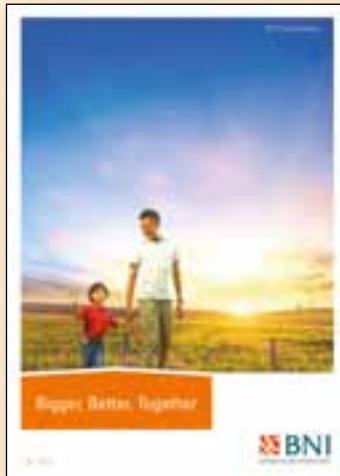


# Moving Faster Wins the Competition



## Theme Continuity



### 2013

#### BIGGER, BETTER, TOGETHER

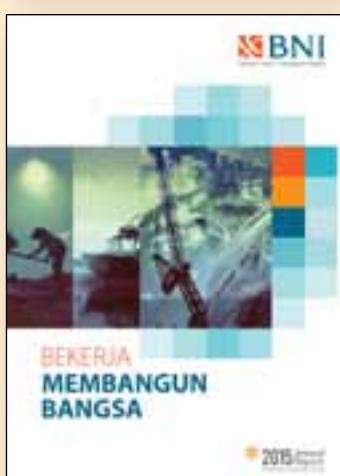
With a focus on quality growth, BNI with a broad customer base maintains a leading role in supporting national economic growth. BNI supports customer business segments in the 8 main industry sectors, including Small and Medium Enterprises entrepreneurs. BNI is a loyal and reliable partner for all customers with its products, service, service coverage and electronic channels. By becoming bigger and better, BNI delivers more for customers' and all stakeholders' welfare.



### 2014

#### ADVANCING ON THE RIGHT TRACK

BNI has made significant progress and important achievements in many areas. Most of the achievements and progress can be directly measured, presented in graphs, or reported in the BNI financial statements, such as the branch and ATM growth, the high capital adequacy ratio, and the Net Income growth of Rp10.8 trillion in 2014. There are also many other achievements and progress which are difficult to be expressed quantitatively, for example, advances in information technology capability, development of products and resources invested in the development of work culture and BNI employee competence.



### 2015

#### WORKING TO BUILD THE NATION

The Indonesian people have noble ideals as an independent nation to excel in global competition. To support the achievement of these goals, BNI plays an active role as an Agent of Development carrying out the intermediary function of supporting the national banking needs, and continues to show the spirit of achievement to build a nation with a strong sense of responsibility.



# Moving Faster Wins the Competition

## 2016

The 2014-2019 government policy to strengthen priority sectors has given BNI an opportunity as an Indonesian state-owned bank. BNI and its regional offices have prioritized productive lending in 20 priority sectors using better risk mitigation measures.

A value chain approach has became the focus for BNI and is the strategy expected to answer the future challenges and support the development of institutions / corporations, small and medium enterprises (SMEs), and well as reach out to the individuals within.

The ASEAN economic Community (AEC) in 2015 will further increase competition, especially in the real sector. Mastery of the domestic market will be the answer for MEA, together with an increase in national banking system competitiveness. Also, foreign trade activity will increase and BNI will increase credit and trade finance facilities towards export oriented industries, especially now that the government has started to export to more countries. Banking opportunities overseas, based on the principle of reciprocity, can also be addressed with the opening of offices in other countries either located inside or outside ASEAN. This will help BNI's business growth and expand BNI's services going forward.

## Performance Highlights

### PROFITABILITY

ABOVE THE INDUSTRY AVERAGE, BNI HAS A **ROA OF 2.7%** RATE, MUCH HIGHER THAN THE INDUSTRY AVERAGE OF 2.2%.

2.7%

**COVERAGE RATIO**  
INCREASED SIGNIFICANTLY, FROM **140.4%** IN 2015 TO **146.0%** IN 2016.

146.0%

23,1%

**INCREASE IN FEE-BASED INCOME QUITE SIGNIFICANTLY BY 23.1%.**

20.6%

**BNI LOANS**  
GREW **20.6%** FROM RP326.1 TRILLION IN 2015 TO RP393.3 TRILLION IN 2016.

Rp65.1  
TRILLION

17.6%

**BNI CUSTOMER SAVINGS**  
INCREASED BY **RP65.1 TRILLION OR 17.6%** COMPARED TO 2015.

Rp94.4  
TRILLION

**ASSET GROWTH**  
INCREASED BY **RP94.4 TRILLION** COMPARED TO 2015 INCREASE.



**MARKET SHARE  
IN TERMS OF ASSETS  
INCREASED FROM  
8.3% IN 2015 TO 9.0%  
IN 2016.**

**9.7%**

**BNI PROFIT  
GREW TO 25.1%**

**25.1%**

**BEST  
MOBILE BANKING  
GROWTH IN 2015  
COMMERCIAL BANK  
BASED ON BUSINESS  
ACTIVITIES CATEGORY 4,  
M-BANKING TELKOMSEL.**



**THIRD-PARTY  
FUNDS MARKET SHARE  
INCREASED FROM  
8.4% IN 2015 TO  
9.0% IN 2016.**

**9.6%**

**8.9%**

**THE MARKET SHARE  
OF LOANS  
INCREASED  
FROM 8.0% IN 2015  
TO 8.9% IN 2016.**

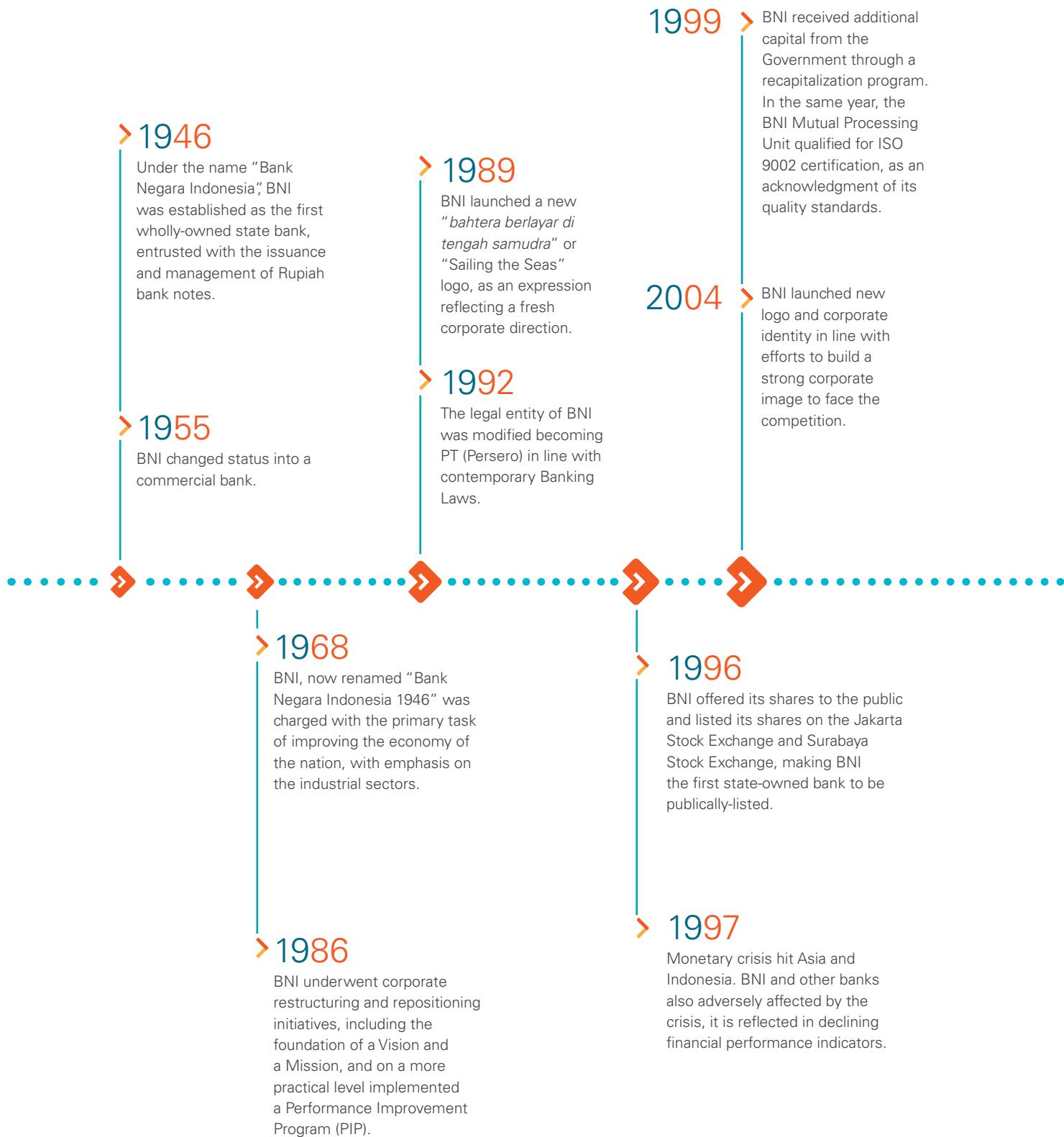


**BEST STATE  
OWNED ENTERPRISE  
AND TOP 50  
PUBLIC LISTED COMPANIES  
IN THE GOOD CORPORATE  
GOVERNANCE AWARD EVENT  
ORGANIZED BY IICD.**

**MOST  
TRUSTED  
COMPANY  
BASED ON  
CORPORATE  
GOVERNANCE INDEX.**



## Milestones





## &gt; 2009

The shareholders approved the spinoff of BNI's Syariah division into a separate independent business entity.

## &gt; 2014

For the first time ever, BNI recorded a double-digit net income (Rp10.8 trillion) as one of the results of BNI Reformasi 1.0.

## &gt; 2010

BNI issued new shares through a rights issue, with public ownership increasing to 40%.

## &gt; 2015

The AGM 2015 set a change of BNI Management and appointed Mr. Achmad Baiquni as President Director of BNI. Regarding the current Indonesia economic conditions, the management undertook proactive conservative steps to strengthen BNI's financial fundamentals.

## &gt; 2007

BNI issued new shares with preemptive rights through a rights issue listed on the Jakarta and Surabaya Stock Exchanges. This corporate action was conducted together with a government divestment program. Following this program, public ownership of BNI shares peaked at 23.64%.

## &gt; 2008

Under a new management team, BNI strived to create higher value while facing the challenges of the global financial crisis, by strengthening its financial foundation through a 5-point strategy of provisioning coverage, improving asset quality, focusing on profitability, creating a sustainable business model, and maintaining an efficient cost structure.

## &gt; 2012

BNI through its London Branch issued Global Bonds with nominal value of USD500 million. The Global Bond issuance is listed at the Singapore Stock Exchange.

## &gt; 2013

BNI engaged in a strategic partnership with Sumitomo Life Insurance Company, which purchased PT BNI Life Insurance's newly issued shares amounting to Rp4.2 trillion.

## &gt; 2016

For a second time BNI recorded double-digit profit amounted to Rp11.4 trillion with better fundamentals, demonstrated by the coverage ratio reaching 146% and CAR 19.4%.

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## Important Financial Highlights

### FINANCIAL HIGHLIGHTS

(in million Rupiah, unless otherwise stated)	2016	2015	2014	2013	2012
<b>BALANCE - CONSOLIDATED</b>					
Total Assets	603,032	508,595	416,574	386,655	333,304
Cash	11,168	12,890	11,436	10,090	7,969
Current Accounts with Bank Indonesia	30,147	30,932	24,598	23,130	22,422
Current Accounts with Other Banks (net)	6,298	8,999	4,496	4,102	5,841
Placements with Other Banks and Bank Indonesia (net)	33,662	33,417	14,527	23,473	32,617
Marketable Securities (net)	23,765	9,927	12,738	8,513	9,801
Securities Purchased Under Agreements to Resell (net)	1,665	376	6,237	1,897	-
Bills and Other Receivables (net)	8,568	8,831	2,301	3,417	2,839
Acceptables Receivables (net)	14,724	10,821	12,467	11,479	10,077
Derivatives Receivables (net)	250	441	165	178	11
Loans	393,275	326,105	277,622	250,638	200,742
Allowance for Impairment Losses - loan	(16,681)	(12,039)	(6,970)	(6,880)	(6,908)
Government Bonds	63,006	47,222	43,830	44,884	38,561
Prepaid Taxes	620	2,299	1,437	817	29
Prepaid Expenses	2,411	1,633	1,392	1,221	1,054
Equity Investments - net	57	36	37	40	24
Other Assets (net)	6,793	4,483	3,370	3,157	3,312
Fixed Assets (net)	21,972	20,757	6,222	5,514	4,592
Deferred Tax Assets (net)	1,332	1,465	668	986	320
Total Liabilities	513,778	430,157	355,552	338,971	289,778
Obligations Due Immediately	3,276	1,805	1,813	1,760	2,726
Total Deposits from Customers*	435,545	370,420	313,893	291,890	257,661
Total Deposits from Other Banks*	10,224	4,698	3,177	3,185	3,245
Borrowings	32,965	22,524	11,212	18,951	8,750
Derivatives Payable	411	1,162	662	1,182	455
Securities Sold Under Agreements to Repurchase	3,765	3,163	2,492	-	-
Acceptances Payable	4,359	6,188	6,469	6,199	4,625
Accrued Expenses	1,047	917	660	483	527
Taxes Payable	151	749	318	324	242
Employee Benefits	3,503	3,481	3,393	3,150	2,566
Provisions	156	99	87	104	55
Other Liabilities	11,149	7,584	5,219	5,708	4,158
Securities Issued*	7,227	7,367	6,158	6,037	4,769



(in million Rupiah, unless otherwise stated)	2016	2015	2014	2013	2012
Total Temporary Syirkah Funds	21,077	17,429	14,404	9,518	7,272
Total Deposits from Customers	20,092	16,484	13,629	9,150	7,091
Total Deposits from Other Banks	489	449	775	368	181
Mudharabah Sukuk Issued	496	496	-	-	-
Total Equity	89,254	78,438	61,021	47,684	43,525
Non-controlling Interests	2,097	2,023	1,950	83	52
Total Equity Attributable to Equity Holders of the Parent Entity	87,157	76,415	59,072	47,600	43,473

\* Includes Temporary Syirkah Funds

#### PROFIT LOSS - CONSOLIDATED

Interest Income and Sharia Income	43,768	36,895	33,750	26,705	22,705
Interest Expense and Sharia Expense	(13,773)	(11,335)	(10,989)	(7,392)	(7,246)
Interest Income and Sharia Income - net	29,995	25,560	22,761	19,312	15,459
Premium Income - net	1,342	1,133	607	554	331
Other Operating Income (Include Recovery)	9,963	8,565	8,379	7,545	7,180
- Other Operating Income	8,585	6,975	6,523	5,407	5,142
- Recovery	1,378	1,590	1,856	2,138	2,038
Total Operating Income	41,299	35,258	31,747	27,411	22,971
Other Operating Expenses	(19,217)	(16,510)	(14,760)	(13,485)	(11,805)
Allowance for Impairment Losses	(7,853)	(7,336)	(3,642)	(2,708)	(2,525)
Operating Profitwww ft	14,229	11,412	13,345	11,219	8,641
Non-Operating Income - net	74	54	178	59	259
Income Before Tax Expense	14,303	11,466	13,524	11,278	8,899
Tax Expense	(2,893)	(2,326)	(2,695)	(2,220)	(1,851)
Income for the Year	11,410	9,141	10,829	9,058	7,048
Income for the Year Attributable to:					
- Non-controlling Interests	71	74	47	4	2
- Equity Holders of the Parent Entity	11,339	9,067	10,783	9,054	7,046

#### PROFIT LOSS - COMPREHENSIVE

Other Comprehensive Income for the Year After Tax	922	11,722	1,085	(2,814)	154
Total Comprehensive Income for the Year	12,333	20,863	11,915	6,244	7,203
Comprehensive Income for the Year Attributable to:					
- Non-controlling Interests	73	74	47	4	(0)
- Equity Holder of the Parent Entity	12,260	20,789	11,868	6,240	7,203

(in million Rupiah, unless otherwise stated)	2016	2015	2014	2013	2012
<b>CASH FLOW</b>					
Cash Flow from Operating Activities	15,422	24,357	(610)	(7,288)	5,764
Cash Flow net from Syirkah Temporary Fund	-	10,259	(11,060)	2,293	1,184
Cash Flow from Investing Activities	(29,400)	(3,516)	(2,406)	(12,580)	(4,479)
Cash Flow from Financing Activities	8,637	9,250	(4,454)	9,985	3,067
Net Cash Flow	(5,341)	30,090	(7,471)	(7,590)	5,536
<b>FINANCIAL RATIOS [%] - BANK</b>					
<b>Capital</b>					
Capital Adequacy Ratio	19.4	19.5	16.2	15.1	16.7
- Tier 1	18.3	17.0	15.3	14.2	15.2
<b>Profitability</b>					
Return On Assets (ROA)	2.7	2.6	3.5	3.4	2.9
Return On Equity (ROE)	15.5	17.2	23.6	22.5	20.0
Net Interest Margin (NIM)	6.2	6.4	6.2	6.1	5.9
Other Operating Income to Operating Income	25.7	26.0	27.7	28.3	31.5
Operating Expenses to Operating income (BOPO)	73.6	75.5	69.8	67.1	71.0
Income (Loss) to Total Assets Ratio	1.9	1.8	2.7	2.4	2.1
Income (Loss) to Total Equity Ratio	12.9	11.7	18.7	18.9	15.6
Liabilities to Total Assets Ratio	85.2	84.7	85.7	87.3	86.6
Liabilities to Equity Ratio	576.1	551.8	598.7	688.2	645.8
Fee Based Income to Total Operating Income Ratio	85.7	81.0	77.4	70.6	70.1
Earnings Per Share (EPS) (in Full Rupiah Amount)	610	487	578	486	378
<b>Asset Quality</b>					
Non-Performing Earning Assets and Non-Performing Non-Earning Assets to Total Earning Assets and Non-Earning Asset	2.1	1.9	1.5	1.5	2.0
Non-Performing Assets to Total Earning Assets Ratio	2.0	1.9	1.4	1.5	2.1
Allowance for Impairment Losses (CKPN) of Financial Assets to Earning Assets	2.7	2.5	1.7	1.9	2.6
Fulfillment of Earning Assets CKPN	2.7	2.4	1.7	1.9	2.3
Fulfillment of Non-Performing Assets CKPN	42.3	33.5	98.3	86.9	92.8
NPL Gross Ratio	3.0	2.7	2.0	2.2	2.8
NPL Net Ratio	0.4	0.9	0.4	0.5	0.8
Loans to Total Earning Assets Ratio	61.7	63.2	67.0	67.5	65.9
Top Debtors to Total Loans Ratio	29.6	26.2	23.4	25.9	24.3
Collateral Taken to Total Loans Ratio	0.1	0.2	0.1	0.1	0.1



## Important Financial Highlights

(in million Rupiah, unless otherwise stated)	2016	2015	2014	2013	2012
<b>Liquidity</b>					
Loan to Deposit Ratio	90.4	87.8	87.8	85.3	77.5
Loan to Funding Ratio	90.4	87.8	87.8	85.3	77.5
Liquid Assets to Total Assets Ratio	19.0	21.0	18.6	19.3	24.3
Liquid Assets to Total Short-Term Funding ratio	-	-	-	-	-
Total Loans to Total SME Loans Ratio	17.7	16.0	16.2	16.9	15.9
<b>Compliance</b>					
Percentage of LLL Violations	-	-	-	-	-
- Related Party	-	-	-	-	-
- Non-Related Party	-	-	-	-	-
Percentage of LLL Excess	-	-	-	-	-
- Related Party	-	-	-	-	-
- Non-Related Party	-	-	-	-	-
Minimum Statutory Reserves (GWM)					
- Reserve Requirement (Rupiah)	6.8	9.2	8.1	8.1	8.5
- Reserve Requirement (Foreign Currencies)	8.0	8.0	8.3	8.1	8.0
Net Open Position	3.4	1.7	1.6	3.4	2.2
<b>OTHER RATIOS [%] - BANK</b>					
LLR/NPL Gross (Coverage Ratio)	146.0	140.4	130.1	128.5	123.0
CIR (Cost to Income Ratio)	44.0	44.2	43.8	46.7	49.5
Operating Income / Employee (in million Rupiah)	1,320	1,196	1,115	984	870
Number of Outlets (full value, unaudited)	1,876	1,826	1,766	1,693	1,590
Number of ATM (full value, unaudited)	17,056	16,071	14,071	11,163	8,227
Number of Employees (full value, unaudited)	28,390	26,875	26,536	26,100	24,861

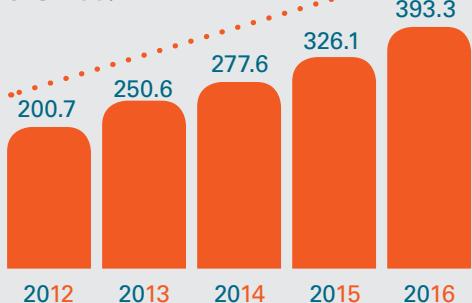
Rp (in Rp trillion)

**Assets**

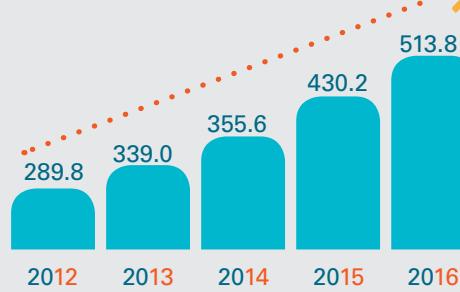
CAGR 16.0%

**Loans**

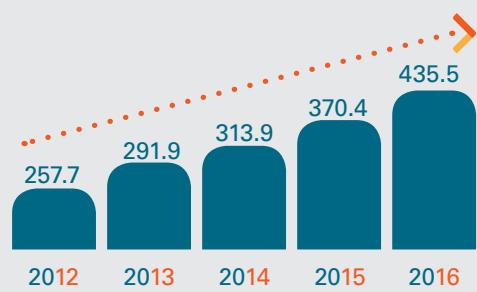
CAGR 18.3%

**Liabilities**

CAGR 15.4%

**Customer Deposits**

CAGR 14.0%



2.0

5.1

2.1

5.4

1.9

6.5

1.6

7.0

1.4

8.6

2012

2013

2014

2015

2016

 Other Operating Income  
 Recovery



## Operational Highlights

### OPERATIONAL PERFORMANCE SEGMENT OPERATIONS

**Performance Products Business Banking Loans** (in billion Rupiah)

Description	2016	Composition	2015	Composition	Growth
Corporate	174,073	56.6%	137,909	55.0%	26.2%
Medium	61,330	20.0%	51,147	20.4%	19.9%
Small	50,684	16.5%	42,076	16.8%	20.5%
Overseas	21,237	6.9%	19,538	7.8%	8.7%
<b>TOTAL</b>	<b>307,324</b>	<b>100.0%</b>	<b>250,670</b>	<b>100.0%</b>	<b>22.6%</b>

**Consumer Loan Product Performance** (in billion Rupiah)

Description	2016	Composition	2015	Composition	Growth
Mortgage	36,436	56.0%	34,719	60.3%	4.9%
Credit Card	10,527	16.2%	9,789	17.0%	7.5%
Payroll	8,949	13.8%	3,923	6.8%	128.1%
Auto Loan	5,161	7.9%	5,379	9.3%	(4.4%)
Others	4,017	6.2%	3,729	6.5%	7.7%
<b>TOTAL CONSUMER</b>	<b>65,069</b>	<b>100.0%</b>	<b>57,539</b>	<b>100.0%</b>	<b>13.1%</b>

**Medium Segment Loans by Sector** (in billion Rupiah)

Medium Segment	2016	2015	Growth	Composition	
				2016	2015
Industry	18,655	14,086	32.4%	30.4%	27.5%
Trade, restaurants and hotels	19,316	15,043	28.4%	31.5%	29.4%
Agriculture	2,238	2,197	1.9%	3.6%	4.3%
Business services	4,803	5,111	(6.0%)	7.8%	10.0%
Construction	6,095	5,567	9.5%	9.9%	10.9%
Transportation, warehousing and communications	5,538	4,566	21.3%	9.0%	3.9%
Social services	2,352	2,137	10.1%	3.8%	4.2%
Mining	1,680	1,668	0.7%	2.7%	3.3%
Electricity, gas and water	653	771	(15.3%)	1.1%	1.5%
<b>TOTAL</b>	<b>61,330</b>	<b>51,147</b>	<b>19.99%</b>	<b>100.0%</b>	<b>100.0%</b>

**Small Segment Loan Product Performance**

(in billion Rupiah)

Description	2016		2015		Growth
	Outstanding	NPL	Outstanding	NPL	
BCM	34,404	3.7%	31,958	3.9%	7.7%
BWU	2,859	8.3%	2,628	11.3%	8.8%
KKLK	2,457	1.6%	3,164	1.8%	(22.3%)
KUR	10,964	2.4%	4,326	1.8%	153.4%
<b>TOTAL</b>	<b>50,684</b>	<b>3.6%</b>	<b>42,076</b>	<b>4.0%</b>	<b>20.5%</b>

**Total Third Party Deposits**

(in billion Rupiah)

Description	2016	Composition	2015	Composition	Growth
Current Account	122,652	28.2%	91,194	24.6%	34.5%
Savings	158,662	36.4%	135,065	36.5%	17.5%
Deposits	154,230	35.4%	144,161	38.9%	7.0%
<b>TOTAL</b>	<b>435,545</b>	<b>100.0%</b>	<b>370,421</b>	<b>100.0%</b>	<b>17.6%</b>



