Financial & Planning</i>	Martin Widjaja	Martin Widjaja
Direktur <i>Wholesale</i>	Andrae Krishnawan W	Andrae Krishnawan W
Direktur <i>Consumer Banking</i>		
Direktur <i>Commercial</i> dan <i>Emerging</i>	Low Seh Kiat	Low Seh Kiat
Direktur <i>Treasury</i>	Johannes Husin	Johannes Husin
Direktur Manajemen Risiko	Joseph Chan Fook Onn	Joseph Chan Fook Onn

*) Direktur Independen

1. GENERAL INFORMATION (continued)

h. Board of Commissioners, Directors, Audit Committee, Internal Audit Division, Key Employee and Corporate Secretary (continued)

As at 31 December 2016, 2015 and 2014, the Bank's Board of Commissioners are as follows:

	2016	2015	2014
Presiden Komisaris	Pramukti Surjaudaja	Pramukti Surjaudaja	Pramukti Surjaudaja
Wakil Presiden Komisaris	Peter Eko Sutioso*	Peter Eko Sutioso*	Peter Eko Sutioso*
Komisaris	Roy Karaoglan*	Roy Karaoglan*	Roy Karaoglan*
Komisaris	Jusuf Halim*	Jusuf Halim*	Jusuf Halim*
Komisaris	Lai Teck Poh (Dua Teck Poh)	Lai Teck Poh (Dua Teck Poh)	Lai Teck Poh (Dua Teck Poh)
Komisaris	Kwan Chiew Choi*	Kwan Chiew Choi*	Kwan Chiew Choi*
Komisaris	Samuel Nag Tsien	Samuel Nag Tsien	Samuel Nag Tsien
Komisaris	Hardi Juganda	Hardi Juganda	Hardi Juganda

Independent Commissioner *

As at 31 December 2016, 2015 and 2014, the Bank's Board of Directors are as follows:

	2016	2015
Presiden Direktur dan Direktur <i>Human Capital</i>	Parwati Surjaudaja	Parwati Surjaudaja
Direktur <i>Operation</i> dan IT	Yogadharma Ratnapalasar	Yogadharma Ratnapalasar
Direktur Kepatuhan dan <i>Corporate Communication</i>	Rama P. Kusumaputra	Rama P. Kusumaputra
Direktur <i>Enterprise</i> dan <i>Commercial Banking</i>	Emilya Tjahjadi Hartati*)	Emilya Tjahjadi Hartati*)
Direktur <i>Financial & Planning</i>	Martin Widjaja	Martin Widjaja
Direktur <i>Wholesale</i>	Andrae Krishnawan W	Andrae Krishnawan W
Direktur <i>Network</i>	Low Seh Kiat	Low Seh Kiat
Direktur <i>Retail Banking</i>	Johannes Husin	Johannes Husin
Direktur <i>Treasury</i>	Joseph Chan Fook Onn	Joseph Chan Fook Onn
Direktur Manajemen Risiko		

Independent Director *)

	2015	2014
Presiden Direktur dan Direktur <i>Human Capital</i>	Parwati Surjaudaja	Parwati Surjaudaja
Direktur <i>Operation</i> dan IT	Yogadharma Ratnapalasar	Yogadharma Ratnapalasar
Direktur Kepatuhan dan <i>Corporate Communication</i>	Rama P. Kusumaputra	Rama P. Kusumaputra
Direktur <i>Enterprise</i>	Emilya Tjahjadi Hartati*)	Emilya Tjahjadi Hartati*)
Direktur <i>Financial & Planning</i>	Martin Widjaja	Martin Widjaja
Direktur <i>Wholesale</i>	Andrae Krishnawan W	Andrae Krishnawan W
Direktur <i>Consumer Banking</i>		
Direktur <i>Commercial</i> dan <i>Emerging</i>	Low Seh Kiat	Low Seh Kiat
Direktur <i>Treasury</i>	Johannes Husin	Johannes Husin
Direktur Manajemen Risiko	Joseph Chan Fook Onn	Joseph Chan Fook Onn

Independent Director *)

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h. Dewan Komisaris, Direksi, Komite Audit, Divisi Internal Audit, Karyawan Kunci dan Corporate Secretary (lanjutan)

1. GENERAL INFORMATION (continued)

h. Board of Commissioners, Directors, Audit Committee, Internal Audit Division, Key Employee and Corporate Secretary (continued)

	2014		
Presiden Direktur dan Direktur <i>Human Capital</i> Direktur <i>Operation</i> dan IT Direktur Kepatuhan dan <i>Corporate Communication</i> Direktur <i>Enterprise Banking</i> Direktur <i>Financial & Planning</i> Direktur <i>Wholesale Banking</i> Direktur <i>Consumer Banking</i> Direktur <i>Commercial Banking</i> Direktur <i>Treasury</i> Direktur Manajemen Risiko	Parwati Surjoudaja Yogadharna Ratnapalasari Rama P. Kusumaputra Emilya Tjahjadi Hartati*) Martin Widjaja Andrae Krishnawan W Low Seh Kiat Johannes Husin Joseph Chan Fook Onn	President Director and Human Capital Director Operation and IT Director Compliance and Corporate Communication Director Enterprise Banking Director Financial & Planning Director Wholesale Banking Director Consumer Banking Director Commercial Banking Director Treasury Director Risk Management Director	
*) Direktur Independen		Independent Director *)	

Susunan Komite Audit Bank pada tanggal 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

The Bank's Audit Committee as at 31 December 2016, 2015 and 2014 is comprised of:

	2016	2015	2014	
Ketua	Jusuf Halim	Jusuf Halim	Jusuf Halim	Chairman
Anggota	-	Peter Eko Sutioso	Peter Eko Sutioso	Member
Anggota	Made Rugeh Ramia	Made Rugeh Ramia	Made Rugeh Ramia	Member
Anggota	Kurnia Irwansyah	Kurnia Irwansyah	Kurnia Irwansyah	Member

Pembentukan Komite Audit Bank telah sesuai dengan Peraturan Bank Indonesia ("PBI") No. 8/14/PBI/2006 tanggal 5 Oktober 2006 dan Peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan ("Bapepam-LK") No. IX.1.5 lampiran Keputusan Ketua Bapepam & LK No. Kep-643/BL/2012 tanggal 7 Desember 2012.

Establishment of the Bank's Audit Committee is in compliance with the requirements of Bank Indonesia Regulation ("PBI") No. 8/14/PBI/2006 dated 5 October 2006 and the Capital Market and Financial Institution Supervisory Agency ("Bapepam-LK") regulation No. IX.1.5 which is attachment of the Decree of the Chairman of Bapepam & LK No. Kep-643/BL/2012 dated 7 December 2012.

Susunan Dewan Pengawas Syariah pada tanggal 31 Desember 2016, 2015 dan 2014 berdasarkan Surat Keputusan Dewan Komisaris Bank No. 014/DEKOM/UA/X/2009 tanggal 1 Oktober 2009 adalah sebagai berikut:

The Sharia Supervisory Board as at 31 December 2016, 2015 and 2014 based on the Bank's Board of Commissioners' decision letter No. 014/DEKOM/UA/X/2009 dated 1 October 2009 are as follows:

	2016, 2015 dan/and 2014		
Ketua	Dr. Muhammad Anwar Ibrahim		Chairman
Anggota	Muhammad Bagus Teguh Perwira, Lc, MA		Member

Kepala Divisi Internal Audit Bank pada tanggal 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

The Bank's Internal Audit Division Head as at 31 December 2016, 2015 and 2014 is as follows:

	2016	2015	2014	
Kepala Divisi Internal Audit	Sani Effendy	Sani Effendy	Rudy Dekriadi Jacobalis	Internal Audit Division Head

Corporate Secretary Bank pada tanggal 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

Corporate Secretary Bank as at 31 December 2016, 2015 and 2014 is as follows:

	2016	2015	2014	
<i>Corporate Secretary</i>	Ivonne Purnama Chandra	Ivonne Purnama Chandra	Ivonne Purnama Chandra	<i>Corporate Secretary</i>

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1. INFORMASI UMUM (lanjutan)**h. Dewan Komisaris, Direksi, Komite Audit, Divisi Internal Audit, Karyawan Kunci dan Corporate Secretary (lanjutan)**

Pada tanggal 31 Desember 2016, 2015 dan 2014, Bank memiliki karyawan masing-masing sebanyak 6.796, 6.922 dan 6.654 karyawan (tidak diaudit).

2. KEBIJAKAN AKUNTANSI

Laporan keuangan PT Bank OCBC NISP Tbk diselesaikan dan diotorisasi untuk terbit oleh Direksi tanggal 25 Januari 2017.

Kebijakan akuntansi utama yang diterapkan dalam penyusunan laporan keuangan adalah seperti dijabarkan dibawah ini:

a. Dasar penyusunan laporan keuangan

Laporan keuangan untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2016, 2015 dan 2014 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.

1. GENERAL INFORMATION (continued)**h. Board of Commissioners, Directors, Audit Committee, Internal Audit Division, Key Employee and Corporate Secretary (continued)**

As at 31 December 2016, 2015 and 2014, the Bank had 6,796, 6,922 and 6,654 employees, respectively (unaudited).

2. ACCOUNTING POLICIES

The financial statements of PT Bank OCBC NISP Tbk were completed and authorised for issuance by the Directors on 25 January 2017.

The principal accounting policies adopted in preparing the financial statements are set out below:

a. Basis of preparation of the financial statements

The financial statements for years ended 31 December 2016, 2015 and 2014 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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

a. Dasar penyusunan laporan keuangan (lanjutan)

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.

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 2015, dan 2014, yang telah sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Perubahan kebijakan akuntansi 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 berlaku efektif pada atau setelah tanggal 1 Januari 2016 sebagai berikut:

2. ACCOUNTING POLICIES (continued)

a. Basis of preparation of the financial statements (continued)

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.

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 2015, and 2014, which conform to the Indonesian Financial Accounting Standards.

Change in accounting policy 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 were effective on or after 1 January 2016 as follows:

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2. KEBIJAKAN AKUNTANSI (lanjutan)**b. Perubahan kebijakan akuntansi (lanjutan)**

- PSAK 4 (revisi 2015): Laporan Keuangan Tersendiri;
- PSAK 5 (revisi 2015): Segmen Operasi;
- PSAK 7 (revisi 2015): Pengungkapan Pihak-pihak Berelasi;
- PSAK 13 (revisi 2015): Properti Investasi;
- PSAK 15 (revisi 2015): Investasi pada Entitas Asosiasi dan Ventura Bersama;
- PSAK 19 (revisi 2015): Aset Tak Berwujud;
- PSAK 22 (revisi 2015): Kombinasi Bisnis;
- PSAK 24 (revisi 2015): Imbalan Kerja;
- PSAK 25 (revisi 2015): Kebijakan Akuntansi, Perubahan Estimasi Akuntansi, dan Kesalahan;
- PSAK 53 (revisi 2015): Pembayaran Berbasis Saham;
- PSAK 65 (revisi 2015): Laporan Keuangan Konsolidasian;
- PSAK 66 (revisi 2015): Pengaturan Bersama;
- PSAK 67 (revisi 2015): Pengungkapan Kepentingan dalam Entitas Lain;
- PSAK 68 (revisi 2015): Pengukuran Nilai Wajar;
- PSAK 110 (revisi 2015): Akuntansi Sukuk; dan
- ISAK 30 (revisi 2015): Pungutan
- PSAK 70 Akuntansi Aset dan Liabilitas Pengampunan Pajak

PSAK dan ISAK tersebut di atas tidak memiliki dampak yang signifikan terhadap jumlah yang dilaporkan pada tahun berjalan atau tahun sebelumnya.

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.

2. ACCOUNTING POLICIES (continued)**b. Changes in accounting policies (continued)**

- SFAS 4 (revised 2015): Separate Financial Statement;
- SFAS 5 (revised 2015): Operating Segment;
- SFAS 7 (revised 2015): Related Party Disclosures;
- SFAS 13 (revised 2015): Investment Property;
- SFAS 15 (revised 2015): Investment in Associates and Joint Ventures;
- SFAS 19 (revised 2015): Intangible Assets;
- SFAS 22 (revised 2015): Business Combination;
- SFAS 24 (revised 2015): Employee Benefit;
- SFAS 25 (revised 2015): Accounting Policies, Changes in Accounting Estimates, and Errors;
- SFAS 53 (revised 2015): Share Based Payment;
- SFAS 65 (revised 2015): Consolidated Financial Statement;
- SFAS 66 (revised 2015): Joint Arrangements;
- SFAS 67 (revised 2015): Disclosure of Interests in Other Entity;
- SFAS 68 (revised 2015): Fair Value Measurements;
- SFAS 110 (revised 2015): Accounting for Sukuk; and
- IFAS 30 (revised 2015): Levies
- SFAS 70 Accounting for Tax Amnesty Assets and Liabilities

The above SFAS and IFAS had no significant effect on the amounts reported for current year or prior year.

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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

c. Instrumen keuangan (lanjutan)

A. Aset keuangan (lanjutan)

(a) Aset keuangan yang diukur pada nilai wajar melalui laba rugi (lanjutan)

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".

(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 kuotasi 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.

2. ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

A. Financial assets (continued)

(a) Financial assets at fair value through profit or loss (continued)

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 income. 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 "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".

(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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

c. Instrumen keuangan (lanjutan)

A. Aset keuangan (lanjutan)

(b) Pinjaman yang diberikan dan piutang (lanjutan)

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:

- 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".

2. ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

A. Financial assets (continued)

(b) Loans and receivables (continued)

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 income 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 income 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:

- 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".

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2. KEBIJAKAN AKUNTANSI (lanjutan)

c. Instrumen keuangan (lanjutan)

A. Aset keuangan (lanjutan)

(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.

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 dijamin", jika pihak penerima memiliki hak untuk menjual atau mentransfer kembali.

2. ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

A. Financial assets (continued)

(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 income.

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 income.

(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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

c. Instrumen keuangan (lanjutan)

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 dipisahkan atau dibatalkan atau kadaluwarsa.

(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

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.

(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 income 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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2. KEBIJAKAN AKUNTANSI (lanjutan)

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

Sejak 1 Januari 2015, 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 kuotasian 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

Starting 1 January 2015, 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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2. KEBIJAKAN AKUNTANSI (lanjutan)

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.

Sebelum 1 Januari 2015, nilai wajar untuk instrumen keuangan yang diperdagangkan di pasar aktif ditentukan berdasarkan nilai pasar yang berlaku pada tanggal laporan posisi keuangan. Termasuk di dalamnya adalah nilai pasar dari IDMA (*Interdealer Market Association*) atau harga yang diberikan oleh broker (*quoted price*) dari *Bloomberg* dan *Reuters* pada tanggal laporan posisi keuangan. Jika aset atau liabilitas yang diukur pada nilai wajar memiliki harga penawaran dan harga permintaan, maka Bank mengukur aset dan *long positions* berdasarkan harga penawaran dan mengukur liabilitas dan *short positions* berdasarkan harga permintaan.

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.

Prior to 1 January 2015, the fair value of financial instruments traded in active markets is determined based on quoted market prices at the statement of financial position date. This includes IDMA's (Interdealer Market Association) quoted market prices or broker's quoted price from Bloomberg and Reuters on the statement of financial position date. If an asset or liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

c. Instrumen keuangan (lanjutan)

C. Penentuan nilai wajar (lanjutan)

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.

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.

2. ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

C. Determination of fair value (continued)

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.

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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

c. Instrumen keuangan (lanjutan)

E. Reklasifikasi aset keuangan (lanjutan)

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.

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.

F. Klasifikasi aset dan liabilitas keuangan

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.

2. ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

E. Reclassification of financial assets
(continued)

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.

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. Classification of financial assets and liabilities

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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

2. ACCOUNTING POLICIES (continued)

c. Instrumen keuangan (lanjutan)

c. Financial instruments (continued)

F. Klasifikasi aset dan liabilitas keuangan
 (lanjutan)

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>	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>						
			Obligasi Pemerintah/ <i>Government Bonds</i>						
			Tagihan derivatif - Tidak terkait lindung nilai/ <i>Derivative receivables – Non hedging related</i>						
	Pinjaman yang diberikan dan piutang/ <i>Loans and receivables</i>	Kas/ <i>Cash</i>	Kas pada vendor/ <i>Cash in vendor</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>					
				Aset lain-lain/ <i>Other assets</i>	Tagihan transaksi Letter of Credit/ <i>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>								

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2. **KEBIJAKAN AKUNTANSI** (lanjutan)2. **ACCOUNTING POLICIES** (continued)c. **Instrumen keuangan** (lanjutan)c. **Financial instruments** (continued)F. **Klasifikasi aset dan liabilitas keuangan**
(lanjutan)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>		
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 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>				
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>				

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c. Instrumen keuangan (lanjutan)

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.

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.

2. ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

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 balance sheet.

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.

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 income.

Allowance for impairment on financial guarantee contracts with credit risk are calculated based on historical experience.

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c. Instrumen keuangan (lanjutan)

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;
- 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.

2. ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

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;
- 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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

c. Instrumen keuangan (lanjutan)

1. Cadangan kerugian penurunan nilai aset keuangan (lanjutan)

- (A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

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)

1. Allowance for impairment losses of financial assets (continued)

- (A) *Financial assets carried at amortised cost* (continued)

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 income. 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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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.

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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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 income.

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 income.

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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 repossessed 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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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 2016, 2015 dan 2014 (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 income, 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 income.

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 2016, 2015 and 2014 (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>2016</u>	<u>2015</u>	<u>2014</u>	
Dolar Amerika Serikat	13,472.50	13,785.00	12,385.00	United States Dollars
Yen	115.07	114.52	103.56	Yen
Euro	14,175.77	15,056.67	15,053.35	Euro
Dolar Singapura	9,311.93	9,758.95	9,376.19	Singapore Dollars
Pound Sterling	16,555.01	20,439.02	19,288.40	Pound Sterling
Dolar Hong Kong	1,737.34	1,778.70	1,596.98	Hong Kong Dollars
Dolar Australia	9,723.11	10,083.73	10,148.27	Australian Dollars
Yuan	1,939.19	2,122.85	1,995.62	Yuan
Frank Swiss	13,208.98	13,919.33	12,515.80	Swiss Franc
Dolar Kanada	9,986.29	9,924.41	10,679.49	Canadian Dollars
Dolar Selandia Baru	9,362.72	9,444.80	9,709.23	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 45.

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 45.

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.

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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 ekspor 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 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 kewajiban dalam neraca 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 kewajiban keuangan yang diukur dengan biaya perolehan diamortisasi. Lihat Catatan 2c untuk kebijakan akuntansi atas kewajiban 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 income. 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 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 balance sheet 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 income, 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 income 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 income.

Amounts accumulated in equity are recycled to the statement of income 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 income.

(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 income 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 16).

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 income 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 16).

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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 revaluasian 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 income 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 income 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, interbranch, 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 income 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.

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 income. 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 income when incurred.

The carrying amount is written down to recognise a permanent diminution in value, which is charged to the current year statement of income.

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) 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 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 income 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*).

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 income.

(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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)**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.

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.

2. ACCOUNTING POLICIES (continued)**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.

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 income, 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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

y. Perpajakan (lanjutan)

Aset dan liabilitas pajak penghasilan tangguhan dapat saling hapus apabila terdapat hak yang berkekuatan hukum untuk melakukan saling hapus antara aset pajak kini dengan liabilitas pajak kini dan apabila aset dan liabilitas 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.

Koreksi terhadap kewajiban perpajakan diakui saat surat ketetapan pajak diterima atau jika mengajukan keberatan, pada saat keputusan atas keberatan tersebut telah ditetapkan.

Perpajakan dicatat sesuai dengan PSAK 46 (Revisi 2013) – Pajak Penghasilan.

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.

2. ACCOUNTING POLICIES (continued)

y. Taxation (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income 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.

Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the appeal has been decided.

Taxation is recorded in accordance with SFAS 46 (Revised 2013) – Income Taxes.

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.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

z. Liabilitas Imbalan pasca kerja (lanjutan)

Kewajiban pensiun (lanjutan)

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.

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

Labanya 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 2016, 2015 dan 2014, jumlah rata-rata tertimbang saham dasar dan dilusian yang beredar adalah 11.472.648.486 saham.

Labanya bersih per saham dicatat sesuai dengan PSAK 56 (Revisi 2011) - Laba Per Saham.

2. ACCOUNTING POLICIES (continued)

z. Post-employee benefits (continued)

Pension obligations (continued)

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.

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 2016, 2015 and 2014, weighted average numbers of basic and diluted share outstanding are 11,472,648,486 shares.

Earning per share is recorded in accordance with SFAS 56 (Revised 2011) - Earnings Per Share.

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2. KEBIJAKAN AKUNTANSI (lanjutan)

ac. Informasi segmen operasi

Segmen operasi adalah suatu komponen dari entitas:

- (a) 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).
- (b) 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
- (c) 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 treasuri dan lain-lain (lihat Catatan 46).

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.

2. ACCOUNTING POLICIES (continued)

ac. Operating segment information

An operating segment is a component of an entity:

- (a) 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).
- (b) 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
- (c) 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 46).

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.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Kerangka manajemen risiko (lanjutan)

Pengelolaan risiko yang efektif perlu ditanamkan untuk memastikan bahwa aspek-aspek pengelolaan risiko dalam lingkungan Bank, sehingga 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.

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.

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.

3. FINANCIAL RISK MANAGEMENT (continued)

Risk management framework (continued)

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 organisational hierarchy. The Bank also adopts a strong and proactive risk awareness mindset, which is fundamental in attaining consistent and effective risk management.

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.

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.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Kerangka manajemen risiko (lanjutan)

a. Risiko kredit (lanjutan)

(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)

(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)**3. FINANCIAL RISK MANAGEMENT** (continued)**a. Risiko kredit** (lanjutan)**a. Credit risk** (continued)

- (iv) Eksposur maksimum risiko kredit atas aset keuangan dan rekening administratif

- (iv)
- Maximum exposure to credit risk on financial assets and administrative accounts*

Eksposur risiko kredit disajikan setelah cadangan kerugian penurunan nilai terhadap aset keuangan pada laporan posisi keuangan adalah sebagai berikut:

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/ <i>Maximum exposure</i>			
	2016	2015	2014	
Kas	881,749	938,280	989,252	Cash
Giro pada Bank Indonesia	8,018,546	7,801,395	6,816,392	<i>Current accounts with Bank Indonesia</i>
Giro pada bank lain	485,592	678,805	542,792	<i>Current accounts with other banks</i>
Penempatan pada bank lain dan Bank Indonesia	3,442,070	9,278,095	3,908,139	<i>Placements with other banks and Bank Indonesia</i>
Efek - efek				<i>Marketable securities</i>
- Diperdagangkan	443,531	491,647	613,413	<i>Trading -</i>
- Tersedia untuk dijual	13,711,072	3,290,661	12,455,927	<i>Available for sale -</i>
- Pinjaman yang diberikan dan piutang	192,152	52,200	117,145	<i>Loans and receivables -</i>
Obligasi pemerintah				<i>Government bonds</i>
- Diperdagangkan	1,163,560	1,016,519	1,190,040	<i>Trading -</i>
- Tersedia untuk dijual	11,209,190	7,148,137	3,647,213	<i>Available for sale -</i>
Efek-efek yang dibeli dengan janji dijual kembali	-	-	708,660	<i>Securities purchased under resale agreements</i>
Tagihan derivatif	351,939	544,840	345,114	<i>Derivative receivables</i>
Pinjaman yang diberikan				<i>Loans</i>
- Modal kerja	41,008,114	36,180,070	28,177,744	<i>Working capital -</i>
- Investasi	36,096,647	35,882,117	27,312,053	<i>Investment -</i>
- Konsumsi	13,142,891	11,978,581	11,443,815	<i>Consumer -</i>
Tagihan akseptasi	3,485,765	2,825,725	2,860,425	<i>Acceptance receivables</i>
Aset lain-lain	897,403	393,128	404,277	<i>Other assets</i>
	<u>134,530,221</u>	<u>118,500,200</u>	<u>101,532,401</u>	

Eksposur risiko kredit terhadap rekening administratif:

Credit risk exposures on administrative accounts:

	Eksposur maksimum/ <i>Maximum exposure</i>			
	2016	2015	2014	
Komitmen dan kontinjensi				<i>Commitments and contingencies</i>
- Fasilitas pinjaman yang diberikan yang belum digunakan - <i>committed</i>	7,191,946	7,633,486	6,404,648	<i>Undrawn loan facilities - committed -</i>
- <i>Irrevocable letters of credit</i> yang masih berjalan	3,328,721	2,205,086	2,447,430	<i>Outstanding irrevocable - letters of credit</i>
- Garansi yang diberikan	3,930,492	4,027,086	3,145,181	<i>Guarantees issued -</i>
- <i>Standby letters of credit</i>	448,990	326,096	358,480	<i>Standby letters of credit -</i>
	<u>14,900,149</u>	<u>14,191,754</u>	<u>12,355,739</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)

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 2016, 2015 dan 2014. 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 2016, 2015 and 2014. For this table, the Bank has allocated exposures to regions based on the geographic areas which activities are undertaken.

	2016					Jumlah/ Total	
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others		
Kas	732,535	85,725	25,126	34,688	3,675	881,749	Cash
Giro pada Bank Indonesia	8,018,546	-	-	-	-	8,018,546	Current accounts with Bank Indonesia
Giro pada bank lain	485,591	1	-	-	-	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	34,030,004	5,055,278	866,340	1,021,678	34,814	41,008,114	Working capital -
- Investasi	32,430,491	2,775,240	482,434	396,792	11,690	36,096,647	Investment -
- Konsumsi	10,918,837	1,539,596	326,343	313,406	44,709	13,142,891	Consumer -
Tagihan akseptasi	3,485,765	-	-	-	-	3,485,765	Acceptance receivables
Aset lain-lain	897,394	4	5	-	-	897,403	Other assets
	<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>	

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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)

a) Sektor geografis (lanjutan)

a) Geographic sectors (continued)

	2015						
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	Jumlah/ Total	
Kas	752,619	119,195	24,671	39,390	2,405	938,280	Cash
Giro pada Bank Indonesia	7,801,395	-	-	-	-	7,801,395	Current accounts with Bank Indonesia
Giro pada bank lain	678,805	-	-	-	-	678,805	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	9,278,095	-	-	-	-	9,278,095	Placements with other banks and Bank Indonesia
Efek-efek							Marketable securities
- Diperdagangkan	491,647	-	-	-	-	491,647	Trading -
- Tersedia untuk dijual	3,290,661	-	-	-	-	3,290,661	Available for sale -
- Pinjaman yang diberikan dan piutang	52,200	-	-	-	-	52,200	Loans and receivables -
Obligasi pemerintah							Government bonds
- Diperdagangkan	1,016,519	-	-	-	-	1,016,519	Trading -
- Tersedia untuk dijual	7,148,137	-	-	-	-	7,148,137	Available for sale -
Tagihan derivatif	544,840	-	-	-	-	544,840	Derivative receivables
Pinjaman yang diberikan							Loans
- Modal kerja	30,053,279	4,211,809	963,645	927,598	23,739	36,180,070	Working capital -
- Investasi	31,519,203	3,130,939	746,801	468,001	17,173	35,882,117	Investment -
- Konsumsi	9,986,434	1,417,794	265,629	276,461	32,263	11,978,581	Consumer -
Tagihan akseptasi	2,825,725	-	-	-	-	2,825,725	Acceptance receivables
Aset lain-lain	393,031	92	5	-	-	393,128	Other assets
	<u>105,832,590</u>	<u>8,879,829</u>	<u>2,000,751</u>	<u>1,711,450</u>	<u>75,580</u>	<u>118,500,200</u>	
	2014						
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	Jumlah/ Total	
Kas	789,573	132,105	33,041	31,926	2,607	989,252	Cash
Giro pada Bank Indonesia	6,816,392	-	-	-	-	6,816,392	Current accounts with Bank Indonesia
Giro pada bank lain	542,785	7	-	-	-	542,792	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	3,908,139	-	-	-	-	3,908,139	Placements with other banks and Bank Indonesia
Efek-efek							Marketable securities
- Diperdagangkan	613,413	-	-	-	-	613,413	Trading -
- Tersedia untuk dijual	12,455,927	-	-	-	-	12,455,927	Available for sale -
- Pinjaman yang diberikan dan piutang	117,145	-	-	-	-	117,145	Loans and receivables -
Obligasi pemerintah							Government bonds
- Diperdagangkan	1,190,040	-	-	-	-	1,190,040	Trading -
- Tersedia untuk dijual	3,647,213	-	-	-	-	3,647,213	Available for sale -
Efek yang dibeli dengan janji dijual kembali	708,660	-	-	-	-	708,660	Securities purchased under resale agreements
Tagihan derivatif	345,114	-	-	-	-	345,114	Derivative receivables
Pinjaman yang diberikan							Loans
- Modal kerja	22,537,327	3,754,004	955,061	907,031	24,321	28,177,744	Working capital -
- Investasi	23,301,203	2,704,893	803,026	482,600	20,331	27,312,053	Investment -
- Konsumsi	9,503,751	1,413,591	227,533	275,795	23,145	11,443,815	Consumer -
Tagihan akseptasi	2,860,425	-	-	-	-	2,860,425	Acceptance receivables
Aset lain-lain	404,074	93	110	-	-	404,277	Other assets
	<u>89,741,181</u>	<u>8,004,693</u>	<u>2,018,771</u>	<u>1,697,352</u>	<u>70,404</u>	<u>101,532,401</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)

Eksposur risiko kredit atas komitmen dan kontinjensi berdasarkan wilayah geografis tempat Bank beroperasi 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)

a) Geographic sectors (continued)

Credit risk exposure relating to commitments and contingencies based on the geographic areas which the Bank's activities are undertaken are as follows:

2016						
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	Jumlah/ Total
Komitmen dan kontinjensi	<i>Commitments and contingencies</i>					
- Fasilitas pinjaman yang diberikan yang belum digunakan - <i>committed</i>	6,861,134	234,821	68,489	27,502	-	7,191,946
- <i>Irrevocable letters of credit</i> yang masih berjalan	3,328,721	-	-	-	-	3,328,721
- Garansi yang diberikan	3,930,492	-	-	-	-	3,930,492
- <i>Standby letters of credit</i>	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>
	<i>Undrawn loan facilities - committed</i>					
	<i>Outstanding irrevocable letters of credit</i>					
	<i>Guarantees issued - Standby letters of credit -</i>					
2015						
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	Jumlah/ Total
Komitmen dan kontinjensi	<i>Commitments and contingencies</i>					
- Fasilitas pinjaman yang diberikan yang belum digunakan - <i>committed</i>	7,155,142	204,939	273,280	125	-	7,633,486
- <i>Irrevocable letters of credit</i> yang masih berjalan	2,205,086	-	-	-	-	2,205,086
- Garansi yang diberikan	4,027,086	-	-	-	-	4,027,086
- <i>Standby letters of credit</i>	326,096	-	-	-	-	326,096
	<u>13.713.410</u>	<u>204.939</u>	<u>273.280</u>	<u>125</u>	<u>-</u>	<u>14.191.754</u>
	<i>Undrawn loan facilities - committed</i>					
	<i>Outstanding irrevocable letters of credit</i>					
	<i>Guarantees issued - Standby letters of credit -</i>					
2014						
	Jawa Bali	Sumatera	Kalimantan	Sulawesi	Lainnya/ Others	Jumlah/ Total
Komitmen dan kontinjensi	<i>Commitments and contingencies</i>					
- Fasilitas pinjaman yang diberikan yang belum digunakan - <i>committed</i>	5,827,241	401,025	167,056	9,326	-	6,404,648
- <i>Irrevocable letters of credit</i> yang masih berjalan	2,447,430	-	-	-	-	2,447,430
- Garansi yang diberikan	3,145,181	-	-	-	-	3,145,181
- <i>Standby letters of credit</i>	358,480	-	-	-	-	358,480
	<u>11.778.332</u>	<u>401.025</u>	<u>167.056</u>	<u>9.326</u>	<u>-</u>	<u>12.355.739</u>
	<i>Undrawn loan facilities - committed</i>					
	<i>Outstanding irrevocable letters of credit</i>					
	<i>Guarantees issued - Standby letters of credit -</i>					

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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

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.

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

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.

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	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	90,247,652	Loans
Tagihan akseptasi	-	-	2,576,248	26,264	278,292	604,961	Acceptance receivables
Aset lain-lain	-	8,286	179,909	-	-	709,208	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>
2015							
Pemerintah/ Government	Lembaga keuangan/ Financial institution	Industri/ Manufacturing	Pertanian/ Agriculture	Jasa dunia usaha/ Business services	Lain-lain/ Others	Jumlah/ Total	
Kas	-	-	-	-	938,280	938,280	Cash
Giro pada Bank Indonesia	7,801,395	-	-	-	-	7,801,395	Current accounts with Bank Indonesia
Giro pada bank lain	-	678,805	-	-	-	678,805	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	7,641,620	1,636,475	-	-	-	9,278,095	Placements with other banks and Bank Indonesia
Efek-efek	-	-	-	-	-	-	Marketable securities
- Diperdagangkan	-	491,647	-	-	-	491,647	Trading
- Tersedia untuk dijual	1,765,561	1,525,100	-	-	-	3,290,661	Available for sale
- Pinjaman yang diberikan dan piutang	-	-	12,085	-	40,115	52,200	Loans and receivables
Obligasi pemerintah	-	-	-	-	-	-	Government bonds
- Diperdagangkan	1,016,519	-	-	-	-	1,016,519	Trading
- Tersedia untuk dijual	7,148,137	-	-	-	-	7,148,137	Available for sale
Tagihan derivatif	-	502,351	-	-	42,489	544,840	Derivative receivables
Pinjaman yang diberikan	-	-	21,761,950	10,041,840	15,272,425	36,964,553	Loans
Tagihan akseptasi	-	-	1,449,289	101,281	47,044	1,228,111	Acceptance receivables
Aset lain-lain	-	-	54,442	-	-	338,686	Other assets
	<u>25,373,232</u>	<u>4,834,378</u>	<u>23,277,766</u>	<u>10,143,121</u>	<u>15,319,469</u>	<u>39,552,234</u>	<u>118,500,200</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)

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)

2014							
Pemerintah/ Government	Lembaga keuangan/ Financial institution	Industri/ Manufacturing	Pertanian/ Agriculture	Jasa dunia usaha/ Business services	Lain-lain/ Others	Jumlah/ Total	
Kas	-	-	-	-	989,252	989,252	Cash
Giro pada Bank Indonesia	6,816,392	-	-	-	-	6,816,392	Current accounts with Bank Indonesia
Giro pada bank lain	-	542,792	-	-	-	542,792	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	2,870,145	1,037,994	-	-	-	3,908,139	Placements with other banks and Bank Indonesia
Efek-efek	-	456,826	-	-	156,587	613,413	Marketable securities
- Diperdagangkan	-	456,826	-	-	96,020	552,846	Trading - Available for sale -
- Tersedia untuk dijual	10,823,861	1,536,046	-	-	-	12,455,927	
- Pinjaman yang diberikan dan piutang	-	-	67,065	8,906	4,966	117,145	Loans and receivables -
Obligasi pemerintah	-	-	-	-	-	-	Government bonds
- Diperdagangkan	1,190,040	-	-	-	-	1,190,040	Trading -
- Tersedia untuk dijual	3,647,213	-	-	-	-	3,647,213	Available for sale -
Efek yang dibeli dengan janji dijual kembali	188,647	520,013	-	-	-	708,660	Securities purchased under resale agreements
Tagihan derivatif	-	288,795	-	-	56,319	345,114	Derivative receivables
Pinjaman yang diberikan	-	14,701	17,255,519	4,858,820	14,137,870	66,933,612	Loans
Tagihan akseptasi	-	-	1,442,146	36,658	780,296	601,325	Acceptance receivables
Aset lain-lain	-	-	101,212	3,841	-	299,224	Other assets
	<u>25,536,298</u>	<u>4,397,167</u>	<u>18,865,942</u>	<u>4,908,225</u>	<u>14,923,132</u>	<u>32,901,637</u>	<u>101,532,401</u>

Eksposur risiko kredit atas komitmen dan kontinjensi berdasarkan sektor industri adalah sebagai berikut:

Credit risk exposure relating to commitments and contingencies based on the industry sectors are as follows:

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	
	<u>-</u>	<u>4,026,820</u>	<u>1,531,257</u>	<u>5,120,919</u>	<u>4,221,153</u>	<u>14,900,149</u>	

2015							
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	-	2,445,840	1,164,946	3,323,903	698,797	7,633,486	Undrawn loan facilities - committed
- Irrevocable letters of credit yang masih berjalan	-	1,127,177	40,028	59,812	978,069	2,205,086	Outstanding irrevocable letters of credit
- Garansi yang diberikan	-	184,053	24,137	852,282	2,966,614	4,027,086	Guarantees issued - Standby letters of credit
- Standby letters of credit	-	31,660	5,884	81,361	207,191	326,096	
	<u>-</u>	<u>3,788,730</u>	<u>1,234,995</u>	<u>4,317,358</u>	<u>4,850,671</u>	<u>14,191,754</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)**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)

2014							
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							Undrawn loan facilities - committed
- Irrevocable letters of credit yang masih berjalan	-	1,923,626	239,350	3,215,454	1,026,218	6,404,648	Outstanding irrevocable - letters of credit
- Garansi yang diberikan	-	1,548,325	7,535	546,775	344,795	2,447,430	Guarantees issued - Standby letters - of credit
- Standby letters of credit	-	91,540	30,772	901,003	2,121,866	3,145,181	
		69,356	28,486	31,071	229,567	358,480	
		3,632,847	306,143	4,694,303	3,722,446	12,355,739	

c) Kualitas kredit dari aset keuangan

Pada tanggal 31 Desember 2016, 2015 dan 2014, eksposur risiko kredit-bersih atas aset keuangan terbagi atas:

c) Credit quality of financial assets

As at 31 December 2016, 2015 and 2014, credit risk exposure-net relating to financial assets are divided as follows:

2016					
Belum jatuh tempo atau tidak mengalami penurunan nilai/ Neither past due nor impaired	Telah jatuh tempo tetapi tidak mengalami penurunan nilai/ Past due but not impaired	Mengalami penurunan nilai/ Impaired	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	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
	133,232,810	579,981	717,430	134,530,221	

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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)

	2015				
	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	938,280	-	-	938,280	Cash
Giro pada Bank Indonesia	7,801,395	-	-	7,801,395	Current accounts with Bank Indonesia
Giro pada bank lain	678,805	-	-	678,805	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	9,278,095	-	-	9,278,095	Placements with other banks and Bank Indonesia
Efek-efek					Marketable securities
- Diperdagangkan	491,647	-	-	491,647	Trading -
- Tersedia untuk dijual	3,290,661	-	-	3,290,661	Available for sale -
- Pinjaman yang diberikan dan piutang	52,200	-	-	52,200	Loans and receivables -
Obligasi pemerintah					Government bonds
- Diperdagangkan	1,016,519	-	-	1,016,519	Trading -
- Tersedia untuk dijual	7,148,137	-	-	7,148,137	Available for sale -
Tagihan derivatif	544,840	-	-	544,840	Derivative receivables
Pinjaman yang diberikan					Loans
- Modal kerja	35,776,991	142,965	260,114	36,180,070	Working capital -
- Investasi	35,495,175	146,225	240,717	35,882,117	Investment -
- Konsumsi	11,488,348	323,426	166,807	11,978,581	Consumer -
Tagihan akseptasi	2,825,725	-	-	2,825,725	Acceptance receivables
Aset lain-lain	393,128	-	-	393,128	Other assets
	<u>117,219,946</u>	<u>612,616</u>	<u>667,638</u>	<u>118,500,200</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)

- c) Kualitas kredit dari aset keuangan (lanjutan)

- c) Credit quality of financial assets (continued)

	2014				
	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	989,252	-	-	989,252	Cash
Giro pada Bank Indonesia	6,816,392	-	-	6,816,392	Current accounts with Bank Indonesia
Giro pada bank lain	542,792	-	-	542,792	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	3,908,139	-	-	3,908,139	Placements with other banks and Bank Indonesia
Efek-efek					Marketable securities
- Diperdagangkan	613,413	-	-	613,413	Trading -
- Tersedia untuk dijual	12,455,927	-	-	12,455,927	Available for sale -
- Pinjaman yang diberikan dan piutang	117,145	-	-	117,145	Loans and receivables -
Obligasi pemerintah					Government bonds
- Diperdagangkan	1,190,040	-	-	1,190,040	Trading -
- Tersedia untuk dijual	3,647,213	-	-	3,647,213	Available for sale -
Efek-efek yang dibeli dengan janji dijual kembali	708,660	-	-	708,660	Securities purchased under resale agreements
Tagihan derivatif	345,114	-	-	345,114	Derivative receivables
Pinjaman yang diberikan					Loans
- Modal kerja	27,857,090	72,776	247,878	28,177,744	Working capital -
- Investasi	27,134,525	43,888	133,640	27,312,053	Investment -
- Konsumsi	11,008,009	271,891	163,915	11,443,815	Consumer -
Tagihan akseptasi	2,860,425	-	-	2,860,425	Acceptance receivables
Aset lain-lain	404,277	-	-	404,277	Other assets
	<u>100,598,413</u>	<u>388,555</u>	<u>545,433</u>	<u>101,532,401</u>	

Analisa umur kredit yang diberikan yang telah jatuh tempo tetapi tidak mengalami penurunan nilai pada tanggal 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

An aging analysis of loans that are "past due but not impaired" on 31 December 2016, 2015 and 2014 are set out below:

	2016				
	Modal kerja/ <i>Working capital</i>	Investasi/ <i>Investment</i>	Konsumsi/ <i>Consumer</i>	Jumlah/ <i>Total</i>	
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>	

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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)

2015					
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumer	Jumlah/ Total	
1 - 30 hari	85,948	44,273	180,803	311,024	1 - 30 days
31 - 60 hari	53,948	67,108	94,067	215,123	31 - 60 days
61 - 90 hari	3,069	34,844	48,556	86,469	61 - 90 days
	<u>142,965</u>	<u>146,225</u>	<u>323,426</u>	<u>612,616</u>	
2014					
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumer	Jumlah/ Total	
1 - 30 hari	59,197	20,406	175,554	255,157	1 - 30 days
31 - 60 hari	8,040	10,339	62,196	80,575	31 - 60 days
61 - 90 hari	5,539	13,143	34,141	52,823	61 - 90 days
	<u>72,776</u>	<u>43,888</u>	<u>271,891</u>	<u>388,555</u>	

Pada tanggal 31 Desember 2016, 2015 dan 2014, 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 2016, 2015 and 2014 are as follows:

2016				
	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				<i>Loans</i>
- Modal kerja	40,394,929	122,486	40,517,415	<i>Working capital -</i>
- Investasi	35,392,998	411,830	35,804,828	<i>Investment -</i>
- Konsumsi	12,592,709	35,289	12,627,998	<i>Consumer -</i>
	88,380,636	569,605	88,950,241	
Tagihan akseptasi	3,485,765	-	3,485,765	<i>Acceptance receivables</i>
	<u>91,866,401</u>	<u>569,605</u>	<u>92,436,006</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)

- c) Kualitas kredit dari aset keuangan (lanjutan)

- c) Credit quality of financial assets (continued)

	2015			
	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	35,601,136	175,855	35,776,991	Working capital -
- Investasi	35,115,843	379,332	35,495,175	Investment -
- Konsumsi	11,436,659	51,689	11,488,348	Consumer -
	82,153,638	606,876	82,760,514	
Tagihan akseptasi	2,825,725	-	2,825,725	Acceptance receivables
	84,979,363	606,876	85,586,239	
	2014			
	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	27,792,933	64,157	27,857,090	Working capital -
- Investasi	27,055,275	79,250	27,134,525	Investment -
- Konsumsi	10,951,938	56,071	11,008,009	Consumer -
	65,800,146	199,478	65,999,624	
Tagihan akseptasi	2,860,425	-	2,860,425	Acceptance receivables
	68,660,571	199,478	68,860,049	

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;

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;

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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)

- 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.

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.

Pada tanggal 31 Desember 2016, 2015 dan 2014, perubahan cadangan kerugian penurunan pinjaman yang diberikan yang mengalami penurunan nilai adalah:

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)

- 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.

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.

As at 31 December 2016, 2015 and 2014, movement in the allowance for impairment losses for loans that are "impaired" is as follow:

	2016				
	Modal kerja/ <i>Working capital</i>	Investasi/ <i>Investment</i>	Konsumsi/ <i>Consumer</i>	Jumlah/ <i>Total</i>	
Saldo awal	237,960	144,762	66,104	448,826	<i>Beginning balance</i>
Penyisihan selama periode berjalan	339,158	267,359	62,860	669,377	<i>Allowance during the period</i>
Penghapusan selama periode berjalan	(9,545)	(5,354)	(70,945)	(85,844)	<i>Write-offs during the period</i>
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	775	-	9,515	10,290	<i>Bad debt recoveries</i>
Lain-lain *)	(6,097)	(4,349)	(701)	(11,147)	<i>Others *)</i>
Saldo akhir	<u>562,251</u>	<u>402,418</u>	<u>66,833</u>	<u>1,031,502</u>	<i>Ending balance</i>

*) 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)

- (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)

2015					
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumer	Jumlah/ Total	
Saldo awal	226,513	82,680	59,974	369,167	<i>Beginning balance</i>
Penyisihan selama periode berjalan	12,011	69,322	20,418	101,751	<i>Allowance during the period</i>
Penghapusan selama periode berjalan	(1,148)	(7,329)	(18,527)	(27,004)	<i>Write-offs during the period</i>
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	437	-	4,197	4,634	<i>Bad debt recoveries</i>
Lain-lain *)	147	89	42	278	<i>Others *)</i>
Saldo akhir	<u>237,960</u>	<u>144,762</u>	<u>66,104</u>	<u>448,826</u>	<i>Ending balance</i>
2014					
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumer	Jumlah/ Total	
Saldo awal	105,336	77,306	59,634	242,276	<i>Beginning balance</i>
Penyisihan selama periode berjalan	163,130	7,197	17,305	187,632	<i>Allowance during the period</i>
Penghapusan selama periode berjalan	(35,432)	-	(19,088)	(54,520)	<i>Write-offs during the period</i>
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	1,379	1,016	4,218	6,613	<i>Bad debt recoveries</i>
Lain-lain *)	(7,900)	(2,839)	(2,095)	(12,834)	<i>Others *)</i>
Saldo akhir	<u>226,513</u>	<u>82,680</u>	<u>59,974</u>	<u>369,167</u>	<i>Ending balance</i>

*) Termasuk selisih kurs karena penjabaran mata uang asing

*Includes effect of foreign exchange translation *)*

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

a. Risiko kredit (lanjutan)

a. Credit risk (continued)

(v) Pinjaman yang diberikan

(v) Loans

Ikhtisar pinjaman yang diberikan adalah sebagai berikut:

Loans are summarised as follows:

	2016			
	Tidak mengalami penurunan nilai/ <i>Non impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
Rupiah:				Rupiah:
Perdagangan	20,661,933	703,168	21,365,101	Trading
Perindustrian	18,019,341	324,106	18,343,447	Manufacturing
Jasa	9,370,036	238,857	9,608,893	Services
Pertanian dan pertambangan	4,343,949	11,392	4,355,341	Agricultural and mining
Konstruksi	2,037,602	32,468	2,070,070	Construction
Lain-lain *)	13,158,163	232,229	13,390,392	Others *)
Jumlah Rupiah	67,591,024	1,542,220	69,133,244	Total Rupiah
Mata uang asing:				Foreign currencies:
Perdagangan	2,106,545	531	2,107,076	Trading
Perindustrian	8,119,653	42,137	8,161,790	Manufacturing
Jasa	5,731,814	92,772	5,824,586	Services
Pertanian dan pertambangan	7,551,690	71,272	7,622,962	Agricultural and mining
Konstruksi	20,095	-	20,095	Construction
Lain-lain *)	492,886	-	492,886	Others *)
Jumlah mata uang asing	24,022,683	206,712	24,229,395	Total foreign currencies
Jumlah	91,613,707	1,748,932	93,362,639	Total
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	(2,083,485)	(1,031,502)	(3,114,987)	Allowance for impairment losses
	89,530,222	717,430	90,247,652	

*) Termasuk dalam lain-lain adalah kredit konsumsi

Included in others is consumer loan *)

	2015			
	Tidak mengalami penurunan nilai/ <i>Non impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
Rupiah:				Rupiah:
Perdagangan	20,049,644	371,170	20,420,814	Trading
Perindustrian	15,600,019	223,415	15,823,434	Manufacturing
Jasa	8,904,197	49,929	8,954,126	Services
Pertanian dan pertambangan	3,655,035	3,686	3,658,721	Agricultural and mining
Konstruksi	1,716,200	24,407	1,740,607	Construction
Lain-lain *)	11,943,682	393,198	12,336,880	Others *)
Jumlah Rupiah	61,868,777	1,065,805	62,934,582	Total Rupiah
Mata uang asing:				Foreign currencies:
Perdagangan	2,671,648	33,829	2,705,477	Trading
Perindustrian	6,363,440	4,644	6,368,084	Manufacturing
Jasa	6,626,465	10,765	6,637,230	Services
Pertanian dan pertambangan	6,511,271	1,290	6,512,561	Agricultural and mining
Konstruksi	100,856	-	100,856	Construction
Lain-lain *)	620,098	131	620,229	Others *)
Jumlah mata uang asing	22,893,778	50,659	22,944,437	Total foreign currencies
Jumlah	84,762,555	1,116,464	85,879,019	Total
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	(1,389,425)	(448,826)	(1,838,251)	Allowance for impairment losses
	83,373,130	667,638	84,040,768	

*) Termasuk dalam lain-lain adalah kredit konsumsi

Included in others is consumer loan *)

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)**3. FINANCIAL RISK MANAGEMENT (continued)****a. Risiko kredit (lanjutan)****a. Credit risk (continued)**

(v) Pinjaman yang diberikan (lanjutan)

(v) Loans (continued)

	2014			
	Tidak mengalami penurunan nilai/ <i>Non impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
Rupiah:				Rupiah:
Perdagangan	14,802,126	393,205	15,195,331	Trading
Perindustrian	10,940,871	35,195	10,976,066	Manufacturing
Jasa	8,394,072	177,448	8,571,520	Services
Pertanian dan pertambangan	1,801,363	2,186	1,803,549	Agricultural and mining
Konstruksi	1,282,976	14,888	1,297,864	Construction
Lain-lain *)	11,516,759	224,390	11,741,149	Others *)
Jumlah Rupiah	48,738,167	847,312	49,585,479	Total Rupiah
Mata uang asing:				Foreign currencies:
Perdagangan	3,124,043	51,347	3,175,390	Trading
Perindustrian	6,571,206	357	6,571,563	Manufacturing
Jasa	5,829,144	13,028	5,842,172	Services
Pertanian dan pertambangan	3,107,286	2,556	3,109,842	Agricultural and mining
Konstruksi	48,112	-	48,112	Construction
Lain-lain *)	30,681	-	30,681	Others *)
Jumlah mata uang asing	18,710,472	67,288	18,777,760	Total foreign currencies
Jumlah	67,448,639	914,600	68,363,239	Total
Dikurangi: Cadangan kerugian penurunan nilai	(1,060,460)	(369,167)	(1,429,627)	Less: Allowance for impairment losses
	66,388,179	545,433	66,933,612	

*) Termasuk dalam lain-lain adalah kredit konsumsi

Included in others is consumer loan *)

b. Risiko pasar**b. Market risk**

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).

