

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.

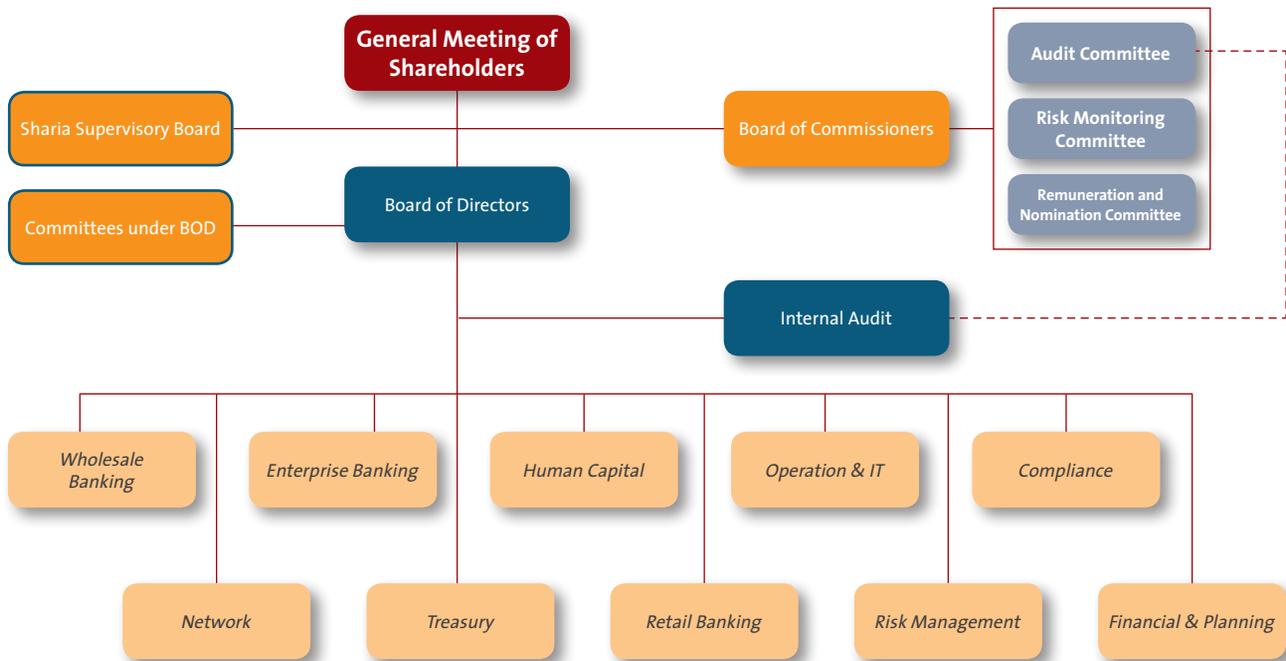
Governance Structure and Infrastructure

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

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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.

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- 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.

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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 (acquitted 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>

GOOD CORPORATE GOVERNANCE

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	-

GOOD CORPORATE GOVERNANCE

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:

GOOD CORPORATE GOVERNANCE

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.

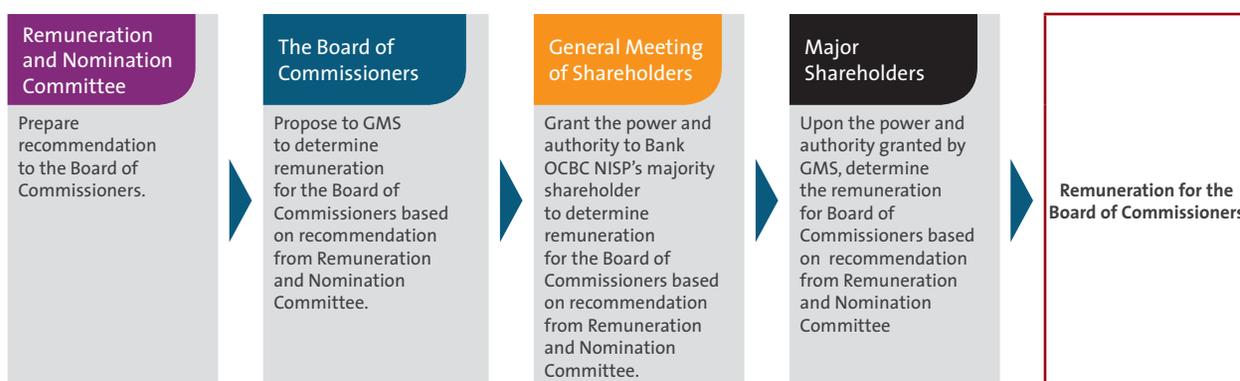
- Assess the effectivity of the implementation process of GCG principles which is supported by the adequacy of Bank's governance structure and infrastructure.
- The assessment of governance outcome to assess the outcome quality expected by stakeholders.