## Share Price Information

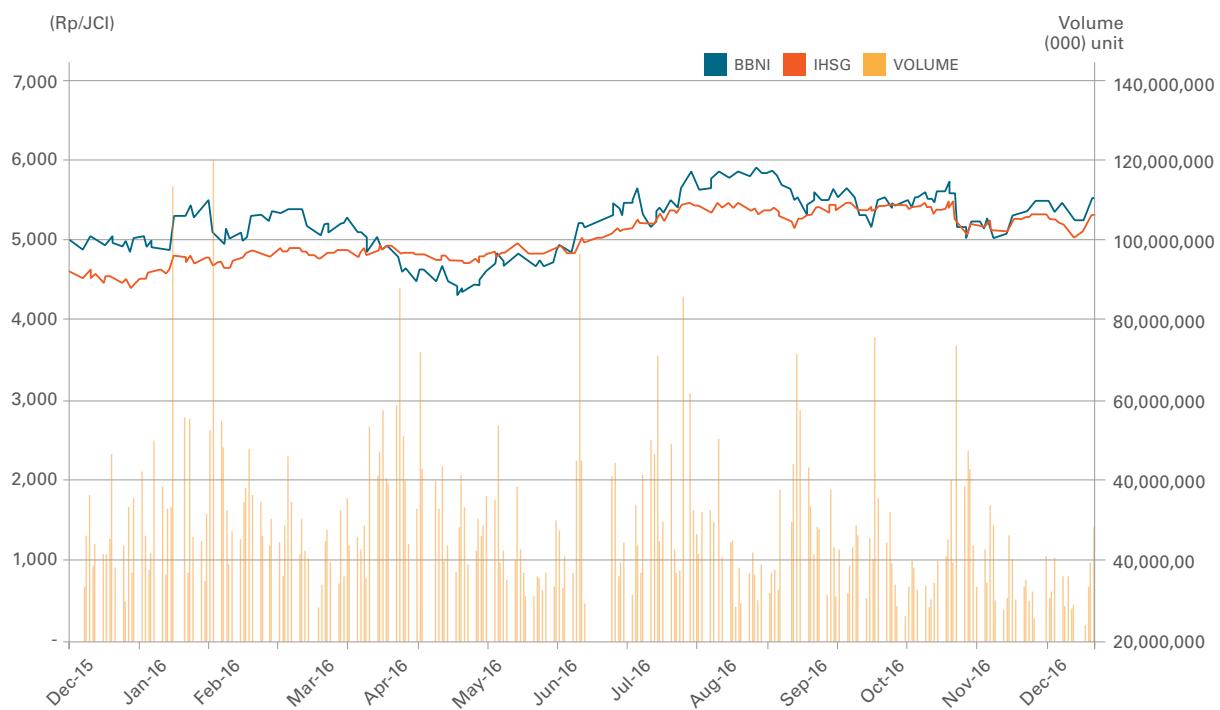
### 2016 Share Price Information

2016	Opening	Lowest	Highest	Closing	Trading Volume	Market Capitalization
Quarter I	4,990	4,835	5,675	5,200	27,788,000	96,192,494
Quarter II	5,100	4,270	5,300	5,200	44,907,800	96,192,494
Quarter III	5,225	5,100	5,975	5,200	23,008,500	103,500,043
Quarter IV	5,625	5,450	5,650	5,525	28,428,000	103,033,826

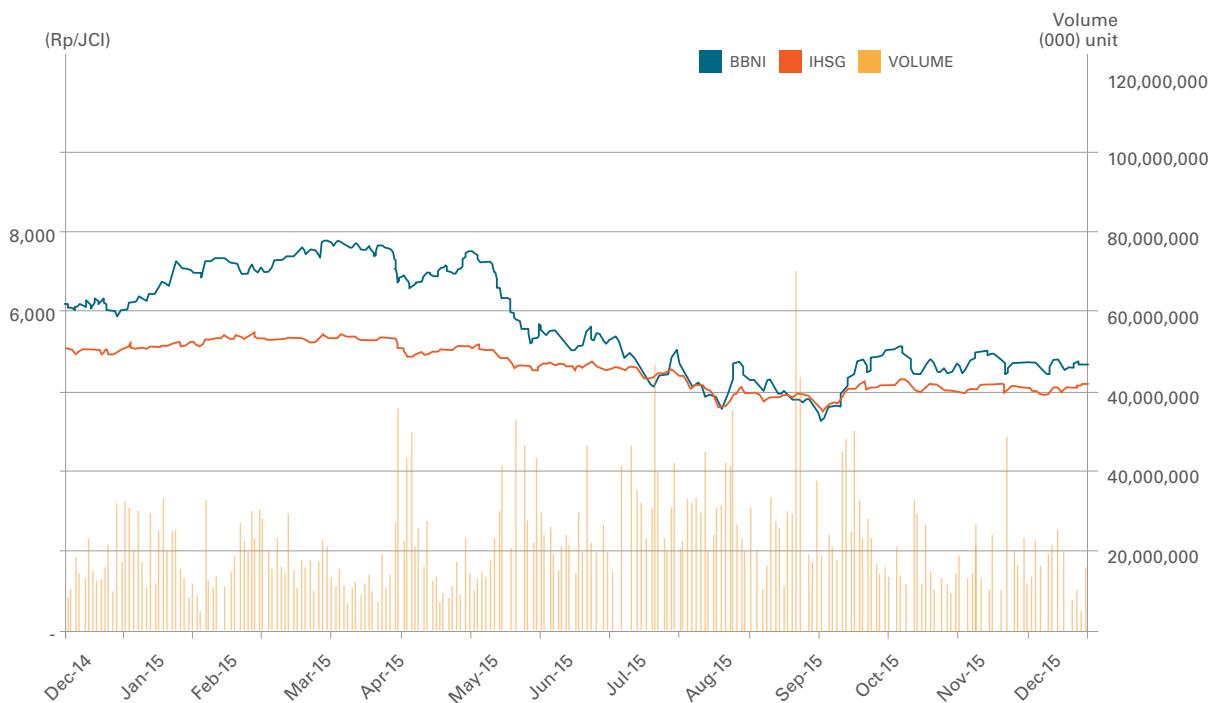
### 2015 Share Price Information

2015	Opening	Lowest	Highest	Closing	Trading Volume	Market Capitalization
Quarter I	6,100	5,900	7,225	7,225	24,139,779	134,736,543
Quarter II	7,250	5,250	7,275	5,300	26,979,821	98,837,879
Quarter III	5,300	3,940	5,625	4,135	39,472,303	77,112,194
Quarter IV	4,195	4,145	5,300	4,990	24,956,054	93,056,796

### ► BNI Share Price Movement in 2016



### ► BNI Share Price Movement in 2015



## Information Related To Bonds

BNI's funding strategy continued to prioritize funding sources in the growth of third party funds (DPK); however, to support optimal asset growth, ideal funding composition, and efficient cost of funds it was possible to source sufficient funding from Rupiah and foreign currency.

To fulfill BNI's liquidity needs, both in Indonesia and in the 6 (six) Foreign Branch Offices as well as liquidity and market risk mitigation, in April 2012 BNI issued Global Bonds amounting to \$500 million with a tenor of 5 years and a coupon of 4.125%. The Global Bonds were listed with Singapore Exchange Securities Trading Limited (SDX-ST) with BNI's London branch as the booking office. Currently the BNI foreign currency bonds are actively traded at a premium due to global investors' high confidence in BNI.

Description	Issuing Date	Time Period (year)	Value (USD 000)	Maturity Date	Coupon	Rating	Listing	Outstanding (USD 000)
Global Bond	27 April 2012	5	500,000	27 April 2017	4.125% p.a	- Baa3 (Moody's) - BBB - (Fitch)	Singapore Stock Exchange	500,000



## Rating

### 2016 Company Rating

Rating Agency	Description	Rating
Pefindo	Corporate Rating	id AAA
	Outlook	Stable
Moody's	Outlook Stable	Stable
	Bank Deposits	Baa3/P-3
	Baseline Credit Assessment	ba1
	Adjusted Baseline Credit Assessment	ba1
	Senior Unsecured	Baa3
Fitch	Long Term Foreign Currency	BBB-
	Long Term Local Foreign Currency	BBB-
	Short Term Foreign Currency	F3
	Support Rating Floor	BBB-
	Viability Rating	bb+
	National Long Term Rating	AA+
	National Short Term Rating	F1+
	National Outlook	Stable
Standard and Poor's	Issuer Credit Rating	BB/Positive
	ASEAN Regional Scale	axBBB
	Senior Unsecured	BB

## Important Events in 2016



### January

#### January 11, 2016

BNI offers 3 Hours Investment Permit Service at BKPM

#### January 26, 2016

BNI together with Agung Podomoro, Financing Newsstands Jakarta

#### January 27, 2016

BNI receives palm oil export levies

#### January 28, 2016

BNI signs MoU with the Persatuan Rakyat Desa (Parade) Nusantara in Bogor to provide full banking services.

#### January 31, 2016

BNI appointed as Indonesian Syndicated Loan House by the Asia Pacific Loan Market Association (APLMA).



### February

#### February 1, 2016

Ministry ATR/BPN and BNI handled transactions in 450 BPN

#### February 2, 2016

BNI receives the Best Remittance Provider in Southeast Asia Title for 2015 from Alpha Southeast Asia.

#### February 4, 2016

BNI and Angkasa Pura 2 provide Integrated Cash Management Cooperation Service to improve services in 13 airports in Indonesia.

#### February 10, 2016

BNI and K24 Pharmacy facilitate the payment of BPJS Health and BPJS Employment premiums in more than 350 outlets throughout Indonesia K24 Pharmacies.

#### February 11, 2016

BNI and PT Pos Indonesia (Persero) work together to complement public services.

#### February 16, 2016

- To celebrate BNI's 70th Anniversary, conducts CSR for Migrant Workers in Singapore.
- BNI Seoul offers MANTAP remittance product.

#### February 17, 2016

BNI expands remittance services in City Plaza Singapore



### March

#### March 6, 2016

Issues BNI and Garuda Co-Brand Debit Card, bundling together Debit and TapCash into One Card

#### March 10, 2016

BNI Annual General Meeting 2015 decision, BNI Dividends 25% of Net Profit

#### March 13, 2016

BNI together with Sisfo distributes KUR Micro for fishermen.

#### March 18 2016

Surabaya Mojokerto toll road users can now use BNITapCash

#### March 21, 2016

Four state-owned banks work together to launch toll e-Payment on Jakarta Outer Ring Motorway with PT JLI who manages the Toll



### April

#### April 19, 2016

Kemendesa and BNI Develop Rural Economy with access to Integrated Cash Management facilities for storing and managing funds such as BNI Direct, Virtual Account, and BNI e-tax, Payroll, employee performance benefits, as well as Employee Retirement Payments.

#### April 20, 2016

For the 12th year running, BNI is the main partner for INACRAFT (Jelajahi Warisan Nusantara Karya Anak Bangsa) exhibition.

#### April 22, 2016

BNI Working Capital Loan Facility of Rp 1 trillion for Semen Indonesia

#### April 28, 2016

BNI - the best selling retail agent for state bonds in 2015 by Ministry of Finance of the Republic of Indonesia.

**May****May 1, 2016**

70th Anniversary BNI, Ministry of Foreign Affairs and BNP2TKI train 150 Indonesian foreign workers.

**May 12, 2016**

BNI expands Financial Inclusion to the North Coast Central Java Region with 7,630 BNI Agen Laku Pandai

**May 22, 2016**

BNI and Bank Sumsel Babel supports Baturaja Factory II

**May 28, 2016**

To attract investment in Bojonegoro, BNI and Local Government holds 2016 Investment Day

**June****June 1, 2016**

70th Anniversary BNI, drills water wells for Regional Clean Water Facility in East Halmahera

**June 2, 2016**

BNI donates hearse to RS Bhayangkara Batam

**June 27, 2016**

Kartu Masyarakat Indonesia Sejahtera supports Warung Kube to become Agen Laku Pandai

**June 29, 2016**

BNI socializes Tax Amnesty in Singapore

**July****July 1, 2016**

BNI helps 5,000 travelers in more than 700 Tollgates to use BNI TapCash to pay toll

**July 22, 2016**

Second Quarter 2016 BNI achieves Net Income Rp4,37 trillion

**July 28, 2016**

Cooperation between GOJEK and BNI, to top up Go Pay at BNI

**August****August 22, 2016**

State Banks Association (HIMBARA) socializes Tax Amnesty in Hong Kong

**August 28, 2016**

BNI and Agung Sedayu Group conduct Tax Amnesty Consultation to property owners

**August 29, 2016**

PT Indonesia Infrastructure Finance (IIF), PT Bank Negara Indonesia (Persero) Tbk (BNI), and PT Sarana Multi Infrastruktur (SMI) sign Syndicated Financing Agreement for Palapa Ring Project Central Package worth Rp 975 billion.

**August 30, 2016**

- Promotes Non Cash program, BNI Issuing Kartu Tani starting from Jombang
- Visit of Queen Maxima, BNI show explains e-Warong KUBE Program

**September****September 1, 2016**

- BNI awarded for Trade Finance and Cash Management service by Alpha South East Asia magazine in the category - Best Trade Finance Bank in Indonesia and Best Cash Management Bank in Indonesia for the 6th time in a row.
- BP Batam and BNI Batam sign MoU providing Banking Products and Services in Batam.

**September 7, 2016**

- BNI in collaboration with Blue Bird launches non-cash payment system as part of their My Blue Bird application.
- Through Agen46 in Telang, BNI strengthens Banking Services in Transmigration Area

**September 14, 2016**

HIS Indonesia cooperates with BNI to present Japan Travel Fair

**September 15, 2016**

- BNI strengthens tourism in Lombok by holding Tourism Products Training and Development at BNI Geopark Rinjani Creative Home.
- BNI breaks MURI record by opening SimPel saving accounts for 100,000 students.

**September 21, 2016**

BNI earn awards as a bank that provides the best Cash Management services in Indonesia, through surveys conducted by AsiaMoney.

**September 22, 2016**

BNI with Lazada introduces Digital Loans for SMEs

**September 23, 2016**

BNI cooperates with Tokopedia to distribute KUR to the Top SME Partners.

**September 27, 2016**

BNI and IPB launch online sites to market innovative products manufactured by IPB ([serambibotani.com](http://serambibotani.com) and [ipbsciencepark.com](http://ipbsciencepark.com))

**September 29, 2016**

BNI and Bank Victoria sign a Memorandum of Cooperation Extending Capacity Building Assistance as a Foreign Exchange Bank.

**September 30, 2016**

- BNI (as one of the six members of the syndication) finance Waskita for Light Rail (LRT) in Palembang.
- BNI along with two other state-owned banks provide financial services to Pelindo III to Improve Port Services.

**October****October 3, 2016**

BNI receives Rp7.6 trillion Tax Amnesty funds through the repatriation program

**October 8, 2016**

BNI for the 6th time, becomes the Official Bank in the largest property exhibition in Indonesia organized by Real Estate Indonesia (REI), at the Real Estate Expo 2016 on October 8 to 16, 2016.

**October 13, 2016**

- BNI, BNN and the Otoritas Jasa Keuangan (OJK) in collaboration with SMAN 1 Alumni Foundation Jambi implement the socialization program Stop Drugs with Edutainment.
- In the third quarter of 2016, BNI record a profit of Rp 7.72 trillion, up 28.7%.

**October 17, 2016**

BNI commits to control Gratification throughout BNI in cooperation with the Republic of Indonesia Corruption Eradication Commission (KPK).

**October 18, 2016**

BNI cooperates with village-owned enterprises (BUMDes) and private companies to develop the economy of shrimp farmers in Lampung Province

**October 19, 2016**

- BNI and the local government of Bojonegoro, East Java sign MoU Agreement for the provision and use of Banking Services as a first step towards a smart city.
- BNI officially becomes the channeling bank for aid to school students in Indonesia Pintar Program (PIP) using Kartu Indonesia Pintar (KIP).
- Expansion of BNI services geared to the Indonesia eastern region by opening a new outlet in Waisai, Raja Ampat, West Papua

**October 20, 2016**

BNI award SOE Teaching degrees in Malang to increase financial inclusion and literacy.

**October 21, 2016**

Inauguration of electronic parking terminal (TPE) in Jalan Ir. H Juanda, Central Jakarta. A total of 41 TPE are ready for on-street parking payment in Jl. Juanda, Jl. Pecenongan, and Jl. Pinangsa

**October 24, 2016**

BNI motorbike sharing in BSD to promote Rejeki BNI Taplus program.

**October 28, 2016**

BNI and OJK issue Declaration regarding Student Savings Deposits (SimPel) by signing SimPel Cooperation Agreement simultaneously in more than 300 schools including elementary, middle and high schools across various areas with BNI branch office services



## Important Events in 2016



### November

#### November 3, 2016

BNI lending to finance Pandaan Malang Toll Road Project for Rp450 billion

#### November 9, 2016

BNI invites 250 Teachers and Natuna Students to participate in Program Pembinaan Daerah Perbatasan.

#### November 14, 2016

BNI provides online loan application through <https://eform.bni.co.id>, to simplify KUR and BNI Wirausaha filing.



### December

#### December 2, 2016

BNI together with the Embassy of the Republic of Indonesia in Singapore launch Kartu Pekerja Indonesia - Singapura (KPIIS), with multiple benefits for Indonesian workers through BNI Kartu Debit.

#### December 5, 2016

BNI issue new products to facilitate urban transactions, namely BNI UnikQu products.

#### December 6, 2016

BNI receive Rp250 trillion government deposits

#### December 10, 2016

BNI build SOE Creative Homes and invite partners to embrace the Digital Ecosystem Economy.

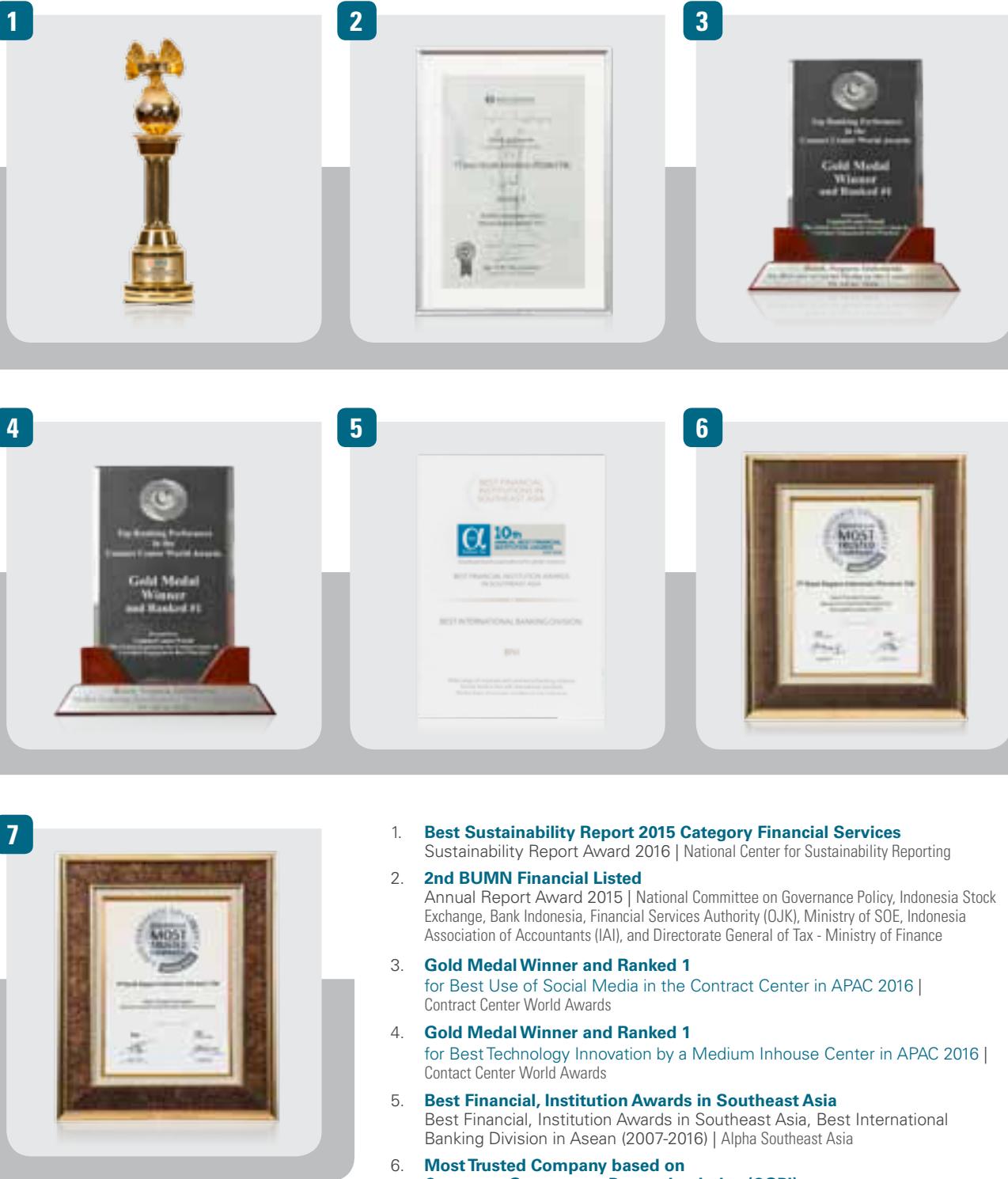
#### December 16, 2016

Signing of syndication agreement between Bank Mandiri, BNI and SMI with PT Trans Bumi Serbaraja for Serpong Balaraja toll road project.

#### December 19, 2016

BNI and PT KAI issue TapCash RailPay card

## Awards and Certification in 2016



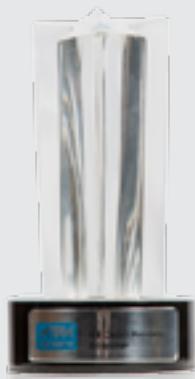
- 1. Best Sustainability Report 2015 Category Financial Services**  
Sustainability Report Award 2016 | National Center for Sustainability Reporting
- 2. 2nd BUMN Financial Listed**  
Annual Report Award 2015 | National Committee on Governance Policy, Indonesia Stock Exchange, Bank Indonesia, Financial Services Authority (OJK), Ministry of SOE, Indonesia Association of Accountants (IAI), and Directorate General of Tax - Ministry of Finance
- 3. Gold Medal Winner and Ranked 1**  
for Best Use of Social Media in the Contract Center in APAC 2016 | Contract Center World Awards
- 4. Gold Medal Winner and Ranked 1**  
for Best Technology Innovation by a Medium Inhouse Center in APAC 2016 | Contact Center World Awards
- 5. Best Financial, Institution Awards in Southeast Asia**  
Best Financial, Institution Awards in Southeast Asia, Best International Banking Division in Asean (2007-2016) | Alpha Southeast Asia
- 6. Most Trusted Company based on Corporate Governance Perception Index (CGPI)**  
Good Corporate Governance Award 2016 | IICG & SWA
- 7. Most Trusted Company based on Investors and Analysis, Assesment Survey**  
Good Corporate Governance Award 2016 | IICG & SWA



8



9



10



11



12



13



14



8. **Best Financial Institutions in Southeast Asia 2016** | Alpha Southeast Asia
9. **1st Debt Bersama Acquirer 2016** ATM Bersama Award | ATM Bersama
10. **Best Performance 2016** ATM Bersama Award | ATM Bersama
11. **1st Financial Inclusion Competition 2016** Financial Services Business Segment | Otoritas Jasa Keuangan
12. **3rd Contributor 2016 Category of Bank BUMN** Banking Award 2016 | Telkomsel
13. **Best Mobile Banking Growth 2015 Bank Buku M-Banking** | Telkomsel
14. **The Best State Owned Enterprise 2016** | Indonesian Institute for Corporate Directorship (IICD)

**15****16****17****18****19****20****21****22**

15. **The Best II BUMN Tbk**  
Human Capital Award 2016 | Economic Review
16. **2nd Best National Archive Unit 2016**  
State Owned Enterprise |  
Anri Award
17. **3rd The Big 5 Human Capital Award 2016** |  
Economic Review
18. **Best Bank in Diversity Indonesia Banking Award 2016** |  
Tempo Media Group & Indonesia Banking School
19. **Bronze Medal Winner and Ranked #3**  
for Best Help Desk in APAC 2016 |  
Contact Center World Awards
20. **Silver Medal Winner and Ranked #2**  
for Best Support Professional-HR in APAC 2016 |  
Contact Center World Awards
21. **Gold Medal Winner and Ranked #1**  
for Best Project Manager in the Contact Center in APAC 2016 |  
Contact Center World Awards
22. **2nd Best Call Center Commercial Bank**  
2016 Banking Service Excellence | MRI & Infobank



## Awards and Certification in 2016

23



24



25



26



27



28



29



30



31



23. **1st Best Phone Commercial Bank**  
2016 Banking Service Excellence | MRI & Infobank
24. **2nd Best Overall Performance**  
2016 Banking Service Excellence | MRI & Infobank
25. **Silver Medal Winner and Ranked #2**  
for Best Incentive Scheme in APAC 2016 | Contact Center World Awards
26. **Bronze Medal Winner and Ranked #3**  
for Best Support Professional IT in APAC 2016 | Contact Center World Awards
27. **Bronze Medal Winner and Ranked #3**  
for Best Customer Loyalty Program in APAC 2016 | Contact Center World Awards
28. **Bronze Medal Winner and Ranked #3**  
for Best Contact Center Trainer in APAC 2016 | Contact Center World Awards
29. **Bronze Medal Winner and Ranked #3**  
for Best Support Professional Workforce Planning in APAC 2016 | Contact Center World Awards
30. **Top Corporate on Digital Transformation Readiness 2016**  
Top IT 2016 | ITECH
31. **Best Daily Bank Report (LHBU) 2016**  
Bank Indonesia

## CERTIFICATION

1

**Certification Type:**  
SO 9001:2008 – ISO 9001:2008  
Quality Management System on Trade Processing Center

**Validity:**  
September 30, 2009 – September 29, 2018

**Issued by:**  
SAI Global Certification Services

3

**Certification Type:**  
ISO 9001:2008  
Quality Management System on IT Operation Services

**Validity:**  
September 26, 2016 - September 26, 2019

**Issued by:**  
PT SGS Indonesia

2

**Certification Type:**  
ISO 9001:2008 Quality management System on Card Business Division

**Validity:**  
June 27, 2003 – June 26, 2018

**Issued by:**  
Lloyd's

4

**Certification Type:**  
ISO 9001:2008  
Quality Management System on IT Security Management

**Validity:**  
September 26, 2016 - September 26, 2019

**Issued by:**  
PT SGS Indonesia



## Awards and Certification in 2016

5

**Certification Type:**

ISO 9001:2015

Preparation and Verification Process on Published  
Financial Statements

**Validity:**

October 10, 2016 – October 10, 2019

**Issued by:**

PT SGS Indonesia

6

**Certification Type:**

ISO 9001:2015

BNI Corporate University Quality Management  
System on Inhouse Learning and e-Learning /  
Digital Learning

**Validity:**

September 21, 2016 – September 20, 2019

**Issued by:**

PT SGS Indonesia





# Management Report

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Hartadi A. Sarwono  
President Commissioner



## Board of Commissioners' Report

It is my pleasure to take this opportunity to report that BNI has realized a strong performance in challenging conditions. The Board of Commissioners' directives have been very well carried out by the Board of Directors. Compared with the banking industry, BNI has recorded higher growth in terms of both loans and financing. Loan and funding growth, have managed to increase our market share in terms of assets, loans and financing. In terms of profitability, BNI has a ROA of 2.7%, a rate much higher than the industry average of 2.2%, supported by fee-based income growing by 23.1% compared to 2015. Given that future fee-based income is one of the drivers for the bank's performance in addition to net interest income.