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.

(i) Teknik pengelolaan risiko pasar

(i) Market risk management techniques

Sebagai bagian dari manajemen risiko pasar, Bank melakukan transaksi swap suku bunga untuk mengelola risiko suku bunga yang terasosiasi dengan pinjaman yang diberikan jangka panjang dengan tingkat bunga tetap dan melakukan transaksi US Future untuk mengelola risiko suku bunga.

As part of the management of market risk, the Bank enters into interest rate swaps to manage the interest rate risk associated with the fixed-rate long-term loans and enter US Future transaction to manage the interest rate risk.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko pasar (lanjutan)

(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.

Tabel di bawah ini mengikhtisarkan eksposur Bank atas risiko nilai tukar mata uang asing (Posisi Devisa Neto) pada tanggal 31 Desember 2016, 2015 dan 2014 (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

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).

The table below summarises the Bank's exposure to foreign currency exchange rate risk (Net Open Position) at 31 December 2016, 2015 and 2014 (Rupiah equivalent). Included in the table are the Bank's financial instruments by amounts carried, categorised by currency.

	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	
ASET									ASSETS
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 dan Bank Indonesia	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	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
LIABILITAS									LIABILITIES
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

(ii) Foreign exchange risk

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	
REKENING ADMINISTRATIF									ADMINISTRATIVE ACCOUNT
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

2015

	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	
ASET									ASSETS
Kas	50,533	984	9,280	79	43,926	1,319	4,819	132	Cash
Giro pada Bank Indonesia	3,182,093	-	-	-	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain	402,427	23,690	18,593	5,303	74,019	6,573	15,796	23,291	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	7,798,776	-	-	-	-	-	-	-	Placements with other banks and Bank Indonesia
Efek-efek	670,243	-	4,107	-	-	-	-	-	Marketable securities
Obligasi pemerintah	2,301,829	-	-	-	-	-	-	-	Government bonds
Tagihan derivatif	25,089	7	-	-	17	4	61	1	Derivative receivables
Pinjaman yang diberikan	21,696,620	87,866	-	-	1,159,951	-	-	-	Loans
Tagihan akseptasi	2,384,773	50,923	69,840	-	1,896	-	-	-	Acceptance receivables
Aset lain lain	196,183	36,109	7,975	-	184	35	1,442	254	Other assets
Cadangan kerugian penurunan nilai	(434,008)	(1,482)	(546)	-	(21,554)	-	-	-	Allowance for impairment losses
Jumlah aset	38,274,558	198,097	109,249	5,382	1,258,439	7,931	22,118	23,678	Total assets
LIABILITAS									LIABILITIES
Liabilitas segera	20,708	4,846	329	-	1,198	21	14	732	Obligations due immediately
Simpanan	28,980,157	205,775	332,068	5,217	2,085,557	117,618	327,222	167,275	Deposits
Liabilitas derivatif	20,927	2	1	-	383	1	42	69	Derivative liabilities
Liabilitas akseptasi	2,384,773	50,923	69,840	-	1,896	-	-	-	Acceptance payables
Beban yang masih harus dibayar	44,036	-	-	-	36	2	-	116	Accrued expenses
Pinjaman yang diterima	2,757,000	-	-	-	-	-	-	-	Borrowings
Liabilitas lain-lain	505,480	12,856	7,964	116	11,556	445	-	2,715	Other liabilities
Jumlah liabilitas	34,713,081	274,402	410,202	5,333	2,100,626	118,087	327,278	170,907	Total liabilities
Aset/(Liabilitas) Bersih	3,561,477	(76,305)	(300,953)	49	(842,187)	(110,156)	(305,160)	(147,229)	Net Assets/(Liabilities)
Jumlah								1,779,536	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)

2015 (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	
REKENING ADMINISTRATIF									ADMINISTRATIVE ACCOUNT
Tagihan	15,786,348	279,511	467,576	276	1,351,083	129,530	669,139	212,441	Receivables
Kewajiban	(19,206,766)	(199,766)	(164,449)	-	(493,148)	(23,282)	(375,889)	(64,788)	Payables
Komitmen dan kontinjensi - bersih	(3,420,418)	79,745	303,127	276	857,935	106,248	293,250	147,653	Commitments and contingencies - net
Jumlah									Total
Posisi Devisa Neto	141,055	3,440	2,178	325	15,748	(3,908)	(11,950)	423	Net Open Position
Posisi Devisa Neto Absolut	141,055	3,440	2,178	325	15,748	3,908	11,950	2,637	Net Open Position Absolute
Jumlah								181,241	Total
Modal								17,396,802	Capital
Rasio PDN (Laporan posisi keuangan)								10.23%	NOP Ratio (On-Statement of financial position)
Rasio PDN (Keseluruhan)								1.04%	NOP Ratio (Overall)
Rasio maksimum PDN								20.00%	NOP maximum ratio
2014									
	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	
ASET									ASSETS
Kas	86,919	1,270	9,985	114	68,061	389	9,922	8	Cash
Giro pada Bank Indonesia	2,506,860	-	-	-	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain	291,198	28,251	38,500	6,762	55,856	8,545	14,886	11,435	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	2,492,408	-	-	-	-	-	-	-	Placements with other banks and Bank Indonesia
Efek-efek	378,333	5,468	-	-	-	-	-	-	Marketable securities
Obligasi pemerintah	425,033	-	-	-	-	-	-	-	Government bonds
Tagihan derivatif	23,952	5	5	-	-	-	29	27	Derivative receivables
Pinjaman yang diberikan	17,439,895	93,841	2,039	-	1,241,985	-	-	-	Loans
Tagihan akseptasi	2,530,154	74,576	51,529	-	-	-	-	-	Acceptance receivables
Aset lain lain	144,881	28,412	349	-	25	-	8	578	Other assets
Cadangan kerugian penurunan nilai	(261,325)	(1,929)	(359)	-	(19,605)	-	-	(6)	Allowance for impairment losses
Jumlah aset	26,058,308	229,894	102,048	6,876	1,346,322	8,934	24,845	12,042	Total assets
LIABILITAS									LIABILITIES
Liabilitas segera	14,249	10	14,763	-	1,533	-	1	1	Obligations due immediately
Simpanan nasabah	20,727,107	131,961	321,770	4,607	2,117,845	20,246	289,442	15,669	Deposits from customers
Simpanan dari bank lain	866,950	-	-	-	-	-	-	-	Deposits from other banks
Liabilitas derivatif	37,022	-	2	1	562	-	18	22	Derivative liabilities
Liabilitas akseptasi	2,530,154	74,576	51,529	-	-	-	-	-	Acceptance payables
Beban yang masih harus dibayar	56,876	-	-	-	30	-	-	1	Accrued expenses
Pinjaman yang diterima	2,477,000	-	-	-	-	-	-	-	Borrowings
Liabilitas lain-lain	597,234	12,775	25,645	1,036	21,821	1,300	38	61	Other liabilities
Jumlah liabilitas	27,306,592	219,322	413,709	5,644	2,141,791	21,546	289,499	15,754	Total liabilities
Aset/(Liabilitas) Bersih	(1,248,284)	10,572	(311,661)	1,232	(795,469)	(12,612)	(264,654)	(3,712)	Net Assets/(Liabilities)
Jumlah								(2,624,588)	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)

2014 (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	
REKENING ADMINISTRATIF									ADMINISTRATIVE ACCOUNT
Tagihan	22,923,130	184,925	470,640	186	1,344,968	20,593	617,706	32,473	Receivables
Kewajiban	(21,783,998)	(193,439)	(157,970)	-	(539,642)	(9,296)	(368,941)	(28,403)	Payables
Komitmen dan kontinjensi - bersih	1,139,132	(8,514)	312,670	186	805,326	11,297	248,765	4,070	Commitments and contingencies - net
Jumlah								2,512,932	Total
Posisi Devisa Neto	(109,152)	2,058	1,009	1,418	9,857	(1,315)	(15,889)	358	Net Open Position
Posisi Devisa Neto Absolut	109,152	2,058	1,009	1,418	9,857	1,315	15,889	4,306	Net Open Position Absolute
Jumlah								145,004	Total
Modal								15,307,194	Capital
Rasio PDN (Laporan posisi keuangan)								(17.15)%	NOP Ratio (On-Statement of financial position)
Rasio PDN (Keseluruhan)								0.95%	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 2016, 2015 dan 2014:

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 2016, 2015 and 2014:

	Pengaruh pada laba sebelum pajak/ Impact on income before tax (Trading book)		
	+5%	-5%	
31 Desember 2016	(107,487)	107,487	31 December 2016
31 Desember 2015	(88,975)	88,975	31 December 2015
31 Desember 2014	131,232	(131,232)	31 December 2014

(iii) Risiko tingkat bunga

(iii) Interest rate risk

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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b. Risiko pasar (lanjutan)

(iii) Risiko tingkat bunga (lanjutan)

Kebijakan yang dijalankan Bank dalam pengendalian terhadap risiko suku bunga:

- Melakukan pemantauan risiko suku bunga baik pada *trading book* maupun pada *ALM banking book (AFS)*.
- 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.
- Melakukan pemantauan terhadap *Repricing Gap Profile Asset and Liabilities* secara keseluruhan dalam mengantisipasi pergerakan tren suku bunga pasar yang dapat menyebabkan kerugian.
- ALCO melakukan peninjauan ulang terhadap *Repriced Gap Strategy* setidaknya sekali dalam satu bulan.

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:

3. FINANCIAL RISK MANAGEMENT (continued)

b. Market risk (continued)

(iii) Interest rate risk (continued)

Policies adopted by the Bank in managing its interest rate risk include:

- Monitoring of interest rate risk for trading book and ALM banking book (AFS).*
- 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.*
- Monitoring of overall Repricing Gap Profile Assets and Liabilities in order to anticipate adverse movement of interest rate.*
- Regular review on Repriced Gap Strategy by ALCO at least once a month.*

The tables below summarise the Bank's exposure to interest rate risks which categorised by the earlier of contractual repricing or maturity dates:

	2016									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		
Aset											Assets
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											Placements with other bank and Bank
dan Bank Indonesia	383,893	1,232,348	1,394,785	431,044	-	-	-	-	-	3,442,070	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
Jumlah aset keuangan	66.385.515	23.061.240	14.712.303	10.662.534	5.294.452	396.029	1.025.777	1.083.860	11.908.511	134.530.221	Total financial assets

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

b. Risiko pasar (lanjutan)

b. Market risk (continued)

(iii) Risiko tingkat bunga (lanjutan)

(iii) Interest rate risk (continued)

		2016 (lanjutan/continued)											
		Lebih dari 1 bulan tapi tidak lebih dari 3 bulan/ kurang/ Less than 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			
Liabilitas												Liabilities	
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	-	-	-	-	-	-	-	-	-	-	Time deposits -		
Liabilitas akseptasi	-	-	-	-	-	-	-	-	-	-	Derivative payables		
Efek-efek yang dijual dengan janji dibeli kembali	1,345,723	-	-	-	-	-	-	-	-	304,318	Acceptance payables		
Beban yang masih harus dibayar	-	-	-	-	-	-	-	-	-	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	Marketable securities issued		
Obligasi subordinasi	-	-	880,000	-	-	-	-	-	(629)	879,371	Other liabilities		
Jumlah liabilitas keuangan	88,393,475	15,099,956	6,002,192	1,917,898	783,000	-	-	-	5,362,247	117,558,768	Total financial liabilities		
Jumlah gap repricing suku bunga	(22,007,960)	7,961,284	8,710,111	8,744,636	4,511,452	396,029	1,025,777	1,083,860	6,546,264	16,971,453	Total interest repricing gap		
		2015											
		Lebih dari 1 bulan tapi tidak lebih dari 3 bulan/ kurang/ Less than 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			
Aset												Assets	
Kas	-	-	-	-	-	-	-	-	938,280	938,280	Cash		
Giro pada Bank Indonesia	58,372	-	-	-	-	-	-	-	7,743,023	7,801,395	Current accounts with Bank Indonesia		
Giro pada bank lain	678,805	-	-	-	-	-	-	-	-	678,805	Current accounts with other banks		
Penempatan pada bank lain dan Bank Indonesia	6,926,622	2,167,422	184,051	-	-	-	-	-	-	9,278,095	Placements with other bank and Bank Indonesia		
Efek - efek	40,150	310,597	2,324,190	354,135	703,920	105,132	-	(3,616)	-	3,834,508	Marketable securities		
Obligasi pemerintah	631,951	188,633	3,331,681	1,480,613	2,067,158	414,335	-	50,285	-	8,164,656	Government bonds		
Tagihan derivatif	-	-	-	-	-	-	-	-	-	544,840	Derivative receivables		
Pinjaman yang diberikan	55,402,448	20,894,847	3,831,694	2,045,651	1,563,713	283,770	200,543	575,384	(757,282)	84,040,768	Loans		
Tagihan akseptasi	-	-	-	-	-	-	-	-	-	2,825,725	Acceptance receivables		
Aset lain-lain	-	-	-	-	-	-	-	-	-	393,128	Other assets		
Jumlah aset keuangan	63,738,348	23,561,499	9,671,616	3,880,399	4,334,791	803,237	200,543	625,669	11,684,098	118,500,200	Total financial assets		

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

b. Risiko pasar (lanjutan)

b. Market risk (continued)

(iii) Risiko tingkat bunga (lanjutan)

(iii) Interest rate risk (continued)

		2015 (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 years/ 2 years to 3 years	Lebih dari 3 tahun tapi tidak lebih dari 4 years/ 3 years to 4 years	Lebih dari 4 tahun tapi tidak lebih dari 5 years/ 4 years to 5 years	Lebih dari 5 tahun/ Over 5 years	Tidak dikenakan bunga/ Non interest bearing	Jumlah/ Total				
Liabilitas													Liabilities	
Liabilitas segera													Obligations due immediately	
Simpanan dari nasabah													Deposits from customers	
- Giro													Current accounts -	
- Tabungan													Saving accounts -	
- Deposito berjangka													Time deposits -	
Simpanan dari bank lain													Deposits from other banks	
- Giro dan tabungan													Current and -	
- Inter-bank call money													saving accounts	
- Deposito berjangka													Inter-bank call money -	
Liabilitas derivatif													Time deposits -	
Liabilitas akseptasi													Derivative payables	
Beban yang masih harus dibayar													Acceptance payables	
Pinjaman yang diterima													Accrued expenses	
Efek-efek yang diterbitkan													Borrowings	
Liabilitas lain-lain													Marketable securities issued	
Obligasi subordinasi													Other liabilities	
													Subordinated bonds	
Jumlah liabilitas keuangan													Total financial liabilities	
Jumlah gap repricing suku bunga													Total interest repricing gap	
		71.284.925	15.219.622	8.459.694	1.566.442	1.260.709	-	-	5.295.556	103.086.948				
		(7.546.577)	8.341.877	1.211.922	2.313.957	3.074.082	803.237	200.543	625.669	6.388.542	15.413.252			
		2014												
		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 years/ 2 years to 3 years	Lebih dari 3 tahun tapi tidak lebih dari 4 years/ 3 years to 4 years	Lebih dari 4 tahun tapi tidak lebih dari 5 years/ 4 years to 5 years	Lebih dari 5 tahun/ Over 5 years	Tidak dikenakan bunga/ Non interest bearing	Jumlah/ Total				
Aset													Assets	
Kas													Cash	
Giro pada Bank Indonesia													Current accounts with Bank Indonesia	
Giro pada bank lain													Current accounts with other banks	
Penempatan pada bank lain													Placements with other bank and Bank Indonesia	
dan Bank Indonesia													Indonesia	
Efek – efek													Marketable securities	
Obligasi pemerintah													Government bonds	
Efek-efek yang dibeli dengan janji dijual kembali													Securities purchase under resale agreements	
Tagihan derivatif													Derivative receivables	
Pinjaman yang diberikan													Loans	
Tagihan akseptasi													Acceptance receivables	
Aset lain-lain													Other assets	
Jumlah aset keuangan													Total financial assets	
		50.099.413	16.066.971	17.972.402	4.276.339	3.148.816	264.339	108.952	488.699	9.106.470	101.532.401			

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

b. Risiko pasar (lanjutan)

b. Market risk (continued)

(iii) Risiko tingkat bunga (lanjutan)

(iii) Interest rate risk (continued)

2014 (lanjutan/continued)										
	Lebih dari 1 bulan tapi tidak lebih dari 3 bulan/ Less than 1 month or Over 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/ Over 1 year to 2 years	Lebih dari 2 tahun tapi tidak lebih dari 3 tahun/ Over 2 years to 3 years	Lebih dari 3 tahun tapi tidak lebih dari 4 tahun/ Over 3 years to 4 years	Lebih dari 4 tahun tapi tidak lebih dari 5 tahun/ Over 4 years to 5 years	Lebih dari 5 tahun/ Over 5 years	Tidak dikenakan bunga/ Non interest bearing	Jumlah/ Total	
Liabilitas										Liabilities
Liabilitas segera	-	-	-	-	-	-	-	275,025	275,025	Obligations due immediately
Simpanan dari nasabah										Deposits from customers
- Giro	14,025,069	-	-	-	-	-	-	-	14,025,069	Current accounts -
- Tabungan	10,249,117	169,476	817,774	12,256	-	-	-	1,517	11,250,140	Saving accounts -
- Deposito berjangka	31,020,279	13,095,950	3,406,076	2,793	2,450	2,300	-	-	47,529,848	Time deposits -
Simpanan dari bank lain										Deposits from other banks
- Giro dan tabungan	70,495	-	-	-	-	-	-	-	70,495	Current and - saving accounts
- Inter-bank call money	2,416,950	-	-	-	-	-	-	-	2,416,950	Inter-bank call money -
- Deposito berjangka	608,091	125,000	29,000	-	-	-	-	-	762,091	Time deposits -
Liabilitas derivatif	-	-	-	-	-	-	-	594,499	594,499	Derivative payables
Liabilitas akseptasi	-	-	-	-	-	-	-	2,886,148	2,886,148	Acceptance payables
Beban yang masih harus dibayar	-	-	-	-	-	-	-	345,243	345,243	Accrued expenses
Pinjaman yang diterima	-	2,477,000	-	-	-	-	-	-	2,477,000	Borrowings
Efek-efek yang diterbitkan	-	529,000	-	2,398,000	-	-	-	-	(7,275)	Marketable securities issued
Liabilitas lain-lain	-	-	-	-	-	-	-	869,001	869,001	Other liabilities
Obligasi subordinasi	-	-	-	-	880,000	-	-	(2,824)	877,176	Subordinated bonds
Jumlah liabilitas keuangan	58,390,001	16,396,426	4,252,850	2,413,049	882,450	2,300	-	4,961,334	87,298,410	Total financial liabilities
Jumlah gap repricing suku bunga	(8,290,588)	(329,455)	13,719,552	1,863,290	2,266,366	262,039	108,952	488,699	4,145,136	Total interest repricing gap

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 2016	(100,766)	81,890	31 December 2016
31 Desember 2015	(5,165)	10,326	31 December 2015
31 Desember 2014	(28,910)	17,202	31 December 2014

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

b. Risiko pasar (lanjutan)

(iii) Risiko tingkat bunga (lanjutan)

Sensitivitas keuntungan/(kerugian) yang belum direalisasi atas efek-efek dan obligasi pemerintah dalam kelompok tersedia untuk dijual

Tabel di bawah ini mengikhtisarkan sensitivitas keuntungan/(kerugian) yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual Bank pada tanggal 31 Desember 2016, 2015 dan 2014 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 2016	(233,091)	226,733
31 Desember 2015	(100,673)	98,839
31 Desember 2014	(116,626)	115,130

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 (continued)

Sensitivity to unrealised gains/(loss) on available for sale marketable securities and government bonds

The 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 2016, 2015 and 2014 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 tingkat bunga (lanjutan)

(iii) Interest rate risk (continued)

	2016		2015		2014		
	Rupiah/ Rupiah %	Mata uang asing/ Foreign currencies %	Rupiah/ Rupiah %	Mata uang asing/ Foreign currencies %	Rupiah/ Rupiah %	Mata uang asing/ Foreign currencies %	
ASET							ASSETS
Giro pada bank lain	0.48	0.04	0.59	0.03	0.10	0.07	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	7.20	0.42	7.58	0.20	6.78	0.15	Placements with other banks and Bank Indonesia
Efek-efek dan obligasi pemerintah	7.35	1.96	7.43	3.14	7.22	3.02	Marketable securities and government bonds
Pinjaman yang diberikan	11.77	5.30	12.06	5.24	11.66	5.09	Loans
LIABILITAS							LIABILITIES
Simpanan nasabah							Deposits from customers
- Giro	1.79	0.67	1.62	0.56	1.63	0.48	Current accounts -
- Tabungan	2.69	0.15	2.65	0.35	2.68	0.20	Saving accounts -
- Deposito berjangka	7.46	0.88	8.67	1.68	9.07	2.53	Time deposits -
Simpanan dari bank lain							Deposits from other banks
- Giro	1.44	-	1.41	-	1.49	0.31	Current accounts -
- Tabungan	0.75	-	1.19	-	1.14	-	Saving accounts -
- Inter-bank call money	5.07	0.49	6.29	0.14	5.96	0.19	Inter-bank call money -
- Deposito berjangka	6.13	0.43	8.61	-	8.51	0.25	Time deposits -
Pinjaman yang diterima	-	-	-	1.47	-	1.13	Borrowings
Efek-efek yang dijual dengan janji dibeli kembali	5.54	-	-	-	-	-	Securities sold under repurchase agreements
Efek-efek yang diterbitkan							Marketable securities issued
- Obligasi Berkelanjutan	9.06	-	8.83	-	7.42	-	Continuous Bonds -
- Medium Term Notes	7.55	-	7.43	-	7.43	-	Medium Term Notes -
Obligasi subordinasi	11.50	-	11.50	-	11.50	-	Subordinated bonds

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.

		2016							
	Nilai tercatat ^{*)} / Carrying value ^{*)}	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	
ASET									ASSETS
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	-	383,893	1,232,348	1,394,785	431,044	-	-	Placements with other banks and Bank Indonesia
Efek-efek	14,353,517	-	454,192	2,031,811	9,849,606	789,684	1,228,224	-	Marketable securities
Obligasi pemerintah	12,372,750	-	187,816	1,421,743	1,098,107	6,310,329	3,171,180	183,575	Government bonds
Tagihan derivatif	351,939	-	32,914	63,998	158,479	89,288	7,260	-	Derivative receivables
Pinjaman yang diberikan	93,362,639	-	4,921,947	8,055,525	28,519,818	5,763,756	22,232,120	23,869,473	Loans
Tagihan akseptasi	3,513,459	-	1,058,822	1,585,975	823,462	45,200	-	-	Acceptance receivables
Aset lain-lain	898,519	-	737,357	29,597	131,565	-	-	-	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
LIABILITAS									LIABILITIES
Liabilitas segera	444,398	-	444,398	-	-	-	-	-	Obligations due immediately
Simpanan nasabah	103,559,960	-	84,607,056	14,317,685	3,648,460	634,177	315,582	37,000	Deposits from customers
Simpanan dari bank lain	2,507,040	-	2,486,040	20,000	1,000	-	-	-	Deposits from other banks
Liabilitas derivatif	304,318	-	83,803	51,049	111,203	54,330	3,933	-	Derivative payables
Liabilitas akseptasi	3,513,459	-	1,058,822	1,585,975	823,462	45,200	-	-	Acceptance payables
Beban yang masih harus dibayar	392,544	-	392,544	-	-	-	-	-	Accrued expenses
Pinjaman yang diterima									Borrowings
Efek-efek yang dijual dengan janji dibeli kembali	1,345,723	-	1,345,723	-	-	-	-	-	Securities sold under repurchase agreements
Efek-efek yang diterbitkan	3,898,991	-	-	669,882	835,815	1,612,589	780,705	-	Marketable securities issued
Liabilitas lain-lain	712,964	-	712,964	-	-	-	-	-	Other liabilities
Obligasi subordinasi	879,371	-	-	-	879,371	-	-	-	Subordinated bonds
Jumlah liabilitas	117,558,768	-	91,131,350	16,644,591	6,299,311	2,346,296	1,100,220	37,000	Total liabilities
Aset Bersih	20,122,012	-	(73,968,522)	(2,223,594)	35,676,511	11,083,005	25,538,564	24,016,048	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)

2015								
Nilai tercatat ¹⁾ / Carrying value ²⁾	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	
ASET								
Kas	938,280	-	938,280	-	-	-	-	ASSETS Cash
Giro pada Bank Indonesia	7,801,395	-	7,801,395	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain	678,805	-	678,805	-	-	-	-	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	9,278,095	-	6,926,622	2,167,422	184,051	-	-	Placements with other banks and Bank Indonesia
Efek-efek	3,838,124	-	40,150	310,597	2,324,190	354,135	-	Marketable securities
Obligasi pemerintah	8,164,656	-	631,951	188,633	3,331,681	1,480,613	2,481,493	Government bonds
Tagihan derivatif	544,840	-	40,002	43,263	129,894	220,878	110,803	Derivative receivables
Pinjaman yang diberikan	85,879,019	-	3,740,128	9,005,193	22,765,046	4,250,308	22,897,955	Loans
Tagihan akseptasi	2,846,639	-	1,156,031	982,115	701,802	-	6,691	Acceptance receivables
Aset lain-lain	459,724	-	407,365	15,665	36,694	-	-	Other assets
Jumlah aset	120,429,577	-	22,360,729	12,712,888	29,473,358	6,305,934	26,305,994	Total assets
LIABILITAS								
Liabilitas segera	354,250	-	354,250	-	-	-	-	Obligations due immediately
Simpanan nasabah	87,280,244	-	69,774,240	12,501,498	4,204,578	290,377	455,845	Deposits from customers
Simpanan dari bank lain	1,478,546	-	1,475,546	2,000	1,000	-	-	Deposits from other banks
Liabilitas derivatif	947,585	-	83,564	55,374	396,972	350,581	61,094	Derivative payables
Liabilitas akseptasi	2,846,639	-	1,156,031	982,115	701,802	-	6,691	Acceptance payables
Beban yang masih harus dibayar	380,252	-	380,252	-	-	-	-	Accrued expenses
Pinjaman yang diterima	2,757,000	-	-	-	2,757,000	-	-	Borrowings
Efek-efek yang diterbitkan	5,392,378	-	-	2,592,261	898,860	668,878	1,232,379	Marketable securities issued
Liabilitas lain-lain	771,843	-	771,843	-	-	-	-	Other liabilities
Obligasi subordinasi	878,211	-	-	-	-	878,211	-	Subordinated bonds
Jumlah liabilitas	103,086,948	-	73,995,726	16,133,248	8,960,212	2,188,047	1,756,009	Total liabilities
Aset Bersih	17,342,629	-	(51,634,997)	(3,420,360)	20,513,146	4,117,887	24,549,985	Net Asset

*) Tidak termasuk cadangan kerugian penurunan nilai.

Excluding allowance for impairment losses *)

2014								
Nilai tercatat ¹⁾ / Carrying value ²⁾	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	
ASET								
Kas	989,252	-	989,252	-	-	-	-	ASSETS Cash
Giro pada Bank Indonesia	6,816,392	-	6,816,392	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain	542,792	-	542,792	-	-	-	-	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	3,908,139	-	3,170,408	-	564,909	172,822	-	Placements with other banks and Bank Indonesia
Efek-efek	13,192,037	-	887,473	2,088,970	9,136,536	458,268	11,410	Marketable securities
Obligasi pemerintah	4,837,253	-	-	1,511	2,210,764	1,230,554	1,349,587	Government bonds
Efek-efek yang dibeli dengan janji dijual kembali	708,660	-	708,660	-	-	-	-	Securities purchased under resale agreements
Tagihan derivatif	345,114	-	83,767	39,003	57,264	61,878	103,202	Derivative receivables
Pinjaman yang diberikan	68,363,239	-	2,873,827	5,460,271	20,404,172	2,945,548	19,984,847	Loans
Tagihan akseptasi	2,886,148	-	763,482	1,377,895	729,743	8,978	6,050	Acceptance receivables
Aset lain-lain	416,323	-	293,145	73,622	49,556	-	-	Other assets
Jumlah aset	103,005,349	-	17,129,198	9,041,272	33,152,944	4,878,048	22,053,066	Total assets
LIABILITAS								
Liabilitas segera	275,025	-	275,025	-	-	-	-	Obligations due immediately
Simpanan nasabah	72,805,057	-	55,257,420	13,161,759	3,713,976	224,381	357,547	Deposits from customers
Simpanan dari bank lain	3,249,536	-	3,095,536	125,000	29,000	-	-	Deposits from other banks
Liabilitas derivatif	594,499	-	119,112	56,848	25,854	344,622	48,063	Derivative payables
Liabilitas akseptasi	2,886,148	-	763,482	1,377,895	729,743	8,978	6,050	Acceptance payables
Beban yang masih harus dibayar	345,243	-	345,243	-	-	-	-	Accrued expenses
Pinjaman yang diterima	2,477,000	-	-	-	2,477,000	-	-	Borrowings
Efek-efek yang diterbitkan	2,919,725	-	-	528,850	-	2,390,875	-	Marketable securities issued
Liabilitas lain-lain	869,001	-	869,001	-	-	-	-	Other liabilities
Obligasi subordinasi	877,176	-	-	-	-	-	877,176	Subordinated bonds
Jumlah liabilitas	87,298,410	-	60,724,819	15,250,352	6,975,573	2,968,856	1,288,836	Total liabilities
Aset Bersih	15,706,939	-	(43,595,621)	(6,209,080)	26,177,371	1,909,192	20,764,230	Net Asset

*) Tidak termasuk cadangan kerugian penurunan nilai.

Excluding allowance for impairment losses *)

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

c. Risiko likuiditas (lanjutan)

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.

Tabel jatuh tempo berikut ini menyajikan informasi mengenai perkiraan jatuh tempo dari liabilitas sesuai arus kas kontraktual yang tidak didiskontokan tanggal 31 Desember 2016, 2015 dan 2014.

3. FINANCIAL RISK MANAGEMENT (continued)

c. Liquidity risk (continued)

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.

The maturity tables below provide information about maturities on contractual undiscounted cash flows of liabilities on 31 December 2016, 2015 and 2014.

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	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
Pinjaman yang diterima	-	-	-	-	-	Borrowings
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
118,719,471	91,276,566	16,957,415	6,784,139	3,658,726	42,625	
2015						
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	354,250	354,250	-	-	-	Obligations due immediately
Simpanan nasabah						Deposits from customers
Giro	22,506,869	22,506,869	-	-	-	Current accounts
Tabungan	13,715,142	12,434,522	96,273	351,999	769,514	Saving accounts
Deposito berjangka	51,455,014	34,924,691	12,551,097	3,945,226	34,000	Time deposits
Simpanan dari bank lain	1,492,352	1,489,266	2,029	1,057	-	Deposits from other banks
Liabilitas derivatif	1,272,597	102,159	245,627	582,021	342,790	Derivative payables
Liabilitas akseptasi	2,846,639	1,156,031	982,115	701,802	6,691	Acceptance payables
Beban yang masih harus dibayar	380,252	380,252	-	-	-	Accrued expenses
Pinjaman yang diterima	2,761,638	-	-	2,761,638	-	Borrowings
Efek-efek yang diterbitkan	5,835,632	15,750	2,694,091	1,053,758	2,072,033	Marketable securities issued
Liabilitas lain-lain	771,843	771,843	-	-	-	Other liabilities
Obligasi subordinasi	1,029,820	-	24,970	74,910	929,940	Subordinated bonds
104,422,048	74,135,633	16,596,202	9,472,411	4,154,968	62,834	
2014						
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	275,025	275,025	-	-	-	Obligations due immediately
Simpanan nasabah						Deposits from customers
Giro	14,025,069	14,025,069	-	-	-	Current accounts
Tabungan	11,250,140	10,212,071	104,149	269,561	574,385	Saving accounts
Deposito berjangka	47,529,848	31,025,055	14,898,802	1,598,448	7,543	Time deposits
Simpanan dari bank lain	3,252,458	3,208,916	17,763	25,779	-	Deposits from other banks
Liabilitas derivatif	680,849	29,655	126,979	311,194	213,021	Derivative payables
Liabilitas akseptasi	2,886,148	763,482	1,377,895	729,743	15,028	Acceptance payables
Beban yang masih harus dibayar	345,243	345,243	-	-	-	Accrued expenses
Pinjaman yang diterima	2,483,245	-	6,245	2,477,000	-	Borrowings
Efek-efek yang diterbitkan	3,169,190	15,750	565,838	130,389	2,457,213	Marketable securities issued
Liabilitas lain-lain	869,001	869,001	-	-	-	Other liabilities
Obligasi subordinasi	1,129,700	-	24,970	74,910	1,029,820	Subordinated bonds
87,895,916	60,769,267	17,122,641	5,617,024	4,297,010	89,974	

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)**c. Risiko likuiditas (lanjutan)**

Informasi mengenai perkiraan cash outflow dari rekening administratif pada tanggal 31 Desember 2016, 2015 dan 2014.

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
<i>Irrevocable letters of credit yang masih berjalan</i>	3,328,721	701,475	1,805,137	570,764	251,345	-
Garansi yang diberikan	3,930,492	778,188	843,078	1,903,100	406,126	-
<i>Standby letter of credit</i>	448,990	51,754	131,842	195,876	69,518	-
	<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>
2015						
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	7,633,486	2,357	22,740	408,613	2,463,624	4,736,152
<i>Irrevocable letters of credit yang masih berjalan</i>	2,205,086	522,248	584,004	770,784	328,050	-
Garansi yang diberikan	4,027,086	983,051	822,400	1,717,596	504,039	-
<i>Standby letter of credit</i>	326,096	106,613	39,449	168,395	11,639	-
	<u>14,191,754</u>	<u>1,614,269</u>	<u>1,468,593</u>	<u>3,065,388</u>	<u>3,307,352</u>	<u>4,736,152</u>
2014						
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	6,404,648	171,036	244,141	302,513	2,368,508	3,318,450
<i>Irrevocable letters of credit yang masih berjalan</i>	2,447,430	1,332,764	612,564	496,167	5,935	-
Garansi yang diberikan	3,145,181	547,673	401,993	1,742,226	453,289	-
<i>Standby letter of credit</i>	358,480	83,616	56,325	218,539	-	-
	<u>12,355,739</u>	<u>2,135,089</u>	<u>1,315,023</u>	<u>2,759,445</u>	<u>2,827,732</u>	<u>3,318,450</u>

d. Risiko operasional

Risiko Operasional merupakan risiko atas kerugian dari ketidakcukupan/kegagalan proses internal, manusia, sistem dan manajemen atau kerugian dari kejadian eksternal.

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.

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, personal yang mendukung pengelolaan risiko operasional pada berbagai unit kerja serta dukungan *top* manajemen dalam pelaksanaan risiko operasional.

3. FINANCIAL RISK MANAGEMENT (continued)**c. Liquidity risk (continued)**

The tables below provide information about estimated cash outflow of off-balance sheet as at 31 December 2016, 2015 and 2014.

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
<i>Outstanding irrevocable letters of credit</i>	3,328,721	701,475	1,805,137	570,764	251,345	-
<i>Guarantees issued</i>	3,930,492	778,188	843,078	1,903,100	406,126	-
<i>Standby letter of credit</i>	448,990	51,754	131,842	195,876	69,518	-
	<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>
2015						
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	7,633,486	2,357	22,740	408,613	2,463,624	4,736,152
<i>Outstanding irrevocable letters of credit</i>	2,205,086	522,248	584,004	770,784	328,050	-
<i>Guarantees issued</i>	4,027,086	983,051	822,400	1,717,596	504,039	-
<i>Standby letter of credit</i>	326,096	106,613	39,449	168,395	11,639	-
	<u>14,191,754</u>	<u>1,614,269</u>	<u>1,468,593</u>	<u>3,065,388</u>	<u>3,307,352</u>	<u>4,736,152</u>
2014						
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	6,404,648	171,036	244,141	302,513	2,368,508	3,318,450
<i>Outstanding irrevocable letters of credit</i>	2,447,430	1,332,764	612,564	496,167	5,935	-
<i>Guarantees issued</i>	3,145,181	547,673	401,993	1,742,226	453,289	-
<i>Standby letter of credit</i>	358,480	83,616	56,325	218,539	-	-
	<u>12,355,739</u>	<u>2,135,089</u>	<u>1,315,023</u>	<u>2,759,445</u>	<u>2,827,732</u>	<u>3,318,450</u>

d. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, system and management or losses from external events.

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*.

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.*

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

d. Risiko operasional (lanjutan)

Identifikasi dan *assessment* risiko dilakukan antara lain dengan menerapkan kebijakan *New Product Approval Process*, *Risk and Control Self Assessment* (RCSA), *Key Risk Indicator* (KRI) dan pelaporan kejadian yang menimbulkan risiko operasional. Mitigasi atau kontrol risiko operasional dilakukan terhadap kejadian risiko operasional yang teridentifikasi agar dampaknya dapat diminimalisir.

Monitoring atas hasil pengembangan atau tindak lanjut perbaikan kontrol dilakukan secara berkesinambungan setelah mengidentifikasi akar penyebab terjadinya kejadian risiko operasional, baik yang teridentifikasi melalui RCSA, KRI, kejadian yang sifatnya *accidental* maupun hasil dari analisa *emerging risk*.

Pengawasan secara aktif oleh Direksi dan Komisaris Bank atas laporan profil risiko dan pelaksanaan manajemen risiko dilakukan melalui berbagai rapat komite, seperti Komite Manajemen Risiko Operasional, *Board Risk Committee* dan *Risk Monitoring Committee* yang dilakukan secara berkala.

Untuk penanganan risiko *fraud*, Bank telah memiliki dokumen kebijakan dan prosedur penanganan *fraud*, sebagai dasar pengendalian risiko *fraud* oleh Bank. Dokumen-dokumen tersebut secara berkesinambungan dilakukan pengkinian agar konten dokumen tetap sesuai dengan kondisi terkini yang dihadapi. Selain itu Bank mendorong seluruh karyawan untuk melakukan pelaporan kejadian *fraud* atau menjadi *whistleblower* apabila menemukan atau mengetahui adanya *fraud*. Direksi Bank terlibat aktif dalam pengelolaan risiko *fraud* antara lain dengan memberikan pengarahannya atas strategi pengelolaan risiko *fraud*, pengawasan penanganan kejadian *fraud*, pemberian sanksi dan monitoring atas perkembangan perbaikan kontrol untuk memastikan kejadian yang sama dapat dicegah atau diminimalisir. Hal ini dilakukan melalui Komite *Fraud* yang diketuai oleh Presiden Direktur maupun pembahasan 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* tanpa perlu menunggu jadwal rapat Komite *Fraud*. Bank juga telah memitigasi dampak finansial akibat *fraud* dengan membeli asuransi perlindungan terhadap *fraud*.

3. FINANCIAL RISK MANAGEMENT (continued)

d. Operational risk (continued)

Risk identification and assessment have been implemented such as by implementing New Product Approval Process, Risk and Control Self Assessment (RCSA), Key Risk Indicator (KRI) and by reporting such event that potentially trigger the occurrence of operational risk. Operational Risk mitigation or control has been implemented to identified operational risk event to minimize the impact.

The Operational Risk monitoring of the result of development or the follow up of control improvement is performed continuously after the identification of the root cause of operational risk, whether it is identified through RCSA, KRI, accidental event, or the result of risk emerging analysis.

The Board of Directors and the Board of Commissioners actively monitor the Bank's risk profile report and its risk management implementation through various committee meetings, such as Operational Risk Management Committee, Board Risk Committee and Risk Monitoring Committee that are conducted regularly.

In terms of the handling of fraud, the Bank has documented fraud handling policy and procedure as the basis of the Bank's fraud risk management. Those documents are continuously updated to keep the content of document in line with current condition. In addition, the Bank encourages all staffs to report any fraud event or to be a whistleblower if they find or recognise any action/indication of fraud. 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 discussions at 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 without having to wait for the scheduled meeting of the Fraud Committee. The Bank has also mitigated financial impact from fraud by purchasing insurance covers for fraud.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)**d. Risiko operasional (lanjutan)**

Selain itu, Bank juga terus menerus membangun lingkungan budaya yang mendukung pelaksanaan manajemen risiko operasional. Hal tersebut dilakukan melalui penguatan pada tiga lini pertahanan (*three line of defense*) yaitu pemberdayaan/peningkatan *internal control* pada unit bisnis atau unit fungsional sebagai lini pertahanan pertama, pembentukan fungsi manajemen risiko operasional sebagai lini pertahanan kedua dan koordinasi kerja dengan 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 strategik

Risiko strategis 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 strategis 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. It is done through the implementation of the three line of defense which consist of the empowerment/internal control improvement of business or functional unit as the first line of defence, establishment of operational risk management as second line of defense and coordination with 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:

	2016	
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value
Aset		
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>
Liabilitas		
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
- Inter-bank call money	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>

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
	Liabilities
	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

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

i. Nilai wajar aset dan liabilitas keuangan (lanjutan)

i. Fair value of financial assets and liabilities (continued)

	2014 (lanjutan/continued)		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
Liabilitas			Liabilities
Liabilitas segera	275,025	275,025	Obligations due immediately
Simpanan nasabah			Deposits from customers
- Giro	14,025,069	14,025,069	Current accounts -
- Tabungan	11,250,140	11,250,140	Saving accounts -
- Deposito berjangka	47,529,848	47,529,848	Time deposits -
Simpanan dari bank lain			Deposits from other banks
- Giro dan tabungan	70,495	70,495	Current and saving accounts -
- <i>Inter-bank call money</i>	2,416,950	2,416,950	Inter-bank call money -
- Deposito berjangka	762,091	762,091	Time deposits -
Liabilitas akseptasi	2,886,148	2,886,148	Acceptance payables
Beban yang masih harus dibayar	345,243	345,243	Accrued expenses
Pinjaman yang diterima	2,477,000	2,477,000	Borrowings
Efek-efek yang diterbitkan	2,919,725	2,759,431	Marketable securities issued
Liabilitas lain-lain	869,001	869,001	Other liabilities
Obligasi subordinasi	877,176	861,425	Subordinated bonds
	<u>86,703,911</u>	<u>86,527,866</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.

- (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.

Nilai tercatat dari giro dan penempatan dengan suku bunga mengambang adalah perkiraan yang layak atas nilai wajar.

The carrying amount of floating rate current account and placements is a reasonable approximation of fair value.

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.

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.

- (ii) Pinjaman yang diberikan

- (ii) Loans

Pinjaman yang diberikan dinyatakan berdasarkan jumlah nilai tercatat setelah dikurangi oleh cadangan kerugian penurunan nilai.