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	-	-

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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.

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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

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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 Ratnapalasar	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.

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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.

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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

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- 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.



Mustika Atmanari

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).

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.

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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"> Decided strategic investment on network Ensured optimization of network distribution on branches and ATMs Approved locations for new branches and ATMs. 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

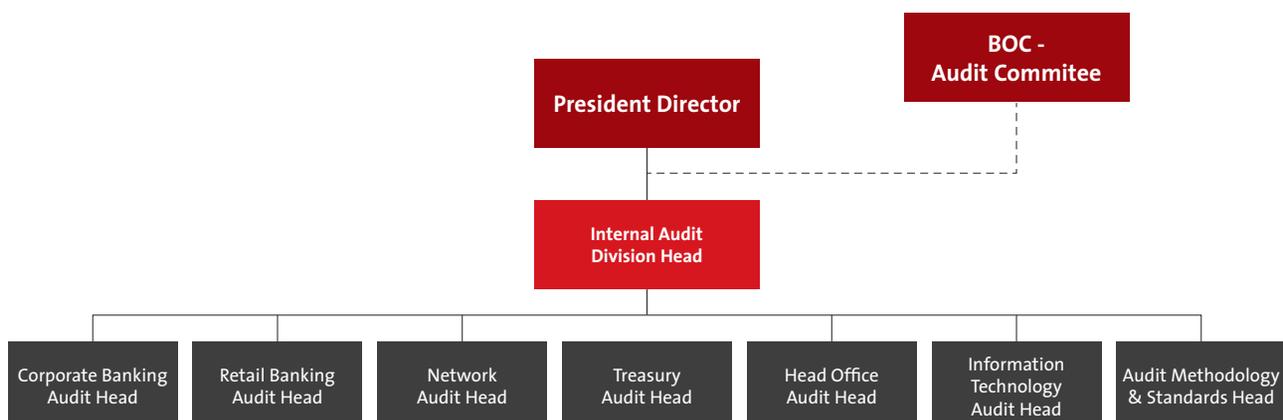
To enhance his competency, the Internal Audit Division Head joined the following trainings during 2016: Group Audit Management Workshop, Advanced Communication Skills, Service Leader Workshop.

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.

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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:

- a. 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.
- b. 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

GOOD CORPORATE GOVERNANCE

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, Senin (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 dipangkas, 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-aset 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-aset mereka, Bank OCBC NISP memilih fokus pada aset-aset modal kecil dan menengah (GKM). 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 Peran Baru, dan Direktur Utama Parwati Surjandaja (kanan) dalam pertemuan tahunan tahun 2016 di Jakarta, Kamis (29/11). Pertemuan tahun 2016 Bank OCBC NISP berhasil mencatatkan laba bersih sebesar Rp3,9 triliun atau meningkat sebesar 24% dibandingkan tahun sebelumnya.



Mudik Asyik Syariah OCBC NISP. Direktur Bank OCBC NISP Rama P Kumaraopala (kanan) bersama Kepala Unit Usaha Syariah (UUS) OCBC NISP Koko T Rachmadi (kiri dari kanan) melepas bus "Madia 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. Kenaikan 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 pemrioritasan pertumbuhan portofolio dengan disiplin, Kepercayaan nasabah yang tinggi kepada Bank OCBC NISP, menjadi motivasi sentiasa memberikan nilai tambah dan kualitas terbaik kepada seluruh nasabah," ujarnya. (KS)***

PROFIL CEO BANK OCBC NISP Menjaga Kepercayaan

lambat 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

Nasibnya apa? Karena Surjandaja itu selalu dipanggil ayah oleh Parwati, yang memercukinya 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 tahun 2015-2016 menunjukkan laba bersih Rp 14 triliun ini terus menjaga kehati-hatian, tata kelola, dan kepercayaan.

Berikut ini profil sangwanara Kompas dengan Parwati, yang beberapa tahun terakhir sedang gemas-memasnya 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?"

"Kembali perencana di Indonesia belum pernah mengoptimalkan. Prioritas pertama kami, menjaga aset. Kami harus dipikirkan ke masa-masa. Diundang oleh 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]

Investor Relations
Bank OCBC NISP actively engages shareholders and investors in discussions and 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. During 2016, the Investor Relations Unit has conducted 18 meetings with analysts.

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.

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- 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