Dear shareholders and other stakeholders,

The Board of Commissioners provides oversight and advice to the Board of Directors with full responsibility, as mandated in the Articles of Association and applicable legislation. In performing its duties, the Board of Commissioners shall ensure that in carrying out its operations, the Company refers to the established business plan, as well as ensuring compliance with all applicable laws and regulations.

The Board of Commissioners strives to ensure that the Company has been managed in a professional manner, in accordance with the interests of shareholders and other stakeholders. In carrying out its role, the Board of Commissioners continues to maintain objectivity and independence. Therefore, the Board of Commissioners is not involved in the decision-making operations of the Company, except for matters set forth and defined in the Articles of Association, and laws and regulations.

The Board of Commissioners controls committees that have been running their tasks effectively, namely the Audit Committee, Nomination and Remuneration Committee, Risk Monitoring Committee, and Integrated Governance Committee. Their duties and authorities below the Board of Commissioners are clearly defined, so that they function effectively in assisting the Board of Commissioners.

This report includes a Board of Directors' performance assessment report, the views over the prospects prepared by the Board of Directors, an assessment of the committees below the Board of Commissioners, and changes in the Board of Commissioners' composition.

## MACRO ECONOMIC REVIEW

The Company's performance was very satisfactory, and the Board of Commissioners conveys its highest award to the Board of Directors for their performance in the face of the economic challenges in 2016.

Although the rate of economic growth in Indonesia has increased slightly, to 5.0% in 2016 compared to 4.8% yoy in 2015, the banking industry growth rate was still experiencing a slowdown. As of December 2016, it grew by 7.9% yoy, much lower than in December 2015, when it reached 10.4% yoy.

From Funding section, Third party funding on December 2016 has increase by 9.6%(yoy) higher from the same period in 2015 which 7.3%(yoy). Assets funding growth in December 2016 is 9.7% (yoy), higher from the growth on same period in 2015 which 9.2%(yoy).

## PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

Regarding the Board of Directors' performance, they have been able to face the economic challenges in 2016, and the Board of Commissioners conveys its highest thanks. The Board of Commissioners believes that the Board of Directors' performance has been excellent. In there the performance assessment of the Board of Directors, the Board of Commissioners considered the following matters.

### Operating and Financial Performance

In the face of the unexpected economic conditions impacting the banking industry in 2016, the Board of Directors was able to take strategic initiatives to improve the Company's operational performance. In 2016, the Board of Directors implemented the Board of Commissioners' advice focused on 1) giving special attention to credit quality, 2) maintaining healthy liquidity levels, 3) credit growth and 4) increasing fee-based income. Net NPL has decreased significantly from 0.9% in 2015 to 0.4% in 2016. Loan to Deposit Ratio (LDR) in 2016 increase to 90.4% from 87.8% in 2015. Credit growth grew significantly by 20.6%. While fee-based income was able to increase by 23.1%.

In 2016, the Company successfully maintained its competitive position in the banking industry, compared with the banking industry, with BNI's higher growth in terms of loans, funding and assets. BNI loans grew 20.6% yoy from Rp326.1 trillion in 2015 to Rp393.3 trillion in 2016. In 2016, BNI customer deposits rose by Rp65.1 trillion, or 17.6% compared to 2015. With the loan and DPK growth, in the same period, BNI still managed to maintain asset growth that increased by Rp94.4 trillion, or 18.6% compared with 2015.

Improved operational performance had a significant impact on increased earnings and the end of 2016, BNI profit grew by 25.1%, due to operating income growth being higher than operating expenses growth.

### Bank Health Level

Bank soundness is reflected in the results of an assessment conducted on the Bank's risk and performance and can be seen in a final rating assessment based on Bank Indonesia Regulation No.13 / 1 / PBI / 2011 concerning Commercial Banks Rating using Risk - based bank rating, which includes the following four factors.

1. Risk Profile
2. Good Corporate Governance
3. Profitability (Earnings)
4. Capital

In 2015, the Company received a Bank Composite Soundness Rating of 2, which reflects the Bank's healthy condition in facing the significantly negative changes in business conditions and other external factors.



## Board of Commissioners' Report

In addition to monitoring the business performance, the Board of Commissioners also exercises oversight and gives advise on the business processes that encourage good business performance. The Board of Commissioners focuses on risk management, good corporate governance, and corporate social responsibility.

### **Risk Management**

To anticipate and adapt to changes in the dynamic banking business environment, the Company implements risk management as a strategic concept. The approach taken in effective risk management is a comprehensive approach to manage the Company's overall risk, improve performance in managing uncertainty, minimize threats and maximize opportunities without neglecting the principles of risk management.

The Board of Commissioners and Directors are responsible for the effective implementation of risk management including through;

1. Approving the risk management policies, including strategies and risk management framework established in accordance with risk appetite and risk tolerance;
2. Evaluating Risk Management Policies and Risk Management Strategies at least a year or at a greater frequency in the event of changes in the factors affecting the Bank's business activities significantly;
3. Evaluating the accountability of the Board of Directors and providing direction on the implementation of corrective risk management policies periodically. The evaluation is conducted to ensure that the Board of Directors has been managing the activities and risks of the Bank effectively.

Active supervision of the Board of Commissioners is conducted through approval and evaluation of risk management policies drawn up by the Board of Directors. Periodically, the Board of Commissioners evaluates the risk management policies implementation through joint meetings of the Directors and Commissioners (Radikom), as well as in Risk Oversight Committee (KPR) meetings.

Active supervision of the Board of Directors will be carried out throughout the preparation, approval, implementation and evaluation of risk management policies and procedures, through forums including: Board of Directors Meeting (Radisi), Risk & Capital Committee (KRK) Risk Management Sub Committee (RMC) Meetings, Assets and Liabilities Sub Committee (ALCO), Anti-Fraud Sub-Committee (KAF), as well as Credit Policy Committee Meeting (KKP) and the Credit Procedures Committee (KPP).

There are eight (8) risks managed by the Bank: credit risk, liquidity risk, market risk, operational risk, strategic risk, compliance risk, legal risk and reputation risk. In the Board of Commissioners' opinion, these eighth risks have been managed well. Based on the results of the latest self-assessment, BNI's inherent risk ratings position on December 31, 2016 was low to moderate, with the rated quality of risk management adequate (satisfactory) so that the BNI's composite Risk Profile ranking was 2 (low to moderate).

For the integrated risk profile assessment, there are ten (10) risk types: credit risk, liquidity risk, market risk, operational risk, strategic risk, compliance risk, legal risk and reputation risk plus Intra-Group Transactions Risk and Insurance Risk. The Integrated Risk Profile Assessment is conducted each Semester. Based on the results of the latest self-assessment, BNI's inherent risk ratings position on June 30, 2016 was low to moderate, with the rated quality of risk management adequate (satisfactory) so that the BNI Finance Conglomerate composite ranking Risk Profile of was 2 (low to moderate).

## Good Corporate Governance

Board of Commissioners is very aware that good corporate governance (GCG) is a key requirement in achieving sustainable corporate performance. Therefore, good corporate governance implementation is a major concern for the Board of Commissioners in performing its supervisory and advisory function to the Board of Directors.

The Board of Commissioners believes that the Board of Directors has implemented GCG effectively and consistently in 2016. GCG is the mechanism that regulates the Company's relationship with the stakeholders in a transparent, accountable, responsible, independent and fair manner. The Board of Commissioners believes that the Company has benefited significantly from the GCG implementation completed to date.

To evaluate the GCG implementation, the Company has implemented a GCG Assessment carried out periodically and consistently each year, consisting of a Self Assessment pursuant to BI / OJK and Third Party Assessments, based on POJK No. 55 / POJK.03 / 2016 regarding the application of Corporate Governance for Commercial Banks. The self-assessment results in 2016 showed a composite score of 2 (two) reflecting that the Bank Management has been rated GOOD for its good corporate governance implementation.

A Third party assessment through Corporate Governance Perception Index (CGPI) by The Indonesian Institute for Corporate Governance (IICG) and the Asean CG Scorecard (ACGS) was carried out by the IICD (Indonesian Institute for Corporate Directorship). The CGPI assessment indicated that BNI reached the Most Trusted level. While an assessment, conducted on BNI corporate governance practices, based on the principles set out in the ASEAN Corporate Governance Scorecard, in 2016, resulted in BNI reaching the "GOOD" level.

## Corporate Social Responsibility

Another important concern by the Board of Commissioners is Corporate Social Responsibility (CSR). The Board of Commissioners believes that CSR will impact the company's performance, through the legitimacy of the stakeholders. CSR will enhance the Company's reputation and will establish harmonious relationships between the Company and its stakeholders.

The Board of Commissioners believes that the Board of Directors has been conducting effective CSR activities including nature and environmental conservation programs; occupational health and safety; social development responsibilities and customer responsibilities. BNI implements corporate social responsibility through its Partnership and Community Development Program (PKBL). BNI's PKBL is planned, targeted, transparent and sustainable whereby BNI contributes to improving the quality of life in Indonesia, as well as equitable development through the expansion of employment and business opportunities.

## VIEW ON PROSPECTS PREPARED BY THE BOARD OF DIRECTORS

The Board of Commissioners provides positive feedback on the business prospects prepared by the Board of Directors. Business prospects have been prepared using correct and realistic assumptions. Based on analysis it is assumed that the global economic recovery in 2017 is expected to be faster than the economic recovery in 2016. Taking into account the condition of the world and domestic economies, technological developments in the field of financial services, monetary, banking and fiscal policies from authorities, and the internal business process improvement plan, the prospects for BNI to continue business growth exceeding the industry in 2017 seems very appropriate.



## Board of Commissioners' Report

With the business prospects, as well as effective business strategy set by the Board of Directors, the Board of Commissioners believes that the Company will be able to take advantage of existing opportunities. It is also strengthened by the strategy to enhance BNI's business with its subsidiaries. These business synergies will boost the overall value of BNI.

### **COMMITTEES BELOW THE BOARD OF COMMISSIONERS' PERFORMANCE ASSESSMENT**

In performing its duties, the Board of Commissioners is assisted by committees, namely the Audit Committee, Nomination and Remuneration Committee, Risk Monitoring Committee, and Integrated Governance Committee. The Board of Commissioners has assessed that during 2016, these committees performing their duties and responsibilities effectively.

#### **Audit Committee**

The Audit Committee is a committee established by the Board of Commissioners to assist it for examinations or investigations deemed necessary regarding the Board of Directors performance in managing the company, which in turn improves the implementation of Good Corporate Governance. The Audit Committee was run professionally and independently during 2016. It held 25 (twenty five) meetings, both internal meetings, meetings with Sector Directors and related Divisions, as well as through the Board of Commissioners' Meetings, which are attended by an Audit Committee Member with the aim that substantive issues can be immediately reported to the Board of Commissioners.

During 2016, the Audit Committee's duties and responsibilities were as follows.

1. Reviewing financial information to be published by the Company to the public and / or Authorities.
2. Reviewing adherence to laws and regulations relating to the Company's activities.
3. Evaluating effectiveness of the audit / services provided by the Public Accounting Firm (KAP), including their independence and objectivity.

4. Providing recommendations to the Board on the appointment of the Public Accountant and KAP to audit the financial year 2016.
5. Reviewing the audits by internal and external auditors, and overseeing the follow-up by the Board of Directors on the audit findings.
6. Assessing BNI's Internal Control System.
7. Providing development recommendations for the Credit Discipline program to improve the credit quality of the Bank.
8. Providing recommendations to include audit findings in the curriculum at BNI Corporate University.
9. Reviewing the monthly company performance reports and RBB 2017-2019 proposals submitted by the Management.
10. Reviewing the management proposals that require approval of the Board of Commissioners.
11. Coordination between the Committees.

#### **Nomination and Remuneration Committee**

The Board also considers that the Nomination and Remuneration Committee has performed its role effectively during 2016. The Nomination and Remuneration Committee meetings are held in accordance with the needs, led by the chairman of the Remuneration and Nomination Committee. During 2016, the Nomination and Remuneration Committee held 15 (fifteen) meetings.

Throughout 2016, in addition their work plan, the Nomination and Remuneration Committee also carried other tasks related to its duties and responsibilities as follows.

**Nomination:**

1. Reviewing the nomination system for the Board of Directors;
2. Making recommendations regarding the Capabilities Development Program for member of the Board of Directors / Board of Commissioners;
3. Recommending Director and or Commissioner candidates;
4. Reviewing the nomination system and Human Capital management;
5. Providing recommendations regarding prospective members of the Committees under the Board of Commissioners from independent parties, for the Audit, Risk Monitoring and Integrated Governance Committees;
6. Monitoring changes in the relevant provisions and regulations related and make adjustments to matters related to the Nomination and Remuneration Committee functions and duties.

**Remuneration:**

1. Reviewing Remuneration for the Board of Directors / Board of Commissioners;
2. Making recommendations on the remuneration structure, policy and amount;
3. Conducting assessment on the suitability of the remuneration received by each member of the Board of Directors / Board of Commissioners;
4. Reviewing remuneration and remuneration system for Executive Officers and employees in general, as well as other matters related to remuneration;
5. Conducting a collegial and individual performance assessment of the Board of Directors for 2015;
6. Reviewing the format and Key Performance Indicators (KPI) for the collegial and individual Directors Performance Assessment for 2017.

**Risk Monitoring Committee**

The Risk Oversight Committee assists the Board of Commissioners in carrying out its functions and duties related to the principles of good corporate governance, especially with regard to risk management. The Board considers that the Risk Oversight Committee has been carrying out its role effectively during 2016.

During 2016, the Risk Monitoring Committee conducted 19 (nineteen) meetings including joint meetings together with the Audit Committee and the Integrated Governance Committee and internal meetings and discussions with related divisions and units,

During 2016, the Risk Monitoring Committee completed the entire program / work plan set at the beginning of the year including, monitoring, evaluating, reviewing, as well as providing advice on matters related to the functions and duties of the Risk Oversight Committee including:

Holding internal KPR meetings.

1. Meetings and discussions with related divisions / units.
2. Reviewing and evaluating outside the meeting forum generally included the following.
  - a. Bank Soundness per semester and Quarterly Risk Profile.
  - b. BNI Public Policy and Risk Management Strategies, including Integrated Risk Management Policy and Guidelines for Internal Control Systems.
  - c. BNI Credit Policy.
  - d. Monitoring Risk Management implementation.
  - e. Reviewing and evaluating the loan portfolio, performance evaluation by credit segment, 16 (sixteen) applications for credit consultation and approval requests or additional credit facilities, presented by the Board of Directors to the Board of Commissioners, monitoring the credit consultations results to the Board of Commissioners , improving credit quality.



## Board of Commissioners' Report

- f. The Risk Management Unit, the Risk Management Committee and Risk Management Committee Integrated work plan or task execution.
- g. Subsidiary Performances and investment / equity participation realization.
- h. Information technology issues.
- i. Determining Tolerance Risk Policy and Capital Adequacy Ratio (KPPM).
- j. Bank Business Plan.
- k. Results of Otoritas Jasa Keuangan exit meeting.

### **Integrated Governance Committee**

Board of Commissioners considers that the Integrated Governance Committee has carried out its role effectively during 2016. During 2016, the Corporate Governance Committee conducted 6 (six) meetings with the Integrated Sector Director, Audit Committee, Risk Monitoring Committee, related units, and internal Integrated Governance Committee.

In carrying out its duties and responsibilities in 2016, the integrated Corporate Governance Committee conducted the following activities:

1. Reviewed and discussed the subsidiary's performances were following the company's growth strategy in line with PT Bank Negara Indonesia (Persero) Tbk vision to change into a financial institution that excels in service and that the subsidiaries' performance is integrated into the parent company's corporate plan.
2. Provided feedback and suggestions to improve subsidiaries synergy as part of the BNI Group, exploring new products and optimizing prospective business opportunities with PT Bank Negara Indonesia (Persero) Tbk as the parent company.
3. Evaluating the Integrated Governance implementation related to integrated internal control adequacy; integrated compliance functions; Integrated Governance Guidelines; integrated risk management, and Subsidiary performance.
4. Evaluating the implementation of the Integrated Governance Policy and the Integrated Risk Management Policy.
5. Evaluating the integrated dashboard risk profile, leading risk indicators for PT Bank Negara Indonesia (Persero) Tbk and each subsidiary, as well as evaluate the results of the assessment / evaluation on integrated governance.
6. Ensuring integrated audit findings have been followed by the whole company and the subsidiaries and ensure categorization findings to anticipate recurring findings.
7. Encouraging enhanced synergies with subsidiaries, including synergies in terms of joint branding and segmentation to avoid overlapping.
8. Encouraging BNI Incorporated is running well, so the impact on the profitability of each subsidiary is accompanied by risk control, quality human capital compliance, and good governance.
9. Discuss and recommend settlement of any issues raised by the subsidiaries.
10. Reviewing and ensuring the Integrated Governance Report sent to Otoritas Jasa Keuangan has identified strengths and weaknesses of integrated governance, and ensure that weaknesses identified have action plans / improvement measures.
11. Increasing the shared commitment from all Commissioners, subsidiaries, and all Integrated Governance Committee members that supervision must be based in the context of the risks to the main entity.
12. Developing an Integrated Governance Committee work program for 2017 with a focus on: ensuring a fully functioning Integrated Governance structure; Integrated Governance to ensure processes run smoothly; evaluating the Integrated Governance results.

## CHANGES IN COMPOSITION OF THE BOARD OF COMMISSIONERS

In 2016 there were several changes to the Board of Commissioners' composition. At the Extraordinary General Meeting held on January 12, 2016 it was decided that:

Approved and appointed the following names as members of the Board of Commissioners:

- Hartadi A. Sarwono as President Commissioner
- Bistok Simbolon as Commissioner

Appointed members of the Board of Commissioners to become effective after the approval of the OJK Fit and Proper Test and meet applicable laws and regulations.

The tenure for the appointed Board of Commissioners members is until the close of the 5th (fifth) Annual General Meeting of Shareholders after the appointment, with due regard to capital market legislation and without prejudice to the right of the GMS to dismiss at any time.

The Board of Commissioners' composition after approval by OJK will be as follows:

1. Hartadi A. Sarwono as President Commissioner
2. Pradjoto as Vice President Commissioner / Independent Commissioner
3. Daniel T. Sparringa as Independent Commissioner
4. Kiagus Ahmad Badaruddin as Commissioner
5. Zulkifli Zaini as Independent Commissioner
6. Anny Ratnawati as Independent Commissioner
7. Joseph F.P. Luhukay as Independent Commissioner
8. Pataniari Siahaan as Commissioner
9. Revisond Baswir as Commissioner
10. Bistok Simbolon as Commissioner

At the Annual General Meeting held on March 10, 2016 it was agreed to:

1. Honorably discharge the following as of the Board of Commissioners members:
  - a. Zulkifli Zaini as Independent Commissioner
  - b. Joseph F.P. Luhukay as Independent Commissioner
  - c. Daniel T. Sparringa as Independent Commissioner

The Board of Commissioners at the Meeting close, extended their gratitude for the contribution of labor and thought given by the Board of Commissioners members.

2. Approved the assignment of Hartadi A. Sarwono, President Commissioner to also be an Independent Commissioner and Revisond Baswir and Pataniari Siahaan from Commissioners to Independent Commissioners.
3. Approved and appointed the following as the Board of Commissioners members:
  - a. Wahyu Kuncoro as Commissioner
  - b. Joni Swastanto as Commissioner

The appointment of Board of Commissioners is effectively implemented after the approval from OJK based on fit and proper test and regulatory compliance. The end of tenure of Board of Commissioners appointed is until the closing of The 5th Shareholders Annual General Meeting since the appointment, by regarding to the regulation in capital market without defraud from AGMS to terminate anytime.

1. The Board of Commissioners' composition after approval by OJK will be as follows:
  - a. Hartadi A. Sarwono as President Commissioner / Independent Commissioner
  - b. Pradjoto as Vice President Commissioner / Independent Commissioner
  - c. Kiagus Ahmad Badaruddin as Commissioner
  - d. Anny Ratnawati as Independent Commissioner
  - e. Pataniari Siahaan as Independent Commissioner



## Board of Commissioners' Report

- f. Revisond Baswir as Independent Commissioner
- g. Bistik Simbolon as Commissioner
- h. Wahyu Kuncoro as Commissioner
- i. Joni Swastanto as Commissioner

Changes in the Board of Commissioners composition are made by the Controlling Shareholders to meet the Company's business demands, and consider the selection of the best to be placed, as the Supervisors to the keep the Company moving. The Board of Commissioners composition changes are conducted by the Controlling Shareholders after reviewing the recommendations of the Board of Commissioners as well as the Nomination and Remuneration Committee.

### **CLOSING**

Accordingly, this reports the Supervisory Board of Commissioners' performance and execution for the Company's business in 2016. The Board of Commissioners will always strive to be professional and independent in exercising its supervision and advise so the Company's performance can always be increased in the future,

Once again, the Board expresses its appreciation to all the Board of Directors and all Company employees, and thanks to their dedication and hard work, the Company was able to survive in the challenging economic conditions.

Jakarta, February 2016

On behalf of the Board of Commissioners  
PT Bank Negara (Persero) Tbk.

Hartadi A. Sarwono  
*President Commissioner*

## Board of Commissioners





- 1 Joni Swastanto**  
Commissioner
- 2 Anny Ratnawati**  
Independent Commissioner
- 3 Revisrond Baswir**  
Independent Commissioner
- 4 Pradjoto**  
Vice President Commissioner /  
Independent Commissioner
- 5 Pataniari Siahaan**  
Independent Commissioner
- 6 Hartadi A Sarwono**  
President Commissioner /  
Independent Commissioner
- 7 Wahyu Kuncoro**  
Commissioner
- 8 Bistok Simbolon**  
Commissioner

## Board of Commissioners' Supervisory Report

Under the provisions of PT Bank Negara Indonesia (Persero) Tbk. Articles of Association and the legislations in force, the Board of Commissioners has a duty and responsibility to supervise the management policies and the Company Board of Directors' management, and provide advice to the Board of Directors, as well as ensure the implementation of the Company's Articles of Association provisions and the provisions of other legislations in force. The Board of Commissioners is an assembly carrying out its duties and responsibilities independently and objectively, and is always focused on the strategic activities that the Company faces and is oriented to increasing added value, in accordance with the wishes of the Shareholders.

The Indonesian economy in 2016 showed a positive trend. By sector, the industrial, agriculture, and trade sectors had positive growth. Similarly, macroeconomic stability and the financial systems were also getting better. This was reflected in low inflation, a declining current account deficit, and a stronger exchange rate. However, there was pressure on the economy and the banking industry, especially global influences including British exit from the EU and the uncertainty of the US central bank benchmark interest rate policy.

Despite the external and domestic challenges, management took the strategic initiative to drive the Company's business industry growth, including exploring the market potential for financing SOEs that focus on infrastructure projects and industrial sectors which have low risk, exploring potential supply chain in corporate debtors, improving the quality of medium segment credit financing monitoring by giving authority to the Regional Heads, optimizing the network by converting outlets as full branches to work on the existing market potential, focusing on KUR financing, and developing a small segment financing system based on digital loans. These efforts and the implementation of strategic initiatives resulted in the Company's performance generally experiencing considerable and encouraging growth in 2016.

In this regard, the Board of Commissioners conveys its appreciation to the Board of Directors and the entire management, as well as the employees on the Company's performance achievement during 2016, with an overview as follows:

### BANK FINANCIAL ASSESSMENT PERFORMANCE

BNI in 2016 realized a strong performance in a challenging environment. The Company's results in 2016 demonstrated the achievement of targets and the results were good, there were improvements in quality and quantity ratios and financial indicators, but there is still need to keep up this momentum to implement improvements in the business aspects that are still below target.

In terms of profitability, the business strategy applied generated a net profit of Rp11.3 trillion with growth of 25.1%, compared to the previous period. At the end of 2016, Return on Assets (ROA) had increased to 2.7%, while Return on Equity (ROE) reached 15.5%. Amid tight liquidity in 2016, management was able to maintain Net Interest Margin (NIM) at 6.2% in 2016.



Efficiency efforts made improved operational efficiency, as reflected by a decrease in Cost to Income Ratio (CIR) and Operating Expenses to Operating Income (ROA), which were 44.2% and 75.5% respectively at the end of 2016, compared to 44.0% and 73.6% respectively at the end of 2016.

The credit strategy adopted encouraged credit growth, so that by the end of 2016, the loan portfolio had reached Rp393.3 trillion, or 20.6% growth, compared to the previous period loan portfolio. The Board of Commissioners appreciates that the credit growth is higher than the industry and BNI's peer, while still asking for a commitment to strengthen the credit management structure and asset quality concerns, as Gross non-performing loan (NPL) in 2016 was 3.0% and still needs to be addressed in the coming period. Meanwhile, to strengthen the Company's ability to anticipate potential losses, the management improved the Coverage Ratio from 140.4% at the end of 2015 to 146.0% at the end of 2016.

In terms of fund raising, management implemented a strategy that increased third party funds (DPK) growth by 17.6% compared to the previous period, so that total deposits at the end of 2016 reached Rp435.5 trillion. The deposit growth saw all components contributing, savings growing by 17.5%, demand deposits growing by 34.5%, and deposits growing by 7.0%. The deposit growth, dominated by increases in savings and demand deposits resulted in an increase in a Current Account and Savings Account (CASA) ratio of 64.6% at the end of 2016, compared to 61.1% at the end of 2015.

Lending grew higher than third party funds growth, carries Loan to Deposit Ratio (LDR) consequences in 2016, which increased compared to the previous period, from 87.8% at the end of 2015, to 90.4% at the end of 2016. The liquidity level, as reflected by the LDR, was within the range specified by the Regulator, and showed that it was managed properly and maintained at a healthy level.

In general, the Bank was able to manage its capital well, in accordance with the characteristics, business scale, and complexity of the business so as to maintain capital levels above the minimum level set by Bank Indonesia. Reaching a Capital Adequacy Ratio (CAR) of 19.4% reflected this.

Risk management has been performed properly and adequately. Possible losses faced from the risks inherent in the Bank's business are low, and Quality Risk Management (KPMR) rated adequate although there are minor weaknesses that deserve management attention.

## OVERSIGHT ACTIVITIES

During 2016, the Board of Commissioners held 26 (twenty-six) meetings, including 12 (twelve) joint meetings with the Board of Directors. The following items were the focus of supervision conducted by the Board of Commissioners during 2016:

- To supervise the efforts to achieve the Bank's business plan, in particular the achievement of several important aspects in the business plan such as profitability, lending, asset quality improvement, third-party funds, productivity and efficiency.
- To supervise the business plan for each Sector Director and conduct a review of their individual policies, strategies and work program.
- To conduct surveillance and monitoring of the Bank and to encourage the Board of Directors to take the necessary steps to maintain and / or increase the Bank levels.
- To monitor the human capital development (HC) with respect to strategic HC functions in supporting achievement of the Bank's long-term plans.
- To ensure the implementation of Good Corporate Governance (GCG) principles and practices at all organization levels by monitoring the results of the GCG self-assessment and encourage improvement to corporate governance practices with reference to international best practices.