Loans are recognised at carrying amount net of charges for impairment.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

i. Nilai wajar aset dan liabilitas keuangan
 (lanjutan)

(ii) Pinjaman yang diberikan (lanjutan)

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 (continued)

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 2016, 2015 dan 2014 berdasarkan hierarki nilai wajar:

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 2016, 2015 and 2014 based on fair value hierarchy:

		2016				
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Nilai wajar/ Fair value	
Aset						Assets
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>	
Liabilitas						Liabilities
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>	
		2015				
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3	Nilai wajar/ Fair value	
Aset						Assets
Efek-efek	3,785,742	1,912,189	1,873,553	-	3,785,742	Marketable securities
Obligasi pemerintah	8,164,656	8,164,656	-	-	8,164,656	Government bonds
Tagihan derivatif	544,840	581	544,259	-	544,840	Derivative receivables
	<u>12,495,238</u>	<u>10,077,426</u>	<u>2,417,812</u>	<u>-</u>	<u>12,495,238</u>	
Liabilitas						Liabilities
Liabilitas derivatif	947,585	473	947,112	-	947,585	Derivative payables
	<u>947,585</u>	<u>473</u>	<u>947,112</u>	<u>-</u>	<u>947,585</u>	

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

i. Nilai wajar aset dan liabilitas keuangan (lanjutan)

i. Fair value of financial assets and liabilities (continued)

	2014				Nilai wajar/ Fair value	
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3		
Aset						Assets
Efek-efek	13,072,038	11,088,628	1,983,410	-	13,072,038	Marketable securities
Obligasi pemerintah	4,837,253	4,837,253	-	-	4,837,253	Government bonds
Tagihan derivatif	345,114	4,886	340,228	-	345,114	Derivative receivables
	<u>18,254,405</u>	<u>15,930,767</u>	<u>2,323,638</u>	-	<u>18,254,405</u>	
Liabilitas						Liabilities
Liabilitas derivatif	594,499	1,770	592,729	-	594,499	Derivative payables
	<u>594,499</u>	<u>1,770</u>	<u>592,729</u>	-	<u>594,499</u>	

Instrumen keuangan yang tidak diukur pada nilai wajarFinancial instruments not measured at fair values

Tabel berikut menyajikan nilai wajar atas aset dan liabilitas (setelah dikurangi cadangan kerugian penurunan nilai) Bank yang tidak diukur sebesar nilai wajar pada tanggal 31 Desember 2016 dan 2015 berdasarkan hierarki nilai wajar:

The table below shows the fair value of the Bank's assets and liabilities (net of allowance for impairment losses) that are not measured at fair value as at 31 December 2016 and 2015 based on fair value hierarchy:

	2016				Jumlah/ Total	
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3		
Aset						Assets
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>106,769,180</u>	-	<u>16,521,528</u>	<u>90,751,435</u>	<u>107,272,963</u>	
Liabilitas						Liabilities
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>116,920,325</u>	-	<u>116,920,325</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 2016 dan 2015 berdasarkan hierarki nilai wajar: (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

i. Fair value of financial assets and liabilities (continued)

Financial instruments not measured at fair values (continued)

The table below shows the fair value of the Bank's assets and liabilities that are not measured at fair value as at 31 December 2016 and 2015 based on fair value hierarchy: (continued)

	2015				Jumlah/ Total	
	Nilai tercatat/ Carrying value	Tingkat 1/ Level 1	Tingkat 2/ Level 2	Tingkat 3/ Level 3		
Aset						Assets
Giro pada Bank Indonesia	7,801,395	-	7,801,395	-	7,801,395	Current accounts with Bank Indonesia
Giro pada bank lain	678,805	-	678,805	-	678,805	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	9,278,095	-	9,278,095	-	9,278,095	Placements with other banks and Bank Indonesia
Efek-efek						Marketable Securities
- Pinjaman yang diberikan dan piutang	52,200	-	52,200	-	52,200	Loans and receivables -
Pinjaman yang diberikan	84,040,768	-	-	84,271,589	84,271,589	Loans
Tagihan akseptasi	2,825,725	-	2,825,725	-	2,825,725	Acceptance receivables
Aset lain-lain	393,128	-	393,128	-	393,128	Other assets
	<u>105,070,116</u>	<u>-</u>	<u>21,029,348</u>	<u>84,271,589</u>	<u>105,300,937</u>	
Liabilitas						Liabilities
Liabilitas segera	354,250	-	354,250	-	354,250	Obligations due immediately
Simpanan nasabah						Deposits from customers
- Giro dan tabungan	22,506,230	-	22,506,230	-	22,506,230	Current accounts -
- Tabungan	13,646,077	-	13,646,077	-	13,646,077	Saving accounts -
- Deposito berjangka	51,127,937	-	51,127,937	-	51,127,937	Time deposits -
Simpanan dari bank lain						Deposits from other banks
- Giro dan tabungan	100,272	-	100,272	-	100,272	Current and saving
- Inter-bank call money	1,365,000	-	1,365,000	-	1,365,000	Inter-bank call money -
- Deposito berjangka	13,274	-	13,274	-	13,274	Time deposits -
Liabilitas akseptasi	2,846,639	-	2,846,639	-	2,846,639	Acceptance payables
Beban yang masih harus dibayar	380,252	-	380,252	-	380,252	Accrued expenses
Pinjaman yang diterima	2,757,000	-	2,757,000	-	2,757,000	Borrowings
Efek-efek yang diterbitkan	5,392,378	-	5,392,378	-	5,392,378	Marketable Securities issued
Liabilitas lain-lain	771,843	-	771,843	-	771,843	Other liabilities
Obligasi subordinasi	878,211	-	873,684	-	873,684	Subordinated bonds
	<u>102,139,363</u>	<u>-</u>	<u>102,134,836</u>	<u>-</u>	<u>102,134,836</u>	

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

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.

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 2015 berdasarkan peraturan BI No. 15/12/PBI/2013 dan peraturan OJK No. 6/POJK.3/2015, dimana modal yang diwajibkan regulator dianalisa dalam dua tier sebagai berikut:

- Modal inti (tier 1), yang terdiri dari modal inti utama dan modal inti tambahan. Modal inti utama antara lain meliputi modal ditempatkan dan disetor penuh, tambahan modal disetor, cadangan umum, laba tahun-tahun lalu dan periode/tahun berjalan (100%), penghasilan komprehensif lainnya berupa potensi keuntungan/kerugian yang berasal dari perubahan nilai wajar aset keuangan dalam kelompok tersedia untuk dijual, selisih kurang dari penyisihan penghapusan aset produktif sesuai ketentuan peraturan yang berlaku dan cadangan kerugian penurunan nilai aset produktif. Aset pajak tangguhan, aset tak berwujud (termasuk *goodwill*) dan penyertaan (100%) merupakan faktor pengurang modal inti utama. Modal inti tambahan antara lain terdiri dari saham preferen, surat berharga subordinasi dan pinjaman subordinasi dimana ketiganya bersifat non kumulatif setelah dikurangi pembelian kembali.
- Modal pelengkap (tier 2) antara lain meliputi surat berharga subordinasi dan pinjaman subordinasi serta penyisihan penghapusan aset produktif sesuai ketentuan peraturan yang berlaku.

3. FINANCIAL RISK MANAGEMENT (continued)

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.

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 2015 in accordance with BI regulation No. 15/12/PBI/2013 and OJK regulation No. 6/POJK.3/2015, 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, specific reserve, 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 net of buyback portion.
- Supplementary capital (tier 2), which includes subordinated securities and subordinated debts and allowance for uncollectible account on productive assets according to requirements from prevailing regulations.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

j. Manajemen risiko permodalan (lanjutan)

j. Capital risk management (continued)

Modal regulasi (lanjutan)

Regulatory capital (continued)

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.

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.

Posisi permodalan Bank berdasarkan Peraturan Bank Indonesia yang berlaku pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

The Bank's regulatory capital position under the prevailing Bank Indonesia Regulation as at 31 December 2016 and 2015 were as follows:

	Catatan/ Notes	2016	2015	
Modal inti (Tier 1)				Core Capital (Tier 1)
Modal inti utama (CET 1)				Main Core Capital CET 1
Modal disetor		1,434,081	1,434,081	Paid-in capital
Cadangan tambahan modal	1b,1f,2d,28	18,081,198	14,993,615	Additional paid-in capital
Faktor pengurang modal inti utama		<u>(370,025)</u>	<u>(170,373)</u>	Deducting factor main core capital
		<u>19,145,254</u>	<u>16,257,323</u>	
Modal pelengkap (Tier 2)		1,160,435	1,230,684	Supplementary Capital (Tier 2)
Total modal regulasi		<u>20,305,689</u>	<u>17,488,007</u>	Total regulatory capital
Aset tertimbang menurut risiko				Risk weighted assets
Risiko kredit		101,476,360	92,187,139	Credit risk
Risiko pasar		721,963	1,151,508	Market risk
Risiko operasional		<u>8,860,547</u>	<u>7,644,293</u>	Operational risk
Total aset tertimbang menurut risiko		<u>111,058,870</u>	<u>100,982,940</u>	Total risk weighted assets
Rasio penyediaan modal:				Capital adequacy ratio:
- Rasio Modal Inti Utama (CET 1)		17.24%	16.10%	Main Core Capital (CET 1) Ratio -
- Rasio Modal Inti		17.24%	16.10%	Tier 1 Ratio -
- Rasio Modal Pelengkap		1.04%	1.22%	Tier 2 Ratio -
- Rasio Total		18.28%	17.32%	Total Ratio -
Rasio penyediaan modal sesuai profil Risiko		9.65%	9% - 10%	Required capital adequacy based on Risk Profile

Bank menghitung kebutuhan modal posisi 31 Desember 2014 berdasarkan peraturan BI No. 14/18/PBI/2012, dimana modal yang diwajibkan regulator dianalisa dalam dua tier sebagai berikut:

The Bank calculated its capital requirements for 31 December 2014 in accordance with BI regulation No. 14/18/PBI/2012, where the regulatory capital is also analysed into two tiers as follows:

- Modal tier 1, meliputi modal ditempatkan dan disetor penuh, cadangan umum, saldo laba dan laba tahun berjalan (50%). Penyertaan saham (50%) dan nilai buku *goodwill* dikurangkan dari modal tier 1,
- Modal tier 2, meliputi penyisihan kerugian penurunan nilai yang diperbolehkan. Penyertaan saham (50%) dikurangkan dari modal tier 2.

- Tier 1 capital, which includes issued and fully paid share capital, general reserve, retained earnings and profit for the year (50%). Share investment (50%) and book value of goodwill is deducted from tier 1 capital.
- Tier 2 capital, which includes the amount of allowable collectible impairment losses. Share investment (50%) is deducted from tier 2 capital.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

j. Manajemen risiko permodalan (lanjutan)

j. Capital risk management (continued)

Modal regulasi (lanjutan)

Regulatory capital (continued)

Posisi permodalan Bank berdasarkan peraturan Bank Indonesia yang berlaku pada tanggal 31 Desember 2014 adalah sebagai berikut:

The Bank's regulatory capital position under the prevailing Bank Indonesia regulation as at 31 December 2014 were as follows:

	Catatan/ Notes	31 Desember/ December 2014	
Modal tier 1			Tier 1 capital
Modal saham	1b,1f,28	1,434,081	Share capital
Tambahan modal disetor/ agio saham	28	6,829,361	Additional paid-in capital/ agio
Cadangan umum	29	1,750	General reserve
Saldo laba		5,145,982	Retained earnings
Laba tahun berjalan		666,091	Profit for the year
Faktor pengurang modal inti utama		-	Deducting factor main core capital
Dikurangi:			Less:
Penyisihan penghapusan aset non produktif		(3,422)	Allowance for possible losses on non productive assets
		<u>14,073,843</u>	
Modal tier 2			Tier 2 capital
Revaluasi aset tetap		48,376	Fixed asset revaluation
Penyisihan penurunan umum		740,467	General impairment allowance
Penyisihan penurunan rekening administrasi		59,511	Impairment allowance of administrative accounts
Obligasi subordinasi		438,588	Subordinated bonds
		<u>1,286,942</u>	
Total modal regulasi		15,360,785	Total regulatory capital
Aset tertimbang menurut risiko			Risk weighted assets
Risiko kredit		73,806,836	Credit risk
Risiko pasar		1,550,388	Market risk
Risiko operasional		6,611,144	Operational risk
		<u>81,968,368</u>	
Total aset tertimbang menurut risiko		81,968,368	Total risk weighted assets
Rasio penyediaan modal:			Capital adequacy ratio:
- Tanpa memperhitungkan risiko pasar dan operasional		20.81%	Excluding market risk - and operational risk
- Dengan memperhitungkan risiko pasar		20.38%	Including market risk -
- Dengan memperhitungkan risiko pasar dan operasional		18.74%	Including market risk - and operational risk
Rasio penyediaan modal yang diwajibkan		9% - 10%	Required capital adequacy ratio

Pada tanggal 31 Desember 2016, 2015 dan 2014, rasio kecukupan modal Bank adalah masing-masing 18,28%, 17,32% dan 18,74%.

As at 31 December 2016, 2015 and 2014, the capital adequacy ratios for the Bank were 18.28%, 17.32% and 18.74%, respectively.

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.

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.

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**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.

**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).

**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.

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**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).

**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.

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**4. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN
AKUNTANSI YANG PENTING (lanjutan)**

b. Pertimbangan akuntansi yang penting dalam penerapan kebijakan akuntansi Bank (lanjutan)

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).

**4. USE OF CRITICAL ACCOUNTING ESTIMATES
AND JUDGEMENTS (continued)**

b. Critical accounting judgments in applying the Bank's accounting policies (continued)

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).

5. KAS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Rupiah	742,920	827,208	812,584
Mata uang asing			
- Dolar Amerika Serikat	63,485	50,533	86,919
- Dolar Singapura	49,030	43,926	68,061
- Euro	11,389	9,280	9,985
- Yen	2,757	984	1,270
- Mata uang asing lainnya	12,168	6,349	10,433
	<u>138,829</u>	<u>111,072</u>	<u>176,668</u>
	<u>881,749</u>	<u>938,280</u>	<u>989,252</u>

Saldo dalam mata uang Rupiah termasuk kas pada ATM (*Automatic Teller Machines*) sejumlah Rp 354.311 pada tanggal 31 Desember 2016 (2015: Rp337.226 dan Rp 321.881).

Kas dalam mata uang asing lainnya adalah Dolar Australia, Pound Sterling, Dolar Hong Kong, Yuan Cina dan Dolar Kanada.

5. CASH

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Rupiah			
Foreign currencies			
United States Dollars			
Singapore Dollars			
Euro			
Yen			
Other foreign currencies			

The Rupiah balance includes cash in ATMs (*Automatic Teller Machines*) amounting to Rp 354,311 as at 31 December 2016 (2015: Rp337,226 and Rp 321,881).

Cash in other foreign currencies are denominated in Australian Dollars, Pound Sterling, Hong Kong Dollars, Chinese Yuan and Canadian Dollars.

6. GIRO PADA BANK INDONESIA

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Rupiah	4,977,931	4,619,302	4,309,532
Dolar Amerika Serikat	3,040,615	3,182,093	2,506,860
	<u>8,018,546</u>	<u>7,801,395</u>	<u>6,816,392</u>

6. CURRENT ACCOUNTS WITH BANK INDONESIA

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Rupiah			
United States Dollars			

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6. GIRO PADA BANK INDONESIA (lanjutan)

Pada tanggal 31 Desember 2016, saldo giro pada Bank Indonesia dalam mata uang Rupiah termasuk giro yang didasarkan pada prinsip perbankan syariah sebesar Rp 169.346 (2015: Rp 109.212 dan Rp 73.974).

Giro wajib minimum ("GWM") dalam mata uang Rupiah dan Dolar Amerika Serikat pada tanggal 31 Desember 2016, 2015 dan 2014 adalah:

	2016	2015	2014	
Konvensional				Conventional
Rupiah				Rupiah
- Giro Wajib Minimum Primer	6.56%	7.55%	8.13%	Primary Statutory Reserve -
- Giro Wajib Minimum Sekunder	21.75%	12.56%	30.68%	Secondary Statutory Reserve -
- Giro Wajib Minimum Loan to Funding Ratio*)	0.00%	0.00%	0.00%	Loan to Funding Ratio Reserve*) -
Mata uang asing	8.26%	8.02%	8.30%	Foreign currencies
Unit Usaha Syariah				Sharia Business Unit
Rupiah	7.48%	6.01%	6.67%	Rupiah
Mata uang asing	14.28%	0.00%	0.00%	Foreign currencies

*) Berlaku sejak 3 Agustus 2015

Effective since 3 August 2015 *)

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.

Pada tanggal 31 Desember 2016, GWM Bank telah sesuai dengan PBI No. 18/3/PBI/2016 yang berlaku efektif 16 Maret 2016 dimana GWM Utama, GWM Sekunder, dan GWM LFR masing-masing sebesar 6,5%, 4%, dan 0% serta valuta asing sebesar 8%. Pada tanggal 31 Desember 2015, GWM Bank telah sesuai dengan PBI No. 17/21/PBI/2015 tanggal 26 November 2015 tentang perubahan kedua atas PBI No.15/15/PBI/2013 tanggal 24 Desember 2013 tentang GWM Bank Umum dalam Rupiah dan valuta asing bagi Bank Umum Konvensional yang berlaku efektif 1 Desember 2015 dimana GWM Primer, GWM Sekunder, dan GWM LFR masing-masing sebesar 7,5%, 4%, dan 0% serta valuta asing sebesar 8%. Sedangkan pada tanggal 31 Desember 2014, GWM Bank telah sesuai dengan PBI No.15/15/PBI/2013 yang berlaku efektif sejak tanggal 31 Desember 2013 dengan GWM Primer, GWM Sekunder, dan GWM LFR masing-masing sebesar 8%, 4%, dan 0% serta valuta asing sebesar 8%. 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.

As at 31 December 2016, Bank's minimum statutory reserves complies with BI regulation No. 18/3/PBI/2016 which effective since 16 March 2016 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%. As at 31 December 2015, Bank's minimum statutory reserves complies with BI regulation No. 17/21/PBI/2015 dated 26 November 2015 regarding second amendment of PBI No.15/15/PBI/2013 dated 24 December 2013 regarding Minimum Statutory Reserves in Rupiah, and foreign currencies for Conventional Commercial Banks which effective since 1 December 2015 with Primary Statutory Reserves, Secondary Statutory Reserves, and LFR Statutory Reserves of 7.5%, 4%, and 0%, respectively, and foreign currencies of 8%. As at 31 December 2014, the minimum statutory reserves complies with BI regulation No.15/15/PBI/2013 which effective since 31 December 2013 with Primary Statutory Reserves, Secondary Statutory Reserves, and LFR Statutory Reserves of 8%, 4%, and 0%, respectively, and foreign currencies of 8%. Furthermore, for Sharia Business Unit, the minimum requirements for GWM ratios in Rupiah and foreign currency are 5% and 1%, respectively has also been complies by Bank.

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6. GIRO PADA BANK INDONESIA (lanjutan)

Berdasarkan PBI No. 17/11/PBI/2015 tanggal 25 Juni 2015, Bank harus memenuhi GWM dalam Rupiah yang terdiri dari GWM Primer, GWM Sekunder dan GWM *Loan to Funding Ratio* (LFR). PBI GWM LFR mulai berlaku pada tanggal 26 Juni 2015 dan perhitungan GWM LFR mulai berlaku 3 Agustus 2015.

Berdasarkan Peraturan Bank Indonesia ("PBI") No. 15/15/PBI/2013 tanggal 24 Desember 2013 yang berlaku efektif 31 Desember 2013 tentang Giro Wajib Minimum ("GWM") Bank Umum dalam Rupiah dan valuta asing bagi Bank Umum Konvensional, Bank wajib memenuhi GWM dalam Rupiah yang terdiri dari GWM Primer sebesar 8%, GWM Sekunder sebesar 4% dari Dana Pihak Ketiga ("DPK") dalam Rupiah dan GWM *Loan to Deposit Ratio* ("LDR"). Selain itu, Bank juga wajib memenuhi GWM Valas sebesar 8% dari DPK dalam valuta asing. Bagi Bank Umum Syariah dan Unit Usaha Syariah, pemenuhan rasio GWM dalam mata uang Rupiah dan valuta asing adalah masing-masing sebesar 5% dan 1%.

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 (78%) 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%.

GWM LDR adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, jika LDR Bank di bawah minimum LDR target Bank Indonesia (78%) atau jika di atas maksimum LDR target Bank Indonesia (92%) dan KPMM Bank lebih kecil dari KPMM Insentif Bank Indonesia sebesar 14%. Giro Wajib Minimum LDR merupakan tambahan GWM yang dihitung berdasarkan selisih antara LDR Bank dengan minimum atau maksimum LDR Target Bank Indonesia. Selisih antara LDR Bank dengan minimum LDR Bank Indonesia dikali 10%, sedangkan selisih antara LDR Bank dengan maksimum LDR Bank Indonesia dikali 10%, sedangkan selisih antara LDR Bank dengan maksimum LDR Bank Indonesia dikali 20%.

**6. CURRENT ACCOUNTS WITH BANK INDONESIA
(continued)**

In accordance with PBI No. 17/11/PBI/2015 dated 25 June 2015, the Bank should comply with a minimum reserve requirement in Rupiah which consists of Primary Statutory Reserve, Secondary Statutory Reserve and Loan to Funding Ratio ("LFR") Statutory Reserves. LFR Statutory Reserves Regulation is applied effectively since 26 June 2015 and GWM LFR calculation applied starting 3 August 2015.

In accordance with the Bank Indonesia Regulation ("PBI") No. 15/15/PBI/2013 dated 24 December 2013 which effective since 31 December 2013 regarding Minimum Statutory Reserves in Rupiah and foreign currency for Conventional Commercial Banks, the Bank should comply with minimum reserve requirement in Rupiah which consist of Primary Statutory Reserve of 8%, Secondary Statutory Reserve of 4% calculated from Third Party Fund ("TPF") in Rupiah as well as Loan to Deposit Ratio ("LDR") Statutory Reserves. Furthermore, the Bank shall also comply with minimum reserve requirement in foreign currency of 8% from TPF in foreign currencies. For Sharia Banks and Sharia Business Unit, the minimum requirements for GWM ratios in Rupiah and foreign currency are 5% and 1%, respectively.

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 (78%) 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%.

The Minimum Statutory Reserve on LDR is the additional reserve that should be maintained by the Bank in the form of Current Accounts with Bank Indonesia, if the Bank's LDR is below the minimum of LDR targeted by Bank Indonesia (78%) or if the Bank's LDR above the maximum of LDR targeted by Bank Indonesia (92%) and the CAR is below Bank Indonesia requirement of 14%. LDR Reserve is the additional minimum reserve calculated based on difference between Bank's LDR with the minimum or the maximum Bank Indonesia's LDR Target. Difference between Bank's LDR with the minimum Bank Indonesia's LDR target multiply by 10%, whereas difference between the Bank's LDR with the maximum Bank Indonesia's LDR target multiply by 20%.

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7. GIRO PADA BANK LAIN**7. CURRENT ACCOUNTS WITH OTHER BANKS****a. Berdasarkan mata uang****a. By currency**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah	137,260	109,114	87,359	Rupiah
Mata uang asing				Foreign currencies
- Dolar Amerika Serikat	131,259	402,427	291,198	United States Dollars -
- Dolar Singapura	72,265	74,019	55,856	Singapore Dollars -
- Euro	35,197	18,593	38,500	Euro -
- Yen	34,817	23,690	28,251	Yen -
- Dolar Australia	28,232	15,796	14,886	Australian Dollars -
- Dolar Kanada	8,389	5,526	7,290	Canadian Dollars -
- Pound Sterling	7,570	6,573	8,545	Pound Sterling -
- Lain-lain	30,603	23,067	10,907	Others -
	<u>348,332</u>	<u>569,691</u>	<u>455,433</u>	
	<u>485,592</u>	<u>678,805</u>	<u>542,792</u>	

Termasuk dalam lain-lain adalah mata uang asing dalam Dolar Hong Kong, Frank Swiss, Yuan China, China Offshore dan Dolar Selandia Baru.

Included in others are foreign currencies denominated in Hong Kong Dollars, Swiss Franc, China Yuan, China Offshore and New Zealand Dollars.

Pada tanggal 31 Desember 2016, 2015 dan 2014 tidak terdapat giro pada bank lain yang didasarkan pada prinsip usaha syariah.

As at 31 December 2016, 2015 and 2014 there are no current accounts with other banks on sharia banking principle.

Pada tanggal 31 Desember 2016, 2015 dan 2014 tidak terdapat giro pada bank lain yang dijadikan agunan.

As at 31 December 2016, 2015 and 2014 there are no current accounts with other banks used as collateral.

b. Berdasarkan bank**b. By bank**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Pihak ketiga				Third parties
Rupiah				Rupiah
Bank Central Asia	121,082	91,953	62,376	Bank Central Asia
Bank Maybank Indonesia (d/h Bank International Indonesia)	14,847	16,001	23,839	Bank Maybank Indonesia (formerly Bank International Indonesia)
Bank Mandiri	1,306	1,135	1,118	Bank Mandiri
Standard Chartered Bank, Jakarta	25	25	25	Standard Chartered Bank, Jakarta
Bank Negara Indonesia	-	-	1	Bank Negara Indonesia
	<u>137,260</u>	<u>109,114</u>	<u>87,359</u>	
Mata uang asing				Foreign currencies
Deutsche Bank AG	40,314	21,007	5,827	Deutsche Bank AG
Wachovia Bank, New York	26,700	63,528	5,847	Wachovia Bank, New York
Sumitomo Mitsui Bank, Tokyo	26,075	8,721	24,694	Sumitomo Mitsui Bank, Tokyo
ANZ Bank, Melbourne	26,007	13,876	14,078	ANZ Bank, Melbourne
Bank Maybank Indonesia (d/h Bank International Indonesia)	25,241	191,429	102,983	Bank Maybank Indonesia (formerly Bank International Indonesia)
Citibank, New York	15,806	46,645	81,636	Citibank, New York
JP Morgan Chase, Texas	9,597	8,020	5,214	JP Morgan Chase, Texas
Toronto Dominion Bank, Singapore	8,389	5,526	7,290	Toronto Dominion Bank, Singapore
Standard Chartered Bank, Tokyo	8,019	13,328	2,474	Standard Chartered Bank, Tokyo
Commerz Bank, Frankfurt	6,595	4,596	6,706	Commerz Bank, Frankfurt
ANZ Bank	5,838	1,596	345	ANZ Bank

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7. GIRO PADA BANK LAIN (lanjutan)

**7. CURRENT ACCOUNTS WITH OTHER BANKS
(continued)**

b. Berdasarkan bank (lanjutan)

b. By bank (continued)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Pihak ketiga (lanjutan)				Third parties (continued)
<u>Mata uang asing</u>				<u>Foreign currencies</u>
HSBC, New York	5,087	4,062	1,600	HSBC, New York
Citibank, Hong Kong	4,747	4,695	4,218	Citibank, Hong Kong
Bank of China, Jakarta	4,739	45,012	62,763	Bank of China, Jakarta
Wells Fargo Bank, Virginia	4,727	4,941	4,234	Wells Fargo Bank, Virginia
HSBC, Hong Kong	4,039	4,302	4,117	HSBC, Hong Kong
Bank of America, New York	3,854	7,816	1,664	Bank of America, New York
Bank of New York, New York	3,031	9,298	2,569	Bank of New York, New York
Bank Mandiri	2,903	9	23	Bank Mandiri
Standard Chartered Bank, London	2,844	1,633	4,311	Standard Chartered Bank, London
Credit Suisse	2,607	993	1,256	Credit Suisse
Westpac Bank, Sydney	2,226	1,920	808	Westpac Bank, Sydney
Standard Chartered Bank, Hong Kong	1,655	802	1,828	Standard Chartered Bank, Hong Kong
Mizuho Bank, Tokyo	723	1,642	1,084	Mizuho Bank, Tokyo
Bank Central Asia	135	150	201	Bank Central Asia
UBS Bank, Zurich	-	-	1,416	UBS Bank, Zurich
DBS Bank, Singapore	-	-	18,971	DBS Bank, Singapore
ING Belgium NV/SA	-	-	27,710	ING Belgium NV/SA
	<u>241,898</u>	<u>465,547</u>	<u>395,867</u>	
	379,158	574,661	483,226	
Pihak berelasi				Related parties
<u>Mata uang asing</u>				<u>Foreign currencies</u>
OCBC Bank, Singapura	91,046	88,999	57,834	OCBC Bank, Singapore
OCBC Bank, Hong Kong	<u>15,388</u>	<u>15,145</u>	<u>1,732</u>	OCBC Bank, Hong Kong
	<u>106,434</u>	<u>104,144</u>	<u>59,566</u>	
	<u>485,592</u>	<u>678,805</u>	<u>542,792</u>	

c. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia

c. By collectibility as per Bank Indonesia Regulation

Seluruh giro pada bank lain pada tanggal 31 Desember 2016, 2015 dan 2014 digolongkan sebagai lancar.

All current accounts with other banks as at 31 December 2016, 2015 and 2014 were classified as pass.

d. Cadangan kerugian penurunan nilai

d. Allowance for impairment losses

Pada tanggal 31 Desember 2015, 2014 dan 2013, tidak terdapat giro pada bank lain yang mengalami penurunan nilai.

As at 31 December 2016, 2015 and 2014, there were no impairment loss in respect of current accounts with other banks.

e. Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.

e. Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.

f. Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.

f. Information in respect of transactions with related parties is disclosed in Note 45.

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8. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA

8. PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA

a. Berdasarkan jenis dan mata uang

a. By type and currency

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah				Rupiah
- Fasilitas Simpanan Syariah pada Bank Indonesia	315,000	308,000	678,000	Sharia Deposits Facility with Bank Indonesia
- <i>Negotiable Certificate of Deposit ("NCD")</i>				<i>Negotiable Certificate of Deposit ("NCD")</i>
- Bank Negara Indonesia	788,904	-	-	Bank Negara Indonesia
- Bank Of Tokyo Mitsubishi	193,128	96,100	-	Bank Of Tokyo Mitsubishi
- Bank Tabungan Negara	192,994	-	-	Bank Tabungan Negara
- Bank Mandiri	185,598	184,051	-	Bank Mandiri
- Bank Woori Indonesia	185,315	-	-	Bank Woori Indonesia
- Bank Maybank Indonesia (d/h Bank International Indonesia)	184,805	-	182,039	Bank Maybank Indonesia (formerly Bank International Indonesia)
- Bank Commonwealth Indonesia	183,149	-	191,203	Bank Commonwealth Indonesia
- Bank Mizuho Indonesia	183,096	-	-	Bank Mizuho Indonesia
- Bank Tabungan Pensiunan	106,773	-	-	Bank Tabungan Pensiunan
- Bank CIMB Niaga	94,415	-	-	Bank CIMB Niaga
- Bank DBS Indonesia	-	172,822	172,822	Bank DBS Indonesia
- Bank Rakyat Indonesia	-	188,346	191,667	Bank Rakyat Indonesia
- <i>Inter-bank call money</i>				<i>Inter-bank call money</i>
- Bank Sumitomo Mitsui	800,000	200,000	-	Bank Sumitomo Mitsui
- JP Morgan Chase	-	170,000	-	JP Morgan Chase
- Bank Jabar Banten	-	150,000	-	Bank Jabar Banten
- Bank CIMB Niaga	-	10,000	-	Bank CIMB Niaga
	<u>3,413,177</u>	<u>1,479,319</u>	<u>1,415,731</u>	
Mata uang asing				Foreign currencies
Dolar Amerika Serikat				United States Dollars
- Penempatan pada Bank Indonesia - Deposito berjangka	-	7,333,620	2,192,145	Placement in Bank Indonesia - Time deposits
- <i>Inter-bank call money</i>				<i>Inter-bank call money</i>
- Bank Rakyat Indonesia	-	413,550	247,700	Bank Rakyat Indonesia
- Bank of New York	26,199	40,578	52,563	Bank of New York
- HSBC, New York	2,694	11,028	-	HSBC, New York
	<u>28,893</u>	<u>7,798,776</u>	<u>2,492,408</u>	
	<u>3,442,070</u>	<u>9,278,095</u>	<u>3,908,139</u>	

Pada tanggal 31 Desember 2016, penempatan yang didasarkan pada prinsip usaha syariah adalah sebesar Rp 315.000 (2015: Rp 308.000 dan 2014: Rp 678.000).

As at 31 December 2016, placement on sharia banking principle amounting Rp 315,000 (2015: Rp 308,000 and 2014: Rp 678,000).

Pada tanggal 31 Desember 2016, 2015 dan 2014 tidak terdapat penempatan pada bank lain dan Bank Indonesia yang diblokir.

As at 31 December 2016, 2015 and 2014, there is no placements with other banks and Bank Indonesia which has been blocked.

b. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia

b. By collectibility as per Bank Indonesia Regulation

Seluruh penempatan pada bank lain dan Bank Indonesia pada tanggal 31 Desember 2016, 2015 dan 2014 digolongkan sebagai lancar.

All placements with other banks and Bank Indonesia as at 31 December 2016, 2015 and 2014 were classified as pass.

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8. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA (lanjutan)

8. PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA (continued)

c. Berdasarkan jatuh tempo

c. Based on maturity

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah				Rupiah
- Kurang dari 1 bulan	355,000	506,346	678,000	Less than 1 month -
- 1 - 3 bulan	1,232,348	788,922	-	1 - 3 months -
- 3 - 6 bulan	559,239	184,051	382,870	3 - 6 months -
- 6 - 12 bulan	835,546	-	182,039	6 - 12 months -
- 1 - 2 tahun	431,044	-	172,822	1 - 2 years -
	<u>3,413,177</u>	<u>1,479,319</u>	<u>1,415,731</u>	
Mata uang asing				Foreign currencies
- Kurang dari 1 bulan	28,893	6,420,276	2,492,408	Less than 1 month -
- 1 - 3 bulan	-	1,378,500	-	1 - 3 months -
	<u>28,893</u>	<u>7,798,776</u>	<u>2,492,408</u>	
	<u>3,442,070</u>	<u>9,278,095</u>	<u>3,908,139</u>	

d. Cadangan kerugian penurunan nilai

d. Allowance for impairment losses

Pada tanggal 31 Desember 2016, 2015 dan 2014, tidak terdapat penempatan pada bank lain dan Bank Indonesia yang mengalami penurunan nilai.

As at 31 December 2016, 2015 and 2014, there were no impairment in respect of placements with other banks and Bank Indonesia.

e. Pada tanggal 31 Desember 2016, 2015 dan 2014, tidak terdapat penempatan pada bank lain yang digunakan sebagai jaminan.

e. As at 31 December 2016, 2015 and 2014, there were no placements pledged as cash collateral.

f. Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.

f. Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.

9. EFEK-EFEK

9. MARKETABLE SECURITIES

a. Berdasarkan jenis dan mata uang

a. By type and currency

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Diperdagangkan:				Trading:
Rupiah				Rupiah
- Obligasi korporasi	444,598	492,484	588,436	Corporate bonds -
Jumlah	444,598	492,484	588,436	Total
Mata uang asing				Foreign currencies
- Obligasi korporasi	-	-	24,977	Corporate bonds -
	444,598	492,484	613,413	

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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)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Tersedia untuk dijual:				Available for sale:
Rupiah				Rupiah
- Sertifikat Bank Indonesia	5,952,061	1,285,238	7,348,121	Certificates of Bank Indonesia -
- Obligasi korporasi	1,852,228	1,181,068	1,394,974	Corporate bonds -
- Reksadana	-	200,000	-	Mutual fund -
- Sertifikat Deposito Bank Indonesia	497,045	-	3,475,740	Deposit Certificates of Bank Indonesia
	<u>8,301,334</u>	<u>2,666,306</u>	<u>12,218,835</u>	
Mata uang asing				Foreign currencies
- Sertifikat Bank Indonesia	5,288,261	480,324	-	Certificates of Bank Indonesia -
- Obligasi korporasi	126,128	146,628	239,790	Corporate bonds -
	<u>5,414,389</u>	<u>626,952</u>	<u>239,790</u>	
Jumlah	<u>13,715,723</u>	<u>3,293,258</u>	<u>12,458,625</u>	Total
Pinjaman yang diberikan dan piutang:				Loans and receivables:
Rupiah				Rupiah
- Wesel Tagih	46,882	4,984	965	Export Bills -
Mata uang asing				Foreign currencies
- Wesel Tagih	146,314	47,398	119,034	Export Bills -
Jumlah	<u>193,196</u>	<u>52,382</u>	<u>119,999</u>	Total
	<u>14,353,517</u>	<u>3,838,124</u>	<u>13,192,037</u>	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	(6,762)	(3,616)	(5,552)	Allowance for impairment losses
	<u>14,346,755</u>	<u>3,834,508</u>	<u>13,186,485</u>	

Efek-efek dalam mata uang asing adalah dalam Dolar Amerika Serikat, Euro dan Yen.

Marketable securities in foreign currencies are denominated in United States Dollars, Euro and Yen.

Sertifikat Bank Indonesia adalah sebagai berikut:

Certificates of Bank Indonesia are as follows:

Sertifikat Bank Indonesia	2016			Certificates of Bank Indonesia
	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity	Suku bunga/ Interest rate	
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	1,066,879	25 Agustus/August 2017	1.60	SBI
SBI	1,064,840	29 September/September 2017	1.65	SBI
SBI	960,957	21 Juli/July 2017	6.50	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
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>11,737,367</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	2015			Certificates of Bank Indonesia
	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity	Suku bunga/ Interest rate	
SBI	480,324	24 Juni/June 2016	0.99	SBI
SBI	475,889	19 Agustus/August 2016	6.80	SBI
SBI	254,091	20 Mei/May 2016	6.75	SBI
SBI	95,258	16 September/September 2016	7.15	SBI
SBI	75,000	17 Juni/June 2016	7.10	SBI
SBI	75,000	16 September/September 2016	7.15	SBI
SBI	70,000	19 Februari/February 2016	6.66	SBI
SBI	60,000	22 April/April 2016	6.69	SBI
SBI	50,000	18 Maret/March 2016	6.67	SBI
SBI	40,000	14 Oktober/October 2016	7.15	SBI
SBI	25,000	19 Agustus/August 2016	7.10	SBI
SBI	25,000	18 November/November 2016	7.15	SBI
SBI	20,000	15 Januari/January 2016	6.66	SBI
SBI	20,000	15 Juli/July 2016	7.10	SBI
	<u>1,765,562</u>			
Sertifikat Bank Indonesia	2014			Certificates of Bank Indonesia
	Nilai tercatat/ Carrying value	Jatuh tempo/ Maturity	Suku bunga/ Interest rate	
SBI	1,474,314	10 April/April 2015	7.09	SBI
SBI	1,147,008	11 September/September 2015	6.92	SBI
SBI	966,756	10 Juli/July 2015	6.84	SBI
SBI	960,553	14 Agustus/August 2015	6.84	SBI
SDBI	935,360	26 Maret/March 2015	6.74	SDBI
SBI	890,867	15 Mei/May 2015	7.04	SBI
SDBI	881,389	24 April/April 2015	6.78	SDBI
SBI	838,981	9 Januari/January 2015	7.16	SBI
SDBI	778,310	29 Mei/May 2015	6.82	SDBI
SBI	675,893	6 Februari/February 2015	7.16	SBI
SBI	327,619	12 Juni/June 2015	6.94	SBI
SDBI	294,194	17 April/April 2015	6.79	SDBI
SDBI	293,461	30 April/April 2015	6.79	SDBI
SDBI	293,027	8 Mei/May 2015	6.80	SDBI
SBI	20,000	11 September/September 2015	6.90	SBI
SBI	20,000	14 Agustus/August 2015	6.87	SBI
SBI	16,129	12 Juni/June 2015	6.88	SBI
SBI	10,000	10 Juli/July 2015	6.85	SBI
	<u>10,823,861</u>			

Obligasi korporasi adalah sebagai berikut:

Corporate bonds are as follow:

Obligasi Korporasi	2016				Corporate bonds
	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity	Suku bunga/ Interest	
Rupiah					Rupiah
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 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 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 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 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

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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:

Corporate bonds are as follow:

Obligasi Korporasi	2016				Suku bunga/ Interest	Corporate bonds
	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity			
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 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 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 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 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 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 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 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 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 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 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 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 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
MTN VI Bank Resona Perdana Tahun 2016	101,502	AA-	26 Februari/February 2019		10.50	MTN VI Bank Resona Perdana Year 2016
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
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
MTN Buana Finance B	90,247	BBB+	08 April/April 2017		11.25	MTN Buana Finance B
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
Lembaga Pembiayaan Ekspor Indonesia Tahun 2016	49,248	AAA	25 Agustus/August 2019		7.95	Institution Financing Ekspor Indonesia Year 2016
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
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 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 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 Finance Phase I Year 2013 Series D
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 II Year 2015 Series B
Obligasi Berkelanjutan I WOM Finance Tahap II Tahun 2015	94,797	AA	2 April/April 2018		10.25	Continuous Bonds I WOM Finance Phase II Year 2015
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 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 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 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 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 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 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 II Year 2016 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
	<u>2,296,826</u>					
Mata uang asing						Foreign currencies
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>					

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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)

2015					
Obligasi Korporasi	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity	Suku bunga/ Interest	Corporate bonds
Rupiah					Rupiah
MTN I Clipan Finance Indonesia Tahun 2012	355,525	A+	26 Maret/March 2018	11.75	MTN I Clipan Finance Indonesia Year 2012
Obligasi Berkelanjutan II Adira Finance Tahap IV Tahun 2014 Seri B	101,343	AAA	12 November/November 2017	10.50	Continuous Bonds II Adira Dinamika Phase IV Year 2014 Series B
MTN Buana Finance B	99,930	A-	08 April/April 2017	11.25	MTN Buana Finance B
Obligasi Berkelanjutan II Adira Finance Tahap I Tahun 2013 Seri B	99,636	AAA	1 Maret/March 2016	7.85	Continuous Bonds II Adira Finance Phase I Year 2013 Series B
Obligasi Mandala Multifinance	89,929	A	18 Mei/May 2016	10.50	Bonds Mandala Multifinance
Obligasi Berkelanjutan I Indosat Tahap I Tahun 2015	74,781	AAA	8 Desember/December 2018	10.00	Continuous Bonds I Indosat Phase I Year 2015
MTN Buana Finance A	74,664	A-	18 April/April 2016	11.00	MTN Buana Finance A
Obligasi Mayora Indah IV Tahun 2012	70,206	AA-	9 Mei/May 2019	8.50	Bonds IV of Mayora Indah Year 2012
Obligasi Berkelanjutan I WOM Finance Tahap II Tahun 2015	64,907	AA	2 April/April 2018	10.25	Continuous Bonds I WOM Finance Phase II Year 2015
Obligasi I BII Finance Tahun 2012 Seri C	59,597	AA+	7 Juni/June 2016	8.00	Bonds I of BII Finance Year 2012 Series C
Obligasi Berkelanjutan III Sarana Multigriya Financial Tahap III Tahun 2015	49,987	AA+	3 Januari/January 2017	9.25	Continuous Bonds III Sarana Multigriya Financial Phase III Year 2015
Obligasi Berkelanjutan I FIF Tahap II Tahun 2013 Seri B	49,741	AAA	4 April/April 2016	7.75	Continuous Bonds I FIF Phase II Year 2013 Series B
Obligasi Toyota Astra Financial Service III Tahun 2013	39,729	AAA	17 Mei/May 2016	7.60	Bonds of Toyota Astra Financial Service III Year 2013
Obligasi Berkelanjutan I BCA Finance Tahap II Tahun 2013 Seri B	34,820	AAA	14 Juni/June 2017	7.60	Continuous Bonds I BCA Finance Phase II Year 2013 Series B
Obligasi Berkelanjutan I Adira Dinamika Multi Finance Tahap I Tahun 2015	33,871	AAA	30 Juni/June 2018	9.50	Continuous Bonds I Adira Dinamika Multi Phase I Year 2015
Obligasi Berkelanjutan II Indomobil Finance Tahap II Tahun 2015 Seri A	30,056	A	16 November/November 2016	10.25	Continuous Bonds II Indomobil Finance Phase II Year 2015 Series A
Obligasi Berkelanjutan I Astra Sedaya Finance Tahap III Tahun 2013 Seri B	29,893	AAA	22 Februari/February 2016	7.75	Continuous Bonds I Astra Sedaya Finance Phase III Year 2013 Series B
MTN V BII Finance Tahun 2012 Seri B	29,874	AA+	26 Februari/February 2016	8.30	MTN V of BII Finance Year 2012 Series B
Obligasi Berkelanjutan I Adira Dinamika Multi Finance Tahap I Tahun 2011	29,838	AAA	16 Desember/December 2016	9.00	Continuous Bonds I Adira Dinamika Multi Finance Phase I Year 2011
Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap I Tahun 2013 Seri A	29,750	AA	5 Juni/June 2016	7.75	Continuous Bonds I Mandiri Tunas Finance Phase I Year 2013 Series A
MTN II CIMB Niaga Auto Finance Tahun 2013	29,708	AAA	16 April/April 2016	8.20	MTN II CIMB Niaga Auto Finance Year 2013
Obligasi Berkelanjutan I ROTI Tahap I Tahun 2013	28,208	AA-	11 Juni/June 2018	8.00	Continuous Bonds I ROTI Phase I Year 2013
Obligasi Berkelanjutan II Adira Finance Tahap III Tahun 2014 Seri B	25,270	AAA	14 Mei/May 2017	10.50	Continuous Bonds II Adira Finance Phase III Year 2014 Series B
Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap I Tahun 2015	24,936	AA	18 Desember/December 2018	10.20	Continuous Bonds I Mandiri Tunas Finance Phase I Year 2015
Obligasi II BII Finance Tahun 2013 Seri A	24,808	AA+	19 Juni/June 2016	7.75	Bonds II of BII Finance Year 2013 Series A
Obligasi Berkelanjutan I Indomobil Finance Tahap II Tahun 2013 Seri B	23,449	A	08 Mei/May 2017	8.50	Continuous Bonds I Indomobil Finance Phase II Year 2013 Series B
MTN CIMB Niaga Auto Finance Tahun 2013	19,940	AAA	15 Februari/February 2016	8.50	MTN CIMB Niaga Auto Finance Year 2013
Obligasi Berkelanjutan II Astra Sedaya Finance Tahap I Tahun 2013 Seri B	19,830	AA+	27 Juni/June 2016	7.75	Continuous Bonds II Astra Sedaya Finance Phase I Year 2013 Series B
Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap I Tahun 2013 Seri B	19,336	AA	5 Juni/June 2017	7.80	Continuous Bonds I Mandiri Tunas Finance Phase I Year 2013 Series B
Obligasi Berkelanjutan I WOM Finance Tahap I Tahun 2015	9,990	AA	22 Desember/December 2018	10.80	Continuous Bonds I WOM Finance Phase I Year 2015
	<u>1,673,552</u>				
Mata uang asing					Foreign currencies
Obligasi III Indika Energy Finance B.V.	78,667	B	7 Mei/May 2018	7.00	Bonds III Indika Energy Finance B.V.
Obligasi Bank Rakyat Indonesia	67,961	BBB-	28 Maret/March 2018	2.95	Bonds of Bank Rakyat Indonesia
	<u>146,628</u>				
	<u>1,820,180</u>				

2015					
Reksadana	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity	Suku bunga/ Interest	Mutual Funds
Rupiah					Rupiah
RHB Money Market Funds 3	200,000	-	25 Januari/January 2016	-	RHB Money Market Funds 3

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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	2014				Suku bunga/ Interest	Corporate bonds
	Nilai tercatat/ Carrying value	Rating/ Rating	Jatuh tempo/ Maturity			
Rupiah						Rupiah
MTN I Clipan Finance Indonesia Tahun 2012	449,827	A+	30 Maret/March 2015	9.50		MTN I Clipan Finance Indonesia Year 2012
MTN IV Bank Resona Perdanania Tahun 2012	268,518	AA-	25 Juli/July 2015	8.75		MTN IV Bank Resona Perdanania Year 2012
Obligasi Berkelanjutan II Adira Finance Tahap IV Tahun 2014 Seri B	126,237	AAA	12 November/November 2017	10.50		Continuous Bonds II Adira Finance Phase IV Year 2014 Series B
Obligasi Berkelanjutan II Adira Finance Tahap I Tahun 2013 Seri C	105,861	AAA	1 Maret/March 2016	7.85		Continuous Bonds II Adira Finance Phase I Year 2013 Series C
Obligasi Berkelanjutan I Mandala Multifinance Tahap II Tahun 2014 Seri A	98,786	A	13 September/September 2015	11.00		Continuous Bonds I Mandala Multifinance Phase II Year 2014 Series A
Obligasi Berkelanjutan I Indosat Tahap I Tahun 2014 Seri A	93,476	AAA	12 Desember/December 2017	10.00		Continuous Bonds I Indosat Phase I Year 2014 Series A
Obligasi Berkelanjutan II Adira Finance Tahap III Tahun 2014 Seri A	72,845	AA+	24 Mei/May 2015	9.60		Continuous Bonds II Adira Finance Phase III Year 2014 Series A
Obligasi Mayora Indah IV Tahun 2012	68,372	AA-	9 Mei/May 2019	8.50		Bonds IV of Mayora Indah Year 2012
Obligasi Berkelanjutan I WOM Finance Tahap II Tahun 2014 Seri B	63,318	AA	5 Desember/December 2017	11.25		Continuous Bonds I WOM Finance Phase II Year 2014 Series B
Obligasi I BII Finance Tahun 2012 Seri C	62,822	AA+	7 Juni/June 2016	8.00		Bonds I of BII Finance Year 2012 Series C
Obligasi Berkelanjutan I FIF Tahap II Tahun 2013 Seri B	48,145	AAA	4 April/April 2016	7.75		Continuous Bonds I FIF Phase II Year 2013 Series B
Obligasi Berkelanjutan I ROTI Tahap I Tahun 2013	41,472	AA-	11 Juni/June 2018	8.00		Continuous Bonds I ROTI Phase I Year 2013
Obligasi Toyota Astra Financial Service III Tahun 2013 Seri B	38,319	AA+	17 Mei/May 2016	7.60		Bond of Toyota Astra Financial Service III Year 2013 Series B
Obligasi I BII Finance Tahun 2012 Seri B	33,924	AA+	07 September/September 2015	7.90		Bonds I of BII Finance Year 2012 Series B
Obligasi Berkelanjutan I BCA Finance Tahap II Tahun 2013 Seri B	33,854	AAA	14 Juni/June 2017	7.60		Continuous Bonds I BCA Finance Phase II Year 2013 Series B
MTN II CIMB Niaga Auto Finance Tahun 2013	29,570	AAA	16 April/April 2016	8.20		MTN II CIMB Niaga Auto Finance Year 2013
Obligasi Berkelanjutan I Astra Sedaya Finance Tahap III Tahun 2013 Seri B	29,021	AAA	22 Februari/February 2016	7.75		Continuous Bonds I Astra Sedaya Finance Phase III Year 2013 Series B
Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap I Tahun 2013 Seri A	28,805	AA	5 Juni/June 2016	7.75		Continuous Bonds I Mandiri Tunas Finance Phase I Year 2013 Series A
Obligasi Berkelanjutan I Indomobil Finance Tahap IV Tahun 2014 Seri A	27,876	A	2 Mei/May 2015	10.25		Continuous Bonds I Indomobil Finance Phase IV Year 2014 Series A
Obligasi Berkelanjutan I Indomobil Finance Tahap II Tahun 2013 Seri B	25,739	A	08 Mei/May 2016	8.25		Continuous Bonds I Indomobil Finance Phase II Year 2013 Series B
Obligasi Bank BTPN II Tahun 2010 Seri B	23,966	AA-	18 Mei/May 2015	10.60		Bonds of Bank BTPN II Year 2010 Series B
Obligasi II BII Finance Tahun 2013 Seri A	23,899	AA+	19 Juni/June 2016	7.75		Bonds II of BII Finance Year 2013 Series A
MTN CIMB Niaga Auto Finance Tahun 2013	19,834	AAA	15 Februari/February 2016	8.50		MTN CIMB Niaga Auto Finance Year 2013
Obligasi Berkelanjutan II Astra Sedaya Finance Tahap I Tahun 2013 Seri B	19,291	AA+	27 Juni/June 2016	7.75		Continuous Bonds II Astra Sedaya Finance Phase I Year 2013 Series B
Obligasi Berkelanjutan I Mandiri Tunas Finance Tahap I Tahun 2013 Seri B	18,819	AA	5 Juni/June 2017	7.80		Continuous Bonds I Mandiri Tunas Finance Phase I Year 2013 Series B
Obligasi Indomobil Finance Indonesia IV Tahun 2011 Seri C	17,936	A	09 September/September 2015	10.65		Bonds of Indomobil Finance Indonesia IV Year 2011 Series C
Obligasi Adira Dinamika Multi Finance V Tahun 2011 Seri D	16,901	AAA	27 Mei/May 2015	10.00		Bonds of Adira Dinamika Multi Finance V Year 2011 Series D
Obligasi Berkelanjutan I Indomobil Finance Tahap II Tahun 2013 Seri C	16,778	A	08 Mei/May 2017	8.50		Continuous Bonds I Indomobil Finance Phase II Year 2013 Series C
Obligasi Berkelanjutan I Adira Dinamika Multi Finance Tahap II Tahun 2012 Seri C	14,808	AA+	04 Mei/May 2015	7.75		Continuous Bonds I Adira Dinamika Multi Finance Phase II Year 2012 Series C
Obligasi Berkelanjutan I Jasa Marga Tahap I Tahun 2013 Seri S	14,257	AA	27 September/September 2018	8.90		Continuous Bonds I Jasa Marga Phase I Year 2013 Series S
Obligasi Bank BTPN III Tahun 2010 Seri B	13,823	AA	22 Desember/December 2015	9.20		Bonds of Bank BTPN III Year 2010 Series B
Obligasi Jasa Marga	10,053	AA	21 Juni/June 2017	10.25		Bonds of Jasa Marga
Obligasi Berkelanjutan I WOM Finance Tahap II Tahun 2014 Seri A	9,891	AA	15 Desember/December 2015	10.25		Continuous Bonds I WOM Finance Phase II Year 2014 Series A
Obligasi Berkelanjutan I Indomobil Finance Tahap I Tahun 2012 Seri C	8,574	A	11 Mei/May 2016	8.25		Continuous Bonds I Indomobil Finance Phase I Year 2012 Series C
Obligasi Berkelanjutan I Adira Dinamika Multi Finance Tahap I Tahun 2011 Seri C	4,820	AAA	16 Desember/December 2016	9.00		Continuous Bonds I Adira Dinamika Multi Finance Year 2011 Series C
Obligasi Berkelanjutan II Adira Finance Tahap I Tahun 2013 Seri B	2,973	AA+	1 Maret/March 2015	7.30		Continuous Bonds II Adira Finance Phase I Year 2013 Series B
	<u>1,983,410</u>					
Mata uang asing						Foreign currencies
Obligasi Bank Rakyat Indonesia	122,745	BBB-	28 Maret/March 2018	2.95		Bonds of Bank Rakyat Indonesia
Obligasi III Indika Energy Finance B.V.	117,045	B+	7 Mei/May 2015	7.00		Bonds III Indika Energy Finance B.V.
Obligasi Majapahit Holding	13,566	Baa3	17 Oktober/October 2016	7.75		Bonds of Majapahit Holding
Obligasi PLN	11,411	Baa3	20 Januari/January 2020	7.75		Bonds of PLN
	<u>264,767</u>					
	<u><u>2,248,177</u></u>					

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9. EFEK-EFEK (lanjutan)

9. MARKETABLE SECURITIES (continued)

b. Berdasarkan penerbit

b. By issuer

	2016	2015	2014	
Korporasi	2,422,954	1,820,180	2,248,177	Corporates
Bank Indonesia	11,737,367	1,765,562	10,823,861	Bank Indonesia
Reksadana	-	200,000	-	Mutual fund
Lain-lain	193,196	52,382	119,999	Others
	14,353,517	3,838,124	13,192,037	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	(6.762)	(3.616)	(5.552)	Allowance for impairment losses
	<u>14,346,755</u>	<u>3,834,508</u>	<u>13,186,485</u>	

c. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia

c. By collectibility as per Bank Indonesia Regulation

	2016	2015	2014	
Lancar	14,227,389	3,759,457	13,074,992	Pass
Macet	126,128	78,667	117,045	Loss
	14,353,517	3,838,124	13,192,037	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	(6.762)	(3.616)	(5.552)	Allowance for impairment losses
	<u>14,346,755</u>	<u>3,834,508</u>	<u>13,186,485</u>	

d. Cadangan kerugian penurunan nilai

d. Allowance for impairment losses

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

The changes in the allowance for impairment losses are as follows:

	2016	2015	2014	
Saldo awal	3,616	5,552	800	Beginning balance
Pembentukan/(pembalikan) selama tahun berjalan (lihat Catatan 36)	3,123	(3,299)	4,655	Allowance/(reversal) during the year (refer to Note 36)
Selisih kurs penjabaran	23	1,363	97	Exchange rate difference
Saldo akhir	<u>6.762</u>	<u>3.616</u>	<u>5.552</u>	Ending balance

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai di atas telah memadai.