- To ensure the implementation of the internal control system and financial reporting are effective by monitoring follow-up findings and recommendations from the Internal Audit Unit (IAU), the results from Otoritas Jasa Keuangan (OJK) monitoring, the Badan Pemeriksa Keuangan (BPK) findings, the Reporting and Financial Transaction Analysis findings, and Public Accounting Firm (KAP) audit results.
- To ensure the effectiveness of risk management systems and processes by monitoring the Bank's risk management.
- To supervise the implementation of the precautionary principle in the provision of credit facilities, using independent evaluations, providing advice and opinion on the Board's decision to provide credit facilities for certain amounts, as well as giving approval for providing credit facilities to Related Parties.
- To monitor and evaluate the Board of Directors' policy related to the synergy creation and strengthening subsidiaries business.

#### 1. Determining Certified Public Accountants

One decision of the Annual General Meeting for the Financial Year 2015 dated March 10, 2016 was to provide the power and authority to the Board of Commissioners to determine the KAP to audit the Company's Financial Statements and Financial Reports of the Partnership and Community Development for the financial year 2016 and to determine the honorarium and requirements for the KAP, and to set the terms for a KAP Substitute, appointed for whatever reason the KAP cannot complete the audit of the Company's Financial Statements and Financial Statements for the Partnership and Community Development Program for the financial year 2015.

Taking into account the recommendation of the Audit Committee, the Board determined that KAP Purwantono, Sungkoro & Surja (member of Ernst & Young) be appointed to examine the BNI Consolidated Financial Statements, the SOE Partnership Financial Report and Community Development Program, the DPLK Financial Statements and Portfolio Investment Report, Custodian Operations, Performance Evaluation, in compliance with the Statement on Auditing Standards (PSA) 62 for the financial year ended December 31, 2016.

The determination of KAP was conducted in accordance with the applicable procedures and regulations.

#### 2. Lending

During 2016 the Board of Commissioners submitted suggestions and opinions regarding the Board of Director's decisions to provide credit facilities to debtors for certain amounts 23 (twenty three) times, which comprised 15 (fifteen) SOEs, 1 (one) Ministry of the Republic Indonesia, and 7 (seven) private companies.

In accordance with applicable regulations, the Board of Commissioners is prohibited from engaging in operational decision-making, unless for providing funds to Related Parties as stipulated by Bank Indonesia regarding Lending Limits for Commercial Banks. Considering that the Board of Directors had conducted studies and took suggestions through a process that was in accordance with the provisions, the Board of Commissioners approved the provision of funds to 6 (six) Related Parties, comprising 4 (four) institutional debtors and two (2) individual debtors.



## Board of Commissioners' Supervisory Report

### 3. Organization and Human Capital

Organizations are always evaluated and improved, with the goal to create an effective and efficient organization to support the Bank's needs and objectives.

Organizational improvements that completed in 2016 were:

- a. The establishment of the BNI Corporate University to further develop human capital to improve their quality and competence in supporting the organization's needs.
- b. Appointment of a Senior Executive Vice President (SEVP) Human Capital to manage the Human Capital Division and BNI Corporate University, to further optimize the management and development of BNI's human capital.
- c. Appointment of a SEVP Information Technology to manage IT Operation Division, IT Solution & Security Division, and Data Management Division, to further optimize the management and development of BNI's IT.

Increased human capital capacity and quality is needed to support the organization's needs and Bank's strategy, through the structured and planned programs to improve its global competency and capability. Additional staff, focused on achieving business targets are supported by an increase in employee productivity.

### 4. Good Corporate Governance Implementation Commitment

To uphold Good Corporate Governance principles, the entire management board and BNI's Financial Conglomerate employees are fully committed to not accept or ask for incentives or gifts of any kind from all BNI's Financial Conglomerate stakeholders, such as customers, debtors, partners, vendors, or other third parties to realize the business and ethical dignity practices.

### 5. Issuance of BNI Negotiable Certificate of Deposit (NCD)

In 2016, the Company issued an NCD, with a maximum Rp3 trillion, consisting of several series, with the take up amounting to Rp3,023 trillion. The Arrangers for the BNI NCD issuance were Danareksa Securities, BNI Sekuritas, Mandiri Sekuritas, and BCA Sekuritas. Legal consultants were Hanafi Ponggawa & Partners. The Notary was Fathiah Helmi, SE. PT Kustodian Sentral Efek Indonesia (KSEI) acted as Paying Agent. The Company's strategy for issuing the NCD was to increase rupiah liquidity.

### 6. Additional Equity in Subsidiaries to strengthen the capital for business development, improve performance and capability in the providing financing related to the PT BNI Multifinance Customer Financing Limit Provision (BMPP), as and approved by OJK, the Company has invested additional capital of Rp203 billion in PT BNI Multifinance. The shareholder composition for PT BNI Multifinance after the capital increase, were PT Bank Negara Indonesia (Persero) Tbk. 99.994% and PT BNI Multifinance Employee Cooperative 0.006%.

The supplementary equity in PT BNI Multifinance had no direct impact on the Company for capital increases in subsidiaries where the Company owns the majority. Additional capital will not change the controlling shareholder of PT BNI Multifinance. All budget-related capital increases had been budgeted in the Company's 2016 Business Plan.

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7. Facility Agreement with Bank Consortium  
The Company signed a Facility Agreement with a consortium consisting of 9 global Banks for loan facilities amounting to USD750 million, on a clean basis for the tenor of 3 and 5 years. The loan facility is aimed at providing additional Company liquidity and will be used for business expansion.
8. Approval of the Board of Commissioners' Bank Business Plan (RBB) and RBB Realization Supervision Report, jointly with the Audit Committee, Risk Monitoring Committee, Nomination & Remuneration Committee, and Integrated Corporate Governance Committee, to continuously monitor and assess Management carefully on the Company's performance, based on the established RBB and Corporate Plan..

To carry out RBB oversight, the Board of Commissioners has reviewed and approved the revised RBB for 2016-2018 submitted by the Board of Directors in June, 2016 and the RBB for 2017-2019 submitted by the Board of Directors in November 2016. The Board of Commissioners also submitted an RBB Implementation Oversight report for the period from the second half of 2015 until February 2016 and an RBB Implementation Oversight Report for the period for the first semester of 2016 in August 2016 to OJK.

## **VIEW ON BANK PROSPECTS**

To maintain and continuously improve performance, the bank has set a vision to "Become a Winning Financial Institutions in the Service and Performance" and set a financial performance target growth while maintaining asset quality.

The Board of Commissioners considers that the gains in 2016 reflect BNI's ability and strength to develop business in Indonesia's financial markets. Implementation of business activity by promoting prudential banking and following the provisions issued by the Regulators, as well as the ability to adapt to market conditions, are considered the keys to success for the Company to survive amid signs the global economy is still vulnerable to uncertainties, and are key in the face of tight competition.

The main challenge to the global economy is the fact that global economic growth is still not strong enough and with the unpredictability of financial markets around the world, needs more scrutiny. To face the challenges and competition ahead, BNI will implement its 2017 plan, as part of the long-term plan, contained in the 2014-2018 Corporate Plan. In 2017, BNI plans to conduct aggressive growth through business expansion in selective markets for quality growth, strengthen the synergy between all business lines, optimize outlets as a point of sales, improve CASA and FBI by pushing customer transactions through the development of electronic transactions, strengthen subsidiaries, as well as non-organic growth, and strengthen its capital.

In the midst of the external challenges and the increasing complexity of banking business, the Board believes that good corporate governance is the foundation for a strong banking infrastructure and corporate culture, and it will contribute to business performance continuity while helping minimize risks faced by the Company.

## **BOARD OF COMMISSIONERS' AND COMMITTEES BELOW THE BOARD OF COMMISSIONERS' COMPOSITION**

1. PT Bank Negara Indonesia (Persero) Tbk  
Board of Commissioners changed in 2016.  
At the Extraordinary General Meeting of Shareholders (EGMS) dated January 12, 2016, it was decided to appoint Hartadi A. Sarwono as President Commissioner, and Bistok Simbolon as Commissioner.



## Board of Commissioners' Supervisory Report

At the Company's Annual General Meeting of Shareholders (AGMS) for Fiscal Year 2015 dated March 10, 2016 it was decided to discharge with respect from their posts, Zulkifli Zaini, Joseph F.P. Luhukay, and Daniel T. Sparringa. Joining the PT Bank Negara Indonesia (Persero) Tbk Board of Commissioners were Wahyu Kuncoro and Joni Swastanto. The AGMS for 2015 also decided to transfer the assignment of Hartadi A. Sarwono from President Commissioner and Independent

Commissioner, and Revrisond Baswir and Pataniari Siahaan from Commissioners to Independent Commissioner. In accordance with OJK Regulation No.33 / POJK.04 / 2014 dated December 8, 2014, on the Board of Directors and Board of Commissioners of Public Company, Revrisond Baswir and Pataniari Siahaan will enter a cooling off period in respect to the transfer of duties of Commissioner to Independent Commissioner.

On October 26, 2016, Kiagus Ahmad Badaruddin was appointed as Head of the Financial Transaction Reports and Analysis Center (INTRAC), and cease to serve as Commissioner of PT Bank Negara Indonesia (Persero) Tbk.

### **Board of Commissioners' Composition before January 12, 2016**

Names	Position
Pradjoto	Vice President Commissioner / Independent Commissioner concurrently Acting President Commissioner / Independent Commissioner
Daniel T. Sparringa	Independent Commissioner
Kiagus Ahmad Badaruddin	Commissioner
Zulkifli Zaini	Independent Commissioner
Anny Ratnawati	Independent Commissioner
Joseph F.P. Luhukay	Independent Commissioner
Pataniari Siahaan	Commissioner
Revrisond Baswir	Commissioner

### **Board of Commissioners' Composition after January 12, 2016**

Names	Position
Hartadi A. Sarwono	President Commissioner
Pradjoto	Vice President Commissioner / Independent Commissioner
Daniel T. Sparringa	Independent Commissioner
Kiagus Ahmad Badaruddin	Commissioner
Zulkifli Zaini	Independent Commissioner
Anny Ratnawati	Independent Commissioner
Joseph F.P. Luhukay	Independent Commissioner
Pataniari Siahaan	Commissioner
Revrisond Baswir	Commissioner
Bistik Simbolon	Commissioner

**Board of Commissioners' Composition, March 10, 2016 - October 26, 2016**

Names	Position
Hartadi A. Sarwono	President Commissioner / Independent Commissioner
Pradjoto	Vice President Commissioner / Independent Commissioner
Kiagus Ahmad Badaruddin	Commissioner
Anny Ratnawati	Independent Commissioner
Pataniari Siahaan*	Independent Commissioner
Revisond Baswir*	Independent Commissioner
Bistok Simbolon	Commissioner
Wahyu Kuncoro	Commissioner
Joni Swastanto	Commissioner

**Board of Commissioners' Composition after October 26, 2016**

Names	Position
Hartadi A. Sarwono	President Commissioner / Independent Commissioner
Pradjoto	Vice President Commissioner / Independent Commissioner
Anny Ratnawati	Independent Commissioner
Pataniari Siahaan*	Independent Commissioner
Revisond Baswir*	Independent Commissioner
Bistok Simbolon	Commissioner
Wahyu Kuncoro	Commissioner
Joni Swastanto	Commissioner

\*) undergo cooling off

In connection with the changes in the composition of the Board of Commissioners, the Board of Commissioners would like to thank the Commissioners who have given their full service for all the dedication, contribution and cooperation in performing their duties as a Commissioner of PT Bank Negara Indonesia (Persero) Tbk. The Board also expressed congratulations to the Commissioners who recently joined with the hope that they will increase the performance of the Board of Commissioners in contributing to the Company.

2. In carrying out its duties and responsibilities, the Board of Commissioners has the necessary core competencies and assistance of a number of Board of Commissioners' bodies consisting of the Secretary to the Board of Commissioners, Audit Committee, Risk Monitoring Committee, Nomination & Remuneration Committee, and Integrated Corporate Governance Committee. Their appointment and tasks, set by the Board of Commissioners, has been conducted with respect to the applicable regulations.



## Board of Commissioners' Supervisory Report

The Board of Commissioners expects further refinements and improvements so that any underdevelopment can be completed in earnest through comprehensive and integrated approaches and policies. The Board of Commissioners believes that the the Board of Directors and the senior leaders of the bank have the strategy to address these challenges, so that with the hard work it can be achieved in 2016 and continued and enhanced.

This is the Board of Commissioners' report on the Supervisory program for 2016.

Hartadi A. Sarwono  
*President Commissioner*



Achmad Baiquni  
President Director



## Board of Directors' Report

During a time of challenging economic conditions, the Company successfully demonstrated a proud performance. Despite slowing growth in some sectors, BNI still managed to maintain asset growth that increased to Rp94.4 trillion. Loans as the main business of the bank contributed 65.2% of total assets in 2016, an increase of 20.6%. BNI customer deposits in 2016 rose by Rp65.1 trillion, or 17.6% compared to Rp56.5 trillion in 2015. In 2016, BNI was able to achieve aggressive earnings growth. Based on December 2016 data, BNI was able to achieve profit growth of 25.1%, well above the industry profit growth of only 1.8%.

Dear Shareholders and other stakeholders, who we respect.

On this auspicious occasion, let us deliver the Company's Management Report for fiscal year 2016. In general, the achievement of the Company's performance was very good. Not only from the financial aspect, but also non-financial aspect, despite the global and national economic conditions that had not recovering significantly.

### **MACRO ECONOMIC REVIEW**

A Global economic recovery was predicted to occur in 2016, and be better in 2017. For the next two years, the world economy is expected to improve. The World Bank projects that the world economy will grow 2.8% in 2017 and 3.0% in 2018, supported by the efforts of several countries in their respective economic recovery.

In terms of interest rate policy, today the world is experiencing less monetary policy divergence, creating conditions where some central banks, like the Fed, could raise its benchmark interest rate gradually, but still at a low level, in line with their economic recovery. On the other hand, some central banks (Asia, Europe) could implement a policy of low rates or even negative rates, to encourage domestic / regional consumption.

In the medium term, a number of global risks still continue to be a concern. The slowdown following the global economic developments uncertainty affects the Indonesian economy. Trade performance is still depressed due to global factors, exports and imports slowed even though the trade balance remains in surplus.

The volatility of the rupiah against the US dollar is still high due to greater pressure from global economic uncertainty, especially after the US Presidential Election. Indonesia's financial markets are also expected to experience pressure and increasing volatility after the US Presidential Election. This potentially could create a capital outflow from Indonesia's financial markets.

Indonesia's future fiscal condition is expected to be depressed, as reflected in the widening budget deficit, due to significantly reduced state revenues. On the other hand, the tax amnesty program policies are expected to boost economic growth and reduce the deficit budget, as well as ease bank liquidity.

With such conditions, Indonesia's economic growth this year is expected to be at the level forecast by Bank Indonesia between 4.9 to 5.3%. As for next year, the Indonesian economy should improve, or able to grow around 5.1 to 5.3%, still sustained by consumption and investments, as well as confidence in the government that is working well.

The focus of the Jokowi-Jusuf Kalla 2014-2019 government policy is to strengthen several strategic sectors. These sectors include the maritime, food, energy, and infrastructure sectors that have been identified as the priority sectors in each region and the 20 BNI priority sectors. As one of the state-owned banks, BNI's business expansion is expected to be in line with government policy.

In order to address this, BNI and the regions are prioritizing lending to these 20 priority sectors accompanied by better risk mitigation measures. A value chain approach is BNI's focus in its strategy, to address the future challenges and serve the development of institutions / corporations, small and medium enterprises (SMEs), as well as reach out to the individuals involved within.

In addition, the implementation of the ASEAN Economic Community (AEC) at the end of 2015 further increased competition, especially in the real sector. Control of the domestic market will be the answer to MEA implementation related with an increase in the competitiveness of the national banking system. Through the enactment of the MEA, foreign trade activity will increase. Therefore, BNI will facilitate by providing loans and trade finance facilities to the export oriented industries, especially now that the government is expanding its exports to countries outside Indonesia's traditional export destinations. Banking business opportunities abroad, based on the principle of reciprocity, will also be addressed with the opening of offices in other countries both inside and outside ASEAN. This will help BNI's business growth and expand BNI's services going forward.

## STRATEGIC POLICY

In accordance with the Company's vision and mission, BNI seeks to contribute their best to boost economic growth and development to achieve the welfare of society as a whole. It is implemented in coordination and collaboration with other institutions from countries, governments, individuals, communities, financial companies, and other private entities.

In addition to contributions to the nation and the State, BNI asserts its existence by becoming one of the major players in the financial sector, especially banking financial services to all banking customers with value-added benefit to all stakeholders, namely customers, investors, employees, communities, and the financial industry.



## Board of Directors' Report

BNI's short-term plans are based on the long-term plan but taking into consideration the current internal and external factors. During 2016, the bank managed to carry out its plans as outlined below.

1. Strengthened business expansion in selected corporate and mid-segment market in selected sectors to maintain quality.
  - a. Improved corporate business expansion in selected markets in national priority sectors to support the government's programs
  - b. Increased the middle segment expansion in priority sectors of the region while maintaining the quality of the portfolio
  - c. Optimized credit processes focusing on the speed of the process but remaining prudent.
  - d. Improved credit quality with a focus on restructuring and recovery customers.
2. Increased fee based income (FBI) and current and savings accounts (CASA) through the strengthening transactional banking customers and the value chain.
  - a. Developed targeted customer transactions for Ministries, institutions, and corporations via integrated cash management, trade finance, and bank guarantees.
  - b. Increased the utilization and wallet-size cash management in the middle segment.
  - c. Optimized supply chain financing based on customer transactions and value chain.
3. Strengthened consumer banking product positioning: BNI Griya, BNI Fleksi, and credit cards as well as Tapplus.
  - a. Increased the featured products penetration in selected customer segments.
  - b. Developed cooperation with business partners to improve customer transactions.
  - c. Improved superior product cross selling to potential customers.
  - d. Developed products by optimizing the usage of e-channels.
  - e. Optimized BNI Fleksi penetration to customer payroll and retirees
  - f. Penetrated retail products and services in overseas branches to Indonesian nationals.
4. Implemented digital services to increase sales and customer interaction.
  - a. Improved customer transactions through e-channel and e-commerce development and electronic payment solutions towards digital service.
  - b. Developed technology-based product and information services to improve customer interaction and sales.
  - c. Expanded the e-channel infrastructure to increase market penetration potential.
  - d. Increased e-channel usage to increase efficiency and effectiveness of the channel.
5. Increased cross selling products to target segments.
  - a. Optimized bank and subsidiaries product bundling to potential customers.
  - b. Optimized e-channel in cross selling bank and its subsidiaries products and services
  - c. Developed targeted segments to see the development of business.
6. Optimized the outlets as revenue centers including integrated financial solutions.
  - a. Optimized customer transactions by providing total financial solutions.
  - b. Developed value chains across all lines and subsidiaries.
  - c. Improved customer referrals for subsidiaries' products in all outlets.
7. Acquired / divested financial services firms that have strong synergies.
  - a. Acquired prospective financial institutions to solve customers' financial needs.
  - b. Strengthened subsidiaries by improving business expansion through synergies between units.
8. Improved employee engagement and productivity.
  - a. Improved the capability of personnel in support of the implementation of the business strategy
  - b. Optimized employee capacity to meet business needs

The 2016 short-term plan has generally been successfully implemented. Credit expansion in priority sectors such as agriculture, manufacturing, infrastructure, and supporting industry infrastructure has been implemented optimally. Likewise, expansion of credit in the potential sectors in each region and the customer supply / value chain from debtor corporations. For loans to the small sector, the bank has managed to exceed the regulatory minimum lending to micro, small and medium enterprises (SMEs) borrowers. The loan portfolio growth was above the average industry level, and was carried using the precautionary principle so that Non-Performing Loans (NPL) did not increase proportionally and produced relatively high yields.

The increase in non-interest income and fundraising costs has been carried out according to plan, in the middle of the financial business competition, and the placement of public funds from non-bank institutions, and even the presence of fintech. Business competition in digitized financial services has been anticipated by improving existing information technology systems, so that our systems are ready to serve the customers needs in accordance with our Information Technology Strategic Plan (ITSP). The results of this information technology strategic plan has resulted in an increase in the number of transactions and improved service quality.

Support for government and regulators programs has also been carried out perfectly, with support for the LKD literacy and the SiMolek car program besides financial program directly to the Indonesian Labor in Hong Kong and in the regions of origin, socialization Tax Amnesty, social assistance programs (bansos), KUBE e-shop, cooperation with BUMDES (village-owned enterprises), Jaring program (Reach, Synergy and guidelines), the issuance of Kartu Lentera and Kartu Masyarakat Sejahtera Cards and program Business Credit (KUR). Service to the state owned enterprise (SOE) and other government institutions are also being implemented in a comprehensive manner from upstream to downstream in the form of investment management, financing transactions, cooperation issuance of debit / credit card co-brand, the distribution of consumer credit, cash management and card issuance employee /member.

The plan to increase and the arrangement of the outlets has also been carried out according to plan. To improve productivity and increase span of control as well as expansion of the bank's service area, then BNI in 2016 set up additional outlets, improved the status of the outlets, relocated outlets, and added functional (regional offices) in addition to the expansion of automated teller machines (ATM) and electronic Data capture (EDC). This helped to provide integrated financial solutions in the form of cross selling of products including the company's products, and improved employee productivity.

Support for government's mandate in accelerating development has also been carried out by BNI. The Group Financial Institution plan has also been Created according to plan. ATM and EDC together with member banks has been implemented and has been successfully with the outlet opening in the form of ATM and EDC Red and White. For the government's Tax Amnesty Program, BNI has successfully implemented functions to act as a gateway receiving and repatriating funds and also serving to socialization and communication Tax Amnesty to various community groups.



## Board of Directors' Report

### COMPANY PERFORMANCE ANALYSIS

The economic slowdown and the various challenges in 2016 as described above were anticipated by the Company. Through proper execution of the business strategy, the Company recorded a scintillating performance, even though the national economy had not fully recovered. In general, the Company managed to significantly improve financial performance. As of the end of 2016, BNI profit grew by 25.1% to Rp11.3 trillion. Operating higher income growth than operating expenses growth mainly drove this. Despite slowing growth in some sectors, BNI still managed to maintain asset growth that increased to Rp94,4 trillion, against 2015's Rp92,0 trillion. Loans as the main business of banks contributed 65.2% of total assets in 2016 and recorded an increase of 20.6%. In 2016, BNI customer deposits rose by Rp65,1 trillion, or 17.6% compared with 2015. The increase was greater than the growth in 2015 recorded at Rp56,5 trillion. In addition, BNI's performance has also been appreciated by external parties, in 2016 BNI again won the award as the Best State Owned Enterprise and Top 50 Public Companies Listed in Good Corporate Governance Award ceremony held by (IICD).

Another thing that is also very encouraging for the Company in 2016 there was a significant improvement in credit quality. The improvements came from a variety of credit initiatives, one being business expansion in selected corporate and mid-segment markets in selected sectors to maintain the quality. In addition to setting the strategic sector, optimizing the supply chain and cross selling were also important elements in achieving growth of the credit quality assessment processes in the parent account. In the consumer sector, credit growth was also focused on selected partners, portfolios as well as segments with a low risk profile.

BNI has made improvements in the process of credit Business Banking well in the corporate, medium and small businesses segments by sharpening business units in prospecting, marketing, creditworthiness as a whole (including an analysis of first way out and second way out) and monitoring the debtors as well as risk to provide recommendations to the business units to conduct credit risk analysis and mitigation / risk control focused on risk probability and high impact.

The improvements made on Small Business Segment applied to prospecting marketing, analyzing credit worthiness as a whole (including an analysis of first way out and the second way out) and monitoring debtors by the business units and implementing supervision and assessment of credit risk in depth by direct supervisors.

By implementing various strategic initiatives, in 2016, the corporate segment recorded loan growth of 26.2% from Rp137.9 trillion in December 2015 to Rp174.1 trillion in December 2016. The increase in loan growth had an impact on increasing the corporate segment contribution to 44.3% of the total BNI loan portfolio (consolidated) compared to 42.3% in 2015. Optimizing the corporate segment continued expansion included priority sectors such as infrastructure (telecommunications, toll roads and construction, electricity, oil and gas and transportation), manufacturing, trade and plantations.

At the end of 2016, loans in the middle segment reached Rp61.3 trillion, or an increase of 19.9% compared to the previous year, and made up 15.6% of the total loan portfolio (consolidated). Whilst loans for small segment, at the end of 2016, reached Rp50.7 trillion, growing by 20.5% from Rp42.1 trillion in 2015. This achievement accounted for 12.9% of the total loan portfolio (consolidated).

Even with the aggressive credit growth, the Company was able to maintain a low NPL value. The gross NPL ratio stood at 3.0% in December 2016 a slight increase from the 2.7% in 2015. To mitigate the NPL risks, BNI established a coverage ratio of 146.0% in 2016, higher than the previous year 140.4%. The increase in gross NPL was not followed by net NPL, which decreased, compared to 2015 from 0.9% to 0.4% in 2016.

Reflecting the adequacy of loss reserves established by BNI being able to cover the rising NPLs in 2016.

To grow low cost funds, BNI offers a wide range of current accounts, deposits and savings specially designed to suit the needs of customers. In 2016, growth in operating business banking customers remained focused on cost of funds, has grown more rapidly and effectively to reach Rp90 trillion, increasing by 3.6% compared to Rp86.9 trillion in 2015. Increasing low-cost funds has resulted in lower cost of funds increasing BNI's efficiency and competitiveness.

Total banking business customer deposits reached Rp207 trillion at the end of 2016, and accounted for 50.4% of total third party funds. This was an increase of 20% compared to the previous year's performance of Rp172.5 trillion, which recorded 49.4% of total deposits in 2015.

Some of the profitability ratios in 2016 also showed improvements compared to 2015. Return on Assets (ROA) increased compared to 2015 moving from 2.6% to 2.7% in 2016. This was due to an increase in performance compared to 2015. The company was also able to maintain a strong Capital Adequacy Ratio (CAR) to sustain the loan portfolio quality growth. The capital adequacy ratio (CAR) in 2016 was stable when compared to 2015 and was in the range of 19.4%, much higher than the minimum adequacy ratio set by Bank Indonesia in their Regulation Number 15/12 / PBI / 2013 concerning Minimum Capital Requirement for Commercial Banks, which has a minimum 9% for risk weighted assets for banks with a risk profile rating of 2.

Associated with international banking, loan products at most overseas Branches (KCLN) increased, reaching Rp21.2 trillion in 2016, a growth of 8.7% from Rp19.6 trillion the previous year. This increase occurred due to the expansion of KCLN. Local Loan Growth rose 52.2% to Rp8.7 trillion compared to 2015's Rp5.8 trillion. This is a proof that the KCLN's are visible to the local residents in each country.

KCLN Third Party Funds increased in 2016 to Rp3.9 trillion, growing 7.4% from the previous year's Rp 3.7 trillion. This was helped this year with the bank opening a new KCLN in South Korea with a full license to conduct business transactions, including retail / consumer. Successes achieved by the company came from the management implemented the correct business strategies.



## Board of Directors' Report

### **ACHIEVEMENT TARGET 2016**

In general, in 2016, BNI performed satisfactorily, which can be seen through several key performance achievements. Although the profit for the year was slightly below target, the profitability as measured by ROA and ROE reached the targets with realization of 2.7% and 15.5%. Net interest income also exceeded target by 101.0%. Other achievements included BNI loan growth, which reached 20.6%, followed by coverage ratio increasing to 146.0%. LDR was maintained at 90.4%. BNI was also able to increase recurring fees of 23.0% (YoY) and third party funds amounting to 17.6% with service level 2.

### **BOTTLENECKS FACED**

As stated earlier, the macro economic pressures influenced the Company's performance in 2016. Competition among banks was becoming increasingly tight. Therefore, the Company continued to conduct studies to anticipate obstacles. By using SWOT analysis tools, the company realized that one of the obstacles faced by the Company was the growth of third party funds being not optimal in supporting credit growth as the level of volatility is still high. This brought about a less optimal LDR and CASA.

To overcome these obstacles, the Company set strategies to increase deposits primarily CASA through closed-loop and e-channel 6 transactions. Digital banking enhanced the customer experience for transactions and sales. The Company also set a strategy to improve its human resources quality in the face of business competition through increased employee engagement and productivity. That effort showed excellent results as can be seen in the above performance analysis.

### **BUSINESS PROSPECT**

Economic growth in 2017 is estimated to be better and to be in the range of 5.1 to 5.3%. Household consumption is showing indications of improvement. The stability of the financial system remains solid underpinned by the resilience of the banking system and the relatively subdued performance of the financial markets. The resilience of the banking industry remains strong with the credit, liquidity and market risks still maintained. Credit growth in 2017 is expected to increase compared to 2016, with credit growth estimated at 15.0 to 17.0% and third party funds growth is estimated at 19.0 to 21.0%.

Looking at the national banking industry business prospects, in particular the national infrastructure financing needs, the projected growth in the manufacturing industry is expected to increase, as well as foreign trade in the Asian region, and the Company seeks to seize every opportunity and potential that is created. With these Company advantages, the Directors are optimistic that business prospects in the future will be bright, supported by the advantages possessed by the Company including the following.

1. A strong market presence in the Corporate and SOE segments
2. Credit growth over the medium industry segment
3. A strong market share in credit cards and housing loans with dominance in consumer loans
4. Higher multipurpose credit growth (BNI Fleksi)
5. The high growth and performance of subsidiaries, increased subsidiaries profit contribution
6. High Small Lending
7. Sufficient capital (CAR)

We are confident the vision, mission and strategic objectives can be realized. Therefore, we feel the Company has set up the proper business development strategies.

### IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

The Company strives to enhance and implement corporate governance practices, not only in line with regulations but also in accordance with best practices / international standards. For the Company, GCG implementation is a must, to achieve the best performance on an ongoing basis.

The Company continues to apply high corporate governance practices which referring to OJK provisions and the corresponding international standards in the ASEAN CG Scorecard framework consistent with parameters set by the Organization for Economic Cooperation and Development (OECD). Intensive efforts have been made as can be seen in the Good Corporate Governance section in this Annual Report. Some issues related to these efforts are as follows.

Third Party Assessment through Corporate Governance Perception Index (CGPI) activity which held by The Indonesian Institute for Corporate Governance (IICG) and Asean CG Scorecard (ACGS) which held by IICD (Indonesia Institute for Corporate Directorship). The result of CGPI assessment shows that BNI has made Most Trusted implementation. Whereas the assessment result for GCG practice of BNI based on principal which arranged in ASEAN Corporate Governance Scorecard which held in 2016, BNI has made the implementation GOOD.

### PERFORMANCE ASSESSMENT FOR COMMITTEES BELOW THE BOARD OF DIRECTORS

To carry its tasks, the Board of Directors has established committees at the level of the Board of Directors, in accordance with BNI business needs and regulatory provisions, who are expected to create operational effectiveness and efficiency, including:

1. Credit Committee
2. Integrated Risk Management Committee
3. Risk and Capital Management Committee
4. Products Committee
5. Performance Management Committee
6. Technology Management Committee
7. Credit Policies and Procedures Committee
8. Human Capital Committee

The Directors consider that during 2016, the committees below the Board of Directors have been doing a good job.

The Credit Committee has the duty and responsibility to grant approval or reject proposals, in accordance with the authorities related to credit limits or credit types established by the Board of Directors. The Credit Committee with the Sector Director have held 117 meetings and have carried out its duties effectively.

The Integrated Risk Management Committee (KMRT) is a non-structural Committee established by Board of Directors Decree No. KP / 193 / DIR / R dated May 26, 2015 charged with providing recommendations to the Board of Directors through the Director of Compliance and Enterprise Risk acting as the Director appointed to carry out Integrated Risk Management. Throughout 2016, the Integrated Risk Management Committee held two meetings covering BNI Integrated Financial Conglomerate Risk Profile and Integrated Capital Adequacy Ratio (CAR).



## Board of Directors' Report

The Risk and Capital Committee (KRK) was established by Board of Directors Decree, last amended by the Decree No. KP / 483 / DIR / R dated December 21, 2016, with the main task to evaluate and provide recommendations related to risk management and capital adequacy management and set policies to cover the risks and support the Bank's business strategy, including measurement, structure (tier 1 / tier 2 ), allocation and capital contingency plan. Throughout 2016, the Risk and Capital Committee did a good job and held 10 meetings.

The Anti-Fraud Committee was formed to foster a culture of anti Fraud awareness at all levels of the organization based on Decree No. KP / 483 / DIR / R dated December 21, 2016, concerning its Establishment

During 2016, KAF carried out the following duties and responsibilities:

1. Identifying, evaluating and assigning follow-arising from fraud events / activities in all work units.
2. Developing a culture and a concern for anti-fraud at all levels of the organization.
3. Establishing policies and anti-fraud strategy.
4. Monitoring anti-fraud policies and strategy in BNI and reviewing the impact of policies and strategies periodically.

The Products Committee manages and monitors products / activities policies in BNI to ensure success in creating maximum profit. The Products Committee was established by the Board of Directors Decree No. KP / 448 / DIR / R dated 20 September 2012 regarding the PT Bank Negara Indonesia (Persero) Tbk. The Product Committee (PRC) held two meetings in 2016 regarding new products and activities in the first quarter of 2016 and plans for product / new activity development in the revised RBB 2016-2018 and discussed data compliance plan to mitigate the products and / or new activity risk in 2017 as well as new product and / or activity in the RBB 2016.

The Performance Management Committee (PMC) is a permanent committee at BNI as a forum for policy management, budget monitoring and expediting the performance management process of in BNI to ensure alignment of strategic planning, facilitating the process of setting targets and performance assessment. The Performance Management Committee was established by the Board of Directors Decree No. KP / 466 / DIR / R dated October 5, 2012 regarding PT Bank Negara Indonesia (Persero) Tbk. Performance Management Committee. In 2016, the Performance Management Committee held two meetings to finalize the 2015 Unit and Sub Unit scores, and changes in KPIs for Unit and Sub Unit and Board of Directors in 2016.

The Credit Policies and Procedures Committee is a permanent committee in BNI with a Credit Procedure Sub-Committee (KPP). The Credit Policies and Procedures Committee (CTF) was established by the Board of Directors Decree No. KP / 168 / DIR / R dated April 26, 2013 and the Credit Procedures Committee (KPP) was established by the Board of Directors Decree No. KP / 169 / DIR / R dated April 26, 2013, and changes in the arrangement of the Committee into the Credit Policies and Procedures Committee in which there is a Credit Procedure Sub-Committee (KPP) was established by the Board of Directors Decree No. KP / 106 / DIR / R dated April 3, 2014. In 2015, adjustments were made to the Committee composition based on the Organization Structuring of the Board of Directors No. KP / 117 / DIR / R dated March 20, 2015, hereinafter refurbished / updated via memo REN No. REN / 2/1437 dated October 19, 2016 which was adapted to the arrangement of Directors Organization cfm. SK Directors No. KP / 253 / DIR / R dated June 1, 2016. During 2016, the Credit Policies and Procedures Committee has done its job well and held 39 meetings.

The Human Capital Committee is a permanent committee in BNI comprising the entire Board of Directors and several Division leaders. The Human Capital Committee was established by the Board of Directors Decree No. KP / 235 / DIR / R dated July 18, 2011 concerning changes to the Human Capital Committee. During 2016, the Human Capital Committee carried out the following duties and responsibilities:

1. Ensuring that the human capital policies / regulations are consistent and aligned with the strategic planning policy, these human capital policies / regulations include employee planning, recruitment and selection, training and competence development, employee performance evaluation, career path and succession, remuneration, industrial relations and work culture.
2. Ensuring the availability of qualified human capital and place them in the right positions including Division Heads and Regional Heads
3. Evaluating the performance of the Human Capital Division Head
4. Ensuring that the delegation of authority in human capital management is in accordance with the needs and purposes

The Technology Management Committee is a permanent committee in BNI that has jurisdiction as the Information Technology Steering Committee on to provide recommendations to the Board of Directors concerning the formulation, establishment of policies and strategies for the development of BNI information technology. This committee was formed with the purpose of assisting the Board of Commissioners and Board of Directors in conducting oversight for the activities of the Information Technology (IT). The Technology Management Committee was established by the Board of Directors Decree No. KP / 201 / DIR / R dated June 14, 2011 regarding the Technology Management Committee, which was renewed through the Planning Division Memo No. REN / 2/234 / R dated May 4, 2016 concerning Committee membership amendment. In 2016, Technology Management Committee held seven meetings.

## BOARD OF DIRECTORS COMPOSITION CHANGES

In 2016 the composition of the Board of Directors changed. The EGMS held on January 12, 2016 decided that:

Approved and appointed Panji Irawan as a member of the Board of Directors. The appointment of the Board of Directors members becomes effective upon approval of OJK Fit and Proper Test and meets the regulations in force.

Thus the composition of the Board of Directors following approval by OJK will be as follows:

- Achmad Baiquni as President Director
- Suprajarto as Deputy Director
- Herry Sidharta as Director
- Sutanto as Director
- Eko Cahyo Anggoro as Director
- Rico Rizal Budidarmo as Director
- Adi Sulistyowati as Director
- Bob Tyasika Ananta as Director
- Imam Budi Sarjito as Director
- Panji Irawan as Director

At the AGMS held on March 10, 2016 it was agreed:

1. To honorably discharge Sutanto as a Director of the Company as of the close of the Meeting with gratitude for his contribution of labor and thought given while serving as a member of the Board of Directors.
2. Approved and appointed Putrama Wahju Setiawan as a Director of the Company. The appointment of the Board of Directors members become effective upon approval of OJK Fit and Proper Test and meet the regulations in force. The end of the term for the appointed members of the Board of Directors will be until the closing of the 5th (fifth) General Meeting of Shareholders since the appointment, with due regard to the legislation in the field of capital market and without prejudice to the right of the GMS to dismiss at any time.



## Board of Directors' Report

Thus the composition of the Board of Directors following approval by OJK will be as follows:

- Achmad Baiquni as President Director
- Suprajarto as Vice President Director
- Rico Rizal Budidarmosebagai Director
- Herry Sidharta as Director
- Eko Cahyo Anggoro as Director
- Adi Sulistyowati as Director
- Bob Tyasika Ananta as Director
- Imam Budi Sarjito as Director
- Panji Irawan as Director.
- Putrama Wahju Setiawan as Director

This change was seen as very much needed by the Company to meet the demands of the business, to realize the vision, mission and strategic objectives as stated in the transformation program, including the success of the million homes program, based on an evaluation of the controlling shareholder and on the Board of Commissioners as well as the Nomination and Remuneration Committee.

### **CLOSING**

Accordingly, this reports on the tasks of the Company's Board of Directors during 2016. The Board of Directors conveys its highest appreciation for the trust, commitment and cooperation of all stakeholders, in particular to the ranks of the management team and all employees who have worked hard in the middle of the challenges that occurred in the banking industry. Through the hard work of the management team and all employees, the Company was able to improve its performance in 2016.

For the direction given by the Board of Commissioners, the Board of Directors gives the highest reward. The Board of Commissioners' directives contributed highly to the Company's performance achievement, so as to improve performance in 2016.

The Board of Directors also expresses their high appreciation to our shareholders, customers and business partners. For their support during this time, the Company survived and continues to demonstrate the achievement of excellent performance.

Going forward, we remain committed to providing our best for achieving sustainable performance improvement. The Board of Directors expects that the Company will be an important part and contribute to improving the economic growth of Indonesia.

Jakarta, February 2017  
On behalf of the Board of Directors  
PT Bank Negara Indonesia (Persero) Tbk.

Achmad Baiquni  
President Director

## Board of Directors





- 1 Panji Irawan**  
Director of Treasury and International
- 2 Imam Budi Sarjito**  
Director of Compliance and Enterprise Risk
- 3 Rico Rizal Budidarmo**  
Director of Finance and Credit Risk
- 4 Bob Tyasika Ananta**  
Director of Planning and Operations
- 5 Achmad Baiquni**  
President Director
- 6 Adi Sulistyowati**  
Director of Institutional Relations  
and Transactional Banking
- 7 Suprajarto**  
Vice President Director
- 8 Putrama Wahju Setyawan**  
Director of Medium Business
- 9 Herry Sidharta**  
Director of Corporate Business
- 10 Anggoro Eko Cahyo**  
Director of Consumer Banking

## Responsibility Statement of Annual Report

We, the undersigned, state that all information contained in the 2016 Annual Report of PT Bank Negara Indonesia (Persero) is presented in its entirety, and we take full responsibility for the correctness of the contents in this Annual Report

This statement is hereby made in all truthfulness.

Jakarta February 21, 2017

### BOARD OF COMMISSIONERS



HARTADI A. SARWONO

President Commissioner / Independent Commissioner



PRADJOTO  
Vice President Commissioner /  
Independent Commissioner



ANNY RATNAWATI  
Independent Commissioner



BISTOK SIMBOLON  
Commissioner



JONI SWASTANTO  
Commissioner



PATANIARI SIAHAAN  
Independent Commissioner



REVRISOND BASWIR  
Independent Commissioner



WAHYU KUNCORO  
Commissioner



We, the undersigned, state that all information contained in the 2016 Annual Report of PT Bank Negara Indonesia (Persero) is presented in its entirety, and we take full responsibility for the correctness of the contents in this Annual Report

This statement is hereby made in all truthfulness.

Jakarta February 21, 2017

**BOARD OF DIRECTOR**

**ACHMAD BAIQUNI**  
President Director

**SUPRAJARTO**  
Vice President Director

**RICO RIZAL BUDIDARMO**  
Director of Finance and Credit Risk

**HERRY SIDHARTA**  
Director of Corporate Business

**ADI SULISTYOWATI**  
Director of Institutional Relations and  
Transactional Banking

**BOB TYASIKA ANANTA**  
Director of Planning and Operations

**ANGGORO EKO CAHYO**  
Director of Consumer Banking

**IMAM BUDI SARJITO**  
Director of Compliance and  
Enterprise Risk

**PANJI IRAWAN**  
Director of Treasury and International

**PUTRAMA WAHJU SETYAWAN**  
Director of Medium Business





# Company Profile

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## Company Identity

<b>Company Name</b>	PT Bank Negara Indonesia (Persero) Tbk
<b>Business Activity</b>	Banking business in accordance with the Articles of Association Number 35, dated March 17, 2015.
<b>Business Segment</b>	<ul style="list-style-type: none"> <li>• Corporate, medium, and small Business</li> <li>• Consumer Business</li> <li>• International and Treasury Business</li> </ul>
<b>Date of Establishment</b>	July 5, 1946
<b>Establishment Legal Basis</b>	<ul style="list-style-type: none"> <li>• Regulation in lieu Law No.2 of 1946</li> <li>• State Gazette of Republic of Indonesia No. 70 of 1968</li> <li>• Act Number 17 of 1968</li> <li>• Government regulation No. 19 of 1992 The Adjustment of Legal Form of BNI</li> </ul>
<b>Ownership Composition</b>	Republic of Indonesia: 60% Public: 40 %
<b>Authorized capital</b>	15,000,000,000,000
<b>Issued and Fully Paid Capital</b>	9,054,806,974,125
<b>Listing Date on Indonesia Stock Exchange</b>	October 28, 1996
<b>Ticker Code</b>	BBNI
<b>Head Office Address</b>	<p>Gedung BNI  Jl. Jenderal Sudirman Kav. 1  Jakarta 10220  Telephone: (62-21) 251 1946  I-Telex: 765185 BNI DLN IA  Fax.: (62-21) 251 1214  E-mail: bni@bni.co.id  Website: www.bni.co.id  PO Box 1946  Jakarta Mampang 12700</p>
<b>Investor Relations</b>	<p>Corporate Communications Division  Gedung BNI, Lt. 24  Jl. Jenderal Sudirman Kav. 1  Jakarta 10220  Telephone: (62-21) 2511 946, 572 8387  Fax.: (62-21) 572 8295, 572 8053  E-mail: investor.relations@bni.co.id  Website: www.bni.co.id</p>



## Brief History of the Company



PT Bank Negara Indonesia (Persero) Tbk (hereinafter "BNI" or the "Bank" or the "Company") was originally established in Indonesia as a central bank under the name of "Bank Negara Indonesia" based on Government Regulation in Lieu of Law No. 2 of 1946 dated July 5, 1946. Subsequently, pursuant to Law No. 17 In 1968, BNI became "Bank Negara Indonesia 1946", with the status of a State-owned Commercial Bank. Additionally, BNI's role as a bank was mandated to improve the people's economy and participate in national development as confirmed by Law No. 17 of 1968 regarding Bank Negara Indonesia 1946.

Based on Government Regulation No. 19, 1992, April 29, 1992, BNI changed its legal status to a limited liability company (Persero). The change of legal status to limited liability company, was made in Deed No. 131, dated July 31, 1992, before Muhani Salim, SH, and was published in the State Gazette of the Republic of Indonesia No. 73 dated September 11, 1992, Supplement No. 1A.

BNI as a State Owned Enterprise was the first to became a public company after listing its shares on the Jakarta Stock Exchange and the Surabaya Stock Exchange in 1996. To strengthen its financial structure and competitiveness in the national banking industry, BNI conducted a number of corporate actions, including being recapitalized by the Government in 1999, Government share divestment in 2007, and a limited public offering in 2010.



To fulfill the provisions of Law No. 40 of 2007 dated August 16, 2007 on Limited Liability Companies, BNI's Articles of Association were amended. The amendments were stated in Deed No. 46 dated June 13, 2008, made before Fathiah Helmi, SH, notary in Jakarta, based on an Extraordinary General Meeting Shareholders decision dated May 28, 2008, which was approved by the Minister of Justice and Human Rights of the Republic of Indonesia, by Decree No. AHU-AH.01.02-50609 dated August 12, 2008 and was published in the State Gazette of the Republic of Indonesia No. 103 dated December 23, 2008, Supplement No. 29015.

BNI's Articles of Association latest changes related to a realignment of the Articles of Association in accordance with Deed No. 35 dated March 17, 2015, made before Notary Fathiah Helmi, SH, which was approved by the Minister of Justice and Human Rights of the Republic of Indonesia, by decree No. AHU-AH.01.03-0776526 dated April 14, 2015.

Currently, the Government of the Republic of Indonesia owns 60% of BNI shares, while the public, both individuals and institutions, own the remaining 40% domestic and foreign. BNI is now the 4th largest national bank in Indonesia, based on total assets, total loans and total third-party funds. To provide financial services in an integrated manner, BNI is supported by a number of subsidiaries, namely Bank BNI Syariah, BNI Multifinance, BNI Securities, BNI Life Insurance, and BNI Remittance.

BNI offers deposit and loan facilities for the corporate, medium, and small segments. Many of the best products and services have been adapted to the needs of customers from childhood, through adolescence and adulthood, until retirement.

At the end of 2016, the BNI's total assets stood at Rp603 trillion with the number of employees at 24,272 people. BNI's service network is spread throughout Indonesia through ... domestic outlets, and overseas through six (6) Foreign Branch Offices (Singapore, Hong Kong, Tokyo, London, New York and Seoul). Currently the BNI ATM network has 16,188 ATMs supported by a shared ATM network. BNI services are also available through 111.743 EDC, Internet Banking and SMS Banking.



## Company Brand



Serving the Country, the Pride of the Nation

- BNI Logo uses colors Orange and Turquoise as corporate signature colors developed to give the impression of modern and fresh. The figure 46 is part of the history of the first BNI Indonesian bank to contribute relentlessly to building the nation.
- The slogan "Serve the State, Pride of the Nation" is reinforcing the philosophy and vision of the company.
- Value Proposition 2017 is BNI is a comprehensive and reliable Digital Financial Institution which will continue to provide the experience of digital innovation to all levels of Indonesian society without exception, whether large corporations or very small, individual of all ages, even for those who still have not touched the bank (unbank).

## Business Fields



### BUSINESS ACTIVITY IN ACCORDANCE WITH THE LAST ARTICLES OF ASSOCIATION

BNI conducts banking businesses and activities in accordance with the Articles of Association as set forth in Deed No.35, dated March 17, 2015. The main activities are as follows:

1. Collecting funds from the public in the form of savings, current deposits, time deposits, savings deposits, or other equivalent forms.
2. Providing credit.
3. Issuing debt instruments.
4. Buying, selling, or guaranteeing customers own risk (such as money orders, promissory notes / other trade papers, State treasury paper, government letters of guarantee, Bank Indonesia certificates, bonds, futures trading time, other securities and instruments).
5. Transferring money either for its own needs or the needs of customers.
6. Placing, lending or borrowing with other banks, by using mail, telecommunication facilities and notes, checks or other facilities.



## Business Fields

7. Receiving payment from securities billing and performing calculations with or among third parties.
8. Facilitating a secure place for expensive goods and securities.
9. Performing escrow activities for another party based on a contract.
10. Performing funds placements from a customer to other customers in the form of securities that are not listed on a stock exchange.
11. Providing funding and/or other activities including activities based on sharia principles, in accordance with Bank Indonesia regulations.
12. Performing factoring, credit card business and trusteeship.
13. Performing foreign exchange activities.
14. Performing equity activities in banks or other companies in the financial sector.
15. Performing temporary investment activities to overcome the consequences of credit failure, including financing failure based on sharia principles, subject to retransferring ownership in accordance with Bank Indonesia regulations.
16. Acting as founder of Pension Funds and Pension Fund Boards.
17. Performing financial services, commercial banking, investment banking and more.
18. Performing other activities not contrary to legislation.

In addition to the main business activities above, the Company provides business activities to support its main business activities as long as they are not contrary to legislation.