The management believes that the above allowance for impairment losses is adequate.

e. Berdasarkan jatuh tempo

e. Based on maturity

	2016	2015	2014	
Rupiah				Rupiah
- Kurang dari 1 bulan	26,808	20,974	839,945	Less than 1 month -
- 1 - 3 bulan	794,330	302,522	2,064,054	1 - 3 months -
- 3 - 12 bulan	6,079,896	1,823,719	8,972,900	3 - 12 months -
- 1 - 2 tahun	663,556	354,135	444,702	1 - 2 years -
- 2 - 5 tahun	1,228,224	662,424	486,635	2 - 5 years -
	8,792,814	3,163,774	12,808,236	

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9. EFEK-EFEK (lanjutan)**9. MARKETABLE SECURITIES (continued)****e. Berdasarkan jatuh tempo (lanjutan)****e. Based on maturity (continued)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Mata uang asing				Foreign currencies
- Kurang dari 1 bulan	427,384	19,176	47,528	Less than 1 month -
- 1 – 3 bulan	1,237,481	8,075	24,916	1 – 3 months -
- 3 – 12 bulan	3,769,710	500,471	163,636	3 – 12 months -
- 1 – 2 tahun	126,128	-	13,566	1 – 2 years -
- 2 – 5 tahun	-	146,628	122,745	2 – 5 years -
- Lebih dari 5 tahun	-	-	11,410	More than 5 years -
	<u>5,560,703</u>	<u>674,350</u>	<u>383,801</u>	
	14,353,517	3,838,124	13,192,037	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	<u>(6,762)</u>	<u>(3,616)</u>	<u>(5,552)</u>	Allowance for impairment losses
	<u>14,346,755</u>	<u>3,834,508</u>	<u>13,186,485</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**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Diperdagangkan				Trading
- Rupiah	881,975	737,416	1,181,088	Rupiah -
- Mata uang asing	281,585	279,103	8,952	Foreign currencies -
Tersedia untuk dijual				Available for sale
- Rupiah	8,225,244	5,125,411	3,231,132	Rupiah -
- Mata uang asing	<u>2,983,946</u>	<u>2,022,726</u>	<u>416,081</u>	Foreign currencies -
	<u>12,372,750</u>	<u>8,164,656</u>	<u>4,837,253</u>	

Obligasi pemerintah dalam mata uang asing adalah dalam Dolar Amerika Serikat.

Government bonds in foreign currencies are denominated in United States Dollars.

b. Berdasarkan jatuh tempo**b. Based on maturity**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah				Rupiah
- Kurang dari 1 bulan	187,816	18,189	-	Less than 1 month -
- 1 – 3 bulan	589,066	188,633	1,511	1 – 3 months -
- 3 – 12 bulan	419,383	3,331,681	2,172,955	3 – 12 months -
- 1 – 2 tahun	5,191,886	754,226	1,033,299	1 – 2 years -
- 2 – 5 tahun	2,664,251	1,542,261	1,168,570	2 – 5 years -
- Lebih dari 5 tahun	<u>54,817</u>	<u>27,837</u>	<u>35,885</u>	More than 5 years -
	9,107,219	5,862,827	4,412,220	
Mata uang asing				Foreign currencies
- Kurang dari 1 bulan	-	613,762	-	Less than 1 month -
- 1 – 3 bulan	832,677	-	-	1 – 3 months -
- 3 – 12 bulan	678,724	-	37,809	3 – 12 months -
- 1 – 2 tahun	1,118,443	726,387	197,255	1 – 2 years -
- 2 – 5 tahun	506,929	939,232	181,017	2 – 5 years -
- Lebih dari 5 tahun	<u>128,758</u>	<u>22,448</u>	<u>8,952</u>	More than 5 years -
	<u>3,265,531</u>	<u>2,301,829</u>	<u>425,033</u>	
	<u>12,372,750</u>	<u>8,164,656</u>	<u>4,837,253</u>	

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10. OBLIGASI PEMERINTAH (lanjutan)

b. Berdasarkan jatuh tempo (lanjutan)

Pada 31 Desember 2016, 2015 dan 2014 peringkat obligasi pemerintah yang diberikan oleh lembaga pemeringkat *Standard and Poor's* adalah BB+.

Pada tanggal 31 Desember 2016, obligasi pemerintah yang didasarkan pada prinsip usaha syariah adalah sebesar Rp 534.676 (2015: Rp 79.811 dan 2014: Rp 60.117).

10. GOVERNMENT BONDS (continued)

b. Based on maturity (continued)

As at 31 December 2016, 2015 and 2014, government bonds rating given by rating institution *Standard and Poor's* is BB+.

As at 31 December 2016, government bonds on sharia banking principle amounting Rp 534,676 (2015: Rp 79,811 and 2014: Rp 60,117).

11. EFEK-EFEK YANG DIBELI DENGAN JANJI DIJUAL KEMBALI

a. Berdasarkan jenis dan mata uang

31 Desember/December 2014					
Jenis efek/ <i>Type of securities</i>	Tanggal dimulai/ <i>Starting date</i>	Tanggal jatuh tempo/ <i>Maturity date</i>	Nilai beli/ <i>Purchase price</i>	Piutang bunga/ <i>Interest receivables</i>	Nilai bersih/ <i>Carrying amount</i>
	Rupiah				
IMASIJ16	24 Des 2014	26 Jan 2015	66,855	149	67,004
FR 058	24 Nov 2014	19 Jan 2015	188,087	559	188,646
FR 069	15 Okt 2014	13 Jan 2015	446,337	6,673	453,010
			701,279	7,381	708,660

Tidak terdapat efek-efek yang dibeli dengan janji dijual kembali pada 31 Desember 2016 dan 2015.

b. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia

Seluruh efek-efek yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2014 digolongkan sebagai lancar.

c. Berdasarkan jatuh tempo

Efek-efek yang dibeli dengan janji dijual kembali akan diselesaikan dalam waktu tidak lebih dari 12 bulan setelah tanggal laporan posisi keuangan.

d. Pada tanggal 31 Desember 2014, tidak terdapat efek-efek yang dibeli dengan janji dijual kembali yang mengalami penurunan nilai.

e. Informasi mengenai tingkat suku bunga diungkapkan pada Catatan 3b.

11. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

a. By type and currency

There were no securities purchased under resale agreements as at 31 December 2016 and 2015.

b. By collectibility as per Bank Indonesia Regulation

All securities purchased under resale agreements as at 31 December 2014 were classified as pass.

c. Based on maturity

Securities purchased under resale agreements will be settled within no more than 12 months after the date of the statement of financial position.

d. As at 31 December 2014, there were no impairment in respect of securities purchased under resale agreements.

e. Information in respect of interest rates is disclosed in Note 3b.

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12. TAGIHAN DAN LIABILITAS DERIVATIF**12. DERIVATIVE RECEIVABLES AND PAYABLES****a. Berdasarkan jenis****a. By type**

Instrumen	2016			Instruments
	Nilai wajar/Fair values			
	Jumlah nosional/ Notional amount (Jumlah penuh/ Full amount)	Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payables	
Tidak terkait instrumen lindung nilai				Non-hedging instrument
Kontrak berjangka valuta asing	IDR 1,300,197,986,307	13,807	8,856	Foreign currency forwards
	USD 130,342,332	7,284	2,683	
	EUR 1,200,000	-	-	
	CNH 126,000	-	-	
Kontrak spot valuta asing	IDR 317,038,960,500	305	379	Foreign currency spots
	JPY 794,012,564	-	-	
	USD 48,932,908	516	539	
	SGD 26,507,908	4	-	
	AUD 4,047,649	9	-	
	EUR 694,231	-	-	
	GBP 527,654	-	-	
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>	

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12. TAGIHAN DAN LIABILITAS DERIVATIF (lanjutan)**12. DERIVATIVE RECEIVABLES AND PAYABLES (continued)****a. Berdasarkan jenis (lanjutan)****a. By type (continued)**

Instrumen	2015			Instruments
	Jumlah nosional/ Notional amount (Jumlah penuh/ Full amount)	Nilai wajar/Fair values		
		Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payables	
Tidak terkait instrumen lindung nilai				
Non-hedging instrument				
Kontrak berjangka valuta asing	IDR 630,425,889,512	12,391	4,116	Foreign currency forwards
	USD 100,397,637	5,517	5,680	
	AUD 300,000	-	-	
Kontrak spot valuta asing	IDR 372,540,000,000	448	470	Foreign currency spots
	JPY 96,365,650	-	-	
	USD 45,341,720	134	3	
	SGD 5,741,171	-	-	
	AUD 713,425	-	-	
	CHF 248,015	-	-	
	HKD 155,022	-	-	
	CNH 131,878	-	-	
	GBP 67,362	-	-	
	NZD 54,889	-	-	
Kontrak swaps valuta asing	IDR 4,453,190,500,000	100,937	75,262	Foreign currency swaps
	JPY 2,329,543,183	-	-	
	USD 561,918,010	12,592	8,185	
	SGD 132,655,555	-	-	
	CNH 77,361,133	-	-	
	AUD 64,870,660	-	-	
	EUR 31,027,844	-	-	
	GBP 6,225,000	-	-	
	CAD 2,500,000	-	-	
	NZD 1,692,800	-	-	
	CHF 350,000	-	-	
Cross currency swaps	IDR 5,701,686,668,795	405,575	839,333	Cross currency swaps
	USD 56,662,435	-	-	
Swaps suku bunga	IDR 314,410,943,909	310	601	Interest rate swaps
	USD 18,959	6,809	6,810	
Dual Currency Return ("DCR")	AUD -	61	42	Dual Currency Return ("DCR")
	USD -	37	50	
	SGD -	17	1	
	JPY -	7	2	
	GBP -	4	1	
	NZD -	1	-	
Bid Offer Fx Spread Reserve	IDR -	-	6,378	Bid Offer Fx Spread Reserve
	SGD -	-	382	
	USD -	-	199	
	CNH -	-	61	
	NZD -	-	8	
	EUR -	-	1	
		<u>544,840</u>	<u>947,585</u>	

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(continued)**a. Berdasarkan jenis (lanjutan)****a. By type (continued)**

Instrumen	2014			Instruments
	Jumlah nosional/ Notional amount (Jumlah penuh/ Full amount)	Nilai wajar/Fair values		
		Tagihan derivatif/ Derivative receivables	Liabilitas derivatif/ Derivative payables	
Tidak terkait instrumen lindung nilai				Non-hedging instrument
Kontrak berjangka valuta asing				Foreign currency forwards
	IDR	559,085,909,572	41,399	3,653
	JPY	1,460,044,591	-	-
	SGD	53,851,262	-	-
	USD	49,345,865	14,529	1,375
	AUD	32,760,107	-	-
	EUR	7,724,402	-	-
	NZD	1,171,002	-	-
	GBP	226,726	-	-
	CAD	101,443	-	-
	CHF	60,008	-	-
Kontrak spot valuta asing				Foreign currency spots
	IDR	189,368,454,639	4,443	1,605
	JPY	293,982,004	-	-
	USD	21,837,851	443	165
	SGD	3,455,115	-	-
	EUR	965,000	-	-
	AUD	418,433	-	-
	NZD	159,058	-	-
	HKD	116,346	-	-
	GBP	62,411	-	-
Kontrak swaps valuta asing				Foreign currency swaps
	IDR	8,198,974,300,000	67,309	111,247
	JPY	1,083,845,266	-	-
	USD	453,117,512	3,247	29,072
	SGD	136,286,744	-	-
	AUD	56,854,685	-	-
	EUR	27,530,252	-	-
	NZD	1,620,000	-	-
	GBP	750,000	-	-
Cross currency swaps				Cross currency swaps
	IDR	5,514,140,114,369	206,476	436,795
	USD	98,638,810	-	-
Swaps suku bunga				Interest rate swaps
	IDR	358,694,940,371	1,469	2,420
	USD	29,362	5,731	6,035
Dual Currency Return ("DCR")				Dual Currency Return ("DCR")
	JPY	258,961,399	5	-
	AUD	2,026,989	29	18
	SGD	105,268	-	-
	EUR	90,956	5	2
	USD	10,246	2	19
	NZD	-	27	17
Bid Offer Fx Spread Reserve				Bid Offer Fx Spread Reserve
	IDR	-	-	1,152
	SGD	-	-	562
	USD	-	-	356
	NZD	-	-	4
	HKD	-	-	1
	CNY	-	-	1
			<u>345,114</u>	<u>594,499</u>

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12. TAGIHAN DAN LIABILITAS DERIVATIF (lanjutan)**a. Berdasarkan jenis (lanjutan)**

Seluruh tagihan derivatif pada tanggal 31 Desember 2016, 2015 dan 2014 digolongkan sebagai lancar.

b. Pada tanggal 31 Desember 2016, 2015 dan 2014, 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 45.

12. DERIVATIVE RECEIVABLES AND PAYABLES (continued)**a. By type (continued)**

All derivative receivables as at 31 December 2016, 2015 and 2014 were classified as pass.

b. As at 31 December 2016, 2015 and 2014, 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 45.

13. PINJAMAN YANG DIBERIKAN**a. Berdasarkan jenis dan mata uang**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Rupiah			
- Modal kerja	32,021,929	28,290,682	20,756,011
- Investasi	23,831,929	22,524,726	17,288,707
- Konsumsi	12,675,549	11,582,038	11,098,417
- Pinjaman karyawan	<u>603,837</u>	<u>537,136</u>	<u>442,344</u>
	<u>69,133,244</u>	<u>62,934,582</u>	<u>49,585,479</u>
Mata uang asing			
- Dolar Amerika Serikat			
- Modal kerja	10,257,322	8,233,239	7,646,887
- Investasi	<u>13,178,792</u>	<u>13,463,381</u>	<u>9,793,008</u>
	<u>23,436,114</u>	<u>21,696,620</u>	<u>17,439,895</u>
- Dolar Singapura			
- Modal kerja	265,817	480,337	457,928
- Investasi	462,199	663,977	761,167
- Konsumsi	<u>7,858</u>	<u>15,637</u>	<u>22,890</u>
	<u>735,874</u>	<u>1,159,951</u>	<u>1,241,985</u>
- Yen			
- Modal kerja	<u>57,407</u>	<u>87,866</u>	<u>93,841</u>
- Euro			
- Modal kerja	<u>-</u>	<u>-</u>	<u>2,039</u>
	<u>24,229,395</u>	<u>22,944,437</u>	<u>18,777,760</u>
	93,362,639	85,879,019	68,363,239
Dikurangi:			
Cadangan kerugian penurunan nilai	<u>(3,114,987)</u>	<u>(1,838,251)</u>	<u>(1,429,627)</u>
	<u>90,247,652</u>	<u>84,040,768</u>	<u>66,933,612</u>

Pada tanggal 31 Desember 2016, termasuk di dalam pinjaman yang diberikan adalah pembiayaan syariah setelah dikurangi cadangan penurunan kerugian nilai sebesar Rp 1.598.318 (2015: Rp 1.618.781 dan 2014: Rp 1.611.923).

13. LOANS**a. By type and currency**

Rupiah	
Working capital	-
Investment	-
Consumer	-
Employee loan	-
Foreign currencies	
United States Dollars	-
Working capital	-
Investment	-
Singapore Dollars	-
Working capital	-
Investment	-
Consumer	-
Yen	-
Working capital	-
Euro	-
Working capital	-

Less:
Allowance for impairment losses

As at 31 Desember 2016, included in loans are sharia financing net of allowance for impairment losses amounting Rp 1,598,318 (2015: Rp 1,618,781 and 2014: Rp 1,611,923).

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13. PINJAMAN YANG DIBERIKAN (lanjutan)**13. LOANS** (continued)**b. Berdasarkan sektor ekonomi****b. By economic sector**

	2016	2015	2014	
Perindustrian	26,505,237	22,191,518	17,547,629	Manufacturing
Perdagangan	23,472,177	23,126,291	18,370,721	Trading
Jasa	15,433,479	15,591,356	14,413,692	Services
Pertanian dan pertambangan	11,978,303	10,171,282	4,913,391	Agricultural and mining
Konstruksi	2,090,165	1,841,463	1,345,976	Construction
Lain-lain	13,883,278	12,957,109	11,771,830	Others
	93,362,639	85,879,019	68,363,239	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	(3,114,987)	(1,838,251)	(1,429,627)	Allowance for impairment losses
	<u>90,247,652</u>	<u>84,040,768</u>	<u>66,933,612</u>	

Termasuk dalam lain-lain diatas adalah kredit pemilikan rumah, kredit pemilikan kendaraan dan personal loans.

Included in others are housing, vehicle and personal loans.

c. Pinjaman yang diberikan yang mengalami penurunan nilai dan cadangan kerugian penurunan nilainya berdasarkan sektor ekonomi**c. Impaired loans and allowance for impairment losses by economic sector**

	2016	2015	2014	
Perdagangan	703,699	404,999	444,552	Trading
Perindustrian	366,243	228,059	35,552	Manufacturing
Jasa	331,629	60,694	190,476	Services
Pertanian dan pertambangan	82,664	4,976	4,742	Agricultural and mining
Konstruksi	32,468	24,407	14,888	Construction
Lain-lain	232,229	393,329	224,390	Others
	1,748,932	1,116,464	914,600	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	(1,031,502)	(448,826)	(369,167)	Allowance for impairment losses
	<u>717,430</u>	<u>667,638</u>	<u>545,433</u>	

d. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia**d. By collectibility as per Bank Indonesia Regulation**

	2016		2015		2014		
	Jumlah pinjaman yang diberikan/ Total loans	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Jumlah pinjaman yang diberikan/ Total loans	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Jumlah pinjaman yang diberikan/ Total loans	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	
Lancar	90,044,978	1,943,023	83,094,690	1,184,845	66,603,288	997,168	Pass
Dalam perhatian khusus	1,264,067	140,462	1,366,187	204,580	618,468	63,292	Special mention
Kurang lancar	271,967	171,299	382,192	127,538	237,527	102,980	Substandard
Diragukan	192,948	96,159	101,258	37,524	67,581	20,888	Doubtful
Macet	1,284,017	764,044	633,014	283,764	609,492	245,299	Loss
	93,057,977	3,114,987	85,577,341	1,838,251	68,136,356	1,429,627	
Pendapatan bunga yang masih akan diterima	304,662	-	301,678	-	226,883	-	Accrued interest income
	<u>93,362,639</u>	<u>3,114,987</u>	<u>85,879,019</u>	<u>1,838,251</u>	<u>68,363,239</u>	<u>1,429,627</u>	

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13. PINJAMAN YANG DIBERIKAN (lanjutan)

d. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia (lanjutan)

Pada tanggal 31 Desember 2016, persentase pinjaman bermasalah – bruto dan bersih terhadap total pinjaman yang diberikan adalah masing-masing sebesar 1,88% dan 0,77% (2015: 1,30% dan 0,78% dan 2014: 1,34% dan 0,80%).

Kolektibilitas pinjaman yang diberikan kepada pihak berelasi pada tanggal 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut.

13. LOANS (continued)

d. By collectibility as per Bank Indonesia Regulation (continued)

As at 31 December 2016, the percentage of non performing loans ("NPL") – gross and net to total loans are 1.88% and 0.77% (2015: 1.30% and 0.78% and 2014: 1.34% and 0.80%) respectively.

Loans to related parties' collectibility as at 31 December 2016, 2015 and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Lancar	346,679	749,978	581,947	Pass
Pendapatan bunga yang masih akan diterima	<u>1,834</u>	<u>2,117</u>	<u>763</u>	Accrued interest income
	348,513	752,095	582,710	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	<u>(8,869)</u>	<u>(2,066)</u>	<u>(1,441)</u>	Allowance for impairment losses
	<u><u>339,644</u></u>	<u><u>750,029</u></u>	<u><u>581,269</u></u>	

e. Berdasarkan periode perjanjian pinjaman

e. By period of loan agreement

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah				Rupiah
- Kurang dari 1 tahun	23,590,763	21,087,584	14,266,906	Less than 1 year -
- 1 – 2 tahun	3,536,489	2,422,757	2,226,631	1 – 2 years -
- 2 – 5 tahun	12,259,161	12,882,990	12,431,209	2 – 5 years -
- Lebih dari 5 tahun	<u>29,746,831</u>	<u>26,541,251</u>	<u>20,660,733</u>	More than 5 years -
	<u>69,133,244</u>	<u>62,934,582</u>	<u>49,585,479</u>	
Mata uang asing				Foreign currencies
- Kurang dari 1 tahun	9,987,805	8,777,401	7,996,249	Less than 1 year -
- 1 – 2 tahun	114,766	429,059	240,219	1 – 2 years -
- 2 – 5 tahun	7,127,313	7,942,072	6,447,597	2 – 5 years -
- lebih dari 5 tahun	<u>6,999,511</u>	<u>5,795,905</u>	<u>4,093,695</u>	More than 5 years -
	<u>24,229,395</u>	<u>22,944,437</u>	<u>18,777,760</u>	
	93,362,639	85,879,019	68,363,239	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	<u>(3,114,987)</u>	<u>(1,838,251)</u>	<u>(1,429,627)</u>	Allowance for impairment losses
	<u><u>90,247,652</u></u>	<u><u>84,040,768</u></u>	<u><u>66,933,612</u></u>	

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13. PINJAMAN YANG DIBERIKAN (lanjutan)**13. LOANS** (continued)**f. Berdasarkan jatuh tempo****f. Based on maturity**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah				Rupiah
- Kurang dari 1 tahun	31,668,573	27,152,406	20,648,890	Less than 1 year -
- 1 – 2 tahun	2,942,780	2,545,124	1,744,615	1 – 2 years -
- 2 – 5 tahun	14,167,310	13,281,133	11,855,386	2 – 5 years -
- Lebih dari 5 tahun	<u>20,354,581</u>	<u>19,955,919</u>	<u>15,336,588</u>	More than 5 years -
	<u>69,133,244</u>	<u>62,934,582</u>	<u>49,585,479</u>	
Mata uang asing				Foreign currencies
- Kurang dari 1 tahun	9,828,717	8,357,961	8,089,380	Less than 1 year -
- 1 – 2 tahun	2,820,976	1,705,184	1,200,933	1 – 2 years -
- 2 – 5 tahun	8,064,810	9,616,822	8,129,461	2 – 5 years -
- Lebih dari 5 tahun	<u>3,514,892</u>	<u>3,264,470</u>	<u>1,357,986</u>	More than 5 years -
	<u>24,229,395</u>	<u>22,944,437</u>	<u>18,777,760</u>	
	93,362,639	85,879,019	68,363,239	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	<u>(3,114,987)</u>	<u>(1,838,251)</u>	<u>(1,429,627)</u>	Allowance for impairment losses
	<u>90,247,652</u>	<u>84,040,768</u>	<u>66,933,612</u>	

g. Pinjaman yang diberikan yang direstrukturisasi**g. Restructured loans**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Perpanjangan jangka waktu kredit	1,077,726	1,191,093	194,791	Extension of loan period
Perpanjangan jangka waktu dan penurunan suku bunga	<u>1,146,303</u>	<u>416,693</u>	<u>40,840</u>	Extension of loan period and interest rate discount
	2,224,029	1,607,786	235,631	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	<u>(519,790)</u>	<u>(248,593)</u>	<u>(48,721)</u>	Allowance for impairment losses
	<u>1,704,239</u>	<u>1,359,193</u>	<u>186,910</u>	

h. Pinjaman sindikasi**h. Syndicated loans**

Keikutsertaan Bank dalam pinjaman sindikasi dengan bank lain pada tanggal 31 Desember 2016 adalah sebesar Rp 6.714.441 (2015: Rp 5.853.874 dan 2014: Rp 5.156.382). Partisipasi Bank dalam pinjaman sindikasi tersebut berkisar antara 0,01% - 66,67% pada tanggal 31 Desember 2016, 2015 dan 2014. Bank juga bertindak selaku pimpinan dan/atau *arranger* sebesar 0,46% dari seluruh pinjaman sindikasi tersebut pada tanggal 31 Desember 2016 (2015: 1,01% - 66,67% dan 2014: 1,62%).

The Bank's participation in syndicated loans with other banks as at 31 December 2016 amounted to Rp 6,714,441 (2015: Rp 5,853,874 and 2014: Rp 5,156,382). The Bank's participation in syndicated loans range between 0.01% to 66.67% as at 31 December 2016, 2015 and 2014. The Bank acted as lead manager and/or *arranger* on 0.46% of the total syndicated loans as at 31 December 2016 (2015: 1.01% to 66.67% and 2014: 1.62%).

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13. PINJAMAN YANG DIBERIKAN (lanjutan)

13. LOANS (continued)

i. Cadangan kerugian penurunan nilai

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Saldo awal	1,838,251	1,429,627	1,260,499
Penyisihan selama tahun berjalan (lihat Catatan 36)	1,370,246	408,233	221,817
Penghapusan selama tahun berjalan	(85,844)	(27,004)	(54,520)
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	10,290	4,634	6,613
Lain-lain *)	<u>(17,956)</u>	<u>22,761</u>	<u>(4,782)</u>
Saldo akhir	<u>3,114,987</u>	<u>1,838,251</u>	<u>1,429,627</u>

*) Termasuk selisih kurs karena penjabaran mata uang asing

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk cukup untuk menutup kerugian yang mungkin timbul akibat tidak tertagihnya pinjaman yang diberikan.

j. Agunan kredit

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.

k. Mutasi cadangan kerugian penurunan nilai pinjaman yang diberikan

Mutasi cadangan kerugian penurunan nilai pinjaman yang diberikan adalah sebagai berikut:

	<u>2016</u>		
	<u>Individual/ Individual</u>	<u>Kolektif/ Collective</u>	<u>Jumlah/ Total</u>
Saldo awal	384,786	1,453,465	1,838,251
Penyisihan selama periode berjalan (lihat Catatan 36)	592,549	777,697	1,370,246
Penghapusan selama periode berjalan	(21,131)	(64,713)	(85,844)
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	-	10,290	10,290
Lain-lain *)	<u>(11,300)</u>	<u>(6,656)</u>	<u>(17,956)</u>
Saldo akhir	<u>944,904</u>	<u>2,170,083</u>	<u>3,114,987</u>

*) Termasuk selisih kurs karena penjabaran mata uang asing

i. Allowance for impairment losses

Movements in the allowance for impairment losses are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Saldo awal	1,838,251	1,429,627	1,260,499
Penyisihan selama tahun berjalan (lihat Catatan 36)	1,370,246	408,233	221,817
Penghapusan selama tahun berjalan	(85,844)	(27,004)	(54,520)
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	10,290	4,634	6,613
Lain-lain *)	<u>(17,956)</u>	<u>22,761</u>	<u>(4,782)</u>
Saldo akhir	<u>3,114,987</u>	<u>1,838,251</u>	<u>1,429,627</u>

Includes effect of foreign exchange translation *)

Management believes the allowance for impairment losses is adequate to cover impairment losses arising from uncollectible loans.

j. Collaterals for loans

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.

k. Movements of allowance for impairment loan losses

The movements of allowance for impairment loan losses are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Saldo awal	1,838,251	1,429,627	1,260,499
Penyisihan selama periode berjalan (lihat Catatan 36)	1,370,246	408,233	221,817
Penghapusan selama periode berjalan	(85,844)	(27,004)	(54,520)
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	10,290	4,634	6,613
Lain-lain *)	<u>(17,956)</u>	<u>22,761</u>	<u>(4,782)</u>
Saldo akhir	<u>3,114,987</u>	<u>1,838,251</u>	<u>1,429,627</u>

Includes effect of foreign exchange translation *)

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13. PINJAMAN YANG DIBERIKAN (lanjutan)**13. LOANS** (continued)**k. Mutasi cadangan kerugian penurunan nilai pinjaman yang diberikan** (lanjutan)**k. Movements of allowance for impairment loan losses** (continued)

	2015			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Saldo awal	358,779	1,070,848	1,429,627	Beginning balance
Penyisihan selama periode berjalan (lihat Catatan 36)	31,610	376,623	408,233	Allowance during the period (refer to Note 36)
Penghapusan selama periode berjalan	(8,469)	(18,535)	(27,004)	Write-offs during the period
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	-	4,634	4,634	Bad debt recoveries
Lain-lain *)	2,866	19,895	22,761	Others *)
Saldo akhir	<u>384,786</u>	<u>1,453,465</u>	<u>1,838,251</u>	Ending balance

*) Termasuk selisih kurs karena penjabaran mata uang asing

Includes effect of foreign exchange translation *)

	2014			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Saldo awal	231,893	1,028,606	1,260,499	Beginning balance
Penyisihan selama periode berjalan (lihat Catatan 36)	177,534	44,283	221,817	Allowance during the period (refer to Note 36)
Penghapusan selama periode berjalan	(37,727)	(16,793)	(54,520)	Write-offs during the period
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukukan	-	6,613	6,613	Bad debt recoveries
Lain-lain *)	(12,921)	8,139	(4,782)	Others *)
Saldo akhir	<u>358,779</u>	<u>1,070,848</u>	<u>1,429,627</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 2016, jumlah saldo fasilitas pembiayaan bersama adalah sebesar Rp 6.020 (2015: Rp 21.336 dan 2014: Rp 76.873).

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 2016, the outstanding balances are Rp 6,020 (2015: Rp 21,336 and 2014: Rp 76,873).

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13. PINJAMAN YANG DIBERIKAN (lanjutan)**13. LOANS** (continued)**m. Pinjaman yang diberikan yang dihapusbukkan****m. Loans written-off**

Perubahan pinjaman yang diberikan yang dihapusbukkan adalah sebagai berikut:

Movements in the loans written-off are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Saldo awal	501,221	480,184	466,968	<i>Beginning balance</i>
Penghapusan selama tahun berjalan	85,844	27,004	54,520	<i>Write-offs during the year</i>
Penerimaan kembali pinjaman yang diberikan yang telah dihapusbukkan	(10,290)	(4,634)	(6,613)	<i>Bad debt recoveries</i>
Hapus tagih *)	<u>(16,386)</u>	<u>(1,333)</u>	<u>(34,691)</u>	<i>Claims written-off *)</i>
Saldo akhir	<u>560,389</u>	<u>501,221</u>	<u>480,184</u>	<i>Ending balance</i>

*) 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 (2016: Rp 4.061.138, 2015: Rp Rp 3.497.601 dan 2014: Rp 3.072.157). Peraturan tersebut juga menetapkan batas maksimum penyediaan dana kepada satu kelompok peminjam yang bukan pihak terkait tidak melebihi 25% dari modal Bank (2016: Rp 5.076.422, 2015: Rp 4.372.002 dan 2014: Rp 3.840.196). Peraturan ini berlaku efektif sejak tanggal 20 Januari 2005. Pada tanggal 31 Desember 2016, 2015 dan 2014, 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 2016, 2015 dan 2014, jumlah pinjaman yang diberikan yang dijamin dengan giro dan deposito berjangka yang diblokir adalah sebesar Rp 2.296.115, Rp 2.098.683 dan Rp 1.969.022.
- Pada tanggal 31 Desember 2016, 2015 dan 2014, rasio kredit usaha mikro kecil terhadap pinjaman yang diberikan adalah 0,90%, 1,05% dan 1,52%.
- 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 (2016: Rp4,061,138, 2015: Rp 3,497,601 and 2014: Rp 3,072,157). This regulation also requires the maximum lending limit to non-related party groups of borrower not to exceed 25% of the Bank's capital (2016: Rp 5,076,422, 2015: Rp 4,372,002 and 2014: Rp 3,840,196). This regulation was effective starting from 20 January 2005. As at 31 December 2016, 2015 and 2014, 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 2016, 2015 and 2014, loans collateralised by current accounts and time deposits pledged amounted to Rp 2,296,115, Rp 2,098,683 and Rp 1,969,022, respectively.
- As at 31 December 2016, 2015 and 2014, ratio of small and micro loan to total loan are 0.90%, 1.05% and 1.52%.

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13. 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 2016, 2015 dan 2014, tidak terdapat pinjaman yang dijadikan jaminan.
- o.** Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.
- p.** Informasi mengenai tingkat suku bunga diungkapkan pada Catatan 3b.

13. 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 2016, 2015 and 2014, no loans pledge as collaterals.
- o.** Information in respect of transactions with related parties is disclosed in Note 45.
- p.** Information in respect of interest rates is disclosed in Note 3b.

14. TAGIHAN AKSEPTASI**a. Berdasarkan mata uang**

	2016	2015	2014
Rupiah	392,824	339,207	229,889
Mata uang asing			
- Dolar Amerika Serikat	3,035,452	2,384,773	2,530,154
- Euro	61,754	69,840	51,529
- Yen	21,280	50,923	74,576
- Dolar Singapura	2,149	1,896	-
	<u>3,120,635</u>	<u>2,507,432</u>	<u>2,656,259</u>
	3,513,459	2,846,639	2,886,148
Dikurangi:			
Cadangan kerugian penurunan nilai	<u>(27,694)</u>	<u>(20,914)</u>	<u>(25,723)</u>
	<u>3,485,765</u>	<u>2,825,725</u>	<u>2,860,425</u>

b. Berdasarkan kolektibilitas sesuai Peraturan Bank Indonesia

	2016	2015	2014
Lancar	3,502,215	2,846,639	2,886,148
Dalam perhatian khusus	11,244	-	-
	<u>3,513,459</u>	<u>2,846,639</u>	<u>2,886,148</u>
Dikurangi:			
Cadangan kerugian penurunan nilai	<u>(27,694)</u>	<u>(20,914)</u>	<u>(25,723)</u>
	<u>3,485,765</u>	<u>2,825,725</u>	<u>2,860,425</u>

14. ACCEPTANCE RECEIVABLES**a. By currency**

Rupiah

Foreign currencies
 United States Dollars -
 Euro -
 Yen -
 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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14. TAGIHAN AKSEPTASI (lanjutan)**14. ACCEPTANCE RECEIVABLES (continued)****c. Cadangan kerugian penurunan nilai****c. Allowance for impairment losses**

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

The changes in the allowance for impairment losses are as follows:

	2016	2015	2014	
Saldo awal (Pembalikan)/penyisihan selama tahun berjalan (lihat Catatan 36)	20,914	25,723	35,062	Beginning balance
Selisih kurs penjabaran	8,890	(4,416)	(9,816)	(Reversal)/allowance during the year (refer to Note 36)
	(2,110)	(393)	477	Exchange rate difference
Saldo akhir	<u>27,694</u>	<u>20,914</u>	<u>25,723</u>	Ending balance

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai di atas telah memadai.

The Management believes that the above allowance for impairment losses is adequate.

d. Berdasarkan jatuh tempo**d. Based on maturity**

	2016	2015	2014	
Rupiah				Rupiah
- Kurang dari 1 bulan	145,926	249,039	52,403	Less than 1 month -
- 1 – 3 bulan	236,117	77,462	177,336	1 – 3 months -
- 3 – 6 bulan	10,781	12,706	150	3 – 6 months -
	<u>392,824</u>	<u>339,207</u>	<u>229,889</u>	
Mata uang asing				Foreign currencies
- Kurang dari 1 bulan	912,896	906,992	711,079	Less than 1 month -
- 1 – 3 bulan	1,349,858	904,653	1,200,559	1 – 3 months -
- 3 – 6 bulan	790,327	679,882	698,699	3 – 6 months -
- 6 – 12 bulan	22,354	9,214	30,894	6 – 12 months -
- > 12 bulan	45,200	6,691	15,028	> 12 months -
	<u>3,120,635</u>	<u>2,507,432</u>	<u>2,656,259</u>	
	3,513,459	2,846,639	2,886,148	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	(27,694)	(20,914)	(25,723)	Allowance for impairment losses
	<u>3,485,765</u>	<u>2,825,725</u>	<u>2,860,425</u>	

e. Pada tanggal 31 Desember 2016, 2015 dan 2014, tidak terdapat tagihan akseptasi yang mengalami penurunan nilai.

e. As at 31 December 2016, 2015 and 2014 there are no impairment in respect of acceptance receivables.

f. Informasi mengenai tingkat suku bunga diungkapkan pada Catatan 3b.

f. Information in respect of interest rates is disclosed in Note 3b.

g. Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.

g. Information in respect of transactions with related parties is disclosed in Note 45.

15. BEBAN DIBAYAR DIMUKA**15. PREPAYMENTS**

	2016	2015	2014	
Bunga dari simpanan nasabah	170,332	183,563	174,567	Interest from deposits from customers
Sewa gedung kantor dan ruang ATM	170,089	138,090	141,641	Office building rental and ATM
Renovasi	38,214	31,954	28,612	Renovations
Pemeliharaan	32,686	30,753	23,236	Maintenance
Lain-lain	7,136	3,253	2,570	Others
	<u>418,457</u>	<u>387,613</u>	<u>370,626</u>	

Lain-lain terdiri dari beban dibayar dimuka atas asuransi dan lainnya.

Others consist of prepaid of insurance and others.

Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.

Information in respect of transactions with related parties is disclosed in Note 45.

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16. ASET TETAP**16. FIXED ASSETS**

2016							
Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Disposals	Transfer/ Transferred	Revaluasi/ Revaluation	Saldo akhir/ Ending balance		
Nilai revaluasi						Revalued amount	
Tanah	383,741	-	-	8,643	1,015,192	Land	
Bangunan	355,454	-	-	16,063	140,061	Buildings	
Harga perolehan						Cost	
Peralatan kantor	1,040,219	104,156	400,874	58,616	-	Office equipments	
Kendaraan bermotor	127,726	26,235	34,522	-	-	Motor vehicles	
Aset dalam penyelesaian	127,892	101,890	-	(83,322)	-	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>	
Akumulasi penyusutan						Accumulated depreciation	
Bangunan	139,701	22,869	-	-	(141,691)	Buildings	
Peralatan kantor	747,388	133,058	396,350	-	-	Office equipments	
Kendaraan bermotor	71,337	26,244	29,373	-	-	Motor vehicles	
	<u>958,426</u>	<u>182,171</u>	<u>425,723</u>	<u>-</u>	<u>(141,691)</u>	<u>573,183</u>	
Nilai buku bersih	<u>1,076,606</u>				<u>2,413,987</u>	Net book value	
2015							
Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Disposals	Transfer/ Transferred		Saldo akhir/ Ending balance		
Harga perolehan						Cost	
Tanah	256,667	-	-	127,074	383,741	Land	
Bangunan	333,472	-	246	22,228	355,454	Buildings	
Peralatan kantor	918,233	75,905	6,317	52,398	1,040,219	Office equipments	
Kendaraan bermotor	121,987	30,015	24,276	-	127,726	Motor vehicles	
Aset dalam penyelesaian	184,240	145,352	-	(201,700)	127,892	Construction in progress	
	<u>1,814,599</u>	<u>251,272</u>	<u>30,839</u>	<u>-</u>	<u>2,035,032</u>		
Akumulasi penyusutan						Accumulated depreciation	
Bangunan	122,700	17,101	100	-	139,701	Buildings	
Peralatan kantor	639,924	113,689	6,225	-	747,388	Office equipments	
Kendaraan bermotor	64,847	26,937	20,447	-	71,337	Motor vehicles	
	<u>827,471</u>	<u>157,727</u>	<u>26,772</u>	<u>-</u>	<u>958,426</u>		
Nilai buku bersih	<u>987,128</u>				<u>1,076,606</u>	Net book value	
2014							
Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Disposals	Transfer/ Transferred		Saldo akhir/ Ending balance		
Harga perolehan						Cost	
Tanah	256,667	-	-	-	256,667	Land	
Bangunan	320,411	-	1,324	14,385	333,472	Buildings	
Peralatan kantor	832,140	62,501	8,412	32,004	918,233	Office equipments	
Kendaraan bermotor	108,339	37,218	23,570	-	121,987	Motor vehicles	
Aset dalam penyelesaian	13,162	217,467	-	(46,389)	184,240	Construction in progress	
	<u>1,530,719</u>	<u>317,186</u>	<u>33,306</u>	<u>-</u>	<u>1,814,599</u>		
Akumulasi penyusutan						Accumulated depreciation	
Bangunan	106,807	16,403	510	-	122,700	Buildings	
Peralatan kantor	525,513	122,505	8,094	-	639,924	Office equipments	
Kendaraan bermotor	60,325	24,369	19,847	-	64,847	Motor vehicles	
	<u>692,645</u>	<u>163,277</u>	<u>28,451</u>	<u>-</u>	<u>827,471</u>		
Nilai buku bersih	<u>838,074</u>				<u>987,128</u>	Net book value	

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16. ASET TETAP (lanjutan)

Pada tanggal 31 Desember 2016, 2015 dan 2014, semua aset tetap yang dimiliki Bank merupakan kepemilikan langsung.

Aset dalam penyelesaian per 31 Desember 2016 adalah sebesar 52,86% dari nilai proyek, yang diperkirakan diselesaikan dalam tahun 2016 (2015: 56,55% dan 2014: 59,50%). Aset dalam penyelesaian tersebut meliputi:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Perangkat lunak	10,385	25,255	25,285	Software
Gedung	<u>136,075</u>	<u>102,637</u>	<u>158,955</u>	Buildings
	<u>146,460</u>	<u>127,892</u>	<u>184,240</u>	

Rincian penjualan aset tetap adalah sebagai berikut:

Details of sale of fixed assets are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Hasil penjualan aset tetap	11,760	5,206	6,368	Proceeds from sale of fixed assets
Nilai buku	<u>(9.673)</u>	<u>(4.067)</u>	<u>(4.855)</u>	Net book value
Keuntungan penjualan aset tetap	<u>2,087</u>	<u>1,139</u>	<u>1,513</u>	Gain on sale of fixed assets

Pada tanggal 31 Desember 2016, 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.