### CURRENT BUSINESS ACTIVITY

Until December 31, 2016, the company conducted all business activities in accordance

## Products and Services

CONSUMER	
<b>SAVING</b> <ul style="list-style-type: none"> <li>• BNI Taplus</li> <li>• BNI Taplus Muda</li> <li>• BNI Tappa (Taplus Pegawai/Taplus Anggota)</li> <li>• BNI Tapma (Taplus Mahasiswa)</li> <li>• BNI Haji</li> <li>• BNI Tapenas</li> <li>• BNI Taplus Anak</li> <li>• BNI Simpanan Pelajar</li> <li>• Tabunganku</li> <li>• BNI Giro</li> <li>• BNI Dollar</li> <li>• BNI Deposito</li> <li>• BNI Duo</li> </ul>	<b>LOAN</b> <ul style="list-style-type: none"> <li>• BNI Griya</li> <li>• BNI Griya Multiguna</li> <li>• BNI Fleksi</li> <li>• BNI Oto</li> <li>• BNI Cerdas</li> <li>• BNI Instan</li> <li>• BNI Wirausaha</li> <li>• BNI Kartu Tunai</li> </ul>
<b>CREDIT CARD</b> <ul style="list-style-type: none"> <li>• Regular Credit Card             <ul style="list-style-type: none"> <li>- BNI Silver</li> <li>- BNI Gold</li> </ul> </li> <li>• Premium Credit Card             <ul style="list-style-type: none"> <li>- BNI Style Titanium</li> <li>- BNI Visa Platinum Card</li> <li>- BNI JCB Platinum</li> <li>- BNI Visa Infinite</li> </ul> </li> <li>• Corporate Credit Card             <ul style="list-style-type: none"> <li>- BNI Corporate Card Gold</li> <li>- BNI Corporate Card Platinum</li> <li>- BNI American Express Business Card</li> </ul> </li> <li>• Affinity Credit Card             <ul style="list-style-type: none"> <li>- BNI Affinity - Universitas</li> <li>- BNI Affinity - Ikatan Alumni</li> <li>- BNI Affinity - Organisasi</li> </ul> </li> <li>• Co-Branding Credit Card             <ul style="list-style-type: none"> <li>- BNI-Chelsea Card</li> <li>- BNI-Garuda</li> <li>- BNI-LOTTE Mart Card</li> <li>- BNI-Bank Sumsel Babel Card</li> <li>- BNI-bank bjb Card</li> <li>- Kartu Kredit Ferrari by BNI</li> </ul> </li> <li>• Private Label Credit Card             <ul style="list-style-type: none"> <li>- BNI Travelling Card</li> <li>- BNI Gasoline Card</li> <li>- BNI Health Card</li> <li>- BNI Kartu Tunai</li> </ul> </li> </ul>	<b>DEBIT CARD</b> <ul style="list-style-type: none"> <li>• Regular Debit Card             <ul style="list-style-type: none"> <li>- Silver Debit Card</li> <li>- Gold Debit Card</li> </ul> </li> <li>• Premium Debit Card             <ul style="list-style-type: none"> <li>- Kartu Debit Platinum</li> <li>- Kartu Debit – Chelsea</li> </ul> </li> <li>• Kartu Debit Co-Branding             <ul style="list-style-type: none"> <li>- Kartu Debit Garuda</li> <li>- Kartu Debit Ferrari by BNI</li> <li>- Kartu Debit LOTTE Mart Wholesale</li> <li>- Kartu Debit Co-Branding Multimart</li> <li>- Kartu Debit Co-Branding Indogrosir</li> </ul> </li> </ul>
<b>E-BANKING</b> <ul style="list-style-type: none"> <li>• BNI ATM Reguler</li> <li>• BNI ATM Non Tunai</li> <li>• BNI ATM Setoran Tunai</li> <li>• BNI ATM Drive Thru</li> <li>• BNI SMS Banking</li> <li>• BNI Internet Banking</li> <li>• BNI Phone Banking</li> <li>• BNI Mobile Banking</li> <li>• BNI Mobile Services</li> <li>• BNI Debit Online</li> <li>• Tap Cash Agen 46</li> <li>• Unikqu</li> <li>• EDC</li> <li>• EDC Mini ATM</li> </ul>	<b>SERVICES</b> <ul style="list-style-type: none"> <li>• Domestic Transfer (BNI TRANSFER)</li> <li>• Internayional Transfer</li> <li>• Safe Deposit Box</li> <li>• BNI Voucher Multiguna</li> <li>• Collection</li> <li>• Certificate of Bank BNI</li> <li>• Traveller's Cheque</li> <li>• Foreign Banknotes</li> <li>• Electronic Data Capture (EDC)</li> </ul>



## Products and Services

### **SAVINGS PLAN**

- BNI Simponi

### **BANCASSURANCE**

- In Branch and Telemarketing
- Solusi Abadi Plus
- B-Life Plan Multipro
- B-Life Cash Pro
- Prima Protection
- Pro Maxima
- Pro Medika
- Blife Medplus
- Smart Plan
- Health Plan

## PRIORITY BANKING

### **EMERALD SERVICES**

- BNI Emerald Card
- BNI Infinite Card
- BNI Emerald Saving
- BNI Emerald Services

### **INVESTMENT PRODUCTS**

- BNI Supermarket Investment
- Supermarket Mutual Funds
  - Money Market Mutual Fund
  - Fixed Income Mutual Fund
  - Equity Mutual Fund
  - Balanced Fund
  - Protected Mutual Fund

### **INSURANCE PRODUCTS**

- In Branch & Telemarketing
- Lasting Solutions Plus
- BNI Life Multi Pro
- BNI Life Cash Pro
- Prima Protection
- Pro Maxima
- Pro Medika
- Blife MedPlus
- Smart Plan
- Health Plan

### **E-BANKING**

- BNI ATM
- ATM Drive Thru
- SMS Banking
- Internet Banking
- Phone Banking
- Mobile Services
- Mobile Banking
- Tapcash
- Unikqu
- EDC
- EDC Mini ATM

## BUSINESS BANKING

### **BNI BUSINESS BANKING**

- Local Corporate and Multinational Company 1
- Local Corporate and Multinational Company 2
- Transactional Banking Services
  - BNI Direct (Payment Management, Collection Management, Liquidity Management, Information Management)
  - Supply Chain Financing
  - Custody and Securities Services
- Commercial and Small
  - Working Capital Loan
  - Investment Loan
  - Bank Guarantee (GB)
  - Domestic Letter of Credit (SKBDN)
  - Letter of Credit (LC)
  - Kredit Usaha Rakyat (KUR)
  - Credit Program
- Marketing Intelligence and Business Portfolio

### **INDUSTRIAL SECTOR**

- Agribusiness
- Telecommunications
- Food & Beverages
- Oil, Gas & Mining
- Chemical Industry
- Construction
- Electricity
- Wholesale & Retail

**FUNDING**

- BNI Giro Non-Individual
- Deposito Berjangka Perusahaan
- Single Currency
- Dual Currency (BNI duo)

**LENDING**

- Working Capital Loan
- Investment Loan
- Supply Chain Loan
- Credit to Financial Institutions (KKLK)
- Kredit Usaha Rakyat (KUR)
- Two Step Loan
- Two Step Loan – IEPC 2
- Time Deposit backed Loan
- BNI Wirausaha
- Cash Collateral Credit
- Ezport Credit
- Import Credit
- Primary Cooperatives Credit
- Loan Syndication
- Food and Energy Credit (KKP-E)
- Plantation Revitalization Partnership Program Credit

**SERVICES****Cash Management**

- Transfer Management
  - Collection Management (Auto Collection, Pickup Services, BNI Virtual Account)
  - Payment Management (Bulk Payment, Payroll Management, BNI e-Tax)
  - Liquidity Management
- Syndication
  - Arrangement
  - Agency
- Facility Agent
- Security Agent
- Escrow Agent
- Fund Services
  - Fund Accounting, Fund Administration, Supervision Reporting & Publications
  - Core Banking BNI
  - Transfer Agency
- Custody Service
- Trustee Account
- Bank Guarantee
  - Big Bond
  - Advance Payment Bond/Money Guarantee
  - Performance Bond (Bank Guarantee Implementing / Performance Bond, Bank Guarantee Maintenance Insurance, Maintenance Bond / Retention Bond, Bank Payment Guarantee)
  - Custom Bond
- Paying Agent



## Products and Services

### INTERNATIONAL

#### TRADE FINANCE PRODUCTS

- Import LC Issuance
- Sight LC
- Usance LC
- Back to Back LC (BBLC)
- Transferable Letter of Credit
- Export LC Negotiation
- Inward Documentary Collection
- Outward Documentary Collection
- Shipping Guarantee
- Trust Receipt
- Advances Under Collection Bills
- Open Account Financing
- Bills Discounting
- "UPAS" LC Refinancing
- Standby Letters of Credit

#### LENDING PRODUCTS

- Corporate Loan (Working Capital and Investment Loan)
- Kredit Term Loan
- Overdraft Facility
- Trade Funding
- Syndication Credit
- Project's Funding
- Discount Bills
- Loan on Bills
- Housing Loan
- Two Steps and Channeling Loan to local Corporate from Indonesia

#### RETAIL SERVICES PRODUCTS

- BNI Current Account
- BNI Fixed Deposit
- BNI SingPlus Saving Account
- BNI Simpanan Hong Kong Dollar
- BNI Giro Hong Kong Dollar & US Dollar
- Demand Deposits
- Negotiable Deposits
- Remittance
- Hospital Guarantee
- Bank BNI Singapore | MAS Electronic
- Payment System (MEPS)
- Escrow Agent
- Safe Deposit Box

#### FINANCIAL INSTITUTION PRODUCTS

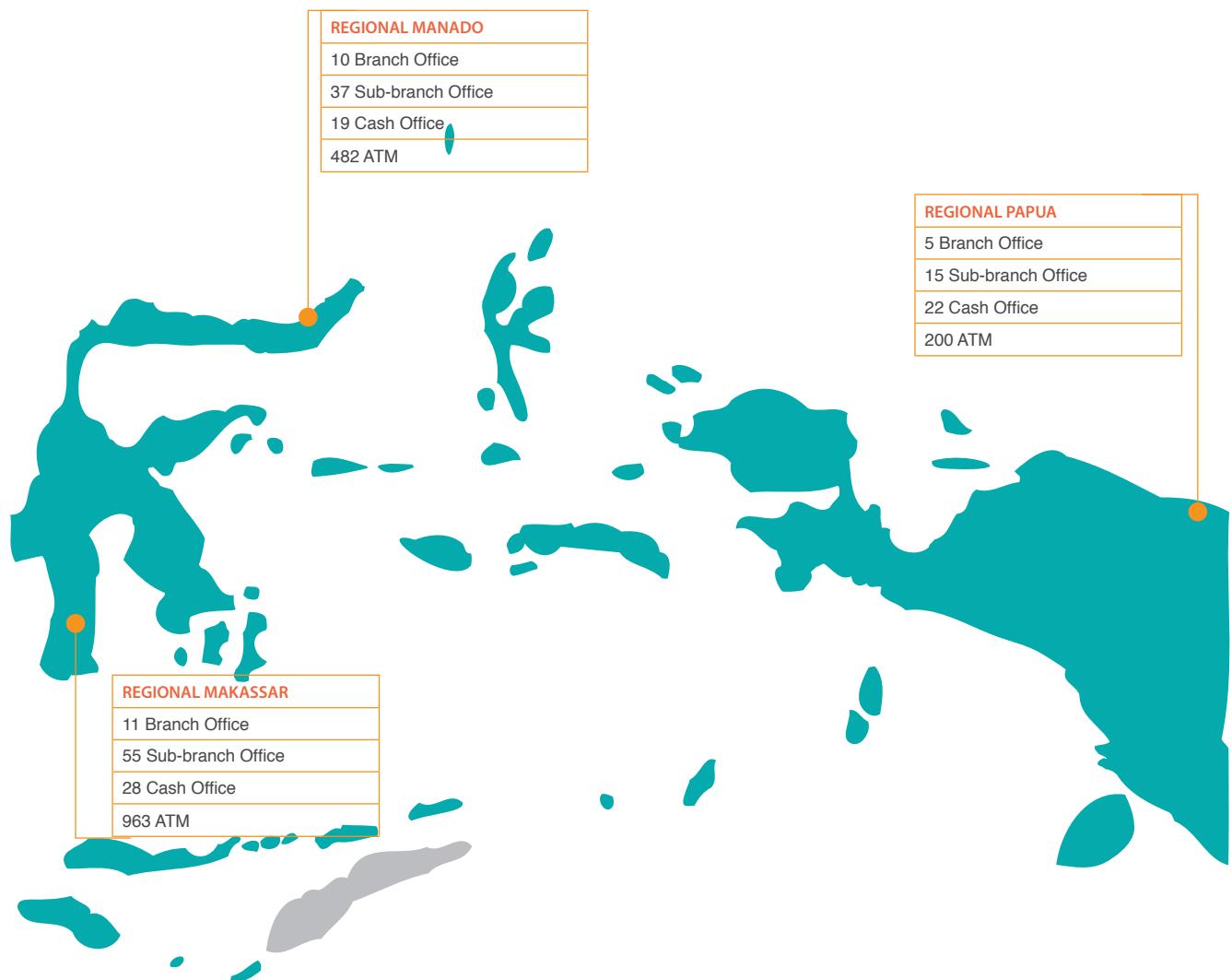
- Bank Guarantee based on Counter Guarantee
- LC/SKBDN Confirmation
- Nostro Account
- Foreign Exchange
- Today, Tomorrow, and Spot
- Forward Transaction
- Swap Transaction
- Fund Placements
- Money Market Account
- Deposit on Call
- Bilateral Trade Financing
- Risk Participation and Forfaiting
- Custodian Services
- Bankers Acceptance
- Derivatif
- Interest Rate Swap
- Option
- Cross Currency Swap
- Bank Notes
- Plain Vanilla Option
- Bond Repo /Reverse Repo

#### TREASURY

- Foreign Exchange
  - Today, Tomorrow, & Spot
- Forward Transaction
- Funds Placements
  - Money Market Account
  - Deposit on Call
- Derivatives
  - Interest Rate Swap
  - Option
  - Cross Currency Swap
- Bank Notes
- Plain Vanilla Option
- Repo Obligasi/ Reverse Repo

## Operational Area Map



**REGIONAL DENPASAR**

9 Branch Office
58 Sub-branch Office
31 Cash Office
975 ATM

**Number of BNI Offices as per December 2016**

Office Type	2016	2015	2014
Regional Office	17	15	15
Branch Office	196	169	168
Sub-branch Office	948	911	912
Cash Office	623	545	495
ATM	17,056	16,071	14,071
Mobile Services	96	81	78

## Outlet and ATMs Innovation



### BNI Emerald

BNI Emerald offers products and services designed for each individual. Emerald provides an easy service to customers in other countries, particularly through the 6 overseas branches, such as hospital guarantees, education guarantees, and travel services.

### BNI Weekend Banking

BNI has 82 weekend banking outlets and 26 Emerald outlets spread throughout Indonesia.



### BNI Container Outlet

BNI Container outlets can be easily moved when necessary to provide customer convenience and flexibility to conduct transactions, especially in locations with limited availability to land or buildings, such as at ports, airports, and industrial areas.

### BNI Digital Branch

BNI brings the concept of digital services by building BNI e-branches to provide independent services to customers and improve competitiveness to face the AEC 2015.



### ATM Drive Thru

ATMs that provide customer convenience while in four-wheel vehicles to help manage their hectic schedules without having to leave the vehicle.



### Motorbike ATM

ATMs that provide customer convenience while on two-wheel vehicles to help manage their hectic schedules without having to park the motorcycle.



### ATM for the Disabled

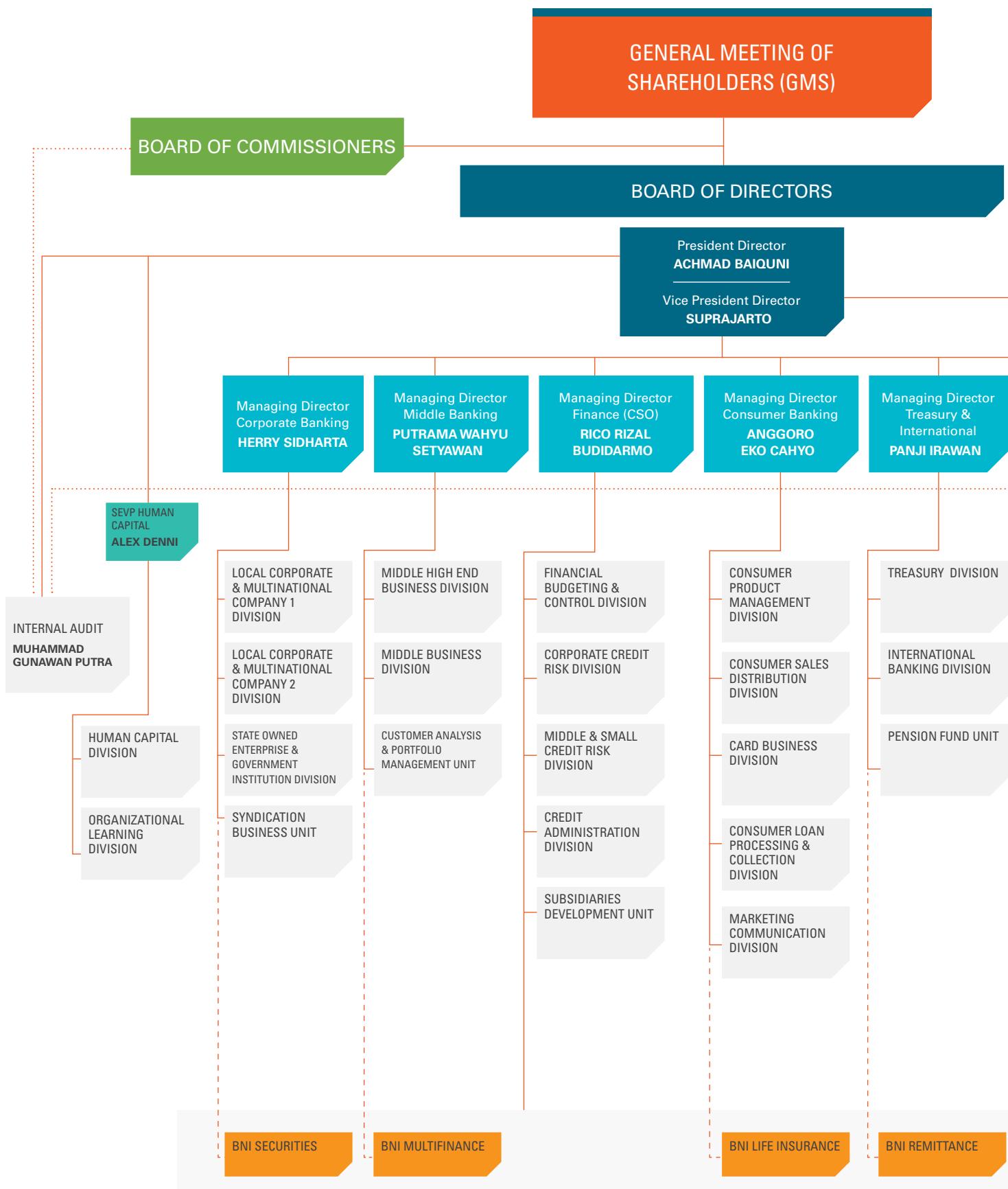
ATMs that provide customer convenience for those with special needs while in a wheelchair with easy access, automatic doors, and conveniently placed cash machines.



### BNI Mobile Services

Conveniencing costumer who live far from BNI Branch Office, BNI have BNI Mobile Services which can be One Stop Mini Banking.

## Organization Structure



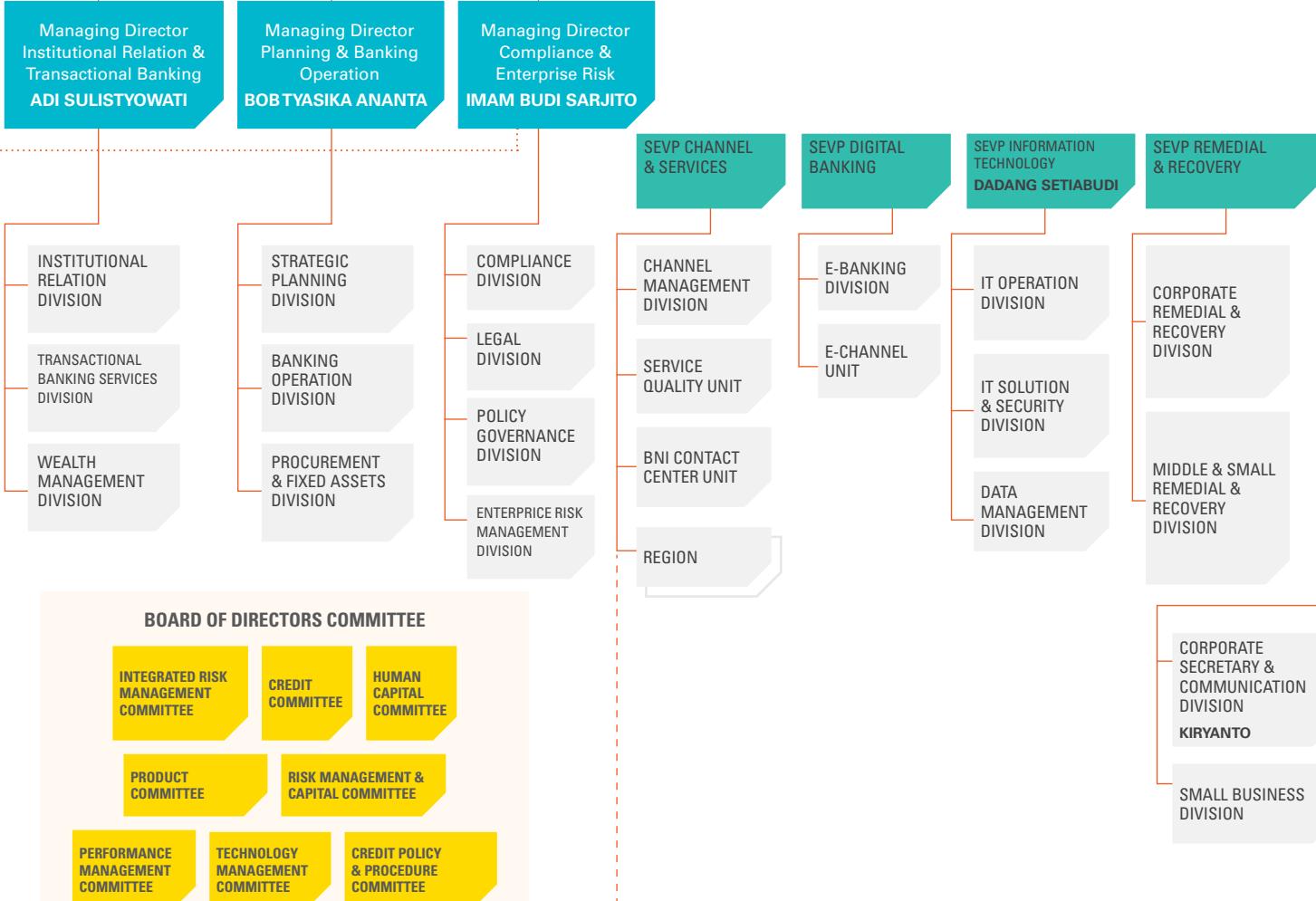


## BOARD OF DIRECTORS DECISION ENCLOSURE LETTER

No: KP/253/DIR/R

Date : 01 Jun 2016

## BOARD OF COMMISSIONERS COMMITTEE

AUDIT  
COMMITTEERISK  
MONITORING  
COMMITTEENOMINATION &  
REMUNERATION  
COMMITTEEINTEGRATED  
GOVERNANCE  
COMMITTEE

## Description

- Supervise Line
- Cordination Line
- Communication & Information Sharing line

## Vision, Mission and Corporate Culture

Bank Vision and Mission has been set in BNI Corporate Plan 2014-2018 Revision I Document.

# VISION

***"To be a financial institution  
with service and  
performance excellence "***

### VISION INTERPRETATION

#### **Excelling in Service**

BNI is a financial institution that excels in serving all its customers' financial needs as lifetime financial partners, providing a total financial solution.

#### **Excelling in Performance**

##### Excelling in Performance

BNI is a financial institutions that excels in financial performance, providing value to customers, investors, employees, communities, and industries.

# MISSION

- To provide excellent services and value-added solutions to all customers and partners by being the primary banking choice
- To increase investment value for investors
- To create the best working environment for employees to proudly work and actualize oneself
- To increase awareness and responsibility to the local community and environment
- To become the role model for compliance to laws and regulations, as well as good corporate governance for the industry

### MISSION INTERPRETATION

#### **To provide excellent services and value-added solutions to all customers and partners by being the primary banking choice**

- Provide complete, integrated, quality, reliable, and dependable products / banking services;
- Provide complete banking services information;
- Provide superior service quality including friendliness, speed, accuracy, convenience and safety;
- Flexibility and maximum speed in taking decisions at the time of negotiations;
- Responsive and accommodating to customers' criticisms and suggestions;
- Proactively making adjustments and improvements in accordance with development needs and customer demands for quality products / services offered by BNI.



### To increase investment value for investors

- Maximum business profitability;
- Sustainable and accountable growth;
- A sound Bank;
- Cost effectiveness.

### To create the best working environment for employees to proudly work and actualize oneself

- Providing equal opportunities and an area to increase knowledge, skills, and an assured career path;
- Providing rewards and welfare facilities comparable with market standards;
- Providing safe, comfortable, harmonious facilities and working environments to support the goal of productivity improvement.

### To increase awareness and responsibility to the local community and environment

- Actively serving the banking needs of all levels of society;
- Actively seek and enter new business in accordance with the law;
- Actively providing an opportunity to enrich the nation program;
- Actively socializing the public about BNI's environmental operations;
- Improving the quality of the environment in line with business development

### To become the role model for compliance to laws and regulations, as well as good corporate governance for the industry

- Integrated risk management implementation based on Basel III;
- Accommodate whistle blowers, for the benefit of the company;
- Senior Leadership actively communicating with the workforce and becoming role models;
- Actively updating rules, regulations, through disciplined and systematic implementations.

BNI Work Culture "Principle 46" is the behavior guidance for BNI Personnel.

The explanation of the work culture "Principle 46" is as follows.

4 BNI OF WORK CULTURE VALUE	6 BNI PERSONNEL CONDUCT HIGHLIGHTS
<b>Professionalism</b>	<ul style="list-style-type: none"> <li>• Improve the competency and give the best result</li> </ul>
<b>Integrit</b>	<ul style="list-style-type: none"> <li>• Honest, Sincere, Willing</li> <li>• Discipline, Consistent dan Responsible</li> </ul>
<b>Orientasi Pelanggan</b>	<ul style="list-style-type: none"> <li>• Giving the best service through Strategic Partnership</li> </ul>
<b>Continuous Improvement</b>	<ul style="list-style-type: none"> <li>• Excellence Improvement</li> <li>• Creative and Innovative</li> </ul>

The explanation of the value of Corporate Culture is as follows

#### • **PROFESSIONALISM**

Having reliable competence and commitment to provide the best results.

#### • **INTERGITY**

Committed to always being consistent in our thoughts, words and deeds based on conscience and belief in the principle of intrinsic truth.

#### • **CUSTOMER ORIENTED**

Always prioritizing the interests of customers based on synergistic mutual respect and relationship.

#### • **CONTINUOUS IMPROVEMENT**

Always looking for opportunities and solutions to improve the service and performance that exceed customer expectations.

## Board of Commissioners' Profiles

**HARTADI A. SARWONO**

(President Commissioner / Independent Commissioner)

Indonesian citizen, domiciled in Jakarta, born on August 10, 1952, aged 64. Earned a Bachelor's degree from the Department of Industrial Engineering, Institut Teknologi Bandung (1979), a Master of Arts from the Department of Macroeconomics, University of Oregon, USA (1985), and Doctor of Philosophy degree from the Department of Monetary Theory and Policy, University of Oregon, USA (1989). Active training such as Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry, held by Banker Association for Risk Management.

He has held various key positions including Deputy Director of Economic Research and Monetary Policy Bank Indonesia (1997-2000), Director of Economic Research and Monetary Policy, Bank Indonesia (2000-2003), Bank Indonesia Representative Head in Tokyo (2003) and Deputy Governor of Bank Indonesia (2003-2013). Currently he also serves as a Director of the Indonesian Banking Development Institute since 2013.

Appointed as the Company President Commissioner on January 12, 2016, based on Extraordinary General Meeting decision number 01 dated January 12, 2016 and approved by OJK on May 4, 2016. Was assigned as a Nomination and Remuneration Committee Member On May 4, 2016, and on 12 May 2016 was assigned as Risk Oversight Committee Chairman.

**PRADJOTO**

(Vice President Commissioner / Independent Commissioner)

Indonesian citizen, domiciled in Jakarta, born on March 7, 1953, aged 63. Earned a Bachelor's degree from Jurusan Hukum, Universitas Indonesia (1981), and a Master of Art from the Department of Economy, University of Kyoto (1988). Active training such as Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry held by Banker Association for Risk Management

He has held several important positions such as Banking Expert Republic of Indonesia Attorney General (2013), Perbanas Supervisor Board (2009-2016), Senior Advisor at Bank Internasional Indonesia (2009-2011), Board of Ethics Chairman for the National Commercial Bank Association (Perbanas) (2006-2009), and Independent Commissioner at PT Bank Mandiri Tbk (2005-2015). Currently, he also serves as Perbanas Supervisory Board Chairman (2016-present) and Board of Advisors Indonesian Bankers Association (IBI) (2006-present), and Legal Counsel to the Bank Indonesia Board of Governors (2006-present).