As at 31 December 2016, 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.

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 2016, jumlah nilai pertanggungan yang diasuransikan adalah sebesar Rp 1.052.447 (2015: Rp 1.029.514 dan 2014: Rp 786.260 dan Dolar Amerika Serikat 16.455.178). Perusahaan-perusahaan asuransi tersebut di atas tidak berelasi dengan Bank.

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 2016, the total sum insured amounted to Rp 1,052,447 (2015: Rp 1,029,514 and 2014: Rp 786,260 and USD 16,455,178). The above insurance companies are not related parties of the Bank.

Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

Management believes that the insurance coverage is adequate to cover the potential losses on the assets insured.

Nilai wajar tanah dan bangunan yang dimiliki oleh Bank pada tanggal 31 Desember 2015 dan 2014 berdasarkan Nilai Jual Objek Pajak ("NJOP") adalah sebesar Rp 794.132 dan Rp 618.725.

The fair value of the Bank's land and building as at 31 December 2015 and 2014 based on Sales Value of Tax Object ("NJOP") is amounted Rp 794,132 and Rp 618,725, respectively.

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16. ASET TETAP (lanjutan)

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).

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/ Net book value before revaluation	Nilai wajar pada tanggal revaluasi/ Fair value on the date of revaluation	Surplus revaluasi/ Revaluation surplus	
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>	

16. FIXED ASSETS (continued)

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 policies 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).

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:

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16. ASET TETAP (lanjutan)

Revaluasi aset tetap (lanjutan)

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 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.

	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.

Jika tanah dan bangunan dicatat sebesar harga perolehan, maka per 31 Desember 2016 dicatat dalam jumlah sebagai berikut:

	31 Desember/ December 2016	
Tanah	383,742	Land
Bangunan		Buildings
Harga perolehan	355,454	Cost
Akumulasi depresiasi	<u>(175,206)</u>	Accumulated depreciation
Nilai buku	<u>563,990</u>	Net book amount

16. FIXED ASSETS (continued)

Revaluation fixed assets (continued)

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 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.

	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>	

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.

If land and buildings are presented at historical cost, as of 31 December 2016 the amount would be as follows:

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17. ASET LAIN-LAIN

17. OTHER ASSETS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Agunan yang diambil alih sebelum dikurangi penyisihan sebesar Rp 2.789 pada 31 Desember 2016 (2015: Rp 2.915 dan 2014: Rp 3.411)	423,918	204,278	7,137	Foreclosed collateral gross of allowance Rp 2,789 as at 31 December 2016 (2015: Rp 2,915 and 2014: Rp 3,411)
Piutang bunga	352,427	177,901	71,912	Interest receivables
Piutang penjualan efek-efek yang masih harus diterima	287,441	73,257	143,800	Receivables from sale of marketable securities
Tagihan transaksi <i>Letter of Credit</i>	186,485	169,938	168,639	Letter of Credit transaction receivables
Tagihan transaksi ATM dan kartu kredit	63,211	30,118	31,495	ATM and credit card transaction receivables
Uang muka	35,265	65,488	39,278	Advances
Proyek dalam pelaksanaan	1,747	3,318	3,256	Project in process
Lain-lain	14,807	13,073	16,627	Others
	<u>1,365,301</u>	<u>737,371</u>	<u>482,144</u>	
Dikurangi:				Less:
Cadangan kerugian penurunan nilai	<u>(4,247)</u>	<u>(71,519)</u>	<u>(16,574)</u>	Allowance for impairment losses
	<u><u>1,361,054</u></u>	<u><u>665,852</u></u>	<u><u>465,570</u></u>	

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

The changes in the allowance for impairment losses are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Saldo awal	71,519	16,574	14,662	Beginning balance
Penyisihan/(pembalikan) selama tahun berjalan (lihat Catatan 36 dan 37)	(66,603)	53,789	4,679	Allowance/(reversal) during the year (refer to Notes 36 and 37)
Penghapusan selama tahun berjalan	-	-	(2,542)	Write-offs during the year
Selisih kurs penjabaran	(669)	1,156	(225)	Exchange rate differences
Saldo akhir	<u><u>4,247</u></u>	<u><u>71,519</u></u>	<u><u>16,574</u></u>	Ending balance

Agunan yang diambil alih merupakan jaminan pinjaman yang diberikan yang telah diambil alih oleh Bank berupa tanah dan bangunan.

Foreclosed collateral represents loan collateral that has been foreclosed by the Bank in the form of land and buildings.

Agunan yang diambil alih yang dijual selama tahun yang berakhir pada tanggal 31 Desember 2016 adalah sebesar Rp 42.694 (2015: Rp 7.721 dan 2014: Rp 3.062) dengan laba penjualan sebesar Rp 7.723 (2015: rugi penjualan sebesar Rp 270 dan 2014: rugi penjualan sebesar Rp 475).

Total foreclosed collateral sold for the year ended 31 December 2016 amounted to Rp 42,694 (2015: Rp 7,721 and 2014: Rp 3,062) with loss on sale amounting to Rp 7,723 (2015: gain on sale amounting to Rp 270 and 2014: loss on sale amounting to Rp 475).

Manajemen berpendapat bahwa saldo agunan yang diambil alih merupakan nilai bersih yang dapat direalisasikan.

The management believes that the foreclosed collateral balance represents net realisable value.

Uang muka terdiri antara lain uang muka sewa, uang muka pembelian inventaris kantor dan pembayaran-pembayaran yang berjangka waktu pendek.

Advances consist of advances for rental, advances on purchase of office equipments and other short term payments.

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17. ASET LAIN-LAIN (lanjutan)

Lain-lain terdiri antara lain tagihan dalam penyelesaian, penyelesaian kliring, persediaan materai, barang cetakan dan alat tulis kantor.

Manajemen berpendapat bahwa jumlah penyisihan aset lain-lain diatas telah memadai.

17. OTHER ASSETS (continued)

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.

18. LIABILITAS SEGERA**18. OBLIGATIONS DUE IMMEDIATELY**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Kewajiban yang masih harus dibayar	406,326	322,058	242,515	<i>Liabilities payable</i>
Kiriman uang	<u>38,072</u>	<u>32,192</u>	<u>32,510</u>	<i>Fund transfers</i>
	<u>444,398</u>	<u>354,250</u>	<u>275,025</u>	

Kewajiban yang masih harus dibayar meliputi antara lain penyelesaian kliring, kewajiban ATM, biaya notaris dan premi asuransi.

Liabilities payable mainly consist of clearing settlements, ATM liabilities, notary fees and insurance premium.

19. SIMPANAN NASABAH**19. DEPOSITS FROM CUSTOMERS****a. Berdasarkan jenis dan mata uang****a. By type and currency**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah				Rupiah
- Giro	10,105,842	7,144,705	6,180,619	<i>Current accounts -</i>
- Tabungan				<i>Savings -</i>
- TANDA	10,951,850	8,781,431	7,300,916	<i>TANDA -</i>
- TAKA	1,310,230	1,239,550	1,108,150	<i>TAKA -</i>
- Tabhar	490,081	597,592	682,750	<i>Tabhar -</i>
- Deposito berjangka	<u>46,934,189</u>	<u>37,296,077</u>	<u>33,903,975</u>	<i>Time deposits -</i>
	<u>69,792,192</u>	<u>55,059,355</u>	<u>49,176,410</u>	
Mata uang asing				Foreign currencies
- Giro	14,406,053	15,361,525	7,844,450	<i>Current accounts -</i>
- Tabungan	3,537,313	3,027,504	2,158,324	<i>Savings -</i>
- Deposito berjangka	<u>15,824,402</u>	<u>13,831,860</u>	<u>13,625,873</u>	<i>Time deposits -</i>
	<u>33,767,768</u>	<u>32,220,889</u>	<u>23,628,647</u>	
	<u>103,559,960</u>	<u>87,280,244</u>	<u>72,805,057</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 Chine Offshore.

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19. SIMPANAN NASABAH (lanjutan)**19. DEPOSITS FROM CUSTOMERS** (continued)**b. Simpanan yang diblokir dan dijadikan jaminan atas pinjaman yang diberikan****b. Amounts blocked and pledged as loan collateral**

Pada tanggal 31 Desember 2016, jumlah giro dan deposito berjangka yang diblokir dan dijadikan jaminan pinjaman yang diberikan adalah sebesar Rp 2.659.479 (2015: Rp 2.362.327 dan 2014: Rp 2.225.138).

As at 31 December 2016, current accounts and time deposits pledged as loan collateral amounted to Rp 2,659,479 (2015: Rp 2,362,327 and 2014: Rp 2,225,138).

Pada tanggal 31 Desember 2016, 2015 dan 2014 tidak terdapat tabungan yang diblokir dan dijadikan jaminan pinjaman yang diberikan.

As at 31 December 2016, 2015 and 2014 there is no saving account pledged as loan collateral.

c. Berdasarkan jatuh tempo**c. Based on maturity**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Rupiah			
- Giro			
Kurang dari 1 bulan	10,105,842	7,144,705	6,180,619
- Tabungan			
Kurang dari 1 bulan	11,487,303	9,432,601	8,077,813
1 – 3 bulan	100,688	90,184	63,234
3 – 6 bulan	190,501	148,551	105,439
6 – 12 bulan	234,129	190,430	196,182
Lebih dari 12 bulan	739,540	756,807	649,148
- Deposito berjangka			
Kurang dari 1 bulan	31,874,801	24,751,326	20,386,601
1 – 3 bulan	12,130,599	10,519,439	11,902,041
3 – 6 bulan	1,912,738	1,705,793	1,323,593
6 – 12 bulan	989,914	291,317	284,571
Lebih dari 12 bulan	26,137	28,202	7,169
	<u>69,792,192</u>	<u>55,059,355</u>	<u>49,176,410</u>
Mata uang asing			
- Giro			
Kurang dari 1 bulan	14,406,053	15,361,525	7,844,450
- Tabungan			
Kurang dari 1 bulan	3,513,298	3,001,484	2,134,259
1 – 3 bulan	3,389	5,480	2,575
3 – 6 bulan	3,903	3,482	3,683
6 – 12 bulan	2,728	2,139	2,596
Lebih dari 12 bulan	13,995	14,919	15,211
- Deposito berjangka			
Kurang dari 1 bulan	13,219,759	10,082,599	10,633,678
1 – 3 bulan	2,083,009	1,886,395	1,193,909
3 – 6 bulan	129,936	1,606,523	1,375,864
6 – 12 bulan	184,611	256,343	422,048
Lebih dari 12 bulan	207,087	-	374
	<u>33,767,768</u>	<u>32,220,889</u>	<u>23,628,647</u>
	<u>103,559,960</u>	<u>87,280,244</u>	<u>72,805,057</u>

	Rupiah
Current accounts -	
Less than 1 month	
Saving accounts -	
Less than 1 month	
1 – 3 months	
3 – 6 months	
6 – 12 months	
More than 12 months	
Time deposits -	
Less than 1 month	
1 – 3 months	
3 – 6 months	
6 – 12 months	
More than 12 months	
Foreign currencies	
Current accounts -	
Less than 1 month	
Saving accounts -	
Less than 1 month	
1 – 3 months	
3 – 6 months	
6 – 12 months	
More than 12 months	
Time deposits -	
Less than 1 month	
1 – 3 months	
3 – 6 months	
6 – 12 months	
More than 12 months	

d. Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.**d. Information in respect of transactions with related parties is disclosed in Note 45.**

e. Pada 31 Desember 2016, jumlah giro dan tabungan *Wadiah* dan *Mudharabah* yang dikelola oleh unit Syariah Bank mempunyai nilai sebesar Rp 138.486 dan Rp 717.570 (2015: Rp 62.984 dan Rp 459.083 dan 2014: Rp 13.247 dan Rp 337.109) dan deposito berjangka *Mudharabah* yang dikelola unit Syariah Bank mempunyai nilai sebesar Rp 1.682.059 (2015: Rp 1.265.871 dan 2014: Rp 853.572).

e. As at 31 December 2016, total *Wadiah* and *Mudharabah* current and saving account, managed by the Bank's Sharia unit amounted to Rp 138,486 and Rp 717,570 (2015: Rp 62,984 and Rp 459,083 and 2014: Rp 13,247 and Rp 337,109) and *Mudharabah* time deposits, managed by the Bank's Sharia unit amounted to Rp 1,682,059 (2015: Rp 1,265,871 and 2014: Rp 853,572).

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19. SIMPANAN NASABAH (lanjutan)**19. DEPOSITS FROM CUSTOMERS** (continued)**(i) GIRO****(i) CURRENT ACCOUNTS****a. Berdasarkan jenis dan mata uang****a. By type and currency**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah				Rupiah
- Pihak berelasi	91,863	80,566	46,516	Related parties -
- Pihak ketiga	<u>10,013,979</u>	<u>7,064,139</u>	<u>6,134,103</u>	Third parties -
	<u>10,105,842</u>	<u>7,144,705</u>	<u>6,180,619</u>	
Mata uang asing				Foreign currencies
- Pihak berelasi	56,780	378,359	49,549	Related parties -
- Pihak ketiga	<u>14,349,273</u>	<u>14,983,166</u>	<u>7,794,901</u>	Third parties -
	<u>14,406,053</u>	<u>15,361,525</u>	<u>7,844,450</u>	
	<u><u>24,511,895</u></u>	<u><u>22,506,230</u></u>	<u><u>14,025,069</u></u>	

b. Pada tanggal 31 Desember 2016, giro dari pihak berelasi sebesar Rp 148.643 (2015: Rp 458.925 dan 2014: Rp 96.065); atau 0,61% (2015: 2,04% dan 2014: 0,68%) dari jumlah giro.

b. As at 31 December 2016, total current accounts from related parties were amounting to Rp 148,643 (2015: Rp 458,925 and 2014: Rp 96,065); or 0.61 % (2015: 2.04% and 2014: 0.68%) 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.

(ii) TABUNGAN**(ii) SAVING ACCOUNTS****a. Berdasarkan jenis dan mata uang****a. By type and currency**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah				Rupiah
- Pihak berelasi	59,343	46,568	29,793	Related parties -
- Pihak ketiga	<u>12,692,818</u>	<u>10,572,005</u>	<u>9,062,023</u>	Third parties -
	<u>12,752,161</u>	<u>10,618,573</u>	<u>9,091,816</u>	
Mata uang asing				Foreign currencies
- Pihak berelasi	8,485	6,277	4,496	Related parties -
- Pihak ketiga	<u>3,528,828</u>	<u>3,021,227</u>	<u>2,153,828</u>	Third parties -
	<u>3,537,313</u>	<u>3,027,504</u>	<u>2,158,324</u>	
	<u><u>16,289,474</u></u>	<u><u>13,646,077</u></u>	<u><u>11,250,140</u></u>	

b. Pada tanggal 31 Desember 2016, tabungan dari pihak berelasi sebesar Rp 67.828 (2015: Rp 52.845 dan 2014: Rp 34.289); atau 0,42% (2015: 0,39% dan 2014: 0,30%) dari jumlah tabungan.

b. As at 31 December 2016, total savings accounts from related parties were amounting to Rp 67,828 (2015: Rp 52,845 and 2014: Rp 34,289); or 0.42% (2015: 0.39% and 2014: 0.30%) from total saving accounts.

(iii) DEPOSITO BERJANGKA**(iii) TIME DEPOSITS****a. Berdasarkan jenis dan mata uang****a. By type and currency**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah				Rupiah
- Pihak berelasi	290,886	285,863	173,908	Related parties -
- Pihak ketiga	<u>46,643,303</u>	<u>37,010,214</u>	<u>33,730,067</u>	Third parties -
	<u>46,934,189</u>	<u>37,296,077</u>	<u>33,903,975</u>	
Mata uang asing				Foreign currencies
- Pihak berelasi	110,166	85,907	1,271,369	Related parties -
- Pihak ketiga	<u>15,714,236</u>	<u>13,745,953</u>	<u>12,354,504</u>	Third parties -
	<u>15,824,402</u>	<u>13,831,860</u>	<u>13,625,873</u>	
	<u><u>62,758,591</u></u>	<u><u>51,127,937</u></u>	<u><u>47,529,848</u></u>	

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19. SIMPANAN NASABAH (lanjutan)**(iii) DEPOSITO BERJANGKA** (lanjutan)

- b. Pada tanggal 31 Desember 2016, deposito berjangka dari pihak berelasi sebesar Rp 401.052 (2015: Rp 371.770 dan 2014: Rp 1.445.277); atau 0,64% (2015: 0,73% dan 2014: 3,04%) dari jumlah deposito.
- c. Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.

19. DEPOSITS FROM CUSTOMERS (continued)**(iii) TIME DEPOSITS** (continued)

- b. As at 31 December 2016, total time deposits from related parties were amounting to Rp 401,052 (2015: Rp 371,770 and 2014: Rp 1,445,277); or 0.64% (2015: 0.73% and 2014: 3.04%) from total time deposits.
- c. Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.

20. SIMPANAN DARI BANK LAIN**a. Berdasarkan jenis dan mata uang**

	2016	2015	2014
Rupiah			
- Giro	85,851	87,131	58,826
- Tabungan	10,318	13,141	11,669
- <i>Inter-bank call money</i>	2,378,000	1,365,000	1,550,000
- Deposito berjangka	32,667	13,274	762,091
	<u>2,506,836</u>	<u>1,478,546</u>	<u>2,382,586</u>
Mata uang asing			
- Giro	204	-	-
- <i>Inter-bank call money</i>	-	-	866,950
	<u>204</u>	<u>-</u>	<u>866,950</u>
	<u>2,507,040</u>	<u>1,478,546</u>	<u>3,249,536</u>

b. Berdasarkan jatuh tempo

	2016	2015	2014
Rupiah			
- Giro			
Kurang dari 1 bulan	85,851	87,131	58,826
- Tabungan			
Kurang dari 1 bulan	10,318	13,141	11,669
- <i>Inter-bank call money</i>	2,378,000	1,365,000	1,550,000
- Deposito berjangka			
Kurang dari 1 bulan	11,667	10,274	608,091
1 – 3 bulan	20,000	2,000	125,000
3 – 6 bulan	-	-	5,000
6 – 12 bulan	1,000	1,000	24,000
	<u>2,506,836</u>	<u>1,478,546</u>	<u>2,382,586</u>
Mata uang asing			
- Giro			
Kurang dari 1 bulan	204	-	-
- <i>Inter-bank call money</i>	-	-	866,950
Kurang dari 1 bulan	-	-	866,950
	<u>204</u>	<u>-</u>	<u>866,950</u>
	<u>2,507,040</u>	<u>1,478,546</u>	<u>3,249,536</u>

- c. Pada tanggal 31 Desember 2016, 2015 dan 2014, tidak terdapat simpanan dari bank lain yang digunakan sebagai jaminan.

20. DEPOSITS FROM OTHER BANKS**a. By type and currency**

	Rupiah
Current accounts	-
Saving accounts	-
<i>Inter-bank call money</i>	-
Time deposits	-
Foreign currencies	
Current accounts	-
<i>Inter-bank call money</i>	-

b. Based on maturity

	Rupiah
Current accounts	-
Less than 1 month	-
Saving accounts	-
Less than 1 month	-
<i>Inter-bank call money</i>	-
Less than 1 month	-
Time deposits	-
Less than 1 month	-
1 – 3 months	-
3 – 6 months	-
6 – 12 months	-

- c. As at 31 December 2016, 2015 and 2014, there were no deposits from other banks pledged as cash collateral.

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20. SIMPANAN DARI BANK LAIN (lanjutan)

- d. Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.
- e. Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.
- f. Pada 31 Desember 2016, jumlah giro *Wadiah* yang dikelola oleh unit Syariah Bank mempunyai nilai sebesar Rp 631 (2015: Rp 1.592 dan 2014: Rp 2.727), tabungan *Wadiah* yang dikelola oleh unit Syariah Bank mempunyai nilai sebesar Rp 2.251 (2015: Rp 1.046 dan 2014: Rp 1.010) dan deposito berjangka *Mudharabah* yang dikelola unit Syariah Bank mempunyai nilai sebesar Rp 1.429 (2015: Rp 1.939 dan 2014: Rp 658.553).

20. DEPOSITS FROM OTHER BANKS (continued)

- d. Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.
- e. Information in respect of transactions with related parties is disclosed in Note 45.
- f. As at 31 December 2016, total *Wadiah* current accounts, managed by the Bank's Sharia unit amounted to Rp 631 (2015: Rp 1,592 and 2014: Rp 2,727), *Wadiah* saving accounts, managed by the Bank's Sharia unit amounted to Rp 2,251 (2015: Rp 1,046 and 2014: Rp 1,010) and *Mudharabah* time deposits, managed by the Bank's Sharia unit amounted to Rp 1,429 (2015: Rp 1,939 and 2014: Rp 658,553).

21. LIABILITAS AKSEPTASI

	2016	2015	2014
Rupiah	392,824	339,207	229,889
Mata uang asing			
- Dolar Amerika Serikat	3,035,452	2,384,773	2,530,154
- Euro	61,754	69,840	51,529
- Yen	21,280	50,923	74,576
- Dolar Singapura	2,149	1,896	-
	<u>3,120,635</u>	<u>2,507,432</u>	<u>2,656,259</u>
	<u><u>3,513,459</u></u>	<u><u>2,846,639</u></u>	<u><u>2,886,148</u></u>

21. ACCEPTANCE PAYABLES

Rupiah

Foreign currencies
United States Dollars -
Euro -
Yen -
Singapore Dollars -

22. PAJAK PENGHASILAN**a. Pajak dibayar dimuka**

	2016	2015	2014
Pajak penghasilan badan 2008	-	7,672	18,396
Pajak penghasilan badan 2010	-	26,673	26,673
Pajak atas revaluasi aset tetap	-	38,542	-
	<u>-</u>	<u>72,887</u>	<u>45,069</u>

a. Prepaid tax

2008 Corporate income tax
2010 Corporate income tax
Fixed asset revaluation tax

b. Utang pajak

	2016	2015	2014
Pajak penghasilan badan			
- Pasal 25	-	-	30,418
- Pasal 29	72,589	80,627	39,057
	<u>72,589</u>	<u>80,627</u>	<u>69,475</u>
Pajak lain-lain			
- Pajak penghasilan lainnya	111,286	114,294	107,857
- Pajak pertambahan nilai	891	1,230	5,159
- Bea materai	207	206	167
	<u>112,384</u>	<u>115,730</u>	<u>113,183</u>
	<u><u>184,973</u></u>	<u><u>196,357</u></u>	<u><u>182,658</u></u>

b. Tax payables

Corporate income tax
Article 25 -
Article 29 -

Other taxes
Other income taxes -
Value added tax -
Stamp duty -

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22. PAJAK PENGHASILAN (lanjutan)**22. INCOME TAX** (continued)**c. Pajak penghasilan****c. Income tax**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Kini	(776,497)	(545,449)	(443,535)	Current
Tangguhan	<u>215,295</u>	<u>44,823</u>	<u>(995)</u>	Deferred
	<u>(561,202)</u>	<u>(500,626)</u>	<u>(444,530)</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:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Laba sebelum pajak penghasilan	<u>2,351,102</u>	<u>2,001,461</u>	<u>1,776,712</u>	Income before tax
Pajak dihitung pada tarif pajak yang berlaku	587,776	500,366	444,178	Tax calculated at applicable tax rate
Dampak pajak penghasilan pada:				Tax effects of:
Rugi penjualan agunan yang diambil alih	(1,931)	67	119	Loss on sale of foreclosed collateral
Lain-lain	<u>(24,643)</u>	<u>193</u>	<u>233</u>	Others
Pajak penghasilan	<u>561,202</u>	<u>500,626</u>	<u>444,530</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 income, and taxable income is as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Laba sebelum pajak penghasilan	<u>2,351,102</u>	<u>2,001,461</u>	<u>1,776,712</u>	Income before tax
Perbedaan temporer				Temporary differences
Perbedaan antara komersial dan fiskal untuk:				Differences between commercial and fiscal amounts on:
- Imbalan kerja	46,549	40,811	37,730	Employee benefits -
- Cadangan kerugian penurunan nilai aset keuangan	808,222	108,742	(68,725)	Allowance for impairment - losses of financial assets
- Cadangan kerugian penurunan nilai lainnya	1,726	(496)	(1,600)	Allowance for impairment - losses - others
- (Kerugian)/keuntungan yang belum direalisasi dari surat berharga untuk tujuan diperdagangkan	148	(685)	4,503	Unrealised (loss)/gain - on trading securities
- Beban penyusutan	<u>4,531</u>	<u>30,921</u>	<u>24,111</u>	Depreciation expense -
	<u>861,176</u>	<u>179,293</u>	<u>(3,981)</u>	

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22. PAJAK PENGHASILAN (lanjutan)

22. INCOME TAX (continued)

c. Pajak penghasilan (lanjutan)

c. Income tax (continued)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Perbedaan tetap				Permanent differences
- Penjualan agunan yang diambil alih	(7,723)	270	475	Sale of foreclosed collateral -
- (Pendapatan tidak kena pajak)/ biaya yang tidak dapat dikurangkan menurut pajak	(98,570)	772	933	(Non-taxable income)/ - non-deductible expenses
	<u>(106,293)</u>	<u>1,042</u>	<u>1,408</u>	
Penghasilan kena pajak	<u>3,105,985</u>	<u>2,181,796</u>	<u>1,774,139</u>	Taxable Income
Beban pajak penghasilan	776,497	545,449	443,535	Income tax expense
Dikurangi: Pajak dibayar dimuka	<u>(703,908)</u>	<u>(464,822)</u>	<u>(374,060)</u>	Less: Prepaid tax
Utang pajak penghasilan badan	<u>72,589</u>	<u>80,627</u>	<u>69,475</u>	Corporate income tax payable

Surat Pemberitahuan Tahunan ("SPT") Pajak Penghasilan Badan untuk tahun pajak 2016 belum dilaporkan. Penghasilan kena pajak hasil rekonsiliasi di atas merupakan dasar dalam pengisian SPT PPh Badan Bank untuk tahun yang berakhir tanggal 31 Desember 2016.

Annual corporate income tax return for fiscal year 2016 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 years ended 31 December 2016.

Perhitungan perpajakan untuk tahun yang berakhir tanggal 31 Desember 2015 dan 2014 adalah sesuai dengan Surat Pemberitahuan Tahunan ("SPT") Bank.

The calculations of income tax for the years ended 31 December 2015 and 2014 conform to the Bank's annual tax returns.

d. Aset/(liabilitas) pajak tangguhan

d. Deferred tax assets/(liabilities)

	2016				
	Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laporan laba rugi/ Credited/ (charged) to statements 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	<u>21,033</u>	<u>-</u>	<u>(12,296)</u>	<u>8,737</u>	Unrealised gain on available for sale marketable securities
	<u>170,372</u>	<u>215,295</u>	<u>(15,642)</u>	<u>370,025</u>	

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22. PAJAK PENGHASILAN (lanjutan)**22. INCOME TAX** (continued)**d. Aset/(liabilitas) pajak tangguhan** (lanjutan)**d. Deferred tax assets/(liabilities)** (continued)

2015					
Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laporan laba rugi/ Credited/ (charged) to statements of income	Dikreditkan/ (dibebankan) ke ekuitas/ Credited/ (charged) to equity	Saldo akhir/ Ending balance		
Imbalan kerja	65,256	10,203	(5,175)	70,284	Employee benefits
Cadangan kerugian penurunan nilai aset keuangan	68,259	27,185	-	95,444	Allowance for impairment losses on financial assets
Cadangan lainnya	853	(124)	-	729	Others allowance
Keuntungan yang belum direalisasi dari efek untuk tujuan diperdagangkan	1,052	(171)	-	881	Unrealised gain on trading marketable securities
Beban penyusutan	(25,729)	7,730	-	(17,999)	Depreciation expenses
Keuntungan yang belum direalisasi dari efek tersedia untuk dijual	4,906	-	16,127	21,033	Unrealised gain on available for sale marketable securities
	<u>114,597</u>	<u>44,823</u>	<u>10,952</u>	<u>170,372</u>	
2014					
Saldo awal/ Beginning balance	(Dibebankan)/ dikreditkan ke laporan laba rugi/ (Charged)/ credited to statements of income	(Dibebankan)/ dikreditkan ke ke ekuitas/ Charged/ (credited) to equity	Saldo akhir/ Ending balance		
Imbalan kerja	53,564	9,432	2,260	65,256	Employee benefits
Cadangan kerugian penurunan nilai aset keuangan	85,440	(17,181)	-	68,259	Allowance for impairment losses on financial assets
Cadangan lainnya	1,253	(400)	-	853	Others allowance
Keuntungan yang belum direalisasi dari efek untuk tujuan diperdagangkan	(74)	1,126	-	1,052	Unrealised gain on trading marketable securities
Beban penyusutan	(31,757)	6,028	-	(25,729)	Depreciation expenses
Keuntungan yang belum direalisasi dari efek tersedia untuk dijual	30,946	-	(26,040)	4,906	Unrealised gain on available for sale marketable securities
	<u>139,372</u>	<u>(995)</u>	<u>(23,780)</u>	<u>114,597</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.

e. 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.

e. 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.

f. 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 16) 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.

f. 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 16) 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.

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22. PAJAK PENGHASILAN (lanjutan)**f. Hal lainnya yang signifikan** (lanjutan)

Dengan diperolehnya persetujuan permohonan penilaian kembali aset tetap (lihat Catatan 16), pajak dibayar dimuka sebesar Rp 38.542 telah di *off-set* dengan akun surplus revaluasi aktiva tetap dalam komponen ekuitas pada bulan Mei 2016.

22. INCOME TAX (continued)**f. Other significant matters** (continued)

With this approval of fixed asset revaluation (refer to Note 16), 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.

23. BEBAN YANG MASIH HARUS DIBAYAR

	2016	2015	2014
Bunga yang masih harus dibayar	377,178	366,562	335,372
Biaya operasional lainnya	14,864	12,924	9,099
Biaya komitmen	502	766	772
	<u>392,544</u>	<u>380,252</u>	<u>345,243</u>

Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.

23. ACCRUED EXPENSES

*Accrued interest
Other operational expenses
Commitment fee*

Information in respect of transactions with related parties is disclosed in Note 45.

24. PINJAMAN YANG DITERIMA

	2016	2015	2014
Mata uang asing			
OCBC Limited, Singapura	-	2,757,000	2,477,000

OCBC Limited, Singapura

Bank telah memperoleh persetujuan dari Bank Indonesia melalui surat No. 15/41/DInt tanggal 26 Juli 2013 untuk permohonan masuk pasar atas Pinjaman Luar Negeri Jangka Panjang sebesar USD 200 juta dari OCBC Limited.

Pada tanggal 19 Agustus 2013, Bank telah memperoleh fasilitas pinjaman dari Oversea-Chinese Banking Corporation Limited, Singapura ("OCBC Limited") sebesar USD 200 juta dengan tingkat bunga SIBOR ditambah margin tertentu, dan jatuh tempo pada tanggal 20 Agustus 2014.

Pada tanggal 22 Agustus 2014, Bank memperpanjang fasilitas pinjaman tersebut. Bank telah memperoleh persetujuan dari Bank Indonesia melalui surat No. 16/93/DSSK/DQA tanggal 21 Agustus 2014 untuk masuk pasar atas Pinjaman Luar Negeri Jangka Panjang sebesar USD 200 juta dari OCBC Limited Singapore, fasilitas pinjaman tersebut jatuh tempo pada tanggal 21 Agustus 2015.

24. BORROWINGS

Foreign currency
OCBC Limited, Singapore

OCBC Limited, Singapore

The Bank has obtained Bank Indonesia's approval through its letter No. 15/41/DInt dated 26 July 2013 regarding a request to enter the market for the long term offshore credit facility amounting USD 200 million from OCBC Limited.

On 19 August 2013, the Bank has received Revolving Credit Facility ("RCF") from Oversea-Chinese Banking Corporation Limited, Singapore ("OCBC Limited") amounting to USD 200 million with an annual interest rate of SIBOR plus agreed margin, and matured on 20 August 2014.

On 22 August 2014, the Bank rolled over the credit facility. The Bank has obtained Bank Indonesia's approval through its letter No. 16/93/DSSK/DQA dated 21 August 2014 regarding to enter the market for the long term offshore credit facility amounting USD 200 million from OCBC Limited Singapore, this credit facility matured on 21 August 2015.

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24. PINJAMAN YANG DITERIMA (lanjutan)**OCBC Limited, Singapura** (lanjutan)

Pada tanggal 21 Mei 2015, Bank telah memperoleh persetujuan untuk memperpanjang fasilitas pinjaman dari Bank Indonesia melalui surat No. 17/336/DSSK tanggal 28 Juli 2015 untuk masuk pasar atas Pinjaman Luar Negeri Jangka Panjang sebesar USD 200 juta dari OCBC Limited Singapore, fasilitas pinjaman tersebut jatuh tempo pada tanggal 22 Agustus 2016.

Pada tanggal 22 Agustus 2016, Bank telah melunasi fasilitas pinjaman tersebut.

Informasi mengenai tingkat suku bunga dan jatuh tempo diungkapkan pada Catatan 3b dan 3c.

24. BORROWINGS (continued)**OCBC Limited, Singapore** (continued)

On 21 May 2015, the Bank has obtained approval for rolled over the credit facility from Bank Indonesia's through its letter No. 17/336/DSSK dated 28 July 2015 regarding to enter the market for the long term offshore credit facility amounting USD 200 million from OCBC Limited Singapore, this credit facility matured on 22 August 2016.

As at 22 August 2016, the Bank has been paid off the credit facility.

Information in respect of interest rates and maturities is disclosed in Note 3b and 3c.

25. EFEK-EFEK YANG DIJUAL DENGAN JANJI DIBELI KEMBALI**25. 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
Rupiah					
Bank Central Asia	29 Des 16	5 Jan 17	447,183	261	447,444
Bank Central Asia	30 Des 16	6 Jan 17	449,813	159	449,972
Bank Mandiri	29 Des 16	6 Jan 17	448,053	254	448,307
			<u>1,345,049</u>	<u>674</u>	<u>1,345,723</u>

26. EFEK-EFEK YANG DITERBITKAN**26. MARKETABLE SECURITIES ISSUED**

	2016	2015	2014	
Rupiah				
Obligasi Berkelanjutan I Tahap I Tahun 2013				Rupiah Continuous Bonds I Phase I Year 2013
Obligasi Seri A	-	-	-	Bonds Series A
Obligasi Seri B	-	-	529,000	Bonds Series B
Obligasi Seri C	-	1,498,000	1,498,000	Bonds Series C
	-	1,498,000	2,027,000	
Obligasi Berkelanjutan I Tahap II Tahun 2015				Continuous Bonds I Phase II Year 2015
Obligasi Seri A	-	1,095,000	-	Bonds Series A
Obligasi Seri B	670,000	670,000	-	Bonds Series B
Obligasi Seri C	1,235,000	1,235,000	-	Bonds Series C
	1,905,000	3,000,000	-	
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	-	-	Bonds Series B
Obligasi Seri C	783,000	-	-	Bonds Series C
	2,000,000	-	-	
Medium Term Notes I	-	900,000	900,000	Medium Term Notes I
Dikurangi: Biaya emisi yang belum diamortisasi	(6,009)	(5,622)	(7,275)	Less: Unamortised issuance costs
	<u>3,898,991</u>	<u>5,392,378</u>	<u>2,919,725</u>	

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26. EFEK-EFEK YANG DITERBITKAN (lanjutan)**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 2015 dan 2014, 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 2015 dan 2014.

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.

26. MARKETABLE SECURITIES ISSUED (continued)**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 2015 and 2014, 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 2015 and 2014.

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.

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26. EFEK-EFEK YANG DITERBITKAN (lanjutan)**Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015** (lanjutan)

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.

Untuk periode yang berakhir 31 Desember 2016, Bank telah membayar bunga Obligasi Berkelanjutan I OCBC NISP Tahap II Tahun 2015, masing-masing sebesar Rp 62.980 dan Rp 121.030 untuk Seri B dan C secara tepat waktu dan tepat jumlah.

Pada tanggal 31 Desember 2016 dan 2015, 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 dan 2015.

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.

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 periode yang berakhir 31 Desember 2016, Bank telah membayar bunga Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016, masing-masing sebesar Rp 31.387 untuk Seri A, Rp 15.200 untuk Seri B dan Seri C sebesar Rp 32.299 secara tepat waktu dan tepat jumlah.

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26. MARKETABLE SECURITIES ISSUED (continued)**Continuous Bonds I OCBC NISP Phase II Year 2015** (continued)

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.

For the period ended 31 December 2016, the Bank has paid the interest of Continuous Bond I OCBC NISP Phase II Year 2015, Rp 62,980 and Rp 121,030 for Series B and C, respectively, on a timely and accurate basis.

As at 31 December 2016 and 2015, 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 2016 and 2015.

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.

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 period ended 31 December 2016, the Bank has paid the Interest of Continuous Bond II OCBC NISP phase I year 2016, Series A Rp 31,387, Series B Rp 15,200 and Series C Rp 32,299 respectively, on a timely and accurate basis.

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26. EFEK-EFEK YANG DITERBITKAN (lanjutan)

Obligasi Berkelanjutan II OCBC NISP Tahap I Tahun 2016 (lanjutan)

Pada tanggal 31 Desember 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 perwalianamanatan obligasi pada tanggal 31 Desember 2016.

Medium Term Notes I Bank OCBC NISP Tahun 2013

Pada tanggal 18 April 2013, Bank menerbitkan *Medium Term Notes* ("MTN") sebesar Rp 900.000 dengan biaya emisi Rp 10.332 dan jangka waktu 3 tahun terhitung sejak tanggal emisi dengan tingkat bunga tetap 7% per tahun.

Untuk tahun yang berakhir 31 Desember 2016, 2015 dan 2014, Bank telah membayarkan bunga MTN dengan jumlah sebesar Rp 31.500, Rp 63.000 dan Rp 63.000 secara tepat waktu dan tepat jumlah.

Pada tanggal 31 Desember 2015 dan 2014 peringkat MTN ini menurut PT Pemeringkat Efek Indonesia (Pefindo) adalah AAA.

Bank telah melakukan pembayaran pokok dan pelunasan bunga MTN masing-masing sebesar Rp 900.000 dan Rp 15.750 pada tanggal 18 April 2016.

Wali amanat dari penerbitan MTN ini adalah PT Bank Mega Tbk. PT Bank Mega Tbk bukan merupakan pihak berelasi Bank. Tidak terdapat pelanggaran atas pembatasan perjanjian perwalianamanatan obligasi pada tanggal 31 Desember 2015 dan 2014.

26. MARKETABLE SECURITIES ISSUED (continued)

Continuous Bonds II OCBC NISP Phase I Year 2016 (continued)

As at 31 December 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 2016.

Medium Term Notes I Bank OCBC NISP Year 2013.

On 18 April 2013, the Bank issued *Medium Term Notes* ("MTN") amounted Rp 900,000 with emission cost Rp 10,332 and term of 3 years from emission date with fixed interest rate 7% per annum.

For the year ended 31 December 2016, 2015 and 2014, the Bank has paid the interest of MTN with total amount of Rp 31,500, Rp 63,000 and Rp 63,000 on a timely and accurate basis.

As at 31 December 2015 and 2014, the rating of the MTN based on PT Pemeringkat Efek Indonesia (Pefindo) was AAA.

The Bank had paid the principal and interest of MTN with total amount Rp 900,000 and Rp 15,750 respectively, on 18 April 2016.

The trustee for the MTN 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 2015 and 2014.

27. LIABILITAS LAIN-LAIN

27. OTHER LIABILITIES

	2016	2015	2014	
Kewajiban transaksi <i>Letter of Credit</i> dan <i>remittance</i> yang masih harus dibayar	357,642	307,191	501,322	<i>Letter of Credit and remittance transactions payable</i>
Kewajiban yang masih harus dibayar	225,006	173,043	127,966	<i>Accrued liabilities</i>
Setoran jaminan	200,241	336,519	289,556	<i>Security deposits</i>
Utang pembelian efek-efek yang masih harus dibayar	155,081	128,133	78,123	<i>Payables from purchase of marketable securities</i>
Pendapatan bunga diterima dimuka	44,897	46,914	45,468	<i>Unearned interest income</i>
Lain-lain	18,795	13,675	20,329	<i>Others</i>
	<u>1,001,662</u>	<u>1,005,475</u>	<u>1,062,764</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.

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28. OBLIGASI SUBORDINASI**28. SUBORDINATED BONDS**

	2016	2015	2014	
Rupiah				Rupiah
Obligasi Subordinasi III 2010	880,000	880,000	880,000	Subordinated Bonds III 2010
Dikurangi:				Less:
Biaya emisi yang belum diamortisasi	(629)	(1,789)	(2,824)	Unamortised issuance costs
	<u>879,371</u>	<u>878,211</u>	<u>877,176</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 2016, 2015 dan 2014 Bank telah membayar bunga Obligasi Subordinasi III dengan jumlah masing-masing sebesar Rp 99.880, Rp 99.880 dan Rp 99.980 secara tepat waktu dan tepat jumlah.

The bonds are payable quarterly and mature on 30 June 2017. For the years ended 31 December 2016, 2015 and 2014, the Bank has paid the interest of Subordinated Bonds III with total amount of Rp 99,880, Rp 99,980 and Rp 99,980 respectively, on a timely and accurate basis.

Pada tanggal 31 Desember 2016, 2015 dan 2014, peringkat obligasi ini menurut PT Fitch Ratings Indonesia adalah AA (idn).

As at 31 December 2016, 2015 and 2014, the rating of the bonds based on PT Fitch Ratings Indonesia was AA(idn).

Untuk perhitungan rasio kewajiban penyediaan modal minimum ("KPM"), obligasi subordinasi diperhitungkan sebagai modal pelengkap level bawah.

For the purpose of calculating the Capital Adequacy Ratio ("CAR"), subordinated bonds are treated as lower tier 2 capital.

Perjanjian perwalianamanatan 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:

1. melakukan pengurangan modal dasar, modal ditempatkan dan disetor Bank, atau
2. mengubah bidang usaha utama Bank.

1. reduce its authorised, issued and fully paid share capital, or
2. change the nature and scope of its core business activity.

Tidak terdapat pelanggaran atas pembatasan perjanjian perwalianamanatan Obligasi Subordinasi III pada tanggal 31 Desember 2016, 2015 and 2014.

There was no violation to the covenant of trusteeship agreement of Subordinated Bonds III as at 31 December 2016, 2015 and 2014.

29. MODAL SAHAM DAN TAMBAHAN MODAL DISETOR**29. SHARE CAPITAL AND ADDITIONAL PAID IN CAPITAL**

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.

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.

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**29. MODAL SAHAM DAN TAMBAHAN MODAL
DISETOR (lanjutan)**

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

Susunan pemegang saham pada tanggal 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

**29. SHARE CAPITAL AND ADDITIONAL PAID IN
CAPITAL (continued)**

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.

The shareholders' composition as at 31 December 2016, 2015 and 2014 was as follows:

Pemegang saham	2016			Shareholders
	Jumlah lembar saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Persentase kepemilikan/ Percentage of ownership	Jumlah dalam Rupiah/ Amount in Rupiah	
- 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%)	1,710,243,693	14.91%	213,781	Other shareholders - (ownership interest each below 5%)
	<u>11,472,648,486</u>	<u>100.00%</u>	<u>1,434,081</u>	

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unless otherwise stated)29. MODAL SAHAM DAN TAMBAHAN MODAL
DISETOR (lanjutan)29. SHARE CAPITAL AND ADDITIONAL PAID IN
CAPITAL (continued)

Pemegang saham	2015 dan/and 2014			Shareholders
	Jumlah lembar saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Persentase kepemilikan/ Percentage of ownership	Jumlah dalam Rupiah/ Amount in Rupiah	
- OCBC Overseas Investment Pte. Ltd	9,760,695,612	85.08%	1,220,087	OCBC Overseas - Investment Pte. Ltd
- Komisaris Bank Pramukti Surjaudaja	113,439	0.00%	14	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%)	1,710,356,225	14.91%	213,795	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 2016, 2015 dan 2014 adalah sebagai berikut:

Changes in additional paid in capital are as at 31 December 2016, 2015 and 2014 as follows:

	Agio saham/ Additional paid-in capital	Biaya emisi saham/ Share issuance costs	Jumlah/ Total	
Saldo 31 Desember 2013	3,699,529	(9,690)	3,689,839	Balance as at 31 December 2013
Pengeluaran 2.923.730.091 saham yang berasal dari Penawaran Umum Terbatas dengan Hak Memesan Efek Terlebih Dahulu VII	3,143,010	(3,488)	3,139,522	Issuance of 2,923,730,091 shares from Limited Public Offering with Pre-emptive Rights VII
Saldo 31 Desember 2016, 2015 dan 2014	<u>6,842,539</u>	<u>(13,178)</u>	<u>6,829,361</u>	Balance as at 31 December 2016, 2015 and 2014

30. SALDO LABA

30. RETAINED EARNINGS

Penggunaan laba bersih tahun 2013

Appropriation of 2013 net income

Berdasarkan Akta Berita Acara Rapat Umum Pemegang Saham Tahunan Perseroan Terbatas No. 9 tanggal 7 April 2014 dari Notaris Fathiah Helmi SH, pemegang saham telah menyetujui untuk tidak membagikan dividen atas laba tahun buku 2013 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.

Based on the Annual General Meeting of Shareholders Deed No. 9 dated 7 April 2014 of Notary Fathiah Helmi SH, the shareholders agreed not to distribute dividends for financial year 2013 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.

Penggunaan laba bersih tahun 2014

Appropriation of 2014 net income

Berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan Perseroan Terbatas No. 34 tanggal 9 April 2015, Bank telah menyelenggarakan Rapat Umum Pemegang Saham Tahunan, pemegang saham telah menyetujui untuk tidak membagikan dividen atas laba tahun buku 2014 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.

Based on the Annual General Meeting of Shareholders Deed No. 34 dated 9 April 2015, Bank has organized Annual General Meeting of Shareholders, shareholders agreed not to distribute dividends for financial year 2014 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.

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30. SALDO LABA (lanjutan)**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.

31. PENDAPATAN BUNGA DAN SYARIAH

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Pinjaman yang diberikan	8,730,531	7,561,533	6,442,965
Efek-efek dan obligasi pemerintah	1,291,135	1,120,672	1,131,725
Derivatif	-	337,344	230,567
Giro dan penempatan pada bank lain dan Bank Indonesia	175,651	196,670	96,907
Lain-lain	7,024	4,786	5,389
	<u>10,204,341</u>	<u>9,221,005</u>	<u>7,907,553</u>

Termasuk dalam pendapatan bunga pinjaman adalah pendapatan Syariah untuk tahun yang berakhir 31 Desember 2016 sebesar Rp 234.472 (2015: Rp 244.564 dan 2014: Rp 149.137).

Pendapatan bunga atas aset keuangan yang tidak diukur pada nilai wajar melalui laba rugi untuk tahun yang berakhir 31 Desember 2016 adalah sebesar Rp 9.922.407 (2015: Rp 8.729.383 dan 2014: Rp 7.428.429).

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 2016 adalah sebesar Rp 7.144 (2015: Rp 5.454 dan 2014: Rp 8.169).

Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.