Appointed as the Company Vice President Commissioner / Independent Commissioner on March 17, 2015, based on AGM decision number 34 dated March 17, 2015 and approved by OJK on May 22, 2015. On May 22, 2015 was assigned as Nomination and Remuneration Committee Chairman and on June 25, 2015 as Integrated Governance Chairman.



**ANNY RATNAWATI**  
(Independent Commissioner)

Indonesian citizen, domiciled in Bogor, born on February 24, 1962, aged 54. She earned a Bachelor's degree from Jurusan Agribisnis, Institut Pertanian Bogor (1985), Master's degree in Agricultural Economics from Institut Pertanian Bogor (1989), and Doctor of Agricultural Economics, from Institut Pertanian Bogor (1996). Actively training including Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry, held by Banker Association for Risk Management and the Executive Seminar and Roundtable, Indonesia Financial Services conglomeration.

She has held various key positions including Director General of Budget, Ministry of Finance (2008 - 2011), Vice Chairman for the SKK Migas Supervisory Commission (Upstream Oil and Gas Special Unit) (2012-2014), Member of the Board of Commissioner of Otoritas Jasa Keuangan Ex-officio for the Ministry of Finance (2012 - 2014) and Deputy Minister of Finance, Ministry of Finance (2010-2014), Director General of Budgeting, Ministry of Finance (2010 - 2014). Currently she also serves as a Lecturer of Economics and Management at Institut Pertanian Bogor (1987-present).

Appointed as the Company Independent Commissioner on March 17, 2015, based on the AGM decision number 34 dated March 17, 2015 and approval by OJK on May 22, 2015. On May 22, 2015 was assigned as Nomination and Remuneration Committee Chairman and on June 25, 2015 as Integrated Governance Chairman.



**BISTOK SIMBOLON**  
(Commissioner)

Indonesian citizen, domiciled in Jakarta, born on December 13, 1956, aged 60. He earned a Bachelor's degree from Jurusan Hukum, Universitas Sumatera Utara (1984) and a Master of Law from Jurusan Ekonomi, Universitas Indonesia (2004).

He has held various key positions including Head of Political, Legal and Security Affairs, Defense, Ratification and Legal Issues Cabinet Secretariat (2006-2011), Deputy Cabinet Secretary for Political, Legal and Security Affairs (2011-2015). He currently serves as Deputy Secretary to the Cabinet (2015-present).

Appointed as Commissioner on January 12, 2016, based on Extraordinary General Meeting decision number 01 dated January 12, 2016 and approved by OJK on May 10, 2016. On May 10, 2016 was assigned as a Nomination and Remuneration Committee Member and an Integrated Governance Committee Member.

**JONI SWASTANTO**

(Commissioner)

Indonesian citizen, domiciled in Jakarta, born on June 13, 1956, aged 60. He earned a Bachelor's degree in Economics from Sarjana Jurusan, Universitas Gadjah Mada (1981), a Master's degree (S2) in Economics from Department of Economics from Colorado State University, USA (1985) and a PhD degree (S3) in Economics from Universitas Indonesia (2007). Actively training including Seminar Revisit Gratuity Control and Enterprise Risk Management and Learning Best Practices of Credit Risk Management.

He has held various key positions including Deputy Commissioner Strategic Management IIB, Otoritas Jasa Keuangan (June 2015-2016), Director of Bank 3 Supervision Department, Bank Indonesia (2008), Licensing and Banking Information Department Director, Bank Indonesia (2008-2011), Chief Representative for Semarang, Bank Indonesia (2011-2013), Licensing and Banking Information Department Head, Bank Indonesia (2013), Licensing and Banking Information Department Head, Otoritas Jasa Keuangan (2013-2015).

Appointed as a Commissioner on March 10, 2016, based on the AGM decision number 8 dated March 10, 2016 and approved by OJK on April 20, 2016. April 20, 2016 was assigned as a Nomination and Remuneration Committee Member and an Integrated Governance Committee Member.

**PATANIARI SIAHAAN\***

(Commissioner)

Indonesian citizen, domiciled in Jakarta, born on July 30, 1946, aged 70. He earned a Bachelor's degree from Jurusan Teknik Sipil Universitas Trisakti (1978) and a Bachelor's degree from Jurusan Teknik Sipil Transportasi Universitas Krisnadwipayana (2006), Master's Law degree from Universitas Trisakti (2007), and Doctorate in Law from Hukum, Universitas Trisakti (2011). Actively training including seminars and Executive Roundtable, Indonesia Financial Services conglomeration and Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.

He has held various positions including Socialization Chairman MPR RI Government 1945 Laws (2005-2009), Legislation Board Chairman MPR RI (2004-2009) and other positions as Chairman and Member of DPR/MPR RI (1999-2009). Currently he also serves as MPR-RI Research Institute Member (2015-2019), Editorial Board Jurnal Hukum Prioris (2013-present).

Appointed as a Commissioner on March 17, 2015, based on AGM decision number 34 dated March 17, 2015 and approved by OJK on June 25, 2015. On the same date, was assigned as a Nomination and Remuneration Committee Member and an Integrated Governance Committee Member. On AGM decision on March 10, 2016 was arranged as Independent Commissioner.



## Board of Commissioners' Profiles



### REVRISOND BASWIR

(Commissioner)

Indonesian citizen, domiciled in Yogyakarta, born on February 28, 1958, aged 58. He earned a Bachelor's degree in Accounting from Universitas Gadjah Mada, Yogyakarta (1983), Master of Business Administration from Western Michigan University, USA (1991), and Doctorate in Economics from Universitas Airlangga, Surabaya (2011). Actively training including training Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry, held by Banker Association for Risk Management.

He has held various positions including Commissioner and Audit Committee Chairman for PTPN XI, Surabaya (2014-2015), PTPN VIII Commissioner, Bandung (2013-2014), Commissioner and Audit Committee Chairman for PTPN XIII, Pontianak (2008-2013), DPD RI Expert Staff (2005-2006), and Expert Staff for the Ministry of Human Rights (2000). Currently he also serves as a lecturer at the Economics and Business Faculty at Universitas Gadjah Mada (1983-present), Head of the Center for Economic Democracy at Universitas Gadjah Mada (2013-present), and Public Policy Committee Member of the Ministry of State-Owned Enterprises (2015-present).

Appointed as Commissioner on March 17, 2015, based on AGM decision number 34 dated March 17, 2015 and approved by OJK on June 24, 2015. On the same day, was assigned as a Risk Oversight Committee Member and Nomination and Remuneration Committee Member. In GMS dated March 10, 2016 he was appointed as Independent Commissioner.



### WAHYU KUNCORO

(Commissioner)

Indonesian citizen, domiciled in Jakarta, born on October 31, 1969, aged 47. He earned a Bachelor's degree (S1) from Jurusan Pertanian, Universitas Sebelas Maret (1993), a Bachelor's degree (S1) from Jurusan Ekonomi, Universitas YAI (2003), and a Master's degree (S2) from Jurusan Manajemen, Universitas Gadjah Mada (2005).

He has held various positions including Assistant Deputy Banking and Insurance, Ministry of SOEs (2014-2015), Assistant Deputy for Services III, Ministry of SOEs (2013-2014), Commissioner of PT Perkebunan Nusantara XIII (Persero) (2012-2013), Infrastructure and Logistics IA Head, Ministry of SOEs (2012-2013), Primary Industry IIIA Head, Ministry of SOEs (2010-2012), Commissioner of PT Perkebunan Nusantara XI (Persero) (2008-2012) and Plantation Business IIB Head, Ministry of SOEs (2006-2010). Currently he also serves as Agro Industry and Pharmacy Deputy, Ministry of SOEs (2016-present), Commissioner and Audit Committee Chairman, PT Angkasa Pura II (Persero) (2013-present), Business Infrastructure Deputy, Ministry of SOEs (2015 -now).

Appointed as a Commissioner on March 10, 2016, based on AGM decision number 8 dated March 10, 2016.

## Board of Directors' Profiles

**ACHMAD BAIQUNI**

(President Director)

Indonesian citizen, domiciled in Jakarta, born on January 1, 1957, aged 60.

He earned a Bachelor's degree in Economics from Universitas Padjajaran in 1982 and a Master's S2 degree in Business Management from the Asian Institute of Management, Makati, Philippines in 1992. Further training at the Indonesia Leadership Forum, APPU Seminar, Workshop on Technical Cooperation Among Enchanting Members countries through Reverse Linkage, FGD Challenges to the Global Economy and others.

He has held various important positions in BNI, including Director of Consumer (2003-2006), Director of Corporate (2006-2008), Director of Small, Medium and Sharia Business (2008-2010). In addition, PT Bank Rakyat Indonesia (Persero) Tbk Finance Director (2010-2015).

Appointed as a Director of the Company on March 17, 2015 based on the AGM decision No 67 dated April 21, 2015.

**SUPRAJARTO**

(Vice President Director)

Indonesian citizen, domiciled in Jakarta, born on 28 August 1956, aged 61.

He earned a Bachelor's degree (S1) in Economics from UPN Yogyakarta in 1982, a Master's degree (S2) in Marketing Management from the Universitas Padjajaran in 2001, and a PhD (S3) in Business Management from the same university in 2014. Further training at Retail Banking Innovation and Anti-Money Laundering Seminar (APU) / INTRAC, 2016

He held various important positions in PT Bank Rakyat Indonesia Tbk including Corporate Secretary (2005), Regional Leader (2006), and most recently as Director of Network & Services (2007-2015).

He currently serves as Vice President Director of PT Bank Negara Indonesia (Persero) Tbk and was appointed on March 17, 2015 based on the AGM decision No. 67 2015.

**RICO RIZAL BUDIDARMO**

(Director of Finance and Credit Risk)

Indonesian citizen, domiciled in Jakarta, born on June 19, 1963, aged 54.

He earned a Bachelor's degree in Economics Management from Universitas Gajah Mada in 1987 and an MBA and MIS in Business and Finance from the Stern Business School, New York University in 1996, and a Doctorate in Business Management from Institut Pertanian Bogor 2010. Further training at Future of Asia's Finance: Financing for development in 2015 (September 2015), "Application of Risk Management and Governance Integrated for Financial Conglomerates in Indonesia" (January 2015), Certified Refreshment - Banking Risk Management Level 5 (May 2014), Intensive Wealth Management and Risk Management Executive Programme For Refreshment, Europe Class 2014 (May 2014)

He has held various key positions including GM / EVP Treasury in BRI in 2013-2014, Director of Risk and Compliance in 2014-2015 in BTN. And currently serves as Director of Finance and Credit Risk in BNI 2015 - present.

Appointed as a Company Director on Tuesday, April 21, 2015 based on the AGM decision No. 67 2015.

**HERRY SIDHARTA**

(Director of Corporate Business)

Indonesian citizen, domiciled in Jakarta, born on April 23, 1957, aged 60.

He earned a Bachelor's degree in Financial Management from Universitas Pancasila Jakarta in 1982 and a Master of Business Administration from Rensselaer Polytechnic Institute, New York, USA in 1995. Further training at the Anti-Money Laundering Seminar organizers BNI and PPATK and Kompas CEO Forum.

He has held various key positions at BNI as Corporate Division Head (2008-2009), Medium Enterprises Division Head (2009-2010), Small Business Division Head (2010). He has also held various important positions in Perum Jamkrindo among others as Human Resources and General Director March 2014 - March 2015, Operations Director, Perum Jamkrindo January 2013 - March 2014. Also Finance Director, Perum Jamkrindo March 2011 - January 2013. He currently serves as Director of Corporate Business for PT Bank Negara Indonesia (Persero) Tbk.

Appointed as a Director of the Company on April 21, 2015 based on the AGM decision No. 67 2015.

**ADI SULISTYOWATI**

(Director of Institutional Relations and Transactional Banking)

Indonesian citizen, domiciled in Jakarta, born on June 11, 1967, aged 50.

She earned a Bachelor's degree in Management from Universitas Krisnadipayana in 1993. Further training at Anti-Money Laundering seminar and Kompas CEO Forum.

She has held various important positions in BNI, including Jakarta Senayan Regional Head 2010-2012, and Network Management Division Head in 2012-2015.

Appointed as a Director of the Company on May 27, 2015 based on the AGM decision No 53 2015 AGM.

**BOB TYASIKA ANANTA**

(Director of Planning and Operations)

Indonesian citizen, domiciled in Jakarta, born on May 26, 1963, aged 54.

He earned a Bachelor's degree in Accounting from Universitas Gajah Mada in 1986 and a degree in Finance from the University of Oregon in 1986. Further training at Loan Restructure training, Anti-Money Laundering Seminar (AML), Global Macroeconomics and Indonesia Trend and Forecast , SOE Commissioners and Directors Refreshment, and others.

He has held various important positions in BNI, including General Manager Kangor Branch Hong Kong (2008-2010), International Division Head (August 2010-2011), Strategic Planning Division Head (August 2011-March 2015).

Appointed as a Director of the Company on Tuesday, April 21, 2015 based on the AGM decision No. 67 2015.



## Board of Directors' Profiles



### **ANGGORO EKO CAHYO**

(Director of Consumer Banking)

Indonesian citizen, domiciled in Tangerang, born on January 7, 1969, aged 48.

He earned a Bachelor's degree in Engineering and Industrial Management from Institut Teknologi Indonesia in 1992 and a Master's degree in Agribusiness Management from Institut Pertanian Bogor in 2002. Further training at SOE Synergy seminar, Anti-Money Laundering Seminar (AML), Preparation Seminar for implementation of National Technology Chip and 6 Digit PIN Standards for ATM cards and / or debit cards, Indonesia Business and Development EXPO 2016 Conference and Seminar, and others.

He has held various key positions at Bank Negara Indonesia (Persero) Tbk including Jakarta Kota Regional Head (2010-2011), Jakarta BSD Regional Head (2009-2010), Network and Services Division Head (2011-2012), Human Capital Division Head (2012-2015) and Supervisory Board Chairman for Bank Negara Indonesia Pension Fund (2012 -2015). Currently he is also serving as the Association of Payment Systems Indonesia Chairman (ASPI) for the period 2016 - 2019.

Appointed as a Director of the Company on Tuesday, April 21, 2015 based on the AGM decision No. 67 in 2016.



### **IMAM BUDI SARJITO**

(Director of Compliance and Enterprise Risk)

Indonesian citizen, domiciled in Jakarta, born on March 16, 1959, aged 58.

He earned a Bachelor's degree in Economics from Universitas Diponegoro in 1982 and a PhD in Economics from The Claremont Graduate School in California, USA in 1995. Further training at APU and PPT seminars.

He has held various important positions including BNI Strategic Planning Division Head (2008-2011), Enterprise Risk Management Division Head (2011-2015) and PT Bank BNI Syariah Commissioner (2012-2015).

Appointed as a Director of the Company since 2015 based on the AGM decision No. 67 2015.

**PANJI IRAWAN**

(Director of Treasury and International)

Indonesian citizen, domiciled in Jakarta, born on October 16, 1965, aged 52.

He earned a Bachelor's degree in Agricultural and Resource Economic from Institut Pertanian Bogor (IPB) in 1989. Further training at Anti-Money Laundering Seminar (AML), Workshop on Enhancing Technical Corporation Among Member Countries through Reverse Linkage: "Together We Overcome Our Challenges", Indonesian Business & Development (IBD) Expo 2016, BI Seminar" Development of Commercial Paper Money Market instruments", and others.

He has held various important positions, including Commissioner for PT Mandiri Sekuritas in 2011 - 2016. He served as Executive Vice President, Treasury Group Bank Mandiri (Persero) Tbk, 2010 – 2016, Chairman for Association Cambiste Internationale (ACI) Indonesia 2010 – 2014, Chairman of Indonesia Foreign Exchange Market Committee (IFEMC) 2014-2016.

Appointed as a Director of the Company on January 12, 2016 based on the AGM decision No. 01 in 2016.

**PUTRAMA WAHJU SETYAWAN**

(Director of Medium Business)

Indonesian citizen, domiciled in Bekasi, born in Yogyakarta on November 28, 1969, aged 48.

He earned a Bachelor's degree in Forestry from the Universitas Gadjah Mada in 1994 and a Master's degree in Management Accounting from Universitas Gadjah Mada in 1996 S2 . Further training including seminars Anti-Money Laundering (AML), Tax Amnesty Socialization, Strengthen Economic Fundamentals Indonesia and KOMPAS CEO Forum.

He has held various key positions at PT. Bank Negara Indonesia (Persero) Tbk, including Corporate Loans Rescue and Settlement Division Head in 2011, SOEs and Government Institutions Division Head in 2014, Commercial and Small Businesses Loans Rescue and Settlement Division Head in 2015, and Medium Business Senior Executive Vice President in 2016.

Appointed as a Director of the Company on March 10, 2016 based on the AGM decision No. 17 On July 25, 2016.



## Executive Officers' Profiles



**ALEX DENNI**  
SEVP Human Capital

Indonesian citizen, domiciled in Jakarta, born on December 27, 1968, aged 48. He earned a Bachelor's degree in Agro Industry Management from Universitas Pertanian Bogor in 1990, a Master's degree in Management from Universitas Atma Jaya in 1997, and a PhD degree in Agro Industry Management and Human Capital Research Focus from Universitas Pertanian Bogor in 2011 (s3). He has served as SEVP Human Capital since June 1, 2016 based on the Specific Time Employment Agreement (PKWT) No DIR / 059 dated May 25, 2016.



**DADANG SETIABUDI**  
SEVP Information Technology

Indonesian citizen, domiciled in Jakarta, born on June 23, 1962, aged 53. He earned a Bachelor's degree in Accounting from Universitas Padjajaran (UNPAD) in 1987 and a Master's degree in Agribusiness Management from Institut Pertanian Bogor in 1999. He has served as SEVP of Information Technology since May 24, 2016 based on Board of Directors' Decree No. KP / 241 / DIR / R 2016.

In 2017, the BNI Internal Audit Unit Head changed based on Board of Directors' Deed No. KP/482/DIR/R year 2016



**ANANG BASUKI**

Internal Audit Unit Head

Indonesian citizen, aged 47. He earned a Bachelor's degree in Accounting from the Universitas Gajah Mada(UGM) in 1992, also sertificated in Internal Audit (CIA) from The Institute of Internal Auditor in 2007. Served as the Internal Audit Head since June 2014 until January 2017.



**MUHAMMAD GUNAWAN PUTRA**

Internal Audit Unit Head

Indonesian citizen, domiciled in Jakarta, born on October 6, 1970, aged 46. He earned a Bachelor's degree in Economics and Accounting from the Universitas Gajah Mada (UGM) in 1995, Registered Accountant in 1996, a Master in Business Administration from Universitas Gajah Mada (UGM) in 2009, and Chartered Accountant (CA) from Ikatan Akuntan Indonesia (IAI) in 2015. He has served as the Internal Audit Unit Head since January 4, 2017 based on Board of Directors' Decree No. KP / 482 / DIR / R 2016.

In 2017, the Corporate Secretary changed based on Board of Directors' Deed No. KP/161/DIR/R year 2016



**SUHARDI PETRUS**

Corporate Secretary

Indonesian citizen, 47 years. Earned S1 in Accounting, Universitas Sebelas Maret (1992) and a Master Degree in Financial Management Financial Management from the Universitas Wijaya Putra (2000).

BNI Corporate Communications and Secretariat Division Head from 27 November 2015 until 24 April 2016.



**KIRYANTO**

Corporate Secretary

Indonesian citizen, domiciled in Jakarta, born on 10/12/1964, aged 52. He earned a Bachelor's degree in Public Administration from Universitas Gadjah Mada in 1989 and a Master's degree in Finance from the Universitas Indonesia in 2002 (S2). He has served as Corporate Secretary since April 25, 2016 based on Board of Directors' Decree No. KP / 161 / DIR / R dated April 18, 2016.



## Employees' Profile

### NUMBER OF EMPLOYEES BY POSITION LEVEL

**Based on Position Level**

Grade	2016			2015			2014			2013			2012		
	L	P	Total												
≥ VP	167	42	209	139	40	179	111	34	145	108	32	140	91	30	121
AVP	680	254	934	677	233	910	693	216	909	639	186	825	629	177	806
MGR	1,684	1,095	2,779	1,594	1,032	2,626	1,500	936	2,436	1,486	839	2,325	1,442	758	2,200
AMGR	3,989	3,784	7,773	4,031	3,754	7,785	4,143	3,848	7,991	4,243	3,919	8,162	3,769	3,320	7,089
ASST	5,834	9,620	15,454	5,340	8,957	14,297	5,277	8,668	13,945	5,120	8,360	13,480	4,982	8,274	13,256
PGD	1,035	0	1,035	1,078	0	1,078	1,110	0	1,110	1,168	0	1,168	1,388	1	1,389
<b>TOTAL</b>	<b>28,184</b>			<b>26,875</b>			<b>26,536</b>			<b>26,100</b>			<b>24,861</b>		

**The Growth of Employees Based on Position Level**

Position Level	2016		Composition of the total		2015		Composition of the total		Growth	
	L	P		%	L	P		%		%
≥ VP	209		0.7%		179		0.7%		16.8%	
AVP	934		3.3%		910		3.4%		2.6%	
MGR	2,779		9.9%		2,626		9.8%		5.8%	
AMGR	7,773		27.6%		7,785		29%		-0.1%	
ASST	15,454		54.8%		14,297		53.2%		8.1%	
PGD	1,035		3.7%		1,078		4.0%		-4%	
<b>TOTAL</b>	<b>28,184</b>		<b>100.0%</b>		<b>26,875</b>		<b>100.0%</b>		<b>4.9%</b>	

### NUMBER OF EMPLOYEES BY EDUCATION LEVEL

**Based on Education Level**

Education Level	2016			2015			2014			2013			2012		
	L	P	Total	L	P	Total									
PhD	3	3	6	3	3	6	4	1	5	4	1	5	5	1	6
Master's	1,497	920	2,417	1,509	867	2,376	1,514	858	2,372	1,514	858	2,372	1,546	823	2,369
Strata 1	9,793	11,559	21,352	9,437	11,314	20,751	9,241	10,945	20,186	9,241	10,945	20,186	8,696	9,701	18,397
Academy	1,190	2,286	3,476	1,140	1,796	2,936	1,233	1,844	3,077	1,233	1,844	3,077	1,102	1,946	3,048
Junior-Senior High School	905	27	933	770	36	806	842	54	896	842	54	896	952	89	1041
<b>TOTAL</b>	<b>28,184</b>			<b>26,875</b>			<b>26,536</b>			<b>26,100</b>			<b>24,861</b>		

**The Growth of Employees Based on Education Level**

Education Level	2016	Composition of the total	2015	Composition of the total	Growth
PhD	6	0,02%	6	0,02%	0,00%
Master's	2,417	8,58%	2,376	8,84%	1,73%
Strata 1	21,352	75,76%	20,751	77,21%	2,90%
Academy	3,476	12,33%	2,936	10,92%	18,39%
Junior-Senior High School	933	3,31%	806	3,00%	15,76%
<b>TOTAL</b>	<b>28,184</b>	<b>100,00%</b>	<b>26,875</b>	<b>100,00%</b>	<b>4,87%</b>

**NUMBER OF EMPLOYEES BY EMPLOYMENT STATUS****Based on Employment Status**

Employment Status	2016			2015			2014			2013			2012		
	L	P	Total	L	P	Total									
Permanent	1,1775	12,495	24,270	11,647	12,173	23,820	11,500	11,689	23,189	11,352	11,097	22,449	10,273	8,908	19,181
Contract	1,614	2,300	3,914	1,212	1,843	3,055	1,334	2,013	3,347	1,412	2,239	3,651	2,028	3,652	5,680
<b>TOTAL</b>	<b>28,184</b>			<b>26,875</b>			<b>26,536</b>			<b>26,100</b>			<b>24,861</b>		

**The Growth of Employees Based on Employment Status**

Employment Status	2016	Composition of the total	2015	Composition of the total	Growth
Permanent	13,389	47.51%	12,859	47.85%	4.12%
Contract	14,795	52.49%	14,016	52.15%	5.56%
<b>TOTAL</b>	<b>28,184</b>	<b>100.00%</b>	<b>26,875</b>	<b>100.00%</b>	<b>4.87%</b>

**NUMBER OF EMPLOYEES BY AGE****Based on Age**

Age (years)	2016			2015			2014			2013			2012		
	L	P	Total												
>50	578	201	779	598	205	803	783	266	1049	841	277	1,118	703	205	908
>45-50	1,931	1,108	3,039	1,643	841	2,484	1,628	829	2,457	1,224	536	1,760	770	297	1,067
>40-45	1,512	1,287	2,799	1,634	1,420	3,054	1,694	1,459	3,153	1,944	1,538	3,482	2,294	1,483	3,777
>35-40	2,640	2,462	5,102	2,760	2,320	5,080	2,805	2,379	5,184	2,599	2,069	4,668	1,675	1,418	3,093
>30-35	1,449	1,509	2,958	1,281	1,346	2,627	1,325	1,436	2,761	1,581	1,810	3,391	2,626	2,711	5,337



## Employees' Profile

Age (years)	2016			2015			2014			2013			2012		
	L	P	Total	L	P	Total	L	P	Total	L	P	Total	L	P	Total
>25-30	3,897	5,716	9,613	3,785	5,570	9,355	3,805	5,727	9,532	3,455	4,943	8,398	2,140	2,733	4,873
≤ 25	1,382	2,512	3,894	1,158	2,314	3,472	794	1,606	2,400	1,120	2,163	3,283	2,093	3,713	5,806
TOTAL	28,184		26,875			26,536			26,100			24,861			

The Growth of Employees Based on Age

Age (years)	2016		Composition of the total		2015		Composition of the total		Growth	
	L	P	Count	%	L	P	Count	%	Change	Rate
>50			779	2.76%			979	3.64%		-20.43%
>45-50			3,039	10.78%			3,079	11.46%		-1.30%
>40-45			2,799	9.93%			2,860	10.64%		-2.13%
>35-40			5,102	18.10%			5,262	19.58%		-3.04%
>30-35			2,958	10.50%			3,000	11.16%		-1.40%
>25-30			9,613	34.11%			9,625	35.81%		-0.12%
≤ 25			3,894	13.82%			2,070	7.70%		88.12%
TOTAL			28,184	100.00%			26,875	100.00%		4.87%

## NUMBER OF EMPLOYEES BY GENDER

Number of Employees by Gender

Gender	2016	2015	2014	2013	2012
Man	13,389	12,859	12,834	12,764	12,301
Woman	14,795	14,016	13,702	13,336	12,560
TOTAL	28,184	26,875	26,536	26,100	24,861

The Growth of Employees Based on Gender

Gender	2016	Composition of the total	2015	Composition of the total	Growth
Man	13,389	47.51%	12,859	47.85%	4.12%
Woman	14,795	52.49%	14,016	52.15%	5.56%

## NUMBER OF EMPLOYEES BY GENERATION

**Number of Employees by Generation**

Generation	2016			2015			2014			2013			2012		
	L	P	Total												
Baby Boomer	567	198	765	722	257	979	913	323	1,236	1,108	371	1,479	1,146	359	1,505
Gen X	6,291	5,068	11,359	6,460	5,215	11,675	6,606	5,378	11,984	6,691	5,506	12,197	6,690	5,479	12,169
Gen Y	6,531	9,529	16,060	5,677	8,544	14,221	5,315	8,001	13,316	4,965	7,459	12,424	4,465	6,722	11,187
<b>TOTAL</b>	<b>28,184</b>			<b>26,875</b>			<b>26,536</b>			<b>26,100</b>			<b>24,861</b>		

**The Growth of Employees Based on Generation**

Generation	2016	Composition of the total	2015	Composition of the total	Growth
Baby Boomer	765	2.71%	979	3.64%	(21.86%)
Gen X	11,359	40.30%	11,675	43.44%	(2.71%)
Gen Y	16,060	56.98%	14,221	52.92%	12.93%
<b>TOTAL</b>	<b>28,184</b>	<b>100.00%</b>	<b>26,875</b>	<b>100.00%</b>	<b>4.87%</b>

## EMPLOYEE COMPETENCY DEVELOPMENT

### COMPETENCY DEVELOPMENT POLICY

To answer the intensifying banking industry competition challenges, BNI understands that the most important key to success is human capital. So they must have the most competent and reliable human capital, to achieve sustainable development through continuous BNI Organizational Learning transformation or Learning becoming the BNI Corporate University.