32. BEBAN BUNGA DAN SYARIAH

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Simpanan nasabah			
- Deposito berjangka	3,516,234	3,531,606	3,238,145
- Tabungan	330,781	265,468	242,509
- Giro	241,782	167,434	139,539
Efek-efek yang diterbitkan	338,910	440,311	227,864
Obligasi subordinasi	101,041	100,915	101,129
Pinjaman yang diterima	51,102	49,394	40,638
Simpanan dari bank lain	41,629	72,090	27,628
Lain-lain	189,575	174,870	145,403
	<u>4,811,054</u>	<u>4,802,088</u>	<u>4,162,855</u>

30. RETAINED EARNINGS (continued)**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.

31. INTEREST INCOME AND SHARIA INCOME

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Pinjaman yang diberikan	8,730,531	7,561,533	6,442,965
Efek-efek dan obligasi pemerintah	1,291,135	1,120,672	1,131,725
Derivatif	-	337,344	230,567
Giro dan penempatan pada bank lain dan Bank Indonesia	175,651	196,670	96,907
Lain-lain	7,024	4,786	5,389
	<u>10,204,341</u>	<u>9,221,005</u>	<u>7,907,553</u>

Included in loan interest income is Sharia income for the year ended 31 December 2016 amounting to Rp 234,472 (2015: Rp 244,564 and 2014: Rp 149,137).

Interest income from financial assets not carried at fair value through profit or loss for the year ended 31 December 2016 are Rp 9,922,407 (2015: Rp 8,729,383 and 2014: Rp 7,428,429).

Included in interest income from loans is accrued interest income on impaired loans for the year ended 31 December 2016 amounting to Rp 7,144 (2015: Rp 5,454 and 2014: Rp 8,169).

Information in respect of transactions with related parties is disclosed in Note 45.

32. INTEREST AND SHARIA EXPENSE

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Simpanan nasabah			
- Deposito berjangka	3,516,234	3,531,606	3,238,145
- Tabungan	330,781	265,468	242,509
- Giro	241,782	167,434	139,539
Efek-efek yang diterbitkan	338,910	440,311	227,864
Obligasi subordinasi	101,041	100,915	101,129
Pinjaman yang diterima	51,102	49,394	40,638
Simpanan dari bank lain	41,629	72,090	27,628
Lain-lain	189,575	174,870	145,403
	<u>4,811,054</u>	<u>4,802,088</u>	<u>4,162,855</u>

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32. BEBAN BUNGA DAN SYARIAH (lanjutan)

Termasuk dalam beban bunga adalah beban Syariah untuk tahun yang berakhir 31 Desember 2016 sebesar Rp 114.881 (2015: Rp 155.644 dan 2014: Rp 98.370).

Seluruh beban bunga untuk yang berakhir 31 Desember 2016, 2015 dan 2014 adalah beban bunga atas liabilitas keuangan yang tidak diukur pada nilai wajar melalui laba rugi.

Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.

32. INTEREST AND SHARIA EXPENSE (continued)

Included in interest expense is Sharia expense for the year ended 31 December 2016 amounting to Rp 114,881 (2015: Rp 155,644 and 2014: Rp 98,370).

All interest expense for the year ended 31 December 2016, 2015 and 2014 are interest expense from financial liabilities not carried at fair value through profit or loss.

Information in respect of transactions with related parties is disclosed in Note 45.

33. PROVISI DAN KOMISI

	2016	2015	2014
Jasa administrasi	248,290	210,935	228,619
Asuransi dan <i>Wealth management</i>	152,327	119,853	114,167
<i>Trade finance</i>	139,461	147,844	144,066
Kartu kredit	57,025	49,510	33,731
Pelayanan perbankan	48,733	59,281	61,689
<i>E-channel</i>	46,927	48,856	37,771
<i>Remittance and collection</i>	43,816	58,056	58,506
	<u>736,579</u>	<u>694,335</u>	<u>678,549</u>

Administration fee
Insurance and Wealth management
Trade finance
Credit card
Banking service
E-channel
Remittance and collection

34. KEUNTUNGAN DARI PENJUALAN INSTRUMEN KEUANGAN

	2016	2015	2014
Obligasi pemerintah	218,865	72,507	133,825
Efek-efek	27,026	8,330	22,599
	<u>245,891</u>	<u>80,837</u>	<u>156,424</u>

Government bonds
Marketable securities

Keuntungan dari penjualan instrumen keuangan tersedia untuk dijual dan diperdagangkan untuk tahun yang berakhir 31 Desember 2016 adalah sebesar Rp 57.447 dan Rp 188.444 (2015: Rp 23.278 dan Rp 57.559 dan 2014: Rp 30.313 dan Rp 126.111).

Gain from sale of available for sale and trading financial instruments for the year ended 31 December 2016 are Rp 57,447 and Rp 188,444 (2015: Rp 23,278 and Rp 57,559 and 2014: Rp 30,313 and Rp 126,111), respectively.

35. LABA/(RUGI) SELISIH KURS - BERSIH

Laba/(rugi) selisih kurs bersih merupakan laba/(rugi) atas transaksi penjualan dan pembelian mata uang asing.

35. FOREIGN EXCHANGE GAIN/(LOSS) - NET

Foreign exchange gain/(loss) - net is the gain/(loss) on sale and purchase of foreign exchange transactions.

36. CADANGAN KERUGIAN PENURUNAN NILAI ATAS ASET KEUANGAN

	2016	2015	2014
Efek-efek (Catatan 9d)	3,123	(3,299)	4,655
Pinjaman yang diberikan (Catatan 13k)	1,370,246	408,233	221,817
Tagihan akseptasi (Catatan 14c)	8,890	(4,416)	(9,816)
Aset lain-lain - Tagihan transaksi			
<i>Letter of Credit</i> (Catatan 17)	(65,517)	54,099	6,196
	<u>1,316,742</u>	<u>454,617</u>	<u>222,852</u>

Marketable securities (Note 9d)
Loans (Note 13k)
Acceptances receivable (Note 14c)
*Other assets -
Letter of Credit transaction
receivables (Note 17)*

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37. PEMBALIKAN PENYISIHAN - LAINNYA**37. REVERSAL OF POSSIBLE LOSSES - OTHERS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Pembalikan cadangan kerugian penurunan nilai atas: Aset lain-lain – agunan yang diambil alih dan aset tidak produktif (lihat Catatan 17)	1,086	310	1,517	Reversal for impairment losses on: Other assets – foreclosed collateral and non earning assets (refer to Note 17)
	<u>1,086</u>	<u>310</u>	<u>1,517</u>	

38. BEBAN GAJI DAN TUNJANGAN**38. SALARIES AND BENEFITS EXPENSES**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Gaji dan tunjangan	1,720,017	1,525,070	1,319,834	Salaries and allowances
Pendidikan dan latihan	76,599	87,375	63,052	Education and training
Imbalan pasca kerja (lihat Catatan 43)	63,211	57,901	61,331	Post employment benefits (refer to Note 43)
Honorarium	18,755	18,863	19,527	Honorarium
Lain-lain	27,932	16,563	4,939	Others
	<u>1,906,514</u>	<u>1,705,772</u>	<u>1,468,683</u>	

Perincian gaji dan tunjangan untuk Dewan Komisaris, Direksi dan Manajemen kunci Bank untuk tahun-tahun yang berakhir 31 Desember 2016, 2015 dan 2014 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 2016, 2015 and 2014 are as follow:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Dewan Komisaris				Board of Commissioners
- Gaji dan imbalan kerja jangka pendek	24,112	23,088	21,502	Salary and short term - employee benefit
Direksi *)				Board of Directors *)
- Gaji dan imbalan kerja jangka pendek	101,413	102,357	87,386	Salary and short term - employee benefit
Manajemen kunci				Key management
- Gaji dan imbalan kerja jangka pendek	183,006	174,015	137,719	Salary and short term - employee benefit
- Imbalan kerja jangka panjang lainnya	15,844	14,648	11,308	Other long term benefit -
- Pesangon pemutusan kontrak kerja	-	-	172	Termination benefit -
	<u>198,850</u>	<u>188,663</u>	<u>149,199</u>	
	<u>324,375</u>	<u>314,108</u>	<u>258,087</u>	

*) Satu orang anggota Direksi pada tahun 2016 dan 2015 serta dua orang anggota Direksi pada tahun 2014 tidak menerima remunerasi dan fasilitas lain dari Bank OCBC NISP

*) One Director member in 2016 and 2015 and two Director members in 2014 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 2016 adalah sebesar Rp 709 (2015: Rp 657 dan 2014: Rp 754).

The salaries and allowance to members of Audit Committee, who are not members of Board of Commissioners for the year ended 31 December 2016 amounting to Rp 709 (2015: Rp 657 and 2014: Rp 754).

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.

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39. BEBAN UMUM DAN ADMINISTRASI**39. GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Pemeliharaan, perbaikan dan transportasi	250,664	231,785	202,847	Repairs, maintenance and transportation
Penyusutan aset tetap (lihat catatan 16)	182,171	157,727	163,277	Depreciation of fixed assets (refer to Note 16)
Sewa	119,699	111,542	102,542	Rental
Komunikasi	100,237	86,867	80,030	Communications
Promosi	98,395	65,825	72,200	Promotions
Asuransi	84,158	87,777	78,530	Insurance
Listrik, air, telepon dan fax	69,511	71,107	68,165	Utilities
Keamanan dan <i>outsourcing</i>	63,589	54,765	43,902	Security and outsourcing
Alat-alat kantor	17,415	18,494	17,680	Office supplies
Ekspedisi	9,888	7,576	7,546	Courier charges
Penelitian dan pengembangan	6,501	3,292	6,190	Research and development
Lain-lain	93,339	84,737	80,569	Others
	<u>1,095,567</u>	<u>981,494</u>	<u>923,478</u>	

Informasi mengenai transaksi dengan pihak berelasi diungkapkan pada Catatan 45.

Information in respect of transactions with related parties is disclosed in Note 45.

40. BEBAN OPERASIONAL LAINNYA - LAIN-LAIN**40. OTHER OPERATING EXPENSES - OTHERS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Biaya tahunan Otoritas Jasa Keuangan	61,871	55,935	25,861	Annual fee for Financial Services Authority
Beban operasional ATM, beban sortasi, beban kliring dan RTGS dan lain-lain	86,724	74,985	71,894	ATM operational expenses, money sorting, clearing and RTGS expenses and others
	<u>148,595</u>	<u>130,920</u>	<u>97,755</u>	

41. PENDAPATAN/(BEBAN) BUKAN OPERASIONAL - BERSIH**41. NON OPERATING INCOME/(EXPENSES) - NET**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Keuntungan dari penjualan aset tetap (Lihat catatan 16)	2,087	1,139	1,513	Gain from sale of fixed assets (refer to Note 16)
Kerugian penjualan agunan yang diambil alih	7,723	(270)	(475)	Loss from sale foreclosed collateral
(Beban)/pendapatan lainnya - bersih	(1,169)	(295)	(1,034)	Others (expense)/income - net
	<u>8,641</u>	<u>574</u>	<u>4</u>	

42. KOMITMEN DAN KONTINJENSI**42. COMMITMENTS AND CONTINGENCIES**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Tagihan komitmen				Commitment receivables
- Fasilitas pinjaman yang diterima yang belum digunakan	4,041,750	4,135,500	3,715,500	Unused loan facility -
- Pihak berelasi	4,041,750	4,135,500	3,715,500	Related parties -
Liabilitas komitmen				Commitment payables
- Fasilitas pinjaman yang diberikan yang belum digunakan	43,864,431	35,591,195	28,127,402	Undrawn loan facilities -
- Irrevocable letters of credit yang masih berjalan	3,328,721	2,205,086	2,447,430	Outstanding irrevocable letters of credit
	<u>47,193,152</u>	<u>37,796,281</u>	<u>30,574,832</u>	
Liabilitas komitmen - bersih	<u>(43,151,402)</u>	<u>(33,660,781)</u>	<u>(26,859,332)</u>	Commitment payables - net

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42. KOMITMEN DAN KONTINJENSI (lanjutan)**42. COMMITMENTS AND CONTINGENCIES (continued)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Tagihan kontinjensi				Contingent receivables
- Garansi yang diterima	3,566,544	3,893,242	3,289,861	Guarantees received -
Liabilitas kontinjensi				Contingent payables
- Garansi yang diberikan				Guarantees issued -
- Garansi pelaksanaan	1,633,614	1,794,031	1,468,072	Performance bond -
- Garansi uang muka	814,273	773,452	705,263	Advance payment guarantees -
- Standby letters of credit	448,990	326,096	358,480	Standby letters of credit -
- Garansi penawaran	206,247	206,434	91,857	Bid bond -
- Lain-lain	1,276,357	1,253,169	879,989	Others -
	<u>4,379,481</u>	<u>4,353,182</u>	<u>3,503,661</u>	
Liabilitas kontinjensi - bersih	<u>(812,937)</u>	<u>(459,940)</u>	<u>(213,800)</u>	Contingent payables - net

43. LIABILITAS IMBALAN KERJA**43. EMPLOYEE BENEFITS OBLIGATIONS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Rupiah:				Rupiah:
- Liabilitas imbalan pasca kerja	303,300	270,138	250,028	Post-employment benefit obligations -
- Biaya pegawai yang masih harus dibayar	354,026	281,980	242,889	Accrued employee cost -
	<u>657,326</u>	<u>552,118</u>	<u>492,917</u>	

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 2016, 2015 dan 2014 adalah 6.465, 6.461 dan 5.572 (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 :

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 2016, 2015 and 2014 are 6,465, 6,461 and 5,572 (unaudited) employees.

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:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Biaya jasa kini	43,780	39,910	40,675	Current service cost
Biaya bunga	23,772	21,002	22,388	Interest cost
Kerugian aktuarial yang diakui tahun berjalan	(4,341)	(3,011)	(1,732)	Actuarial loss recognised during the year
	<u>63,211</u>	<u>57,901</u>	<u>61,331</u>	

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43. LIABILITAS IMBALAN KERJA (lanjutan)**43. EMPLOYEE BENEFITS OBLIGATIONS** (continued)**Liabilitas imbalan pasca kerja** (lanjutan)**Post-employment benefits obligations** (continued)

Mutasi atas liabilitas imbalan pasca kerja adalah sebagai berikut:

The movement in post-employment benefits obligations is as follows:

	2016	2015	2014	
Saldo awal	270,138	250,028	203,257	Beginning balance
Beban tahun berjalan	63,211	57,901	61,331	Employee benefit expense charged in the current year
Pembayaran manfaat	(16,662)	(17,090)	(23,602)	Actual benefit paid
Pengukuran kembali: (Keuntungan)/kerugian aktuarial yang timbul dari perubahan asumsi keuangan	1,053	(12,008)	15,102	Remeasurements: (Gain)/loss from changed in financial assumptions
(Keuntungan)/kerugian dari penyesuaian pengalaman	(14,440)	(8,693)	(6,060)	Experience (gain)/loss
	(13,387)	(20,701)	9,042	
	<u>303,300</u>	<u>270,138</u>	<u>250,028</u>	

Perhitungan imbalan pasca kerja karyawan pada tanggal 31 Desember 2016, 2015 dan 2014 dilakukan oleh aktuaris independen, PT Sentra Jasa Aktuaria, berdasarkan laporan aktuaris tertanggal 27 Desember 2016 (2015: 29 Desember 2015 dan 2014: 31 Desember 2014), dengan menggunakan asumsi utama sebagai berikut:

The calculation of post-employment benefits as at 31 December 2016, 2015 and 2014 is calculated by an independent actuary, PT Sentra Jasa Aktuaria, based on an independent actuary report dated 27 December 2016 (2015: 29 December 2015 and 2014: 31 December 2014) using the following key assumptions:

	2016	2015	2014	
Usia pensiun normal	55 tahun/years	55 tahun/years	55 tahun/years	Normal retirement age
Tingkat diskonto per tahun	8.28%	8.80%	8.40%	Annual discount rate
Tingkat kenaikan penghasilan dasar per tahun	7.50%	8.00%	8.00%	Annual salary growth rate
Tingkat mortalitas	TMI'11	TMI'11	TMI'11	Mortality rate
Tingkat ketidakmampuan	10% dari tingkat mortalitas/ 10% of mortality rate	10% dari tingkat mortalitas/ 10% of mortality rate	10% dari tingkat mortalitas/ 10% of mortality rate	Disability rate
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	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	55 tahun/years old	Proportion of normal retirement

Durasi rata-rata tertimbang dari liabilitas program pensiun imbalan pasti pada tanggal 31 Desember 2016 adalah 33 tahun.

The weighted average duration of the defined benefit pension obligation at 31 December 2016 is 33 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 2016 dan 2015:

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 2016 and 2015:

	2016		2015		
	Peningkatan/ Increase by 100 bps	Penurunan/ Decrease by 100 bps	Peningkatan/ Increase by 100 bps	Penurunan/ Decrease by 100 bps	
Kewajiban dibayar pasca kerja	(267,246)	351,525	(238,311)	311,812	Post-employment benefit obligation
Biaya jasa kini	38,205	(51,393)	34,892	(46,722)	Current service cost

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43. LIABILITAS IMBALAN KERJA (lanjutan)

Liabilitas imbalan pasca kerja (lanjutan)

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.

44. LABA BERSIH PER SAHAM DASAR

Laba bersih per saham dihitung dengan membagi laba bersih kepada pemegang saham dengan rata-rata tertimbang jumlah saham biasa yang beredar pada tahun bersangkutan.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Laba bersih kepada pemegang saham	1.789.900	1.500.835	1.332.182
Rata-rata tertimbang jumlah saham biasa yang beredar (nilai penuh)	<u>11.472.648,486</u>	<u>11.472.648,486</u>	<u>11.472.648,486</u>
Laba bersih per lembar saham dasar (nilai penuh)	<u>156.01</u>	<u>130.82</u>	<u>116.12</u>

45. INFORMASI MENGENAI PIHAK-PIHAK BERELASI

Sifat relasi

Pihak-pihak berelasi adalah perusahaan dan perorangan yang mempunyai keterkaitan kepemilikan atau kepengurusan secara langsung maupun tidak langsung dengan Bank.

<u>Pihak berelasi/ Related parties</u>	<u>Sifat dari hubungan/ Nature of relationship</u>	<u>Sifat dari transaksi/ Nature of transaction</u>
OCBC Overseas Investment Pte. Ltd	Pemegang saham pengendali/ <i>Controlling shareholder</i>	Perjanjian kerjasama/ <i>Cooperation agreement</i> Perjanjian bantuan teknis/ <i>Technical Assistance agreement</i>
OCBC Bank, Singapore	Perusahaan yang secara tidak langsung mengendalikan Bank/ <i>Company which is indirectly controlling the Bank</i>	Giro pada bank lain/ <i>Current account with other banks</i> Simpanan dari bank lain/ <i>Deposits from other banks</i> Tagihan derivatif/ <i>Derivative receivables</i> Liabilitas derivatif/ <i>Derivative payables</i> Liabilitas akseptasi/ <i>Acceptance payables</i> Pinjaman yang diterima/ <i>Borrowings</i>
OCBC Bank, Hong Kong	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Owned by the company which indirectly controlled the Bank</i>	Giro pada bank lain/ <i>Current account with other banks</i> Liabilitas akseptasi/ <i>Acceptance payables</i>
OCBC Bank, China	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> Liabilitas akseptasi/ <i>Acceptance payables</i>
OCBC Bank, Thailand	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> Liabilitas akseptasi/ <i>Acceptance payables</i>

43. EMPLOYEE BENEFITS OBLIGATIONS (continued)

Post-employment benefits obligations (continued)

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.

44. 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.

45. 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.

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45. INFORMASI MENGENAI PIHAK-PIHAK BERELASI
 (lanjutan)

45. 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
OCBC Bank, Malaysia	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> Liabilitas akseptasi/ <i>Acceptance payables</i>
OCBC Bank, Taiwan	Dimiliki oleh perusahaan yang mengendalikan Bank secara tidak langsung/ <i>Owned by the company which indirectly controlled the Bank</i>	Liabilitas akseptasi/ <i>Acceptance payables</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>

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(lanjutan)

45. 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 United Engineering Indonesia	Dikendalikan oleh perusahaan yang mengendalikan Bank secara tidak langsung/ Controlled by the company which indirectly controlled the Bank	Pinjaman yang diberikan/ Loans
PT Kharisma Inti Usaha	Dikendalikan oleh perusahaan yang mengendalikan Bank secara tidak langsung/ Controlled by the company which indirectly controlled the Bank	Pinjaman yang diberikan/ Loans
PT Angputra Jaya	Dikendalikan oleh perusahaan yang mengendalikan Bank secara tidak langsung/ Controlled by the company which indirectly controlled the Bank	Pinjaman yang diberikan/ Loans
CV Ganijan Jaya	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ Controlled by the close members of key management personnel's family	Pinjaman yang diberikan/ Loans
PT Biolaborindo Makmur Sejahtera	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ Controlled by the close members of key management personnel's family	Pinjaman yang diberikan/ Loans Simpanan nasabah/ Deposits from customers
PT Dana Udaya Sentosa	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ Controlled by the close members of key management personnel's family	Simpanan nasabah/ Deposits from customers
PT Suryasono Sentosa	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ Controlled by the close members of key management personnel's family	Simpanan nasabah/ Deposits from customers
PT Griya Miesejati	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ Controlled by the close members of key management personnel's family	Pinjaman yang diberikan/ Loans
Koperasi Binuang	Dikendalikan oleh perusahaan yang mengendalikan Bank secara tidak langsung/ Controlled by the company which indirectly controlled the Bank	Pinjaman yang diberikan/ Loans
CV Benstone Cipta Kreasi	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ Controlled by the close members of key management personnel's family	Pinjaman yang diberikan/ Loans
Sosial Enterprener Indonesia	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ Controlled by the close members of key management personnel's family	Pinjaman yang diberikan/ Loans
SAS International	Dikendalikan oleh anggota keluarga dekat dari karyawan kunci/ Controlled by the close members of key management personnel's family	Pinjaman yang diberikan/ Loans
Dewan Komisaris, Direktur, dan Manajemen Kunci/Board of Commisioners, Directors, and Key Management	Manajemen Bank OCBC NISP/ Bank OCBC NISP's Management	Pinjaman yang diberikan/ Loans Simpanan nasabah/ Deposits from customers

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45. INFORMASI MENGENAI PIHAK-PIHAK BERELASI
 (lanjutan)

45. RELATED PARTIES INFORMATION (continued)

Transaksi dengan pihak-pihak berelasi

Transactions with related parties

Dalam kegiatan usahanya, Bank juga mengadakan transaksi-transaksi tertentu dengan pihak-pihak berelasi. Transaksi-transaksi tersebut meliputi:

In the normal course of business, the Bank entered into certain transactions with related parties. These transactions include the following:

a. Giro pada bank lain

a. Current accounts with other banks

	2016	2015	2014	
OCBC Bank, Singapura	91,046	88,999	57,834	OCBC Bank, Singapore
OCBC Bank, Hong Kong	15,388	15,145	1,732	OCBC Bank, Hong Kong
	<u>106,434</u>	<u>104,144</u>	<u>59,566</u>	
Persentase terhadap jumlah aset	<u>0.08%</u>	<u>0.09%</u>	<u>0.06%</u>	Percentage of total assets

b. Tagihan derivatif

b. Derivative receivables

	2016	2015	2014	
OCBC Bank, Singapura	11,561	12,932	3,513	OCBC Bank, Singapore
Hendrawati	1	-	-	Hendrawati
Hardi Juganda	6	-	-	Hardi Juganda
	<u>11,568</u>	<u>12,932</u>	<u>3,513</u>	
Persentase terhadap jumlah aset	<u>0.01%</u>	<u>0.01%</u>	<u>0.00%</u>	Percentage of total assets

c. Pinjaman yang diberikan

c. Loans

	2016	2015	2014	
- PT Kharisma Inti Usaha	141,354	581,754	480,928	PT Kharisma Inti Usaha -
- Koperasi Binuang	48,593	38,792	-	Koperasi Binuang -
- PT Pakubumi Semesta	39,835	41,366	19,598	PT Pakubumi Semesta -
- PT Griya Miesejati	33,703	43,570	-	PT Griya Miesejati -
- SAS International	25,990	-	-	SAS International -
- Sosial Enterprener Indonesia	11,429	15,771	-	Sosial Enterprener Indonesia -
- PT Angputra Jaya	10,000	7,935	4,410	PT Angputra Jaya -
- CV Ganijan Jaya	693	944	1,304	CV Ganijan Jaya -
- PT United Engineering Indonesia	-	-	17,000	PT United Engineering Indonesia -
- PT Biolaborindo Makmur Sejahtera	-	-	639	PT Biolaborindo Makmur Sejahtera -
- CV Benstone Cipta Kreasi	-	-	28	CV Benstone Cipta Kreasi -
- Direktur dan karyawan kunci	35,082	19,846	58,040	Directors and key employees -
	<u>346,679</u>	<u>749,978</u>	<u>581,947</u>	
Pendapatan bunga yang masih akan diterima	1,834	2,117	763	Accrued interest income
Cadangan kerugian penurunan nilai	(8,869)	(2,066)	(1,441)	Allowance for impairment losses
	<u>339,644</u>	<u>750,029</u>	<u>581,269</u>	
Persentase terhadap jumlah aset	<u>0.25%</u>	<u>0.62%</u>	<u>0.56%</u>	Percentage of total assets

d. Tagihan akseptasi

d. Acceptance receivables

	2016	2015	2014	
OCBC Bank, Singapura	-	2,696	-	OCBC Bank, Singapore
	<u>-</u>	<u>2,696</u>	<u>-</u>	
Persentase terhadap jumlah aset	<u>-</u>	<u>0.00%</u>	<u>-</u>	Percentage of total assets

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45. INFORMASI MENGENAI PIHAK-PIHAK BERELASI
(lanjutan)

45. RELATED PARTIES INFORMATION (continued)

Transaksi dengan pihak-pihak berelasi (lanjutan)

Transactions with related parties (continued)

e. Beban dibayar dimuka

e. Prepayments

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Sewa gedung	2,119	56	189	Building rentals
Persentase terhadap jumlah aset	0.00%	0.00%	0.00%	Percentage of total assets

f. Simpanan nasabah

f. Deposits from customers

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
- Giro	148,643	458,925	96,065	Current accounts -
- Tabungan	67,828	52,845	34,289	Saving accounts -
- Deposito berjangka	401,052	371,770	1,445,277	Time deposits -
	<u>617,523</u>	<u>883,540</u>	<u>1,575,631</u>	
Persentase terhadap jumlah liabilitas	0.52%	0.85%	1.79%	Percentage of total liabilities

g. Simpanan dari bank lain

g. Deposits from other banks

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
- Giro dan tabungan	32,276	38,049	30,385	Current and saving accounts -
	<u>32,276</u>	<u>38,049</u>	<u>30,385</u>	
Persentase terhadap jumlah liabilitas	0.03%	0.03%	0.03%	Percentage of total liabilities

h. Liabilitas derivatif

h. Derivative payables

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
OCBC Bank, Singapura	71,907	13,070	29,059	OCBC Bank, Singapore
Persentase terhadap jumlah liabilitas	0.06%	0.01%	0.03%	Percentage of total liabilities

i. Liabilitas akseptasi

i. Acceptance payables

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
OCBC Bank, Singapura	59,925	26,052	433,277	OCBC Bank, Singapore
OCBC Bank, Hongkong	27,902	-	-	OCBC Bank, Hongkong
OCBC Bank, China	27,566	13,665	-	OCBC Bank, China
OCBC Bank, Thailand	990	-	2,702	OCBC Bank, Thailand
OCBC Bank, Taiwan	-	5,391	-	OCBC Bank, Taiwan
OCBC Bank, Malaysia	-	4,120	20,213	OCBC Bank, Malaysia
	<u>116,383</u>	<u>49,228</u>	<u>456,192</u>	
Persentase terhadap jumlah liabilitas	0.10%	0.05%	0.52%	Percentage of total liabilities

j. Pinjaman yang diterima

j. Borrowings

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
OCBC Bank, Singapura	-	2,757,000	2,477,000	OCBC Bank, Singapore
Persentase terhadap jumlah liabilitas	-	2.65%	2.81%	Percentage of total liabilities

k. Beban yang masih harus dibayar

k. Accrued expenses

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Beban yang masih harus dibayar	502	766	772	Accrued expenses
Persentase terhadap jumlah liabilitas	0.00%	0.00%	0.00%	Percentage of total liabilities

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45. INFORMASI MENGENAI PIHAK-PIHAK BERELASI
(lanjutan)

45. RELATED PARTIES INFORMATION (continued)

Transaksi dengan pihak-pihak berelasi (lanjutan)

Transactions with related parties (continued)

l. Pendapatan bunga

l. Interest income

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Pinjaman yang diberikan	59,575	126,403	24,852	Loans
Giro dan penempatan pada bank lain	363	935	295	Current accounts and placements with other banks
	<u>59,938</u>	<u>127,338</u>	<u>25,147</u>	
Persentase terhadap pendapatan bunga	<u>0.59%</u>	<u>1.38%</u>	<u>0.32%</u>	Percentage of interest income

m. Beban bunga

m. Interest expense

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Simpanan nasabah:				Deposits from customers:
- Giro	3,104	2,211	688	Current accounts -
- Tabungan	1,384	1,155	725	Saving accounts -
- Deposito berjangka	22,122	38,801	44,199	Time deposits -
	<u>26,610</u>	<u>42,167</u>	<u>45,612</u>	
Simpanan dari bank lain:				Deposits from other banks:
- Giro	961	600	457	Current accounts -
- Inter-bank call money	423	28	253	Inter-bank call money -
	<u>1,384</u>	<u>628</u>	<u>710</u>	
Pinjaman yang diterima	44,314	52,548	40,638	Borrowings
	<u>72,308</u>	<u>95,343</u>	<u>86,960</u>	
Persentase terhadap beban bunga	<u>1.50%</u>	<u>1.99%</u>	<u>2.09%</u>	Percentage of interest expense

n. Beban umum dan administrasi

n. General and administrative expense

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Beban premi asuransi	68,858	71,527	64,735	Insurance premium expense
Beban sewa	3,877	3,522	3,305	Rental expense
	<u>72,735</u>	<u>75,049</u>	<u>68,040</u>	
Persentase terhadap beban umum dan administrasi	<u>6.64%</u>	<u>7.65%</u>	<u>7.37%</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 2016 Rp 2.030.569 (2015: Rp 1.748.801 dan 2014: Rp 1.536.079). Peraturan ini berlaku efektif sejak tanggal 20 Januari 2005. Pada tanggal 31 Desember 2016, 2015 dan 2014, 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 2016 Rp 2,030,569 (2015: Rp 1,748,801 and 2014: Rp 1,536,079). This regulation was effective starting from 20 January 2005. As at 31 December 2016, 2015 and 2014, the Bank did not exceed its Legal Lending Limit ("LLL") to related parties.

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**45. INFORMASI MENGENAI PIHAK-PIHAK BERELASI
(lanjutan)**

Transaksi dengan pihak-pihak berelasi (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

a) 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 13 Oktober 2017. Atas fasilitas yang belum digunakan bank dikenakan *commitment fee* sebesar 0,25% per tahun dan pembatalan fasilitas dikenakan 0,40% dari limit fasilitas tersebut.

Pada tanggal 31 Desember 2016, 2015 dan 2014, Bank belum mencairkan fasilitas pinjaman dari OCBC Limited tersebut.

45. RELATED PARTIES INFORMATION (continued)

Transactions with related parties (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

a) *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 13 October 2017. For the undrawn portion facility will be charge at 0.25% per annum and cancellation will be charged at 0.40% from the respective limit facility.*

As at 31 December 2016, 2015 and 2014, the Bank has not withdrawn the Revolving Credit Facility (RCF) from OCBC Limited.

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(lanjutan)**

Transaksi dengan pihak-pihak berelasi (lanjutan)

Fasilitas pinjaman (lanjutan)

- b) Pada tanggal 19 Agustus 2013, Bank telah memperoleh fasilitas pinjaman dari OCBC Limited sebesar USD 200 juta dengan tingkat bunga SIBOR ditambah margin tertentu dan jatuh tempo pada tanggal 20 Agustus 2014 (lihat Catatan 24).

Bank telah memperoleh persetujuan dari Bank Indonesia melalui surat No. 15/41/DInt tanggal 26 Juli 2013 untuk permohonan masuk pasar atas Pinjaman Luar Negeri Jangka Panjang sebesar USD 200 juta dari OCBC Limited.

Pada tanggal 22 Agustus 2014, Bank memperpanjang fasilitas pinjaman tersebut. Bank telah memperoleh persetujuan dari Bank Indonesia melalui surat No. 16/93/DSSK/DQA tanggal 21 Agustus 2014 untuk masuk pasar atas Pinjaman Luar Negeri Jangka Panjang sebesar USD 200 juta dari OCBC Limited Singapore, fasilitas pinjaman tersebut jatuh tempo pada tanggal 21 Agustus 2015 (lihat Catatan 24).

Pada tanggal 21 Mei 2015, Bank telah memperoleh persetujuan untuk memperpanjang fasilitas pinjaman dari Bank Indonesia melalui surat No. 17/336/DSSK tanggal 28 Juli 2015 untuk masuk pasar atas Pinjaman Luar Negeri Jangka Panjang sebesar USD 200 juta dari OCBC Limited Singapore, fasilitas pinjaman tersebut jatuh tempo pada tanggal 22 Agustus 2016 (lihat Catatan 24).

Pada tanggal 22 Agustus 2016, Bank telah melunasi fasilitas pinjaman tersebut.

46. 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.

**45. RELATED PARTIES INFORMATION
(continued)**

Transactions with related parties (continued)

Credit facility (continued)

- b) On 19 August 2013, the Bank has received Revolving Credit Facility ("RCF") from OCBC Limited amounting to USD 200 million with an annual interest rate of SIBOR plus agreed margin and matured on 20 August 2014 (refer to Note 24).

The Bank has obtained Bank Indonesia's approval through its letter No. 15/41/DInt dated 26 July 2013 regarding the plea to enter the market for the long term overseas credit facility amounting USD 200 million from OCBC Limited.

On 22 August 2014, the Bank rolled over the credit facility. The Bank has obtained Bank Indonesia's approval through its letter No. 16/93/DSSK/DQA dated 21 August 2014 regarding to enter the market for the long term offshore credit facility amounting USD 200 million from OCBC Limited Singapore, this credit facility matured on 21 August 2015 (refer to Note 24).

On 21 May 2015, the Bank has obtained the approval for rolled over the credit facility from Bank Indonesia's through its letter No. 17/336/DSSK dated 28 July 2015 regarding to enter the market for the long term offshore credit facility amounting USD 200 million from OCBC Limited Singapore, this credit facility matured on 22 August 2016 (refer to Note 24).

As at 22 August 2016, the Bank has been paid off the credit facility.

46. 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.

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46. SEGMENT OPERASI (lanjutan)

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 treasuri* 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.

46. OPERATING SEGMENT (continued)

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.

2016							
	<i>Business Banking</i>	<i>Perbankan Consumer/ Consumer Banking</i>	<i>Perbankan Treasuri/ Treasury</i>	<i>Lain-lain/ Others</i>	<i>Eliminasi/ Offset</i>	<i>Jumlah/ Total</i>	
Pendapatan bunga bersih	2,309,929	1,842,885	381,878	886,486	(27,891)	5,393,287	<i>Net interest income</i>
Pendapatan operasional lainnya	374,961	633,268	679,582	(170)	(272,135)	1,415,506	<i>Other operating income</i>
Total pendapatan	2,684,890	2,476,153	1,061,460	886,316	(300,026)	6,808,793	<i>Total income</i>
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(456,749)	(108,702)	-	(750,205)	-	(1,315,656)	<i>Allowance for impairment losses on financial and non financial assets</i>
Beban operasional lain	(579,744)	(1,780,237)	(202,348)	(579,706)	-	(3,142,035)	<i>Other operating expense</i>
Laba sebelum pajak	1,648,397	587,214	859,112	(443,595)	(300,026)	2,351,102	<i>Income before tax</i>
Jumlah aset	67,101,764	26,031,707	36,020,479	9,042,391	-	138,196,341	<i>Total assets</i>
Jumlah liabilitas	45,646,279	58,134,049	24,005,912	(9,096,475)	-	118,689,765	<i>Total liabilities</i>
2015							
	<i>Business Banking</i>	<i>Perbankan Consumer/ Consumer Banking</i>	<i>Perbankan Treasuri/ Treasury</i>	<i>Lain-lain/ Others</i>	<i>Eliminasi/ Offset</i>	<i>Jumlah/ Total</i>	
Pendapatan bunga bersih	1,822,317	1,563,759	617,410	442,559	(27,128)	4,418,917	<i>Net interest income</i>
Pendapatan operasional lainnya	378,732	531,017	168,626	445	(224,357)	854,463	<i>Other operating income</i>
Total pendapatan	2,201,049	2,094,776	786,036	443,004	(251,485)	5,273,380	<i>Total income</i>
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(205,029)	(50,131)	-	(199,147)	-	(454,307)	<i>Allowance for impairment losses on financial and non financial assets</i>
Beban operasional lain	(544,827)	(1,555,043)	(158,980)	(558,762)	-	(2,817,612)	<i>Other operating expense</i>
Laba sebelum pajak	1,451,193	489,602	627,056	(314,905)	(251,485)	2,001,461	<i>Income before tax</i>
Jumlah aset	63,582,209	23,109,521	25,540,192	8,248,480	-	120,480,402	<i>Total assets</i>
Jumlah liabilitas	35,625,669	51,937,840	23,427,128	(6,921,582)	-	104,069,055	<i>Total liabilities</i>

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46. SEGMENT OPERASI (lanjutan)**46. OPERATING SEGMENT (continued)**

2014							
<i>Business Banking</i>	<i>Perbankan Consumer/ Consumer Banking</i>	<i>Perbankan Treasury/ Treasury</i>	<i>Lain-lain/ Others</i>	<i>Eliminasi/ Offset</i>	<i>Jumlah/ Total</i>		
Pendapatan bunga bersih	2,220,657	843,541	574,215	128,909	(22,624)	3,744,698	<i>Net interest income</i>
Pendapatan operasional lainnya	499,279	375,328	73,909	2,178	(207,433)	743,261	<i>Other operating income</i>
Total pendapatan	2,719,936	1,218,869	648,124	131,087	(230,057)	4,487,959	<i>Total income</i>
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(183,818)	(2,035)	(4,655)	(30,827)	-	(221,335)	<i>Allowance for impairment losses on financial and non financial assets</i>
Beban operasional lain	(890,174)	(1,027,555)	(126,585)	(445,598)	-	(2,489,912)	<i>Other operating expense</i>
Laba sebelum pajak	1,645,944	189,279	516,884	(345,338)	(230,057)	1,776,712	<i>Income before tax</i>
Jumlah aset	57,090,063	11,118,514	32,583,682	2,318,855	-	103,111,114	<i>Total assets</i>
Jumlah liabilitas	37,484,242	33,875,249	27,351,588	(10,543,331)	-	88,167,748	<i>Total liabilities</i>

Informasi wilayah geografis adalah sebagai berikut:

Geographic information is as follows:

2016							
<i>Jawa Bali</i>	<i>Sumatera</i>	<i>Kalimantan</i>	<i>Sulawesi</i>	<i>Lainnya/ Others</i>	<i>Jumlah/ Total</i>		
Pendapatan bunga	8,895,810	924,263	170,400	203,209	10,659	10,204,341	<i>Interest income</i>
Beban bunga	(4,325,456)	(337,100)	(96,487)	(49,524)	(2,487)	(4,811,054)	<i>Interest expenses</i>
Pendapatan bunga bersih	4,570,354	587,163	73,913	153,685	8,172	5,393,287	<i>Net interest income</i>
Pendapatan operasional lainnya	1,333,545	60,345	11,305	9,657	654	1,415,506	<i>Other operating income</i>
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(1,220,553)	(77,006)	(18,264)	(2,224)	2,391	(1,315,656)	<i>Allowance for impairment losses on financial and non financial assets</i>
Jumlah aset tidak lancar	2,873,121	29,411	3,480	15,239	10	2,921,261	<i>Total non current assets</i>

2015							
<i>Jawa Bali</i>	<i>Sumatera</i>	<i>Kalimantan</i>	<i>Sulawesi</i>	<i>Lainnya/ Others</i>	<i>Jumlah/ Total</i>		
Pendapatan bunga	7,978,155	852,310	181,449	199,586	9,505	9,221,005	<i>Interest income</i>
Beban bunga	(4,262,124)	(366,131)	(116,050)	(53,451)	(4,332)	(4,802,088)	<i>Interest expenses</i>
Pendapatan bunga bersih	3,716,031	486,179	65,399	146,135	5,173	4,418,917	<i>Net interest income</i>
Pendapatan operasional lainnya	780,828	52,408	12,248	8,210	769	854,463	<i>Other operating income</i>
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(429,186)	(23,716)	5,553	(6,906)	(52)	(454,307)	<i>Allowance for impairment losses on financial and non financial assets</i>
Jumlah aset tidak lancar	1,287,504	26,581	85	5,105	7	1,319,282	<i>Total non current assets</i>

2014							
<i>Jawa Bali</i>	<i>Sumatera</i>	<i>Kalimantan</i>	<i>Sulawesi</i>	<i>Lainnya/ Others</i>	<i>Jumlah/ Total</i>		
Pendapatan bunga	6,765,192	772,389	170,121	191,454	8,397	7,907,553	<i>Interest income</i>
Beban bunga	(3,695,275)	(313,201)	(104,686)	(45,973)	(3,720)	(4,162,855)	<i>Interest expenses</i>
Pendapatan bunga bersih	3,069,917	459,188	65,435	145,481	4,677	3,744,698	<i>Net interest income</i>
Pendapatan operasional lainnya	679,261	47,879	8,658	6,913	550	743,261	<i>Other operating income</i>
Cadangan kerugian penurunan nilai atas aset keuangan dan non keuangan	(172,838)	(35,339)	10,815	(22,050)	(1,923)	(221,335)	<i>Allowance for impairment losses on financial and non financial assets</i>
Jumlah aset tidak lancar	1,257,158	2,701	173	117	10	1,260,159	<i>Total non current assets</i>

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47. KOMITMEN SIGNIFIKAN ATAS BARANG MODAL

Pada tanggal 31 Desember 2016, 2015 dan 2014, 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 2016, 2015 dan 2014 adalah sebesar Rp 39.720, Rp 25.792 dan Rp 32.569.

47. SIGNIFICANT CAPITAL COMMITMENTS

As at 31 December 2016, 2015 and 2014, 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 2016, 2015 and 2014 amounting to Rp 39,720, Rp 25,792 and Rp 32,569, respectively.

48. NILAI TERCATAT INSTRUMEN KEUANGAN

Berikut ini adalah nilai tercatat instrumen keuangan Bank OCBC NISP pada tanggal 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut:

48. THE CARRYING AMOUNT OF FINANCIAL INSTRUMENTS

The carrying amount of Bank OCBC NISP's financial instruments as at 31 December 2016, 2015 and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	
ASET KEUANGAN				FINANCIAL ASSETS
Kas	881,749	938,280	989,252	Cash
Giro pada Bank Indonesia	8,018,546	7,801,395	6,816,392	Current accounts with Bank Indonesia
Giro pada bank lain	485,592	678,805	542,792	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia				Placements with other banks
Nominal - bersih	3,442,070	9,278,095	3,908,139	Nominal - net
Pendapatan yang masih harus diterima	<u>62,730</u>	<u>54,381</u>	<u>4,355</u>	Accrued income
Jumlah tercatat	3,504,800	9,332,476	3,912,494	Carrying amount
Efek-efek				Marketable securities
Nominal - bersih	14,346,755	3,834,508	13,186,485	Nominal - net
Pendapatan yang masih harus diterima	<u>24,521</u>	<u>31,404</u>	<u>16,621</u>	Accrued income
Jumlah tercatat	14,371,276	3,865,912	13,203,106	Carrying amount
Obligasi pemerintah				Government bonds
Nominal - bersih	12,372,750	8,164,656	4,837,253	Nominal - net
Pendapatan yang masih harus diterima	<u>246,029</u>	<u>79,367</u>	<u>33,098</u>	Accrued income
Jumlah tercatat	12,618,779	8,244,023	4,870,351	Carrying amount
Efek-efek yang dibeli dengan janji dijual kembali	-	-	708,660	Securities purchase under resale agreements
Tagihan derivatif	351,939	544,840	345,114	Derivative receivable
Pinjaman yang diberikan				Loans
Nominal - bersih	90,179,161	84,031,577	66,958,429	Nominal - net
Pendapatan yang masih harus diterima	304,662	301,678	226,883	Accrued income
Komisi diterima dimuka	<u>(236,171)</u>	<u>(292,487)</u>	<u>(251,700)</u>	Unearned commissions
Jumlah tercatat	90,247,652	84,040,768	66,933,612	Carrying amount
Tagihan akseptasi - bersih				Acceptance receivables - net
Nominal - bersih	3,485,765	2,825,725	2,860,425	Nominal - net
Pendapatan yang masih harus diterima	<u>1,228</u>	<u>3,945</u>	<u>2,637</u>	Accrued income
Jumlah tercatat	3,486,993	2,829,670	2,863,062	Carrying amount
Aset lain-lain - bersih	<u>562,895</u>	<u>224,031</u>	<u>347,566</u>	Other assets - net
Jumlah Aset Keuangan	<u><u>134,530,221</u></u>	<u><u>118,500,200</u></u>	<u><u>101,532,401</u></u>	Total Financial Assets

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unless otherwise stated)48. NILAI TERCATAT INSTRUMEN KEUANGAN
(lanjutan)

Berikut ini adalah nilai tercatat instrumen keuangan Bank OCBC NISP pada tanggal 31 Desember 2016, 2015 dan 2014 adalah sebagai berikut: (lanjutan)

	2016	2015	2014
LIABILITAS KEUANGAN			
Liabilitas segera	444,398	354,250	275,025
Simpanan nasabah			
Nominal - bersih	103,559,960	87,280,244	72,805,057
Bunga yang masih harus dibayar	324,085	291,267	273,035
Jumlah tercatat	103,884,045	87,571,511	73,078,092
Simpanan dari bank lain			
Nominal - bersih	2,507,040	1,478,546	3,249,536
Bunga yang masih harus dibayar	1,006	550	143
Jumlah tercatat	2,508,046	1,479,096	3,249,679
Liabilitas derivatif	304,318	947,585	594,499
Liabilitas akseptasi	3,513,459	2,846,639	2,886,148
Beban yang masih harus dibayar	20,144	18,159	39,959
Pinjaman yang diterima			
Nominal - bersih	-	2,757,000	2,477,000
Bunga yang masih harus dibayar	-	5,530	2,447
Jumlah tercatat	-	2,762,530	2,479,447
Efek-efek yang dijual dengan janji dibeli kembali	1,345,723	-	-
Efek-efek yang diterbitkan			
Nominal - bersih	3,905,000	5,398,000	2,927,000
Bunga yang masih harus dibayar	47,032	64,469	29,382
Biaya emisi yang belum diamortisasi	(6,009)	(5,622)	(7,275)
Jumlah tercatat	3,946,023	5,456,847	2,949,107
Liabilitas lain-lain	712,964	771,843	869,001
Obligasi subordinasi			
Nominal - bersih	880,000	880,000	880,000
Bunga yang masih harus dibayar	277	277	277
Biaya emisi yang belum diamortisasi	(629)	(1,789)	(2,824)
Jumlah tercatat	879,648	878,488	877,453
Jumlah Liabilitas Keuangan	117,558,768	103,086,948	87,298,410

Saling hapus

Pada 31 Desember 2016, 2015 dan 2014, tidak terdapat aset dan liabilitas keuangan yang saling hapus pada laporan posisi keuangan.

Bank memiliki kredit yang diberikan yang dijamin dengan jaminan tunai (Catatan 13n), yang menjadi subyek untuk memenuhi *netting arrangements* dan perjanjian serupa, yang tidak saling hapus pada laporan posisi keuangan.

49. 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.

48. THE CARRYING AMOUNT OF FINANCIAL INSTRUMENTS (continued)

The carrying amount of Bank OCBC NISP's financial instruments as at 31 December 2016, 2015 and 2014 are as follows: (continued)

	2016	2015	2014
FINANCIAL LIABILITIES			
Obligations due immediately			
Deposits from customers			
Nominal - net	103,559,960	87,280,244	72,805,057
Accrued interest	324,085	291,267	273,035
Carrying amount	103,884,045	87,571,511	73,078,092
Deposits from other banks			
Nominal - net	2,507,040	1,478,546	3,249,536
Accrued interest	1,006	550	143
Carrying amount	2,508,046	1,479,096	3,249,679
Derivative payables	304,318	947,585	594,499
Acceptance payables	3,513,459	2,846,639	2,886,148
Accrued expenses	20,144	18,159	39,959
Borrowing			
Nominal - net	-	2,757,000	2,477,000
Accrued interest	-	5,530	2,447
Carrying amount	-	2,762,530	2,479,447
Securities sold under repurchase agreements	1,345,723	-	-
Marketable securities issued			
Nominal - net	3,905,000	5,398,000	2,927,000
Accrued interest	47,032	64,469	29,382
Unamortised bond issuance costs	(6,009)	(5,622)	(7,275)
Carrying amount	3,946,023	5,456,847	2,949,107
Other liabilities	712,964	771,843	869,001
Subordinated bonds			
Nominal - net	880,000	880,000	880,000
Accrued interest	277	277	277
Unamortised bond issuance costs	(629)	(1,789)	(2,824)
Carrying amount	879,648	878,488	877,453
Total Financial Liabilities	117,558,768	103,086,948	87,298,410

Offsetting

As at 31 December 2016, 2015 and 2014, 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 13n), which are subject to enforceable netting arrangements and similar agreements that are not set off in the statement of financial position.

49. 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.

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**49. JAMINAN PEMERINTAH TERHADAP KEWAJIBAN
PEMBAYARAN BANK UMUM (lanjutan)**

Pada tanggal 31 Desember 2016, 2015 dan 2014, 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 6,25% untuk simpanan dalam Rupiah dan 0,75% untuk simpanan dalam mata uang asing pada tanggal 31 Desember 2016 (2015: 7,50% dan 1,25% dan 2014: 7,75% dan 1,50%).

Pada tanggal 31 Desember 2016, 2015 dan 2014, Bank adalah peserta dari program penjaminan tersebut.

50. 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.

51. STANDAR AKUNTANSI BARU

Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK-IAI) telah menerbitkan standar baru, revisi dan interpretasi yang relevan, namun belum berlaku efektif untuk tahun buku yang dimulai pada 1 Januari 2016 adalah sebagai berikut :

- ISAK 31 "Interpretasi atas ruang lingkup PSAK 13 : Properti investasi"
- Amandemen PSAK 1 "Penyajian laporan keuangan"
- PSAK 101 (revisi 2016) Penyajian Laporan Keuangan Syariah
- PSAK 102 (amandemen 2016) Akuntansi Murabahah
- PSAK 103 (amandemen 2016) Akuntansi Salam
- PSAK 104 (amandemen 2016) Akuntansi Istishna
- PSAK 107 (amandemen 2016) Akuntansi Ijarah

Amandemen dan revisi diatas berlaku efektif pada 1 Januari 2017.

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. GOVERNMENT GUARANTEE ON OBLIGATIONS
OF COMMERCIAL BANKS (continued)**

As at 31 December 2016, 2015 and 2014, 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 6.25% for deposits denominated in Rupiah and 0.75% for deposits denominated in foreign currency as at 31 December 2016 (2015: 7.50% and 1.25% and 2014: 7.75% and 1.50%).

As at 31 December 2016, 2015 and 2014, the Bank is a participant of that guarantee program.

50. 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.

51. PROSPECTIVE ACCOUNTING PRONOUNCEMENT

Financial Accounting Standard Board of Indonesian Institute of Accountant (DSAK-IAI) has issued the following new standards, amendments and interpretations which relevant but not yet effective for the financial year beginning 1 January 2016 are as follows :

- IFAS 31 "Interpretation on the scope of SFAS 13 : Investment property"
- Amendment to SFAS 1 "Presentation of financial statements"
- SFAS 101 (revised 2016) Presentation of Sharia Financial Statement
- SFAS 102 (amendment 2016) Murabahah Accounting
- SFAS 103 (amendment 2016) Salam Accounting
- SFAS 104 (amendment 2016) Istishna Accounting
- SFAS 107 (amendment 2016) Ijarah Accounting

The amendment and revised are effective on 1 January 2017.

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.

EXECUTIVE LEADERS

Name	Age (Years)	Education	Experience in Banking (Years)	Join Date	Position
Abdul Manaf	42	Bachelor Degree in Accounting from University of Dr Soetomo	18	September 9, 2003	HC Business Partner B Division Head
Adi Salim Santoso	30	Bachelor Degree in Accounting from Maranatha Christian University	8	May 5, 2008	Branch Executive
Aelwen Wanady	42	Bachelor Degree in Accounting from University of Bandung Raya	20	August 14, 2006	Commercial & Enterprise Banking Quality Assurance Head
Agustino	43	Bachelor Degree in Management from Soegijapranata Christian University	19	April 1, 2015	Area Head
Aleta Iengracia Hanafi	39	Bachelor Degree in Communication from State University at Buffalo	1	December 1, 2015	Corporate Communication Division Head
Amran Setiawan	49	Bachelor Degree in Ingenier Informatique from Fachhochschule Frankfurt Am Ma	22	September 15, 2009	Cash Management Division Head
Andie Nuvianto	43	Bachelor Degree in Government Science from University of Gadjah Mada	17	October 4, 2007	Area Head
Andre Santoso Sudjono	52	Master Degree in Management Administration from University Of Arizona	22	October 13, 2008	Corporate Banking Credit Control Head
Andreas Kurniawan	39	Bachelor Degree in Business Math & Statistics from University Of London	14	November 1, 2012	Retail Business Development Division Head
Andriyanto Tjiptowarsono	43	Bachelor Degree in Economic Management from University of Atma Jaya	19	June 12, 2006	Business Management Head
Angga Dinala	32	Bachelor Degree in Management from University of Warmawidya	10	April 2, 2013	Branch Executive
Anthony	36	Bachelor Degree in Mechanical Engineering from University of Darma Agung	9	August 3, 2015	Branch Executive
Anton Januar	45	Bachelor Degree in Management from University of Tarumanagara	22	July 6, 2015	Network Management Division Head
Arman Marta	46	Master Degree in Management from University of Atma Jaya	21	July 1, 1999	National Commercial Business Head A
Betty Goenawan	44	Bachelor Degree in Accounting from University of Trisakti	11	March 24, 2014	Business Transformation Workgroup Head
Boyke Indrasakti Aveanto	49	Diploma Degree in German Language from University of Indonesia	21	January 11, 2010	Operations Services A Division Head
Budi Gunawan	54	Bachelor Degree in Mathematic from University of Diponegoro	24	June 23, 2008	Market and Liquidity Risk Management Division Head
Caecilia Zilvia Suzanna	46	Master Degree in Risk Management from University of Indonesia	12	August 15, 2011	Enterprise Policy & Portfolio Risk Management Division Head
Cecilia Magdalena Ranti	34	Bachelor Degree in Economic from De La Salle Catholic University	9	September 1, 2014	Area Head
Christine Nisrina	41	Bachelor Degree Business Administration from California State University	9	January 15, 2015	HC Talent, Learning, & Development Division Head
Chyntia Vionneyca The	51	Master Degree in Marketing from University of Tanjung Pura	21	June 28, 2004	National Network Head B
Cindy Siauw	40	Master Degree in Business Administration from University Of Pittsburgh	12	August 18, 2010	Corporate Credit Risk Management Division Head
Cindrawati	40	Bachelor Degree in Accounting from Royal Melbourne Institute of Technology University	15	December 28, 2016	Branch Executive
Danny Suhermanto	46	Master Degree in Finance from University Of North Carolina	19	October 26, 2006	Enterprise Banking Senior Business Head
Darmawati	46	Bachelor Degree in Animal Science from Bogor Agricultural University	21	January 20, 1997	Central Procurement Head
David Formula	38	Bachelor Degree in Mathematic from University of Padjadjaran	9	May 6, 2010	Business Solutions Technology Division Head

EXECUTIVE LEADERS

Name	Age (Years)	Education	Experience in Banking (Years)	Join Date	Position
Dessy Natallia	38	Master Degree in Economic and Accounting from University of Atma Jaya	14	July 17, 2006	Branch Executive
Djohan Firdauzi	44	Master Degree in Management from PPM School of Management	21	March 17, 2014	Enterprise Banking Division Head
Dwi Rahayu Warnaningsih	35	Bachelor Degree in Agricultural Industry from University of Udayana	14	February 15, 2016	Branch Executive
Eny Surjani Tanudiredja	48	Bachelor Degree in Management from University of Krisnadwipayana	24	August 14, 2015	National Funding Business Head
Esther	42	Bachelor Degree in Economic from University of Diponegoro	20	May 13, 2013	Region Head
Faren Indirawati Tjong	37	Bachelor Degree in Civil Engineering from University of Tarumanagara	14	November 1, 2002	Region Head
Felix Kesuma	43	Master Degree in Management from University Of New South Wales	19	August 22, 2011	Enterprise Banking Credit Management Head
Feri Afandi Fan	43	Master Degree in Electronic Commerce from Deakin University	18	July 1, 2002	Area Head
Filipus Haidiman Suwarno	54	Bachelor Degree in Electrical Engineering from Maranatha Christian University	21	January 2, 1995	Enterprise Support Technology Division Head
Franki	47	Master Degree in Management from University of Indonesia	21	April 4, 2011	Commercial Credit Risk Management Division Head
Gianto Kusno	43	Master Degree in Business Administration from Woodbury University	19	August 8, 2012	Trade Finance Division Head
Henry	44	Master Degree in Management from Bandung Institute of Technology	10	October 1, 2010	Corporate Planning and Development Division Head
Han Lin	32	Bachelor Degree in University Of Hohenheim	6	March 6, 2016	China Business Development Specialist
Hendrawati	49	Diploma Degree in Secretary from Aksema Saint Mary	27	June 2, 2012	Branch Executive
Hengky Kurniawan ZR	41	Master Degree in Management from PPM School of Management	20	May 1, 2001	Region Head
Herawati	34	Bachelor Degree in Accounting from University of Trisakti	10	September 7, 2015	Branch Executive
Heriwan Gazali	42	Bachelor Degree in Civil Engineering from Petra Christian University	16	August 4, 2014	National Network Head A
Heriyanto	44	Bachelor Degree in Information Management from Bina Nusantara University	20	October 1, 2009	Head of Credit Risk
Ignatius	45	Bachelor Degree in Civil Engineering from University of Andalas	14	April 26, 2004	Area Head
Ika Kartika Lestari	40	Bachelor Degree in Business Administration from University of Pasundan	16	September 15, 2014	Branch Executive
Imelda Widjaja	41	Bachelor Degree in Company Management from University of Tarumanagara	11	January 23, 2015	Compliance Division Head
Indrayanto	51	Master Degree in Finance from University Of Colorado	24	07 Januari 2015	Financial Institution Division Head
Ircwandy Tanrian Bastiaan	33	Bachelor Degree in Informatics from De La Salle Catholic University	2	May 5, 2014	Branch Executive
Irene Widjajanti	46	Master Degree in Business Administration from Eastern Michigan University	13	January 2, 2013	Consumer Credit Risk Management Division Head
Iswahyudi Raharjo	50	Master Degree in Business Law from University of Indonesia	24	August 1, 2008	Operation Process Division Head
Ivonne Purnama Chandra	53	Master Degree in Marketing from Golden Gate University	22	August 3, 2009	Corporate Secretary
Iwan Juliawan Aidad	47	Bachelor Degree in Economic from UPN Veteran	24	March 13, 2000	Region Head
Jeffrey Cheanandro Tjoeng	45	Bachelor Degree in Business from Oklahoma State University	21	May 5, 2011	National Emerging Business Head
Jenny Hartanto	35	Bachelor Degree in Management from University of Surabaya	13	August 1, 2005	Region Head
Jeti	40	Diploma Degree from ABA Prayoga Padang	15	May 16, 2012	Branch Executive
Joeline Merlin	48	Bachelor Degree in Accounting from University of HKBP Nomensen	19	June 18, 2012	Region Head

Name	Age (Years)	Education	Experience in Banking (Years)	Join Date	Position
Joyce	44	Master Degree in Marketing from STIE IBBI	12	August 1, 2008	Operations Development Division Head
Julia Sutanto	44	Diploma in Computer Informatics Management from University of Dian Nuswantoro	19	April 8, 2002	Area Head
Julie Anwar	42	Bachelor Degree in Business and Commerce from Deakin University	15	July 17, 2014	Head of Human Capital
Ka Jit	38	Diploma in Banking from Politeknik Swadharma	18	February 16, 2011	Head of Individual Customer Solutions
Koko Tjatur Rachmadi	46	Bachelor Degree in Mathematic from University of Gadjah Mada	21	February 1, 2006	Kepala Unit Usaha Syariah
Lao Aily	39	Bachelor Degree in Management from Christian University of Petra	16	February 1, 2002	Area Head
Lie Ie	36	Bachelor Degree in Accounting from Catholic University of Parahyangan	11	February 7, 2011	Wholesale Banking Credit Management Head
Lili Surjani Budiana	48	Master Degree in Law from Internasional University Technology Sydney	21	August 7, 2006	Corporate Legal Division Head
Lilin Rosinta	39	Bachelor Degree in Management Economic from University of Kediri	18	January 22, 2007	Branch Executive
Lily Johan	47	Master Degree in Management from PPM School of Management	20	September 2, 1996	HC Services Division Head
Linda Marie Christine A	49	Bachelor Degree in Architecture from University of Hasanudin	24	May 30, 2007	Asset Recovery Management Division Head
Lisda Lionardo	48	Bachelor Degree in Management Informatics from STIEK	28	August 2, 1999	Operations Services B Division Head
Livyana	42	Bachelor Degree in Engineering and Industry Management from University of Surabaya	20	October 16, 2006	Area Head
Lo Pin Tjin / Yenny Susilo	52	Diploma Degree in Banking from STIE Perbanas	28	April 1, 2003	National Consumer Business Head
Maedy Santanu	47	Bachelor Degree in Biology from University of Gadjah Mada	22	October 6, 2003	Area Head
Maria Gwendoline Puspawati Tirto	52	Master Degree in Management from University Gadjah Mada	27	July 7, 2005	HC Business Partner A Division Head
Meri Suriani	42	Master Degree in Management from University of North Sumatera	9	January 2, 2007	Region Head
Meri Ui	40	Bachelor Degree in Finance from University Technology Sydney	15	July 1, 2014	Unsecured Loan Division Head
Mia Rahma Amalia	39	Bachelor Degree in Management from University of Indonesia	16	March 10, 2014	Network Sales Management Division Head
Monalisa	51	Bachelor Degree in Accounting from University of Tarumanagara	19	July 1, 2005	Financial Control Division Head
Mustika Atmanari	54	Master Degree in Human Capital Management from University of Padjadjaran	22	October 3, 1994	HC Management Division Head
Nike Agustijani	48	Bachelor Degree in Management from STIE YPPP	25	January 27, 2003	Area Head
Nio Antonio	49	Bachelor Degree in Economic Management from STIE Perbanas	23	April 14, 2008	Credit Operations Division Head
Novelina Luciana	43	Bachelor Degree in Economic Accounting from University of Trisakti	16	June 1, 2010	Treasury Advisory Division Head
Nurwati Suhaimi	54	Master Degree in Business Administration from LPMI The Management Institute	18	November 1, 2001	Area Head
Paula Sumarti Djongkang	45	Diploma Degree in Management from University of Widya Dharma	19	October 11, 2004	Senior Branch Executive
Paulus Dewanto	48	Master Degree in Finance Management from University of Padjadjaran	23	October 26, 1998	Commercial & Enterprise Banking Portfolio Quality Management Head
Putu Antara	44	Bachelor Degree in Accounting from UPN, Denpasar	18	January 7, 2016	Area Head
Radiman Ali Rohim	45	Master Degree in Management from Prasetya Mulya Business School	18	November 1, 2012	Transaction Banking Operation Division Head
Retno Windrati	52	Bachelor Degree in Finance Management from STIE Malangkucecwara	26	February 1, 2005	Branch Executive
Ricko Irwanto	45	Bachelor Degree in Finance from Institute of Indonesian Entrepreneur Development (IPWI)	20	August 1, 2008	AML-CFT Division Head

EXECUTIVE LEADERS

Name	Age (Years)	Education	Experience in Banking (Years)	Join Date	Position
Ridwan Aditya	48	Diploma Degree in Informatics from LPKIA	19	December 27, 2013	Branch Executive
Robby	38	Master Degree in Finance dari University Of New South Wales	14	May 21, 2012	Treasury Trading Division Head
Robby Hardiyono	50	Diploma Degree in LPKIA	25	October 1, 1991	Operational Risk Management Division Head
Rudi	47	Bachelor Degree in Accounting from STIEB	13	December 1, 2003	Branch Executive
Rudianto	46	Master Degree in Finance from University of Pelita Harapan	11	March 1, 2006	Management Reporting and Methodologies Division Head
Sani Effendy	51	Master Degree in Business Administration from Institute of Technology Bandung	18	July 1, 2008	Internal Audit Division Head
Sendy Mubarak	32	Bachelor Degree in Technical Informatics from University of Bina Nusantara	8	August 18, 2015	Area Head
Shandi Wijaya	29	Master Degree in Management from University of Darma Agung	10	January 21, 2013	Area Head
Sherly	33	Bachelor Degree in Technical Informatics from University of Bina Nusantara	10	March 10, 2016	Branch Executive
Shirley	50	Bachelor Degree in Management from University of Sunan Giri	25	July 2, 2015	Region Head
Sianny Purnamawati	45	Bachelor Degree in Economic from Christian University of Satya Wacana	24	May 2, 2012	Enterprise Banking Senior Business Head
Silvia Ganang	44	Bachelor Degree in Agricultural Cultivation from University of Lampung	17	January 15, 2005	Senior Branch Executive
Sindu Wirjaseputra	43	Bachelor Degree in Economic Management from Christian University of Satya Wacana	21	September 6, 2005	Branch Executive
Sudarmo	40	Bachelor Degree in Management from University of Tarumanegara	16	April 23, 2007	Senior Branch Executive
Sujono Pingnomo	50	Bachelor Degree in Management from University of Jendral Soedirman	26	October 1, 2015	Area Head
Sukarman	38	Bachelor Degree in Management from STIE Harapan	18	January 3, 2011	Area Head
Suwano	47	Bachelor Degree in Finance from The University Of Arizona	20	April 18, 2006	Wholesale Banking Division Head
Suwardi Candra	45	Bachelor Degree in Accounting from STIEB	21	July 19, 2010	National Commercial Business Head B
Suyanto	36	Bachelor Degree in Accounting from University of Bandar Lampung	14	December 10, 2012	Senior Branch Executive
Tan Gunawan	45	Bachelor Degree in Informatics Management from University of Bina Nusantara	23	July 12, 2004	Region Head
Tedy Setiawan	41	Bachelor Degree in Informatics Management from University of Bina Nusantara	20	May 19, 2003	Operation Monitoring Division Head
Thio Ming Siu	53	Bachelor Degree in Economic from University of Mulawarman	22	May 1, 2006	Area Head
Tjen Mellia Liman	52	Bachelor Degree in Computer Science from University of Technology Sydney	27	August 10, 1998	Asset Liability Management Division Head
Tommy Kartono	46	Diploma Degree in Administration from University of Indonesia	15	July 11, 2013	Branch Executive
Toufan Suharto	42	Master Degree in Information System from Pace University	12	November 1, 2013	Region Head
Vera Sumananda	41	Diploma in Secretary from LPK Tarakanita	9	August 1, 2011	Branch Executive
Veronica	40	Bachelor Degree in Community Nutrition from Bogor Agricultural Institute	19	August 1, 2005	Area Head
Veronika Susanti	49	Bachelor Degree in Architecture from Catholic University of Parahyangan	21	January 5, 2015	Secured Loan Division Head
Very Mailoa	38	Bachelor Degree in Management from University of Atmajaya Makassar	14	March 16, 2015	Region Head
Yongky Prawira	34	Bachelor Degree in English from University of Widya Mandala	10	August 27, 2007	Branch Executive
Yulia	45	Bachelor Degree in Management from Christian University of Indonesia	24	June 2, 2003	Region Head
Yuliana Nelly	50	Diploma Degree in Computer Informatics from LPKIA	3	September 26, 2013	Branch Executive

BRANCH OFFICE NETWORK [G4-5]



340 Branches



763 ATMs



176,011

ATM Network in Indonesia of (ATM Bersama and Prima) and over 891 ATM OCBC Bank in Singapore and Malaysia



61 Cities

* As December 31, 2016

1. Jakarta

97 Offices

- HO OCBC NISP Tower
- Sharia Branch OCBC NISP Tower
- SB Agus Salim
- SB Bendungan Hilir
- SB Cempaka Mas
- SB Cempaka Putih
- SB Cideng
- SB Gajah Mada
- SB Gunung Sahari
- SB Harco Mangga Dua
- SB ITC Roxy Mas
- SB Karang Anyar
- SB Kwitang
- SB Le Grandeur
- SB Mal Mangga Dua
- SB Menara Thamrin
- SB Pintu Air
- SB Plaza Permata
- SB Sawah Besar
- SB Suryopranoto
- SB Tanah Abang Blok A
- SB Tanah Abang Bukit
- SB Wisma 46
- SB Dipo Tower
- SB WTC Sudirman

- SB Adhi Graha
- SB BEJ
- SB Bellagio
- SB Bintaro Sektor 1
- SB Bona Indah
- SB Cinere
- SB Fatmawati
- SB ITC Duta Mas
- SB ITC Permata Hijau
- SB Pasar Minggu
- SB Mampang Prapatan
- SB Menara Karya
- SB Mitra Hadiprana
- SB Panglima Polim
- SB Pondok Indah Metro
- SB Pondok Indah Plaza 5
- SB Alamanda Tower
- SB Tebet
- SB Twink
- SB Wira Usaha
- SB Citra Garden Sektor 1
- SB Citra Garden Sektor 2
- SB Glodok Plaza
- SB Green Garden
- SB Green Ville

- SB Hayam Wuruk
- SB Jelambar
- SB Jembatan Lima
- SB Kebon Jeruk
- SB Kedoya
- SB Lindeteves
- SB Mangga Besar
- SB Pangeran Jayakarta
- SB Pasar Pagi
- SB Perniagaan Timur
- SB Puri Indah
- SB Puri Sentra Niaga
- SB Sekolah Dian Kasih
- SB Slipi
- SB Taman Palem
- SB Taman Ratu
- SB Tanjung Duren
- SB Tomang
- SB Jatinegara
- SB Dewi Sartika
- SB Pemuda
- SB Pondok Bambu
- SB Pramuka
- SB Pulo Gadung Trade Center
- SB Artha Gading

BRANCH OFFICE NETWORK

1. Jakarta 97 Offices

- SB Bandengan
- SB Bukit Golf Mediterania PIK
- SB Pluit Karang Utara
- SB CBD Pluit
- SB ITC Mangga Dua
- SB Kelapa Gading Boulevard Blok LB
- SB Kelapa Gading Boulevard Blok FW
- SB Mangga Dua Pasar Pagi
- SB OCBC NISP Menara Kelapa Gading
- SB Muara Karang 1
- SB Elang Laut PIK
- SB Sunter Agung
- SB Sunter Griya
- SB Sunter Podomoro
- SB Pantai Indah Kapuk
- SB Pluit Sakti
- SB Pluit Village
- SB Tanjung Priok
- SB Teluk Gong
- CO ITC Roxy Mas
- CO Presisi
- PP Samudera Indonesia

2. Bogor 14 Offices

- B Pajajaran
- SB Cibinong
- SB Cileungsi
- SB Citeureup
- SB Juanda
- SB Kedung Badak
- SB Kesatuan
- SB Kota Wisata
- SB Legenda Wisata
- SB Pasar Anyar
- SB Sukasari
- SB Tajur
- SB ITC Depok
- CO Sentul

3. Depok 2 Offices

- CO Sanyo 1
- CO Sanyo 2

4. Tangerang 16 Offices

- B Gatot Subroto
- SB Tangerang City
- SB Alam Sutera
- SB Bintaro Sektor 7
- SB BSD (Bumi Serpong Damai)
- SB Cikupa Mas
- SB Citra Raya
- SB Duta Garden
- SB Gading Serpong
- SB Jatake
- SB Karawaci
- SB Modernland
- CO Fajarindo

4. Tangerang 16 Offices

- CO Taman Mutiara
- PP PT. Satya Raya Keramindo Indah
- PP Sekolah Athalia Kilang

5. Serang 2 Offices

- B Pasar Lama
- SB Nikomas

6. Cilegon 1 Office

- CO SA Tirtayasa

7. Bekasi 18 Offices

- B Ahmad Yani
- SB Taman Galaxy
- SB Citra Grand
- SB Delta Mas
- SB Gunung Garuda
- SB Harapan Indah
- SB Jababeka Capitol
- SB Kemang Pratama
- SB Lippo Cikarang
- SB Pondok Gede Asri
- SB MM 2100
- CO Mulia Industri
- CO Omron
- CO Jababeka Plaza Resto
- CO Sanyo Indonesia
- CO Showa
- CO Cakung
- CO Mattel 1

8. Bandar Lampung 2 Offices

- B Teluk Betung
- SB Tanjung Karang

9. Bandung 41 Offices

- B Cibeunying
- Sharia Branch Cibeunying
- SB Antapani
- SB Asia Afrika
- SB Batununggal
- SB BTC
- SB Buah Batu
- SB Burangrang
- SB Cijerah
- SB Kepatihan
- SB Kopo Permai
- SB Kopo Plaza
- SB Kopo Sayati
- SB Metro Trade Center

9. Bandung 41 Offices

- SB Mohamad Toha
- SB Padalarang
- SB Pajajaran
- SB Rajawali
- SB RS Advent
- SB Rs. Borromeus
- SB Rs. Cahya Kawaluyan
- SB Rs. Immanuel
- SB Rsb. Limijati
- SB Sawunggaling
- SB Setiabudi
- SB Setrasari
- SB Sudirman
- SB Sumber Sari
- SB Taman Kopo Indah
- SB Ujung Berung
- SB Unika Parahyangan
- SB Universitas Kristen Maranatha
- SB Universitas Widyatama
- CO Singgasana
- CO Sekolah St. Aloysius
- PP Vonex
- PP Sekolah Trinitas
- PP Sekolah Yos Sudarso
- PP St Angela
- PP St Ursula
- PP Sekolah Aloysius Sukajadi

10. Cimahi 1 Office

- SB Gatot Subroto

11. Cianjur 1 Office

- B Mangunsarkoro

12. Cirebon 5 Offices

- B Yos Sudarso
- SB Siliwangi
- SB Plered
- PP Sekolah Santa Maria
- PP Sekolah Pelita Bangsa

13. Karawang 4 Offices

- B Tuparev
- SB Galuh Mas
- SB Mitra Industri
- CO JVC

14. Purwakarta 1 Office

- B Sudirman

<p>15. Subang 1 Office</p> <ul style="list-style-type: none"> • SB Ahmad Yani 	<p>24. Sukoharjo 1 Office</p> <ul style="list-style-type: none"> • SB Solo Permai 	<p>32. Gresik 1 Office</p> <ul style="list-style-type: none"> • SB Sungkono
<p>16. Sukabumi 5 Offices</p> <ul style="list-style-type: none"> • B Martadinata • SB Cibadak • SB Cicurug • SB Pasar Tipar Gede • CO Cosmo Technology 	<p>25. Surakarta 5 Offices</p> <ul style="list-style-type: none"> • B Slamet Riyadi • SB Pasar Legi • SB Raya Palur • SB Tendean • SB Yos Sudarso 	<p>33. Kediri 2 Offices</p> <ul style="list-style-type: none"> • B Diponegoro • PP Sekolah IIK Bhakti Wiyata
<p>17. Tasikmalaya 2 Offices</p> <ul style="list-style-type: none"> • B Yudanegara • SB Cikurubuk 	<p>26. Tegal 1 Office</p> <ul style="list-style-type: none"> • B Sudirman 	<p>34. Madiun 1 Offices</p> <ul style="list-style-type: none"> • B Agus Salim
<p>18. Klaten 1 Office</p> <ul style="list-style-type: none"> • SB Plaza Klaten 	<p>27. Temanggung 1 Office</p> <ul style="list-style-type: none"> • SB Tentara Pelajar 	<p>35. Malang 5 Offices</p> <ul style="list-style-type: none"> • B Jaksa Agung Suprpto • SB Galunggung • SB Kepanjen • SB Kyai Tamin • SB Lawang
<p>19. Kudus 1 Office</p> <ul style="list-style-type: none"> • B Ahmad Yani 	<p>28. Yogyakarta 3 Offices</p> <ul style="list-style-type: none"> • B Cik Di Tiro • SB Kaliurang • SB Katamso 	<p>36. Mataram 1 Office</p> <ul style="list-style-type: none"> • B Pejanggik
<p>20. Magelang 1 Office</p> <ul style="list-style-type: none"> • B Sudirman 	<p>29. Denpasar 5 Offices</p> <ul style="list-style-type: none"> • B Teuku Umar • SB Jimbaran • SB Sesetan • SB Gatot Subroto • SB Patimura 	<p>37. Mojokerto 1 Office</p> <ul style="list-style-type: none"> • B Pahlawan
<p>21. Pekalongan 1 Office</p> <ul style="list-style-type: none"> • B Dokter Cipto 	<p>30. Gianyar 1 Office</p> <ul style="list-style-type: none"> • SB UBUD 	<p>38. Ponorogo 1 Office</p> <ul style="list-style-type: none"> • CO Gajah Mada
<p>22. Banyumas 1 Office</p> <ul style="list-style-type: none"> • B Sudirman 	<p>31. Badung 2 Offices</p> <ul style="list-style-type: none"> • SB Kuta • SB Seminyak 	<p>39. Sidoarjo 2 Offices</p> <ul style="list-style-type: none"> • SB Ahmad Yani • SB Tropodo
<p>23. Semarang 8 Offices</p> <ul style="list-style-type: none"> • B Katamso • Sharia Branch Katamso • SB Besen • SB Gatot Subroto • SB Siliwangi • SB Suprpto • SB Ungaran • CO Kaliwiru 		

BRANCH OFFICE NETWORK

40. Surabaya
21 Offices

- B Pemuda
- Sharia Branch Pemuda
- SB Dharmahusada
- SB Diponegoro
- SB Graha Pena
- SB HR Muhammad
- SB Jemursari
- SB Kapas Krampung
- SB Kedungdoro
- SB Kembang Jepun
- SB Kertajaya
- SB Margomulyo
- SB Mega Galaxy
- SB Merr
- SB Ngagel
- SB Perak
- SB Raden Saleh
- SB Raya Mulyosari
- SB Sukomanunggal
- SB Surabaya - Sungkono
- SB Wiyung

41. Balikpapan
5 Offices

- B MT Haryono
- Sharia Branch MT Haryono
- SB Balikpapan Baru
- SB Pandansari
- SB Pantai Mas

42. Banjarmasin
2 Offices

- B Lambung Mangkurat
- SB Banjar Baru

43. Makassar
7 Offices

- B Pettarani
- Sharia Branch Pettarani
- SB Ahmad Yani
- SB Latimojong
- SB Panakukang
- SB Tentara Pelajar
- CO Mtc Karebosi

44. Manado
2 Offices

- B Piere Tendean
- SB Wenang

45. Palu
1 Office

- B Emmy Saellan

46. Bitung
1 Office

- B Sam Ratulangi

47. Kendari
1 Office

- B Abdullah Silondae

48. Samarinda
2 Offices

- B Sudirman
- SB Pasar Segiri

49. Batam
6 Offices

- B Palm Spring
- Sharia Branch Pelita
- SB Pelita
- SB Aviari
- SB Baloi
- SB Tanjung Uncang

50. Deli Serdang
1 Offices

- SB Tanjung Morawa

51. Jambi
2 Offices

- B Hayam Wuruk
- SB Sipin

52. Medan
10 Offices

- B Polonia
- Sharia Branch S. Parman
- SB Asia
- SB Bogor
- SB Imam Bonjol
- SB Skandar Muda
- SB Jati Junction
- SB Krakatau
- SB Pulo Brayan
- SB Gatot Subroto

53. Binjai
1 Office

- SB Binjai

54. Padang
2 Office

- B Diponegoro
- SB Andalas

55. Palembang
5 Offices

- B Sukamto
- Sharia Branch Sukamto
- SB Lingkaran
- SB Rajawali
- SB Rustam Effendi

56. Pangkal Pinang
1 Office

- B Pasar Lama

57. Pekanbaru
3 Offices

- B Ahmad Yani
- SB Riau
- SB Tuanku Tambusai

58. Pematang Siantar
1 Office

- B Sutomo

59. Tanjung Pinang
2 Offices

- B Merdeka
- SB DI Panjaitan

60. Pontianak
4 Offices

- B Tanjungpura
- Sharia Branch Siantan
- SB Siantan
- SB Sultan Muhammad

61. Kupang
1 Office

- B Sudirman

Notes:

HO : Head Office

B : Branch

SB : Sub Branch

CO : Cash Office

PP : Payment Point

CIRCULAR LETTER OF FINANCIAL SERVICES AUTHORITY NO. 30/SEOJK.04/2016

Materials and Explanations	Page
I. General Requirements	
a. The Annual Report should contains at least:	
1) Summary of Key Financial Information;	8-10
2) Stock information (if any);	11, 37, 40-41
3) Report from BOD;	17-19
4) Report from BOC;	14-16
5) Issuer or Public Company profile;	22-43
6) Management analysis and discussion;	44-85
7) Corporate Governance;	86-174
8) Corporate social responsibilities;	175-184
9) Audited financial statements; and	185-358
10) Statement that the BOD and BOC are fully responsible for the accuracy of the Annual Report;	20-21
b. The Annual Report may be presented in the form of images, charts, tables, and/or diagrams with appropriate titles, labels and/or clear description	√
II. Description of Annual Report	
a. Summary of Key Financial Information	8-10
Summary of Key Financial Information is presented comparatively for three fiscal years or since commencement of company business, and contains at least:	
1) revenue/ sales;	8
2) gross profit;	8
3) income (loss);	8
4) total income (loss) that can be attributed to equity holders of the parent entity and non-controlling interest;	8
5) total comprehensive income (loss);	8
6) total comprehensive income (loss) attributable to equity holders of the parent entity and non-controlling interest;	8
7) income (loss) per share;	8
8) total assets;	8
9) total liabilities;	8
10) total equities;	8
11) income (loss) to total assets ratio;	9-10
12) income (loss) to equity ratio;	9-10
13) income (loss) to income/sale ratio;	9 Notes 2
14) current ratio;	9
15) liabilities-to-equities ratio;	9
16) liabilities-to-total assets ratio; and	9
17) other information and financial ratios relevant to the company and type of industry.	9-10
b. Stock Information:	11, 37, 40-41
Stock information (if any) contains at least:	
1) Stock issued for each three-month period (if any) in the last two fiscal years including, at least:	11
a) number of outstanding shares;	11
b) market capitalization based on the price at the Stock Exchange where the stock was listed;	11
c) highest, lowest, and closing share price based on the price at the Stock Exchange where the stock was recorded;	11
d) share volume at Stock Exchange where the stock was recorded; Information for point a) is as disclosed by the Issuer which is a Public Company whose shares are either listed or not on the Stock Exchange; Information for points b), c) and d) are as disclosed if the Issuer is a public company and its shares are listed on the Stock Exchange;	11, 8, 40-41
2) In the event of corporate actions, including stock split, reverse stock, dividend, bonus share, and decrease in par value of shares, the share price, as outlined in point 1), information is included with an explanation regarding:	
a) date of corporate action;	40-41
b) stock split ratio, reverse stock, dividend, bonus shares, and changes in par value of shares;	40-41

Materials and Explanations	Page
c) total outstanding shares before and after the corporate action; and	40-41
d) share price before and after the corporate action	40-41
3) In the event that the company's shares were suspended, and/or delisted from trading during the year under review, the Annual Report also contains an explanation regarding the reason for the suspension and/or delisting; and	n/a
4) In the event that suspension and/or delisting, as outlined in point 3), occurred during the period covered by the Annual Report, the Issuer or the Public Company includes an explanation of the corporate actions taken by the company in resolving the issue.	n/a
c. The Directors' Report BOD Report contains at least, the following items:	17-19
1) short description about the Issuer or Public company's performance, which includes:	
a) strategic policies and strategies;	18-19
b) comparison between results and targets achievement of; and	17,18, 84
c) challenges faced by the Issuer or Public Company.	17
2) business prospect;	18-19
3) GCG implementation; and	18
4) changes in the composition of BOD (if any).	18
d. The Board of Commissioners BOC Report contains at least, the following items:	14-16
1) assessment on the BOD's performance in managing the Issuer or Public Company;	14-15
2) supervision in implementing Issuer or Public Company's strategies;	14-15
3) view on the prospects of the company's business as established by BOD;	16
4) view on the implementation of corporate governance;	15-16
5) changes in the composition of BOC and reason for such changes (if any); and	16
6) frequency and providing advice to BOD members.	15-16
e. The Issuer or Public Company Profile The Issuer or Public Company Profile contains at least:	
1) name of the Issuer or Public Company including the changes, its explanation, and its effective date in the fiscal year	24, 363-366
2) Information regarding accessibility of the issuer or Public Company including branch offices or representative offices for public consumption, which includes:	24, 363-366
a) address;	24, 363-366
b) telephone;	24, 363-366
c) facsimile;	24, 363-366
d) email;	24, 363-366
e) website.	24, 363-366
3) brief history of the Issuer or Public Company;	23-24
4) vision and mission of the Issuer or Public Company;	32
5) business line according to the latest Articles of Association, and types of products and/or services;	25
6) structure of the organization in chart form, with at least one level below BOD followed by the names and titles;	30-31
7) profile of BOD members, including:	
a) name and title according to the duties and responsibilities;	35-36
b) latest photo;	35-36
c) age;	35-36
d) nationality;	35-36
e) academic qualifications;	35-36
f) history of appointment to position:	
(1) legal basis for the first appointment to the related Issuer or Public company;	35-36
(2) concurrent position, either as members of BOD, BOC, and/or Committee as well as other titles (if any); and	35-36
(3) work experience with dates of engagement, either inside or outside the company.	35-36
g) education and/or training programs for BOD members to enhance competency during the year under review (if any); and	35-36
h) affiliation with other members of BOC, BOD, and shareholders (if any);	109
8) profile of BOC members, including:	
a) name;	33-34
b) latest photo;	33-34
c) age;	33-34
d) nationality;	33-34
e) academic qualifications;	33-34
f) history of appointment to position:	33-34

Materials and Explanations	Page
(1) legal basis for the first appointment as BOC member, not as an Independent Commissioner of the related Issuer or Public Company;	33-34
(2) legal basis for the first appointment as BOC member, as which is an Independent Commissioner of the related Issuer of Public Company;	33-34
(3) concurrent position, either as member of the BOD, BOC, and/or Committee as well as other titles (if any); and	33-34
(4) work experience with dates of engagement, either inside or outside the company.	33-34
g) education and/or training programs for BOC members to enhance competency during the year under review (if any); and	33-34
h) affiliation with other members of BOC, BOD, and shareholders (if any);	33-34
i) the statement of independence of Independent Commissioners in terms of their service for more than two periods (if any);	98
9) in the event that there are changes in the composition of BOC and/or BOD occurring between the period after year-end and until the date of the Annual Report, the last and previous composition shall be stated in the Annual Report;	n/a
10) number of employees and description of education and ages of the employees;	56-57
11) names of shareholders and ownership percentage at the end of the fiscal year, including:	
a) shareholders that have 5 percent or more shares in the Issuer or Public Company;	37
b) BOC and BOD members who own shares in the Issuer or Public Company; and	37
c) groups of public shareholders with less than 5 percent share in the Issuer or Public Company.	37
12) number of shareholders and ownership percentage at the end of the fiscal year as categorized:	37
a) ownership by local institutions;	37
b) ownership by foreign institutions;	37
c) ownership by local individuals; and	37
d) ownership by foreign individuals.	37
13) information on major shareholders and controlling shareholders of the Issuer or Public Company, directly or indirectly, and also individual shareholder, presented in the form of scheme or diagram;	38
14) name of subsidiaries, associated companies, joint venture controlled by Issuer or Public Company with entity, percentage of stock ownership, business, and operating status of the company (if any);	n/a, 38
15) chronology of the share listing, the number of shares, par value, and offering price from the beginning of listing until the end of the financial year, and name of Stock Exchange where the company shares are listed (if any);	40-41
16) chronology of securities listing other than the one referred to in point 15), which at least contains the name of the Securities, year of publication, maturity date, offering price, and rating of the securities (if any);	39
17) name and address of the capital market supporting institutions and/or professionals;	42
18) services, fees, and periods of assignment of professionals providing services regularly for the Issuer or Public Company; and	129
19) awards and/or certifications of national and international scale bestowed on the Issuer or Public Company during the last fiscal year (if any), which includes:	43, 6-7
a) name of awards and/or certifications;	43, 6-7
b) boards or institutions; and	43, 6-7
c) validity period (if any);	43, 6-7
f. Management Analysis and Discussion	44-85
Management Analysis and Discussion contains the analysis and discussion of financial statements and other important information emphasizing material changes that occurred during the year under review, including at least:	
1) operational review per business segment, according to the type of industry of the Issuer or Public Company including:	
a) production, process, capacity, and growth;	45-51, 353-355
b) income/ sales; and	45-51, 353-355
c) profitability;	45-51, 353-355
2) comprehensive financial performance which includes a comparison between the financial performance of the last two fiscal years, and explanation regarding the cause and impact of the changes, at least concerning:	
a) current assets, non-current assets, and total assets;	69-73
b) current liabilities, non-current liabilities, total liabilities;	73-75
c) equity;	75-76
d) sales/operating revenues, expenses and profit (loss), other comprehensive revenues, and total comprehensive profit (loss); and	65-69
e) cash flows;	76
3) the capacity to pay debts by including the computation of relevant ratios;	79-80
4) accounts receivable collectability, including the calculation of the relevant ratios;	70
5) capital structure and management policies concerning capital structure;	77-79
6) discussion on material ties for the investment of capital goods, including the explanation on:	
a) the purpose of ties;	81
b) source of funds expected to fulfill the ties;	81

Materials and Explanations	Page
c) currency of denomination, and	81
d) steps planned by the Issuer or Public Company to protect the position of a related foreign currency against risks;	81
7) discussion on capital investment which was realized in at the end of fiscal year, at least includes:	80-81
a) types of capital investment;	80-81
b) the purpose; and	80
c) the capital investment value;	80-81
8) material information and facts that occurred after the date of the accountant's report (if any);	83
9) business prospect of the Issuer or Public Company related to the general economic and industry condition and international market along with supporting quantitative data from reliable sources;	84-85, 62-66
10) comparison between target/projection in the beginning of fiscal year and the target/ projection realization concerning:	
a) revenue/ sales;	84
b) income (loss);	84
c) capital structure; or	84
d) others that are deemed necessary to the Issuer or Public Company;	84
11) target/projection at most for the next one year, concerning:	
a) revenues/ sales;	84-85
b) income (loss);	84-85
c) capital structure;	84-85
d) dividend policy; or	84-85
e) others that are deemed necessary to the Issuer or Public Company;	84-85
12) marketing aspects of the company's products and services, which is about marketing strategy and market share;	85
13) description of dividends during the last two fiscal years (if any):	
a) dividend policy;	80, 11
b) payment date of cash dividend and/or distribution date of non-cash dividend;	80, 11
c) amount of (cash and/or non-cash) dividend per share; and	80, 11
d) amount of dividend per year;	80, 11
14) Use of proceeds from rights issue:	
a) during the year under review, the Issuer has the obligation to report the realization of the use of proceeds, and the realization of the cumulative use until the year end should be also be disclosed;	82-83
b) in the event that there were changes in the use of proceeds as stipulated in FSA Rule regarding Report on the Realized Use of the Proceeds from Rights Issue, the Issuer should explain the changes;	82-83
15) Material information (if any), among others concerning investment, expansion, divestment, acquisition, merger, debt/ capital restructuring, transactions with related parties and transactions with conflict of interest that occurred during the year under review, among others, should include:	81-82
a) transaction date, value, and object;	81-82
b) names of the related parties;	81-82
c) nature of related parties (if any);	81-82
d) description of the fairness of the transaction;	81-82
e) compliance with related rules and regulations;	81-82
16) changes in regulation which affect significantly on the Issuer or Public Company and impacts on financial statement (if any); and	83
17) changes in the accounting policy, rationale and impact on the financial statement (if any).	83-84
g. Corporate Governance	
Corporate Governance contains at least, the following items:	
1) Board of Directors, including:	
a) duties and responsibilities of each members;	105
b) statement that BOD has a BOD charter;	104
c) the procedure, basis determining, structure, and amount of remuneration for members, and the relation between remuneration and performance of the company;	110
d) the policy and its implementation, about frequency of BOD meetings including joint meetings with the BOC, and attendance of the BOD members;	105-107
e) resolutions from the GMS of the previous fiscal year, included:	
(1) its realization in the year under review	94
(2) explanation for the unrealized resolution;	94
f) resolutions from the GMS include:	
(1) its realization in the year under review;	95-96

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(2) explanation for the unrealized resolution; and	96
g) assessment on the performance of Committee that supports the duties of BOD;	120-121
2) Board of Commissioners, including:	
a) duties and responsibilities;	96
b) statement that BOC has a BOC charter;	96
c) the procedure, basis determining, structure, and amount of remuneration for members;	
d) the policy and its implementation, about frequency of BOC meetings including joint meetings with the BOD, and attendance of the BOC members;	103-104
e) the policy of assessment on the performance of BOD and BOC members and its implementation, at least includes:	103-104
(1) procedure;	
(2) criteria; and	
(3) related parties;	
f) assessment on Committee performance that supports BOC duties; and	119
g) since the BOC did not establish Nomination and Remuneration Committee, information regarding such should at least contain:	114-117
(1) the explanation why the Committee was not formed; and	N/A
(2) the nomination and remuneration procedure;	114-117
(3) for the Issuer or Public Company that perform business activities based on sharia principles according to the Articles of Association, must include at least:	
a) name;	140, 143
b) duties and responsibility of Sharia Supervisory Board; and	139
c) advice provided and frequency thereof, and supervision of compliance to Sharia Principles in Capital Market of Issuer or Public Company;	140
4) Audit Committee, includes among others:	
a) name and title;	111-112
b) age;	111-112
c) nationality	111-112
d) history of education;	111-112
e) history of position title, which include:	111-112
(1) legal basis for appointment as Committee member;	111-112
(2) recurrent position, either as BOC, BOD, and/or Committee members as well as other position (if any); and	111-112
(3) work experience, followed by work period, either inside or outside the company;	111-112
f) tenure of Audit Committee;	111
g) disclosure of independence of the members of the Audit Committee;	112
h) the policy and its implementation, about frequency of Audit Committee meetings and attendance of the members;	112-113
i) education and/or training that has been followed in the year under review (if any); and	113
j) the activities carried out by the Audit Committee during the year under review in accordance with the charter of the Audit Committee.	113-114
5) other committees owned by Issuer or Public Company supporting the functions and duties of the Board of Directors and/or the Board of Commissioners, such as nomination and remuneration, including:	114-119
a) name and title;	114-119
b) age;	114-119
c) nationality;	114-119
d) academic qualifications;	114-119
e) history of position title which includes;	114-119
(1) legal basis for appointment as Committee member;	114-119
(2) recurrent position, either as BOC, BOD, and/or Committee members as well as other position (if any); and	114-119
(3) work experience, with dates of engagement, either inside or outside the company;	114-119
f) tenure of members of the committee;	114-119
g) description of duties and responsibilities;	114-119
h) statement that has charter of the Audit Committee;	114-119
i) statement of independence of the committee;	114-119
j) the policy and its implementation of frequency of committee meetings, and attendance of the members;	114-119
k) education and/or training that has been followed in the year under review (if any); and	114-119

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l) brief report on the activities carried out by the Audit Committee during the year under review;	114-119
6) Corporate Secretary includes:	121-123
a) name;	122
b) domicile;	122
c) history of position title which includes;	122
(1) legal basis for appointment as member; and	122
(2) work experience, followed by work period, either inside or outside the company;	122
7) Internal Audit Unit includes:	126-128
a) name of head of the unit;	127
(1) legal basis for appointment of the head of Internal Audit Unit; and	127
(2) work experience, with dates of engagement, either inside or outside the company;	127
c) qualification/certification of internal audit professionals (if any);	127
d) education and/or trainings;	127
e) structure and composition of the internal audit unit;	127
f) description of tasks and responsibilities;	128
g) statement regarding the charter of the Internal Audit Unit; and	128
h) brief report regarding the committee activities carried out during the year under review;	128
8) Information on Internal Control includes::	157-158
a) financial and operational control, compliance to other prevailing rules; and	157-158
b) reviewing the effectiveness of internal control systems;	158
9) risk management system implemented by the Issuer or Public Company, includes at least:	144-174
a) general description about the company's risk management system;	144-147
b) types of risk and management; and	147-157
c) review of the effectiveness of risk management system;	158-160
10) important cases faced by the Issuer or Public Company, subsidiaries, current members of the Board of Commissioners and Board of Directors, among others include:	133
a) substance of the case/claim;	133
b) status of settlement of case/claim; and	133
c) potential impacts on the financial condition;	133
11) Information about administrative sanctions imposed to Issuer or Public Company, members of BOC and BOD, by the Capital Market Authority and other authorities during the last fiscal year (if any);	133
12) information about codes of conduct and corporate culture (if any) includes:	136
a) key points of the code of conduct;	136
b) socialization of the code of conduct and enforcement; and	136
c) disclosure that the code of conduct is applicable for BOC, BOD, and employees;	136
13) information about corporate culture or corporate values (if any);	32
14) description of employee or management stock ownership program of the Issuer or Public Company, among other, including	136
a) number of shares and/or option;	
b) period;	
c) requirement for eligible employee and/or management; and	
d) exercised price;	
15) description of whistleblowing system at the Issuer or Public Company (if any), including:	131
a) mechanism for violation reporting;	131
b) protection for the whistleblower;	131
c) handling of violation reports;	131
d) unit responsible for handling of violation report; and	131
e) results from violation report handling, which include:	
(1) number of incoming and processed complaints; and	131
(2) follow-up complaints;	131
16) the implementation of Corporate Governance Guidelines for Public Company that issues Equity-type Securities, include:	136-138
a) statement about the implemented recommendation; and/or	136-138
b) explanation regarding the recommendation that has not been implemented, with the following reason and alternatives (if any);	136-138

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h. Corporate Social Responsibility	175-184
1) Information of corporate social responsibility covers policies, types of programs, and cost, among others related to:	
a) environment, such as:	176-178
(1) the use of environmentally friendly and recycled materials and energy;	
(2) the company's waste treatment systems;	
(3) complaint mechanism; and	
(4) the company's environmental certifications;	
b) employment practices, occupational health and safety, including:	178-181
(1) gender equality and equal work opportunity;	
(2) work and safety facilities;	
(3) employee turnover;	
(4) work incident rate;	
(5) education and/or training;	
(6) remuneration; and	
(7) complaint mechanism;	
c) social and community development, such as:	181-183
(1) the use of local work force,	
(2) empowerment of local communities through education and by using locally available raw materials;	
(3) aid for public social facilities;	
(4) other kinds of donations; and	
(5) discussion on policy and procedure of anti-corruption, as well as trainings (if any);	
d) consumer protection related activities, such as:	183-184
(1) consumer health and safety;	
(2) product information; and	
(3) facility, number and resolution of consumer complaint cases.	
2) In the event that the Issuer or Public Company present the information referred to in point 1), in separate reports such as social and environmental responsibility report or sustainability report, the Issuer or Public Company is released from the obligation to disclose such information in the Annual Report; and	
3) The report as referred to in point 2) is submitted to Financial Services Authority along with the Annual Report.	
i. Audited Annual Financial Statements	185-358
Audited Financial Statements included in the Annual Report should be prepared in accordance with the Financial Accounting Standards in Indonesia and audited by an Accountant. The financial statement should be included with statement of responsibility for Annual Reporting as stipulated in regulations of the Capital Market sector regarding the BOD responsibility on financial report or regarding the periodic report of securities company; and	185-358
j. Statement of the Board of Directors and Board of Commissioners Regarding Responsibility for Annual Report	20-21
The statement was prepared in accordance with the format for Statement of the Board of Directors and Board of Commissioners Regarding Responsibility for Annual Report as stipulated in the Attachment which is an integral part from Financial Services Authority Circular Letter.	20-21

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A. Material and Explanation Implementation on the Implementation of GCG Transparency Including Disclosure of All Aspects of Implementation of the Corporate Government Principles Such as Follows:	
1 The implementation of BOC and BOD duties and responsibilities consists of:	96-99
a. Number, composition, criteria, and independency of BOC and BOD members;	96
b. Duties and responsibilities of BOC and BO; and	96
c. BOC recommendation.	99
2 Committee tasks implementation and completion, consisting of:	111-119
a. structure, membership, competencies and independence of the member of the committee;	111-119
b. duties and responsibilities of the committee;	111-119
c. frequency of committee meetings; and	111-119
d. Committees' working program and its realization.	111-119
3 The information needed for disclosure are as follows:	123-129
Performance of implementation in terms of compliance function of internal and external audit, etc:	
a. Compliance function	123-125
Bank's level of compliance in all existing the rules and regulations as well as the fulfillment of commitments with competent authorities;	
b. Internal Audit function	126-128
The effectiveness and scope of internal audit in assessing all aspects and elements of the Bank's activities;	
c. External Audit function	129
The effectiveness of the implementation of external audit and Bank's compliance of the provisions concerning:	
1) The relationship between the Bank, Public Accountant and Central Bank for conventional Bank; or	
2) The relationship between the Islamic Bank, the Office of Public Accountants, Certified Public Accountants, the Sharia Supervisory Board and Bank Indonesia to Sharia Banks;	
As stipulated in Bank Indonesia regulation concerning Transparency of Financial Condition.	
4 Implementation of risk management including the internal control system, information that needs to be disclosed are as follows:	144-174
a. Active supervision of the Board of Commissioners and the Directors;	144-145
b. adequacy of policies, procedures and limits;	145
c. adequacy of identification, measurement, monitoring and control of risk and risk management information system; and	145
d. comprehensive internal control system.	157-158
5 Fund provision for related party and provision of large exposure (no period)	129-130
a. The information that needs to be revealed is the total amount of the outstanding provision of funds to related parties and debtor / core group per position reports.	
6 Bank's strategic plan, consists of:	130
a. Long-term plans (corporate plan); and	130
b. short and medium-term plan (business plan).	130
7 Transparency of financial and non-financial condition of the Bank which have not been disclosed in other reports;	130
8 Additional information related to GCG Bank, among others, owner intervention, internal disputes, or issues arising from the impact of the Bank's remuneration policy.	n/a
B. Share ownership by the Board of Commissioners and the Directors, which reached 5% (five percent) or more than the paid-up capital, including the type and number of shares at:	
1 the Bank	102, 111-112
2 Other banks	102, 111-112
3 Non-bank financial institutions	102, 111-112
4 Other companies, domiciled in Indonesia or abroad	102, 111-112
C. Financial and family Relationship between the Board of Commissioners and Board of Directors with other members of the Board of Commissioners, Directors and / or controlling shareholders of the Bank.	101-102 & 111-112

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D. Remuneration package / policy and other facilities of the Board of Commissioners and Board of Directors	
1 The remuneration package /policy and other types of facilities for the members of the Board of Commissioners and Board of Directors, among others, include:	103-104, 110
a. remuneration, not in kind, include salaries and other fixed income, among other benefits, stock-based compensation, profits and other forms of remuneration; and	103-104, 110
b. Other facilities in kind / not in kind, other non-fixed income, including allowances for housing, transportation, health insurance and other facilities, which can be owned and cannot be owned.	103-104, 110
2 Disclosure of remuneration package / policy, including at least:	
a. remuneration packages / policy and other facilities for members of the Board of Commissioners and Board of Directors set by the General Meeting of Shareholders of the Bank;	103-104, 110
b. types of remuneration and other facilities for all members of the Board of Commissioners and Board of Directors at least includes the number of members of the Board of Commissioners and the Board of Directors, and the total number of remuneration packages / policy and other facilities referred to in paragraph a	103-104, 110
c. the number of members of the Board of Commissioners and Directors receive remuneration package within 1 (one) year are grouped according to income levels	104-104, 110
E. Shares Option	
Disclosure of share option including, at least:	
a. Policy of shares option;	136
b. the number of shares owned by each member of the Board of Commissioners, Directors and Executive Officers before being given shares option;	136
c. the number of shares option granted;	136
d. the number of shares option has been exercised by the end of the reporting period;	136
e. the price of the options granted; and	136
f. the valid period shares option exercise.	136
F. The ratio of highest and lowest salaries	
Ratio of highest and lowest salaries, in comparative scale below:	
a. Employees' salary ratio of the highest and lowest;	130-131
b. Directors salary ratio of the highest and lowest;	130-131
c. Commissioners' salary ratio of the highest and lowest;	130-131
d. The highest Directors' salary to the highest employees' salary ratio	130-131
G. Frequency of meetings of the Board of Commissioners	
Disclosures regarding the frequency of meeting of the Board of Commissioners, at least include:	
a. the number of meetings held within 1 (one) year;	98
b. the number of meetings attended by physically and / or by teleconference; and	98
c. attendance of each member at each meeting.	98
H. The number of internal fraud	132
Disclosures regarding internal fraud includes at least:	
a. resolved internal fraud numbers;	132
b. the number of internal fraud that is in the process of completion in the internal Bank;	132
c. the number of internal fraud that have not been in the resolving process; and	132
d. the number of internal fraud that have been followed-up through legal process.	132

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I. Legal Issues	133
Disclosures regarding legal issues at least cover:	
a. the number of civil and criminal law issues faced and had obtained the verdict that has permanent legal force; and	133
b. the number of civil and criminal law issues that are still in the process of settlement.	133
J. Transactions with conflict of interest	131
Disclosures regarding transactions with conflict of interest, at least include the name and position of the parties who have a conflict of interest, name and position of decision making transactions with conflict of interest, type of transaction, the transaction value of the fund information.	
K. Buy Back of Banks' Shares and/or Bonds	136
Disclosures regarding buy back Bank's shares and/or bond at least include:	
a. the policy of buy back shares and/or buy back bonds;	
b. the number of shares and/or bonds bought back;	
c. buy back price per share and/or bonds; and	
d. an increase in earnings per share and / or bond.	
L. The funds allocated for social and/or political activities during the reporting period	136
Disclosures regarding the provision of funds for social and / or political activities at least include the beneficiary and the amount of funds provided.	

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Annual Report Include	Page
A. General Information	
1. Composition of the Directors, Board of Commissioners, and Executive Officers, including their positions and resume	
2. Composition of the Shareholders, consists of name and percentage of share ownership	37
3. The business development of Bank and Bank's business units including if the Bank has Sharia Business Unit, consists of at least:	
a. summary of key financial data, at least including net interest income, operating income, earning before taxes, net income, net income after taxes, productive assets, third party fund, loans received, cost of funds, owned capital	8-10
b. financial performance information (refer to rule III.2.b)	8-10
4. Strategies and policies determined by the Bank's management, including Sharia Business Unit if the Bank has it;	
5. Management report consisting management of the Bank, including for Sharia Business Unit if the Bank has it, at least including:	
a. organization structure;	30-31
b. main activities;	25
c. information technology	58-59
d. offered products and services, including loans disbursement to Micro, Small and Medium Businesses;	28-29
e. interest rate for funds collection and provision;	66-67
f. development in the economy and target market;	62-64
g. network and business partners at home and abroad;	363-366
h. Number of, type of and location of offices;	24, 363-366
i. shares owned by the Directors, Board of Commissioners, and Shareholders in Bank's business units;	
j. important changes that occurred in the Bank and Bank's business units in the current year;	n/a
k. important matters that are estimated to happen in the future; and	84-85
l. human resources that include number, education level, training, and HR development	
B. Annual Financial Statement	
1. Financial Statement, at least including:	
a. Report of Financial Position (Balance Sheet)	190-192
b. Report of Profit and Loss and other Comprehensive Income	193-194
c. Report of Change in Equity;	195-197
d. Report of Cash Flow; and	198-199
e. Notes on Financial Statements, including information on commitments and contingencies.	200-358
2. Additional Disclosure for Bank which is a part of a business group	
a. The bank added information about:	
1) Parent Company Consolidated Financial Statements includes financial report of all entities in the group, in financial sector; or	
2) Parent Company Consolidated Financial Statements includes financial report of all entities in the group, in financial and non financial sector.	
b. Parent Company Consolidated Financial Statements as referred in point a, which at least includes:	
1) Statement of Financial Position (Balance Sheet);	
2) Statement of Income and other comprehensive income;	
3) Statement of Changes in Equity;	
4) Statement of Commitments and Contingencies;	
5) Public Accountant's opinion on the Annual Financial Report.	

Report is submitted separately

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C. Financial Performance, consisting of:	
1. Calculation of the Minimum Capital Requirement (CAR).	78
2. Quantity and quality of Earning Assets and Provision for Loan Impairment Losses (CKPN) are grouped based on:	
a. Financial Instruments;	
b. Provision of funds to related parties;	
c. Loans for Micro, Small and Medium Enterprises (SMEs) debtors;	
d. Loans classified as special mention (including restructured loans and property loans), and	
e. Allowance for uncollectible account on productive assets that should be maintained based on financial instruments.	
3. Bank financial ratios at least includes:	
a. Capital Adequacy Ratio (CAR)	9-10
b. Return on Asset (ROA);	9-10
c. Return on Equity (ROE);	9-10
d. Operating Expenses to Operating Income Ratio;	9
e. Percentage Breach of Legal Lending Limit (BMPP);	9
f. Net Open Position (NOP); and	9
g. Liquidity Coverage Ratio (LCR) by individuals and consolidation;	9
4. Spot and derivative transactions.	307-310
D. Disclosure on Capital structure and risk management implementation	
1. Disclosure on Capital structure and risk management implementation, at least include information about risk profile, possible loss that may occur, as referred in the regulation.	144-174
2. Disclosure of Capital structure, risk exposure disclosure and risk management implementation aims to enhance transparency, so that the public can assess the risk profile and capital adequacy of the bank.	144-174
3. The bank should have written policy approved by the Board of Directors regarding the disclosures to be reported and internal controls in the disclosure process.	144
4. Disclosure of Capital structure and risk management implementation, among others:	
a. Disclosure on Capital structure at least includes:	
(1) Qualitative disclosures, among others:	
a) Capital structure, covering explanation on equity instruments issued by the bank including: characteristics, duration of instrument, callable feature, step-up features, yield rate, and rating (if available); and	
b) Capital adequacy, covering explanations on the approach in assessing capital adequacy to support current and future activities.	
(2) Quantitative disclosures covering capital structure of the bank.	
b. Risk Exposure and Risk Management Disclosure at least include:	144-174
(1) Disclosure of the bank's Risk Management in general, including:	144-145
(a) Active supervision of the BOC and BOD;	144-145
(b) Adequacy of policy, procedure and determination of risk management limit;	145
(c) Adequacy of identification, measurement, supervision and risk control processes, as well as risk management information system; and	145
(d) Comprehensive Internal Control System	157-158
(2) Disclosure of risk exposure and implementation of bank Risk Management in particular, covering:	
(a) Credit Risk;	147-150
(b) Market Risk;	150-152
(c) Operational Risk;	154-155
(d) Liquidity Risk;	152-154
(e) Legal Risk;	155
(f) Strategic Risk;	155
(g) Compliance Risk; and	155-156
(h) Reputation Risk.	156-157

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(3) Disclosure of Credit Risk as referred in point of IV.2.d.4).b).(2).(a), which includes:	
(a) General Disclosure, consist of:	
i. Qualitative Disclosure:	
i) Information regarding the application of credit risk Management including Credit risk management organization, Credit risk management strategies for activities that have a significant credit risk exposure, Credit concentration risk management policies and Mechanism for credit risk measurement and control;	147-150
ii) Definition of overdue receivables and impaired receivables; and	149-150
iii) Description on the approach used for the Provision for Loan Impairment Losses (CKPN), individually and collectively, as well as the statistical methods used in the calculation of CKPN.	150
ii. Quantitative Disclosure as referred in point of III.2.d.1).a).	161-174
(b) Disclosure of Credit Risk using the Standardized Approach, which consists of:	150
i. Qualitative Disclosure:	
i) Information regarding the use of rating the calculation of Risk Weighted Assets (RWA) for credit risk;	150
ii) Category of portfolios that use the rating;	150
iii) Rating agency; and	150
iv) Disclosure of counterparty credit risk, including:	149-150
- types of mitigation instruments commonly accepted / delivered by the bank;	150
- methodology of capital adequacy calculation internally, related to counterparty credit risk internally; and	149
- methodology of determining credit limit related to the counterparty credit risk as referred in the regulation on risk management implementation for Commercial Banks.	164, 170
ii. Quantitative Disclosure as referred to in point III.2.d.1).b).	164, 170
(c) Disclosure on Credit Risk Mitigation using the Standardized Approach, such as:	149
i. Qualitative Disclosure:	
i) Information regarding the bank's policy for the main types of collateral accepted;	149
ii) Policies, procedures, and processes to assess and manage collateral;	149
iii) Main warrantors/guarantors and their creditworthiness; and	149
iv) Information on concentration level arising from the use of credit risk mitigation techniques.	149
ii. Quantitative Disclosure as referred to in point II.2.d.1).c).	162
(d) Disclosure of Asset Securitization, which consists of:	N/A
i. Qualitative Disclosure:	N/A
i) General disclosure of risk management, which includes objective of asset securitization, the limit of asset securitization activities in transferring the bank's credit risk to other party's over any transactions that underlay the asset securitization activities, the bank's functions in asset securitization activity, and an explanation of the bank's involvement in those functions;	N/A
ii) Summary of accounting policies for asset securitization activities, which include, transactions treated as sales or funding, recognition of gains from securitization activities, and assumptions used to assess the presence or absence of on-going involvement in the securitization activity, including changes from the previous period and the impact of those changes; and	N/A
iii) Names of the rating institution used in asset securitization activities and exposures rated by the agency.	N/A
ii. Quantitative Disclosure as referred to in point III.2.d.1).d).	N/A
(e) Quantitative Disclosure of Credit Risk RWA Calculation using Standardized Approach as referred in point of III.2.d.10.e).	171
(4) Disclosure of Market Risk as referred to in point IV.2d.4).b).(2).(b), includes:	
(a) Qualitative Disclosure	
i. Information regarding the application of risk management including:	
i) Market risk management organization;	147, 150-151
ii) Trading book and banking book portfolio management, as well as valuation methodology; and	151-152
iii) Market risk measurement mechanism for monitoring and periodic risk and for capital adequacy calculations, both on banking and trading book.	151-152
ii. Trading and banking book portfolio which were considered in the Minimum Capital Requirement;	152

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iii. disclosure of Interest Rate Risk in Banking Book (IRRBB), including assumptions used to monitor IRRBB like non maturity deposit action and prepayment information as well as frequency of IRRBB measurement as referred to the regulation of risk management for commercial Bank; and	152
iv. Measures and plans to anticipate market risk on foreign currency transactions because of changes in exchange rates and of fluctuations of interest rates, including descriptions of all fundings and contracts without protection or hedging, and debts with floating rate or not determined in advance.	151-152
(b) Quantitative Disclosures as referred to in point III.2.d.2).	170-171
(5) Disclosure of Liquidity Risk as referred to in point IV.2.d.4).b).(2).(c), includes:	
(a) Qualitative Disclosures:	
i. information on the implementation of risk management for liquidity risk, including:	152-154
i) Liquidity risk management organization;	152
ii) Funding strategies;	153
iii) Liquidity risk mitigation technique including early warning indicators of liquidity problems and contingency funding plan; and	
iv) The mechanisms of measurement and control liquidity risk;	
ii. general overview of the Bank's liquidity condition is based on the LCR calculation during the year. The Bank is required to prepare and publish LCR report as stipulated in the Regulation of the Financial Services Authority regarding the obligation of liquidity coverage ratio for Commercial Banks	
(b) Quantitative Disclosure as referred to in point II.2.d.3).	
(6) Disclosure of Operational Risk as referred to in point IV.2.d.4).b).(2).(d), includes:	
(a) Qualitative Disclosures, including information on the implementation of risk management for operational risk, consisting of:	
i. Operational risk management organization;	
ii. The mechanism used by the bank to identify and quantify operational risk; and	
iii. A mechanism to mitigate operational risk.	
(b) Quantitative Disclosure as referred to in point III.2.d.4).	
(7) Disclosure of Legal Risk as referred to in point IV.2.d.4).b).(2).(e), which includes qualitative disclosure about risk management for legal risks include the following:	
(a) Legal risk management organization; and	
(b) Legal risk control mechanisms.	
(8) Disclosure of Reputation Risk as referred to in point IV.2.d.4).b).(2).(f), which includes qualitative disclosure about risk management for reputation risks include the following:	
(a) Reputation Risk management organization, including the implementation of reputation risk management by related units (Corporate Secretary, Public Relations, and related business units);	
(b) Policies and mechanisms to improve the quality of service to customers and other stakeholders to control reputational risk; and	
(c) Reputation risk management in times of crisis.	
(9) Disclosure of Strategic Risk as referred to in point IV.2.d.4).b).(2).(g), which includes qualitative disclosure about risk management for strategic risks including the following:	

Annual Report Include	Page
(a) Strategic risk management organization;	
(b) Policy that allows bank to identify and respond to internal and external changes in the business environment; and	
(c) Mechanisms to measure the progress of the business plan.	
(10) Disclosure of Compliance Risk as referred in point of IV.2.d.4).b).(2).(h), which includes qualitative disclosure about risk management for compliance risks include the following:	
(a) Compliance risk management organization;	
(b) The effectiveness of risk management strategies and risk management for compliance risk, especially for ensuring that the development of policies and procedures are in accordance with generally accepted standards and prevailing rules and/or regulations; and	
(c) Monitoring and controlling compliance risk.	
5) In the event of the information prone to rapid change, among others, related to changes in economic conditions, technological, regulatory, and internal policy, the Bank must disclose risk exposure and other related matters are applied by the Bank as referred to in point IV.2.d.4).b) on the website quarterly.	
E. Specific Disclosure of the bank which becomes a part of a Business Group and/or its subsidiaries, at least consisting of:	
1) Structure of the bank business group, consisting of at least:	
a) Business group structure, from the bank, subsidiaries, affiliates, holding company, and/or parent company until the ultimate shareholder;	
b) Structure of the management relationship in the bank's business, and	
c) Shareholders acting in concert are individual shareholders or companies or legal entities who have the same goal to control the bank, based or not based on agreement.	
2) Transactions between the bank and related parties in the bank's business group, taking into account the following matters:	
a) Information of transactions with related parties conducted by the bank or any company or legal entity in the bank business group that engages in finance;	
b) Related party is a party as stipulated in the applicable Statement of Financial Accounting Standard;	
c) Types of transactions with related parties are, among others:	
(1) Cross shareholding;	
(2) Transactions from one business group acting for the interest of other business groups;	
(3) Management of short term liquidity centralized in one business group;	
(4) Provision of funds distributed or received by another company in one business group;	
(5) Exposure to majority shareholder in the form of loans, commitments and guarantees; and	
(6) Buying or selling assets with another company in a business group, including repurchase agreements (repo).	
3) Transactions with related parties conducted by all entities in the bank's business group that engages in financials;	
4) Funds provision, commitment or other equal facilities of each company or legal entity in one business group with the bank to debtors and/or related parties that already obtained fund provisions from the bank;	
5) Consolidated Disclosure on Capital structure and risk management practiced by the Bank, to at least include, type of risk, allowance for loan losses, risk management, as referred to in point IV.2.d; and	
6) Prohibition, restriction and/or other significant barriers to transfer funds or in order to meet the required capital by a regulatory capital between the Bank and other entities in the group.	

Bank OCBC
NISP does
not have any
subsidiary

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I. General Requirements	
1 In good and correct Indonesian, it is recommended to present the report also in English.	√
2 The annual report should be printed in good quality paper, using the font type and size that allow for easy reading	√
3 Should state clearly the identity of the company.	
Name of company and year of the Annual Report is placed on:	
1. The front cover;	√
2. Sides;	√
3. Back cover;	√
4. Each page.	√
4 The Annual Report is presented in the company's website.	√
II. Summary of Key Financial Information	8-10
1 Result of the Company information in comparative form over a period of 5 financial years or since the commencement of business if the company has been running its business activities for less than 5 years.	
The information contained includes:	
1. Sales/income from business;	8
2. Profit (loss).	8
a. Attributable to owners; and	8
b. Attributable to non-controlling shareholders;	8
3. Total of profit (loss) and other comprehensive income:	8
a. Attributable to owners; and	8
b. Attributable to non-controlling shareholders; and	8
4. Net profit (loss) per share.	8
Note: profit (loss) and other comprehensive income disclosed in total if the company doesn't have subsidiaries.	
2 Financial information in comparative form over a period of 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 years.	
The information contained includes:	
1. Investments in associated entities;	9/Notes No. 3
2. Total assets;	8
3. Total liabilities; and	8
4. Total equity.	8
3 Financial Ratio in comparative form over a period of 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years.	9-10
The information contains 5 (five) general financial ratios and relevant to the industry.	9-10
4 Information regarding share price in the form of tables and graphs	
1. The information contained includes:	11, 37, 40-41
a. Outstanding shares;	11
b. Market Capitalization;	11
c. Highest, lowest and closing share price;	11
d. Trading volume; and	11 & 40-41
2. Information presented on graphs that includes at least the closing price and trading volume of the share.	11
For each three-month period in the last two (2) financial years (if any).	
5 Information regarding bonds, sharia bonds or convertible bonds issued and which are still outstanding in the last 2 financial years	39
The information contained includes:	
1. The amount/value of bonds/convertible bonds outstanding;	39
2. Interest rate;	39
3. Maturity date; and	39
4. Rating of bonds.	39

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III. Board of Commissioners' and Board of Directors' Report	14-19
1. Report of the Board of Commissioners	14-16
Contains the following items:	
1. Assessment on the performance of the Board of Directors in managing the company and the basis for such assessment;	14-15
2. View on the prospects of the company's business as established by the Board of Directors, and the basis of such views;	16
3. Assessment of the performance of the committees under the Board of Commissioners; and	16
4. Changes in the composition of the Board of Commissioners (if any) and the reasons for the changes.	16
2. Report of the Board of Directors	17-19
Contains the following items:	
1. Analysis of the company's performance, i.e. strategic policies, comparison between achievement of results and targets, and challenges faced by the company;	17-18, 84
2. Analysis of Business prospects;	18-19
3. Implementation of Good Corporate Governance by the company;	18
4. Assessment on the performance of Committees under the Board of Directors (if any); and	n/a
5. Changes in the composition of the Board of Directors (if any), and the reasons for change.	18
3. Signature of members of the Board of Directors and Board of Commissioners.	20-21
Contains the following items:	
1. Signatures are set on a separate page;	20-21
2. Statement that the Board of Directors and the Board of Commissioners are fully responsible for the accuracy of the annual report;	20-21
3. Signed by all members of the Board of Commissioners and Board of Directors, stating their names and titles/positions; and	20-21
4. A written explanation in a separate letter from each member of the Board of Commissioners or Board of Directors who refuses to sign the annual report, or: written explanation in a separate letter from the other members in the event that there is no written explanation provided by the said member.	n/a
IV. Company Profile	22-43
1 Name and address of the company	24
Includes information on name and address, zip code, telephone and/or facsimile, email, website.	24
2 Brief history of the company	22-24
Includes among others: date/year of establishment, name and change in the company name, if any.	22-24
Note: should be disclosed if the company never change the name.	n/a
3 Field of business.	25-29
The descriptions contains the following items:	
1. The company's business activities in accordance with the last articles of associations;	25
2. The company's business activities; and	25
3. The types of products and or services produced.	28-29
4 Organizational structure	30-31
In the form of a chart, including the names and titles, at least until one level below the board of directors on the structure.	
5 Company Vision and Mission	32
The information should contain:	
1. Company vision;	32
2. Company mission;	32
3. A note that the vision and mission statements have been approved by the Board of Directors/Commissioners; and	32
4. Statement concerning the corporate culture.	32
6 Name, title, and brief curriculum vitae of the members of the Board of Commissioners	33-34
The information should contain:	
1. Name;	33-34
2. Title (including position in other company or institution);	33-34
3. Age;	33-34
4. Domicile;	33-34
5. Education (Field of Study and Institutions);	33-34
6. Work experience (Position, Institution/Company and Period Served); and	33-34
7. Appointment history as a member of the Board of Commissioners in the Company.	33-34

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7 Name, title, and brief curriculum vitae of the members of the Board of Directors	35-36
The information should contain:	
1. Name;	35-36
2. Title (including position in other company or institution);	35-36
3. Age;	35-36
4. Domicile;	35-36
5. Education (Field of Study and Institutions);	35-36
6. Work experience (Position, Institution/Company and Period Served); and	35-36
7. Appointment history as a member of the Board of Directors in the Company.	35-36
8 Number of employees (comparative data for two years) and description of competency building (for example: education and trainings of employees).	
The information should contain:	
1. The number of employees for each level of the organization;	56
2. The number of employees for each level of education;	56
3. The number of employees based on employment status;	56
4. The description and data of employees competencies development program that has been conducted, which also reflect equal opportunity to all employees, for each level of the organization; and	53
5. Expenses incurred of employee competency development program.	53
9 Composition of shareholders.	37
Should include:	37
1. The details include the names of 20 largest shareholders and their percentage of ownership;	37
2. The details of shareholders and their percentage of ownership, including:	37
a. Names of shareholders having 5% or more shares;	37
b. Directors and Commissioners who own shares; and	37
c. Groups of public shareholders with less than 5% ownership each.	37
10 List of Subsidiary and/or Affiliate companies	38
The information contains, among others:	
1. Name of Subsidiary/Affiliate;	38
2. Percentage of share ownership;	38
3. Information on the field of business of Subsidiary/Affiliate; and	38
4. Explanation regarding the operational status of the Subsidiary/Affiliate (already operating or not yet operating).	38
11 Company's group structure	38
Company's group structure in the form of a chart that shows subsidiaries, associated entities, joint venture and special purpose vehicle (SPV).	38
12 Chronology of shares listing	
Includes among others:	
1. Chronology of share listing;	40-41
2. Types of corporate action that caused changes in the number of shares;	40-41
3. Changes in the number of shares from the beginning of listing up to the end of the financial year; and	40-41
4. Name of Stock Exchange where the company shares are listed.	40-41
13 Chronology of other securities listing.	39
Includes among others:	
1. Chronology of other securities listing.	39
2. Types of corporate action that caused changes in the number of securities;	39
3. Changes in the number of securities from the initial listing up to the end of the financial year;	39
4. Name of Stock Exchange where the company's other securities are listed; and	39
5. Rating of the securities.	39
14 Name and address of capital market institutions and or supporting professions.	42
The information contains, among others:	
1. Name and address of Share Registrar/parties administering the company's shares;	42
2. Name and address of the Public Accountants' Office; and	42
3. Name and address of the Securities Rating company	42

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15 Awards and/or certifications received by the company in last fiscal year, both on a national and international scale.	43
Information should include:	
1. Name of the award and / or certification;	43
2. Year of receiving the award;	43
3. Institution presenting the award and or certification; and	43
4. Period of validity (for certificates).	43
16 Name and address of subsidiary companies and or branch office or representative office (if any)	38, 363-366
Information should include:	
1. Name and address of business entities; and	38
2. Name and address of branch/representative office	363-366
Note: should be disclosed if there is no business entity/branches/representatives.	
17 Information presented on the Company's website	
Should include :	
1. Shareholder information including individual shareholders;	√
2. Company group structure (if any);	√
3. Financial performance analysis;	√
4. Annual Report (in the last 5 years); and	√
5. Profile of the Board of Commissioners and the Board of Directors.	√
V. Management Analysis and Discussion on Company Performance	
1 Explanation of each business segment.	45-51, 353-355
Information should include:	
1. Explanation of each business segment.	45-51, 353-355
2. Performance by business segments, among others:	45-51, 353-355
a. Production;	45-51, 353-355
b. Increase/decrease in production capacity;	45-51, 353-355
c. Sales/income from business; and	45-51, 353-355
d. Profitability.	45-51, 353-355
2 Description of company's financial performance	
Financial performance analysis which includes a comparison between the financial performance of the current year and that of the previous year, and the cause of the increase/decrease (in the form of narration and tables), among others concerning:	
1. Current assets, non-current assets, and total assets;	69-73
2. Short term liabilities, long term liabilities, total liabilities;	73-75
3. Equity;	75-60
4. Sales/operating revenues, expenses and profit (loss), other comprehensive revenues, and total comprehensive profit (loss); and	65-69
5. Cash flows.	76
3 Discussion and analysis on the capacity to pay debts and the company's accounts receivable collectibility, by presenting the relevant ratios calculated in accordance with the type of industry of the company	
Explanations on:	
1. Capacity to pay debts in long term and short term; and	79-80
2. Accounts receivable collectibility.	70
4 Discussion on capital structure and capital structure policies	77-79
Explanations on:	
1. Details of capital structure consisting of subordinated bonds and equity; and	77-79
2. Management policies of the capital structure and the basis of the such policies.	81
5 Discussion on material ties for the investment of capital goods, on last fiscal year	
Explanation on:	
1. The purpose of such ties;	81
2. Source of funds expected to fulfil the said ties;	81
3. Currency of denomination; and	81
4. Steps taken by the company to protect the position of related foreign currency against risks.	81
Note: Should be disclosed if the company has no material ties on investments in capital goods on last fiscal year.	

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6 Discussion on investment of capital goods realized in the last fiscal year	80-81
Explanations on:	
1. Type of the investment of capital goods;	80-81
2. The purpose of the investment of capital goods; and	80
3. Value of the investment of capital goods realized in the last fiscal year.	80-81
Note: Should be disclosed if the company has no realized investments in capital goods.	
7 Information about the comparison between the target at the beginning of the fiscal year with the results achieved (realization), and the target or projected to be achieved for the coming year regarding revenue, earnings, capital structure, or others that are considered important for the company	84
Information should include:	
1. The comparison between the target at the beginning of the fiscal year with the results achieved (realization; and	84
2. The target or projected to be achieved for the coming year (at least 1 year).	84
8 Material information and facts that occurred after the date of the accountant's report (subsequent events).	83
Description of important events after the date of the accountant's report including their impact on performance and business risks in the future.	
Note: should be disclosed if there is no significant event after the date of accountant's report.	
9 Description of the company's business prospects.	84-85, 62-66
Information on the company's in connection with industry, economy in general, accompanied by supporting quantitative data if there is a reliable data source.	
10 Information on marketing aspects	85
Information regarding the marketing of the company's products and services, among others concerning the market segment.	
11 Description regarding the dividend policy and the date and amount of cash dividend per share and amount of dividend per year as announced or paid during the past two (2) years.	80, 11
Contains description on:	80, 11
1. Dividen policy;	80, 11
2. Amount of dividend;	80, 11
3. Cash dividend per share;	80, 11
4. Pay-out ratio; and	80, 11
5. The announcement date of cash dividen payment for each year.	80, 11
Note: if there is no dividend payment, disclose the reasons for not making a dividend payment.	
12 Management and/or Employee Stock Ownership Program implemented by the company (ESOP / MSOP)	83
Contains description on:	
1. Amount of ESOP/MSOP shares and its realization;	83
2. Time period;	83
3. Requirements of rightful employee and/or management; and	83
4. Exercise price	83
Note: should be disclosed if there is no such program.	83
13 Use of proceeds from the public offering (in the event that the company is still obligated to report such use of proceeds).	82-83
Contains information on:	
1. Total funds obtained;	82-83
2. Plan for funds utilization;	82-83
3. Details of funds utilization;	82-83
4. Remaining balance of funds; and	82-83
5. Date of General Meeting of Shareholders (or Bondholders) approval on change in the funds utilization plan (if any).	n/a
14 Information on material transactions with conflict of interest and/or transactions with related parties.	81-82, 346-353
Contains information on:	
1. Name of the transacting parties and nature of related parties;	81-82, 346-353
2. A description of the fairness of the transaction;	81-82, 346-353
3. Reason for the transaction;	81-82, 346-353
4. Realization of transactions during the period;	81-82, 346-353
5. Company policies regarding the review mechanism on the transactions; and	81-82, 346-353
6. Compliance with related rules and regulations	81-82, 346-353
Note: should be disclosed if there are no such transactions.	

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15 Description of changes in regulation which have a significant effect on the company	83
Description should contain among others: any changes in regulation and its impact on the company.	
Note: if there is no change in regulation which have a significant effect, to be disclosed.	
16 Description of changes in the accounting policy	83-84
Description should contain among others: Any revision to accounting policies, rationale and impact on the financial statement.	
Note: if there is no change in accounting regulation, should be disclosed.	
17 Information on Business continuity	65-69
Disclosure about:	
1. Issues with significant potential to affect company's business continuity in the last fiscal year;	65-69
2. Management assessment on issues in number 1; and	65-69
3. Assumptions used by management in doing assessment.	65-69
Notes: if there are no issues of significant potential to affect business continuity in the last fiscal year, should be disclosed underlying assumption which is used by management to assure that there are no issues of significant potential to affect business continuity in the last fiscal year.	
VI. Good Corporate Governance	
1 Information on the Board of Commissioners	
The information should contain:	
1. Description of the responsibility of the Board of Commissioners;	96-104
2. Training programs for competency improvement of the Board of Commissioner or orientation program for new member of the Board of Commissioners; and	99-100
3. Disclosure of the Board Charter (guidance and work procedure of the Board of Commissioners).	96
2 Information about Independent Commissioner	102
The information should contain:	
1. The criteria for Independent Commissioner; and	102
2. Statement about the independency of each Independent Commissioner.	102
3 Information on the Board of Directors.	
The information should include:	104-110
1. Scope of work and responsibility of each member of the Board of Directors;	
2. Training programs for competency improvement of the Board of Directors or orientation program for new member of Board of Directors; and	108
3. Disclosing the Board Charter (guidance and work procedure of the Board of Directors).	104
4 Assessment on members of the Board of Commissioners and Board of Directors	103, 109-110
Includes among others:	
1. The assessment process on the performance of members of the Board of Commissioners and Directors;	103, 109-110
2. The criteria used in the assessment on the performance of members of the Board of Commissioners and Board of Directors; and	103, 109-110
3. The party performing the assessment.	103, 109-110
5 Description of the remuneration policy for the Board of Directors that is related to company performance	
Includes among others:	
1. Board of Commissioners Remuneration procedures;	
2. Board of Directors Remuneration procedures;	103-104, 110
3. Remuneration structure, disclosure of the type and amount of short-term and long-term compensation/post service benefits for each member of the Board of Commissioners;	
4. Remuneration structure, disclosure of the type and amount of short-term and long-term compensation/post service benefits for each member of the Board of Directors; and	103-104, 110
5. Performance indicators to determine the remuneration of the Board of Directors.	103-104, 110
6 Frequency of Boards of Commissioners meetings, Board of Director meetings, and joint meetings Board of Commissioners and Board of Directors	
Information include:	
1. Date of meetings;	98-99, 105-107
2. Meeting participants;	98-99, 105-107
3. Meeting Agenda.	98-99, 105-107
For each Board of Commissioners meetings, Board of Directors meeting and joint meetings.	
7 Information on major shareholders and controlling shareholders, directly or indirectly, and also individual shareholders	
In the form of scheme or diagram, except SOE that is fully owned by the government.	38

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8 Disclosure of affiliation with other members of the Board of Commissioners and Board of Directors and major and/or controlling shareholders	
Includes among others:	
1. Affiliation between member of the Board of Directors and other Board of Directors members;	109
2. Affiliation between member of the Board of Directors and Board of Commissioners members;	101
3. Affiliation between member of the Board of Directors and major and/or controlling shareholders;	109
4. Affiliation between member of the Board of Commissioners and other Board of Commissioners members; and	101
5. Affiliation between member of the Board of Commissioners and major and/or controlling shareholders	101
Note: should be disclosed if there are no such affiliations.	
9 Audit Committee	111-114
Includes among others:	
1. Name and title of the members of the Audit Committee;	111-112
2. Qualification of education and work experience of Audit Committee members;	111-112
3. Independence of the members of the Audit Committee;	112
4. Description of tasks and responsibilities;	112
5. Brief report on the activities carried out by the Audit Committee; and	113-114
6. Frequency of meetings and the attendance of the Audit Committee.	112-113
10 Nomination and Remuneration Committee/Function	114-117
Includes among others:	
1. Name, title, and brief curriculum vitae of the members of the Nomination and/or Remuneration Committee/Function;	115
2. Independence of the members of the Nomination and/or Remuneration Committee/Function;	115
3. Description of the tasks and responsibilities;	115
4. Activities carried out by the Nomination and/or Remuneration Committee/Function;	116-117
5. Frequency of meetings and the attendance rate of the Nomination and/or Remuneration Committee/Function;	116
6. Statement about Nomination and/or Remuneration Committee/Function guidelines; and	114
7. Board of Directors succession policy.	117
11 Other committees of the company under the Board of Commissioners	117-119
Includes among others:	
1. Name, title, and brief curriculum vitae of the members of the committees;	117-118
2. Independence of the members of the committee;	118
3. Description of the tasks and responsibilities;	118
4. Activities carried out by the committees; and	119
5. Frequency of meetings and the attendance rate of other committee.	119
12 Description of tasks and function of the Corporate Secretary	121-123
Includes among others:	
1. Name and brief history of the position of Corporate Secretary;	120
2. Description of the tasks performed by the Corporate Secretary; and	122-123
3. Training programs for improving the competence of the Corporate Secretary.	122
13 Description of Annual General Meeting of Shareholders (AGMS) of the previous fiscal year	
Includes among others:	
1. Resolutions from AGMS of the previous financial year;	94
2. Realization of previous financial year AGMS results; and	94
3. Reason if there is a decision of the AGMS has not been realized.	N/A
14 Description of the company's internal audit unit	126-128
Includes among others:	
1. Name of the head of audit internal unit;	127
2. Number of auditors in the unit;	127
3. Certification as an internal audit profession;	127
4. Structure or position of the internal audit unit;	127
5. Description of audit work performed; and	127
6. The party authorized to appoint/dismiss the head of internal audit unit.	127

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15 Public Accountant	129
The information should contain:	
1. The amount of period the public accountant has audited the Company's financial statements	137
2. The amount of period of the public accounting firm has audited the Company's financial statements	137
3. The amount of fees for the audit and other attestation services (in the event that such accountant provides other attestation services together with the audit); and	137
4. Other services provided by the accountant in addition to financial audit in the last fiscal year.	137
Note: should be disclosed if there are no other services.	
16 Description of the company's risk management	
Includes among others:	
1. Description of risk management systems;	144-174
2. Description of evaluation on the effectiveness of risk management systems;	158-159
3. Description of risks faced by the company; and	147-157
4. Efforts to manage these risks.	147-157
17 Description of internal control systems	157-158
Includes among others:	
1. Short description of the internal control system, including financial and operational control;	157-158
2. Description of compatibility between the internal control system and internationally recognized internal control framework (COSO); and	158
3. Description of evaluation on the effectiveness of internal control system.	158
18 Description of corporate social responsibility activities related to environment	176-178
Contains information on, among others:	
1. Management Policies;	176-178
2. Activities conducted, environment-related activities, that is relevant with operational activity of the company, such as usage of recycled materials, energy, waste treatment, etc.	176-178
3. Environment-related certification.	N/A
19 Description of corporate social responsibility related to the workforce, work health and safety	178-181
Contains information on, among others:	
1. Management Policies; and	178-181
2. Activities Conducted	178-181
Health and safety-related activities, such as gender equality, equal work opportunity, work and safety facilities, employee turnover, work incident rate, training, etc.	
20 Description of corporate social responsibility activities related to social and community development	181-183
Contains information on, among others:	
1. Management Policies;	181-183
2. Activities conducted; and	181-183
3. Cost of the activities social and community development related activities, such as the use of local work force, empowerment of local communities, aid for public social facilities, social donations, etc.	184
21 Description of corporate social responsibility activities related to responsibility to the consumer	183-184
Contains information on, among others:	
1. Management Policies; and	183-184
2. Activities Conducted	183-184
Consumer protection related activities, such as consumer health and safety, product information, facility for consumer complaint, number and resolution of consumer complaint cases, etc.	
22 Important legal cases faced by the Company, subsidiaries, members of the Board of Directors and/or Board of Commissioners serving in the period of the annual report.	133
Information includes among others:	
1. Substance of the case/claim;	133
2. Status of settlement of case/claim;	133
3. Potential impacts on the financial condition of the company; and	133
4. Administrative sanctions imposed on the Company, the Board of Commissioners and Board of Directors, by the related authorities (capital markets, banking and others) in the last fiscal year (or there is a statement that is not subject to administrative sanctions).	133
Note: in the case of non-litigation, must be disclosed.	

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23 Access to corporate information and data.	133-135
Description on the availability of access to corporate information and data to the public, for example through website, mass media, mailing list, bulletin, analyst meeting, etc.	
24 Discussion of company code of conduct.	
Contains information on:	
1. Content of the Code of Conduct;	136
2. Disclosure on the relevancy of the code of conduct for all levels of the organization;	136
3. Socialization of the Code of Conduct;	136
4. Type of sanctions for each code of conduct violation; and	136
5. Number of violations and sanctions given regarding code of conduct in the last fiscal year.	136
Note: if there is no code of conduct violation in the last fiscal year, should be disclosed.	
25 Disclosure on the whistleblowing system.	131
Description of the mechanism of the whistleblowing system, including:	
1. Mechanism for violation reporting;	131
2. Protection for the whistleblower;	131
3. Handling of violation Report;	131
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GLOBAL REPORTING INITIATIVE (GRI) & SECTOR DISCLOSURE FINANCIAL SERVICE

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ABBREVIATION

APAR	Mobile Fire Extinguisher
APU – PPT	Anti Pencucian Uang – Pencegahan Pendanaan Terorisme
AML – CFT	Anti Money Laundering – Combating the Financing of Terrorism
ATM	Automatic Teller Machine
BERT	Building Emergency Response Team
BCP	Business Continuity Management
BI	Bank Indonesia
BMPP	Maximum Lending Limit
BPJS	Social security
CAR	Capital Adequacy Ratio
CCC	Corporate Command Center
CHM	Complaint Handling Management
CSR	Corporate Social Responsibility
DEPNAKER	Ministry of Labor Affairs
DPP	Third Party Fund
EDC	Electronic Data Capture
EES	Employee Engagement Survey
EMB	Emerging Business Banking
FDR	Financing to Deposit Ratio
GCG	Good Corporate Governance
GWM	Statutory Reserves
HC	Human Capital
K3	Occupational Health & Safety
BS	Sharia Branch Office
KLS	Sharia Service Office
KMG	Multifinance
KPM	Car Loans
KPMM	Minimum Capital Requirement
KPR	Home Loans
KUR	Micro Business Credit

LJK	Financial Service Institutions
LTKL	Transfer of Funds to and from Abroad
LTKM	Report on Suspicious Financial Transactions
LPS	Deposit Insurance Corporation
LTKT	Laporan Transaksi Keuangan Mencurigakan
MDCT	My Dreams Come True
NPF	Non Performing Financing
NPL	Non Performing Loan
OJK	Financial Services Authority
PIN	Personal Identification Number
PPB	Collective Labor Agreement
PPATK	Central Reporting and Analysis of Financial Transactions
PROPER	Company's Performance Rating Program
RBB	Bank's Business Plan
RBBR	Risk Based Bank Rating
RCC	Regional Command Center
ROA	Return on Asset
ROE	Return on Equity
RM	Relationship Manager
RUPS	General Meeting of Shareholders
RUPST	Annual General Meeting of Shareholders
SDM	Human Resources
SEBI	Central Bank Circular Letter
SEOJK	Financial Services Authority Circular Letter
SKAI	Internal Audit Working Unit
SLA	Service Level Agreement
SLTA	Senior High School
SLTP	Junior High School
TMRAC	Target Market Risk Acceptance Criteria
UKM	Small and Medium Enterprise
UUS	Sharia Business Unit

2016

Annual Integrated Report

**Moving Ahead
Progressively**



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