BNI seriousness in improving personnel capabilities in granting credits is demonstrated by the certification program, Training for Trainer (TFT), together with e-Learning Mandatory Credit Core Skill in 2016. The professional certification program provided by BNI is based on business and employees needs, with additional tutorial programs organized through in-class and e-learning. The certification program includes Associate Wealth Management Certification, Certificate for Specialists in Demand Guarantees, Advocate Profession Special Education, Capital Market Law Consultant Professional Education, Risk Management Certification, Certificate in International Trade and Finance, Certificate Documentary Credit Specialists, AAJI Certification, as well as Banking Compliance Certification.

In this case, every employee has equal opportunities in education and competence development, both male and female.



## Employees' Profile

### COMPETENCY DEVELOPMENT

During 2016, BNI trained 99.76% or 28 311 employees (27,544 active employees and 767 non-active employees), with training participation by 179,914, an average of 6.34 times per employee.

Number of Employees (people)	Total Training Hours	per Employee	Number of Training Participants	Number of Employees Trained (people)
28,378	1,740,788	61.34	179,914	28,311

#### Details of 2016 Learning based on Learning and Development Model 70:20:10

Development Method		Σ Classes	Σ Participants
Experiential Learning "70"	On the Job Training (OJT)	72	2,460
	In Service Training (IST)	72	2,460
	Short Overseas Assignment	1	4
Social Learning "20"	Coaching	58	1,639
	Mentoring	165	5,018
	Role Play	193	6,000
Formal Learning "10"	In-Class Learning	1,130	41,747
	e-Learning	43	136,021
	Workshop/Seminar	119	935
	Sertifikasi	64	1,200
	Konferensi/Kongres	5	11

### COMPETENCY DEVELOPMENT COSTS

The Cost of Education and Training in 2016 amounted to Rp214,996.57 million (86.34% of the annual budget), an increase of 3.75% compared to 2015. The increase is demonstrated by the 179,914 trained participants, receiving an average training per employee of 6.34 times, with the cost of learning during 2016 reaching Rp7.59 million per employee.

Description	2016 (in million Rp)	2015 (in million Rp)	Increase (in million Rp)	Increase (in %)
Education and Training	214,996.57	207,229.04	7,767.53	3.75%

## Shareholder Composition

**BNI Shareholder Composition as of December 2016**

No.	Shareholder	Number of Shares	Percentage Ownership
1	Government	11.189.193.875	60.0%
2	Public:		
	• Indonesian Individual	323.254.850	1.7%
	• Cooperative	742.429	0.0%
	• Foundation	162.629.127	0.9%
	• Pension Fund	101.189.813	0.5%
	• Insurance	361.205.395	1.9%
	• Bank	43	0.0%
	• Limited Liability Company	560.729.757	3.0%
	• Other Business Enterprise	5.298	0.0%
	• Mutual Fund	450.422.330	2.4%
	• Foreign Individual	4.098.418	0.0%
	• Foreign Business Enterprise	5.492.283.541	29.4%
	Total	18.648.656.458	100.0 %

**20 Largest BNI Shareholders Composition as of December 2016**

No.	Investor Name	Address	Status	Number of Shares	Percentage Ownership
1.	Republic of Indonesia Government	KEMENTERIAN BUMN, JALAN MEDAN MERDEKA SELATAN NOMOR 13, JAKARTA 10110	Republic of Indonesia Government	11.189.193.875	60.00%
2.	PERSEROAN TERBATAS BPJS KETENAGAKERJAAN-JHT	GEDUNG JAMSOSTEK, JL JEND. GATOT SUBROTO NO 79, JAKARTA SELATAN	Limited Liability Company	454.055.368	2.43%
3.	BNYMSANV RE BNYMILLUX RE RE MILLUX RE BLK GLBFDS-2049334050	2-4 RUE EUGENE RUPPERT,L-2453 LUXEMBOURG, GRAND DUCHY OF LUXEMBOURG	Foreign Business Enterprise	305.565.421	1.64%
4.	JPMCB NA RE-SAUDI ARABIAN MONETARY AGENCY	PO BOX 2992, RIYADH 11169, SAUDI ARABIA	Foreign Business Enterprise	249.230.013	1.34%
5.	BNYM LUX S/A EASTSPRING INVESTMENTS-2040084086	46 RUE MONTOYER B-1000 BRUSSELS, BELGIUM	Foreign Business Enterprise	207.569.536	1.11%
6.	HSBC BK PLC S/A THE PRUDENTIAL ASSURANCE CO LTD	LAURENCE POUNTNEY HILL, LONDON, EC4R 0HH	Foreign Business Enterprise	170.834.100	0.92%
7.	YKP BNI FOR PROGRAM LT1 BNI	JL LAUSER NO 73, KEBAYORAN BARU, JAKARTA SELATAN	Foundation	150.537.500	0.81%



No.	Investor Name	Address	Status	Number of Shares	Percentage Ownership
8.	SSB AEM1 S/A TMTB OF JP,LTD.ATO EATS INV AS OHDEMF-2144613498	11-3, HAMAMATSUCHO 2-CHOME MINATO- KU,TOKYO 105-8579 JAPAN	Foreign Business Enterprise	144.349.400	0.77%
9.	BNYMSANV RE BNMLB RE EMPLOYEES PROVIDEN TFD BOARD-2039844119	EPF BUILDING, JALAN RAJA LAUT, 50350 KUALA LUMPUR, MALAYSIA	Foreign Business Enterprise	130.408.000	0.70%
10.	BBH BOSTON S/A VANGRD EMG MKTS STK INF'D	100 VANGUARD BLVD MALVERN PA 19355- 2331	Foreign Business Enterprise	122.073.365	0.65%
11.	GIC S/A GOVERNMENT OF SINGAPORE	168 ROBINSON ROAD 37-01 CAPITAL TOWER SINGAPORE 068912 SINGAPORE 068913 SINGAPORE	Foreign Business Enterprise	112.095.969	0.60%
12.	CITIBANK NEW YORK S/A DIMENSIONAL EMERGING MARKETS VALUE FUND	6301 BEE CAVE RD, BUILDING ONE, AUSTIN TX 78746	Foreign Business Enterprise	102.370.741	0.55%
13.	PT. PRUDENTIAL LIFE ASSURANCE - REF	PRUDENTIAL TOWER. JL. JEND. SUDIRMAN KAV.79 SETIABUDI JAKARTA SELATAN	Insurance	96.625.316	0.52%
14.	JPMCB NA RE-VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	100 VANGUARD BOULEVARD MALVERN PA 19355, USA	Foreign Business Enterprise	86.525.402	0.46%
15.	JPMCB NA AIF CLT RE-STICHTING DEPOSITORY APG EME MRKT EQ POOL	OUDE LINDESTRAAT 70, 6401 DJ HEERLEN, THE NETHERLANDS	Foreign Business Enterprise	64.471.700	0.35%
16.	PT AIA FINL - UL EQUITY	AIA CENTRAL, JL. JEND. SUDIRMAN KAV 48A, JAKARTA SELATAN 12930, TANGERANG, INDONESIA	Insurance	56.756.100	0.30%
17.	SSB FBC1 S/A BARON EMERGING MARKETS FUND-2144611655	767 FIFTH AVENUE 49 FL, NEW YORK NY 10153	Foreign Business Enterprise	55.000.000	0.29%
18.	CITIBANK NEW YORK S/A GOVERNMENT OF NORWAY - 16	BANKPLASSEN 2, 0151 OSLO, NORWAY	Foreign Business Enterprise	51.917.000	0.28%
19.	SSB 1BA9 ACF MSCI EQUITY INDEX FUND B-INDONESIA - 2144609619	400 HOWARD STREET SAN FRANCISCO, CA 94105	Foreign Business Enterprise	51.024.088	0.27%
20.	SSB OBIH S/A ISHARES MSCI EMERGING MARKETS ETF-2144609616	400 HOWARD STREET SAN FRANCISCO CA 94105	Foreign Business Enterprise	49.503.676	0.27%

**BNI Shareholders with over 5% Ownership Composition as of December 2016**

No.	Investor Name	Address	Status	Number of Shares	Percentage Ownership
	Republic of Indonesia Government	KEMENTERIAN BUMN, JALAN MEDAN MERDEKA SELATAN NOMOR 13, JAKARTA 10110	Republic of Indonesia Government	11,189,193,875	60.00%

**BNI Board of Commissioners and Board of Directors share ownership Composition as of December 2016**

Name	Position	Total Shares	Percentage Ownership
<b>BOARD OF COMMISSIONERS</b>			
Hartadi A. Sarwono	President Commissioner / independent Commissioner	0	0.00%
Pradjoto	Vice President Commissioner / independent Commissioner	0	0.00%
Kiagus Ahmad Badaruddin	Commissioner	0	0.00%
Anny Ratnawati	Independent Commissioner	0	0.00%
Pataniari Siahaan*	Independent Commissioner	0	0.00%
Revrisond Baswir*	Independent Commissioner	0	0.00%
Bistok Simbolon	Commissioner	0	0.00%
Wahyu Kuncoro	Commissioner	0	0.00%
Joni Swastanto	Commissioner	0	0.00%
<b>BOARD OF DIRECTORS</b>			
Achmad Baiquni	President Director	0	0.00%
Suprajarto	Vice President Director	0	0.00%
Rico Rizal Budidarmo	Director	0	0.00%
Herry Sidharta	Director	0	0.00%
Anggoro Eko Cahyo	Director	152,526	0.00%
Adi Sulistyowati	Director	68,124	0.00%
Bob Tyasika Ananta	Director	82,891	0.00%
Imam Budi Sarjito	Director	117,074	0.00%
Panji Irawan	Director	0	0.00%
Putrama Wahju Setiawan	Director	116,425	0.00%

\*As of June 27 to undergo cooling off for six (6) months.



## Shareholder Composition

### Composition of Shareholders Holding Less than 5% as at December 2016

Public Shareholding	Total Shares	% Ownership
<b>LOCAL SHAREHOLDERS</b>		
1. Indonesian Individuals	323,254,850	1.73339%
2. Cooperatives	742,429	0.00398%
3. Foundations	162,629,127	0.90961%
4. Pension Funds	101,189,813	0.54261%
5. Insurance	361,205,395	1.93690%
6. Banks	43	0.00000%
7. Limited Liability Companies	560,729,757	3.00681%
8. Other Business Entities	5,298	0.00003%
9. Mutual Funds	450,422,330	2.41531%
Sub Total	1,967,179,042	10.54863%
<b>FOREIGN SHAREHOLDERS</b>		
10. Foreign Individuals	4,098,418	0.02198%
11. Foreign Corporations	5,488,185,123	29.42939%
Sub Total	5,492,283,541	29.45137%
<b>TOTAL</b>	<b>7,459,462,583</b>	<b>40.00000%</b>

## Subsidiaries and Associated Entities

### SUBSIDIARIES

At the beginning of 2016, the ASEAN Economic Community (AEC) came into force in the form of a free trade agreement in the Southeast Asia region. MEA is an ASEAN economic integration for free trade between ASEAN countries designed to realize the ASEAN Insight 2020. To compete competitively under MEA, the bank faces a challenge to continue to develop its business. As one of the major banks in Indonesia, BNI's role in the financial industry has occupied a strategic position. To achieve that, BNI launched its BNI Financial Services Group to increase the synergy between BNI and its subsidiaries to provide financial services as a whole under one umbrella to its customers. BNI's subsidiaries were established to provide "one-stop" financial services, in the BNI Financial Center, and includes banking, insurance, financing, capital markets and remittance products and services. Strategic alliances and synergies between the subsidiaries and BNI, the parent company, were built to improve service, and to contribute optimally for all BNI stakeholders.

In accordance with applicable banking industry regulations, BNI manages its subsidiaries through its capital participation in the subsidiaries engaged in the financial sector. Our majority ownership in some of the subsidiaries is intended to establish a strategic alliance to deliver added value to BNI customers. While minority interest (1% -8%) is carried out for the purpose of complying with the policies / regulations such as the OJK and BI provisions, as well as to establish business cooperation with BNI partners.

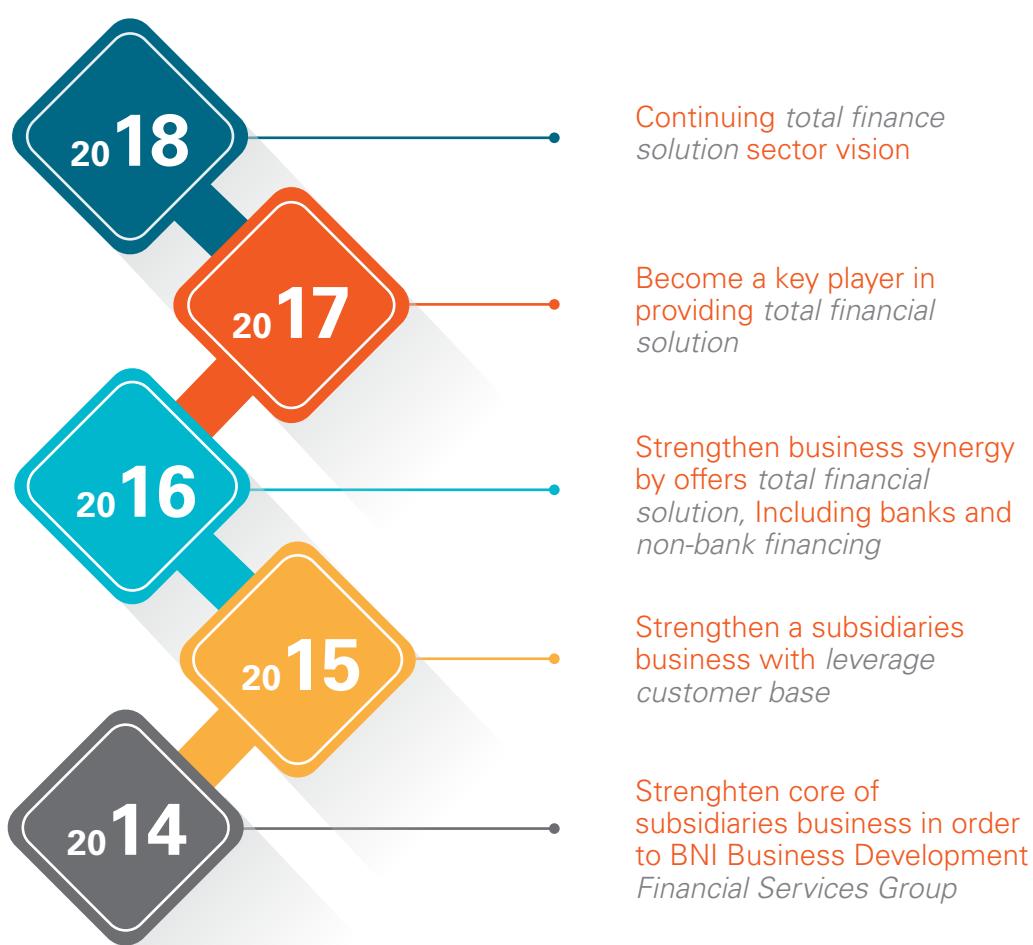
Subsidiaries where BNI is the majority shareholder include: PT Bank BNI Syariah (99.90%), PT BNI Life Insurance (60.00%), PT BNI Securities (75.00%), PT BNI Multifinance (99.99 %) and BNI Remittance Ltd (100%). While minority shareholdings are held in PT Sarana Bersama Pengembangan Indonesia (8.00%), PT Pemeringkat Efek Indonesia (1.43%), PT Kustodian Sentral Efek Indonesia (1.00%), PT Bank Mizuho Indonesia (1%) and PT Sumitomo Mitsui Indonesia (0.52%).

BNI and its subsidiaries continue to grow with aligned business strategies and improved business synergy providing comprehensive financial services that will ultimately support the BNI Group business target achievement. For the subsidiaries' business development, one of BNI strategies is to strengthen the company's capital based on the potential and ability of each to develop business. In 2016, the bank made an additional equity investment in PT BNI Multifinance amounting to Rp203 billion, to improve the potential for financing business development. In 2016, all BNI subsidiaries posted a profit, with a growth of 12.75% compared to 2015, from Rp 415.14 billion to Rp468 billion and accounted for 4.34% of the BNI's total profit.



Synergies in BNI Financial Services Group will be created if each of its subsidiaries are managed well and there is cooperation between BNI with its subsidiaries and between the subsidiaries themselves. The performance success of each of its subsidiaries is reflected in the improved financial performance, business growth, customer satisfaction, and its position compared to the Company's peer group in the industry. Each subsidiary's contribution

will continue to significantly increase, meeting the exact customer, transaction, protection, financing and financial management needs, in each life cycle. Solid synergy in the BNI Financial Group is urgently needed so that each component can grow and thrive together. To that end, BNI has drawn up the Financial Services Group Roadmap, included in the 2014-2018 Corporate Plan, as follows:



Name	Business Field	Domiscile	Share Ownership	Year of Establishment	Operational Status
PT Bank BNI Syariah	Syariah Banking	Jakarta	99.90%	2010	Operating
PTBNI Multifinance	Consumer Finance	Jakarta	99.99%	1983	Operating
PTBNI Securities	Brokerage and underwriter, include securities trading, including acting as a guarantor and investment advisor	Jakarta	75.00%	1995	Operating
PTBNI Life Insurance	Life Insurance Services	Jakarta	60.00%	1996	Operating
BNI Remittance	Remittance Services	Hongkong	100%	1996	Operating

A brief description of the BNI subsidiaries are as follows:

#### PT BANK BNI SYARIAH

PT Bank BNI Syariah was founded in 2010 based on Notarial Deed No. 160 dated March 22, 2010 prepared before Aulia Taufani, SH, as Substitute for Sutjipto, SH, notary in Jakarta. The Deed of Establishment was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia through Letter No. AHU-15574. AH.01.01.Tahun 2010 dated March 25, 2010.

BNI Syariah is an Islamic Commercial Bank, the result of business expansion (spin-off) of BNI Syariah Business Unit ("UUS BNI"). Its establishment was approved at the BNI Extraordinary General Meeting of Shareholders dated October 5, 2009 in accordance with deed No. 37 Notary Fathiah Helmi, SH Business expansion is conducted based on PBI No. 11/10 / PBI / 2009 regarding Syariah Business Unit by becoming a new Islamic Commercial Bank.

BNI Syariah has operated as a foreign exchange bank since July 9, 2010 based on Deputy Governor of Bank Indonesia Decree No. 12/5 / KEP.DpG / 2010 dated July 9, 2010. The percentage ownership of shares owned by Bank BNI in BNI Syariah amounts to 99.90%.

The Board of Commissioners and Board of Directors of PT Bank BNI Syariah based on the AGM decision No. 28 dated 16 November 2016 are as follows:

#### BOARD OF COMMISSIONERS

**President Commissioner :**  
Fero Poerbonegoro

**Independent Commissioner :**  
Rizqullah

**Commissioner :**  
Max Niode\*)

**Commissioner :**  
Muhammad Syakir Sula\*)

\*) Still undergo fit and proper test

#### BOARD OF DIRECTORS

**President Director :**  
Imam Teguh Saptono

**Director :**  
Junaidi Hisom

**Director :**  
Kukuh Rahardjo

#### SYARIAH SUPERVISORY BOARD

**Head :**  
K.H. Ma'ruf Amin

**Member :**  
Hasanudin



## Subsidiaries and Associated Entities

### PT BNI MULTIFINANCE

PT BNI Multifinance was established on April 8, 1983 based on Notary Kartini Muljadi, SH, deed No. 21. The company name has been changed several times with the last to PT BNI Multifinance based on a decision covered by notarial deed No. 103 dated June 27, 1994. In accordance with Article 3 of BNI Multifinance's Articles of Association, the scope of its activities is investment financing, working capital financing, multi-use financing and leasing operations.

In carrying out its business activities, BNI Multifinance operates 7 branches in Bogor, Medan, Lampung, Semarang, Surakarta, Yogyakarta, and Surabaya. BNI Multifinance has been operating since 1983 Bank BNI's shareholding is 99.99%.

The Board of Commissioners and Board of Directors of PT BNI Multifinance based on the AGM decision No111 dated 26 September 2016 are as follows:

#### BOARD OF COMMISSIONERS

##### **President Commissioner :**

RL. Dwi Mutiari

##### **Commissioner :**

M. Gunawan Putra

#### BOARD OF DIRECTORS

##### **President Director :**

Suwaluyo

##### **Director :**

Rana Ranadi

## PT BNI SECURITIES

PT BNI Securities was established in 1995 based on Notary Deed No. 22 dated 12 April 1995 before Koesbiono Sar-manjadi, SH, in Jakarta. The deed was amended by deed No. 39 by the same notary dated May 3, 1995. The deed of establishment and its amendment were approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in Decree No. C26278.HT.01.01.Th.95 dated May 19, 1995, and was published in the State Gazette of the Republic of Indonesia No. 55 dated July 11, 1995, Supplement No. 5804.

BNI Securities is a subsidiary of BNI and in accordance with Article 3 of BNI Securities' Articles of Association, the scope of its business activities includes securities trading, including acting as a guarantor and investment advisory and other activities associated with these activities in accordance with Otoritas Jasa Keuangan (OJK), formerly Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK) regulations, and other laws and regulations.

In 2011, BNI Securities spun off its Assets Management business unit to form PT BNI Assets Management as a subsidiary, and it has been operating since September 2011. BNI Securities has also established strategic alliances with SBI Securities Co. Ltd., a securities company in Japan. BNI's shareholding is 75,00%.

The Board of Commissioners and Board of Directors of PT BNI Securities based on the AGM decision No.21 dated 06 December 2016 are as follows:

## BOARD OF COMMISSIONERS

**President Commissioner/ Commissioner Independen:** Fabianus Sudjatmoko

**Commissioner:**  
Ryosuke Hayashi

**Commissioner:**  
Suhendry Hafni

## BOARD OF DIRECTORS

**President Director :**  
Adiyasa Suhadibroto

**Director :**  
Reza Benito Zahar

**Director :**  
Aswardin

**Director :**  
Kenichiro Matshuhisa



## Subsidiaries and Associated Entities

### **PT BNI LIFE INSURANCE**

PT BNI Life Insurance was established under the name PT BNI Life Insurance based on Deed No. 24 dated 28 November 1996. On 26 November 2004, PT BNI Life Insurance changed its name to PT BNI Life Insurance which was approved by the Minister of Justice and Human Rights of the Republic of Indonesia No. C-31600 HT.01.04. TH.2004 December 29 2004. In accordance with article 3 of the BNI Life Articles of Association, BNI Life activities include life insurance and life insurance following Islamic principles. BNI Life is licensed as a life insurance company based on Ministry of Finance of the Republic of Indonesia No. Kep-305 / KMK.01 7/1997 dated July 7, 1997.

On April 3, 2014, the capital investment in BNI Life by Sumitomo Life was completed and notarized by Deed 7 and obtained approval from the Minister of Justice and Human Rights of the Republic of Indonesia in Decree No. AHU.01557.40.21.2014 April 29, 2014. This acquisition resulted in BNI's ownership of shares in BNI Life being diluted, Bank BNI's current percentage ownership is 60.00%.

The Board of Commissioners and Board of Directors of PT BNI Life Insurance based on the AGM decision No.19 dated 13 October 2015 and No.38 dated 30 March 2016 are as follows:

### **BOARD OF COMMISSIONERS**

#### **President Commissioner/Independent**

**Commissioner :**

Krisna Wijaya

#### **Independent Commissioner :**

Mauli Adiwarman Idris

#### **Independent Commissioner :**

Wiriadi Saputra

#### **Commissioner:**

Shinzo Kono

#### **Commissioner:**

Darwin Suzandi

### **BOARD OF DIRECTORS**

#### **President Director :**

Budi Tampubolon

#### **Vice President Director :**

Geger N. Maulana

#### **Director :**

Kazuhiko Arai

#### **Director :**

Hirokazu Todaka

#### **Director :**

Intan Abdams Katoppo

### **Syariah Supervisory Board**

#### **Head :**

Dr. (HC) K.H. Ma'ruf Amin

#### **Member :**

Ir. Agus Haryadi, AAAIJ, FIIS, ASAI

#### **Member :**

Prof. Dr. H. Utang Ranuwijaya, MA

**BNI REMITTANCE Ltd.**

BNI Remittance Limited (BNIR) is a BNI subsidiary established by BNI Hong Kong in 1996 under the name "High Motivation Company", and in 1997 changed its name to BNI Nakertrans Ltd.

To further optimize business and in accordance with the rules of the local authorities, after a comprehensive business assessment, in 2009 it was decided to separate the management of BNI Nakertrans Ltd from BNI Hong Kong as well as change the company name to BNI Remittance Ltd. Today BNIR is registered as a Money Service Operator with registration number 12-08-00768 and is subject to the Hong Kong Custom and Excise Department. The percentage of Bank BNI shareholding is 100%.

The Board of Commissioners and Board of Directors of PT BNI Remittance based on the AGM decision No.0574748 July 31, 2016 are as follows::

**BOARD OF DIRECTORS**

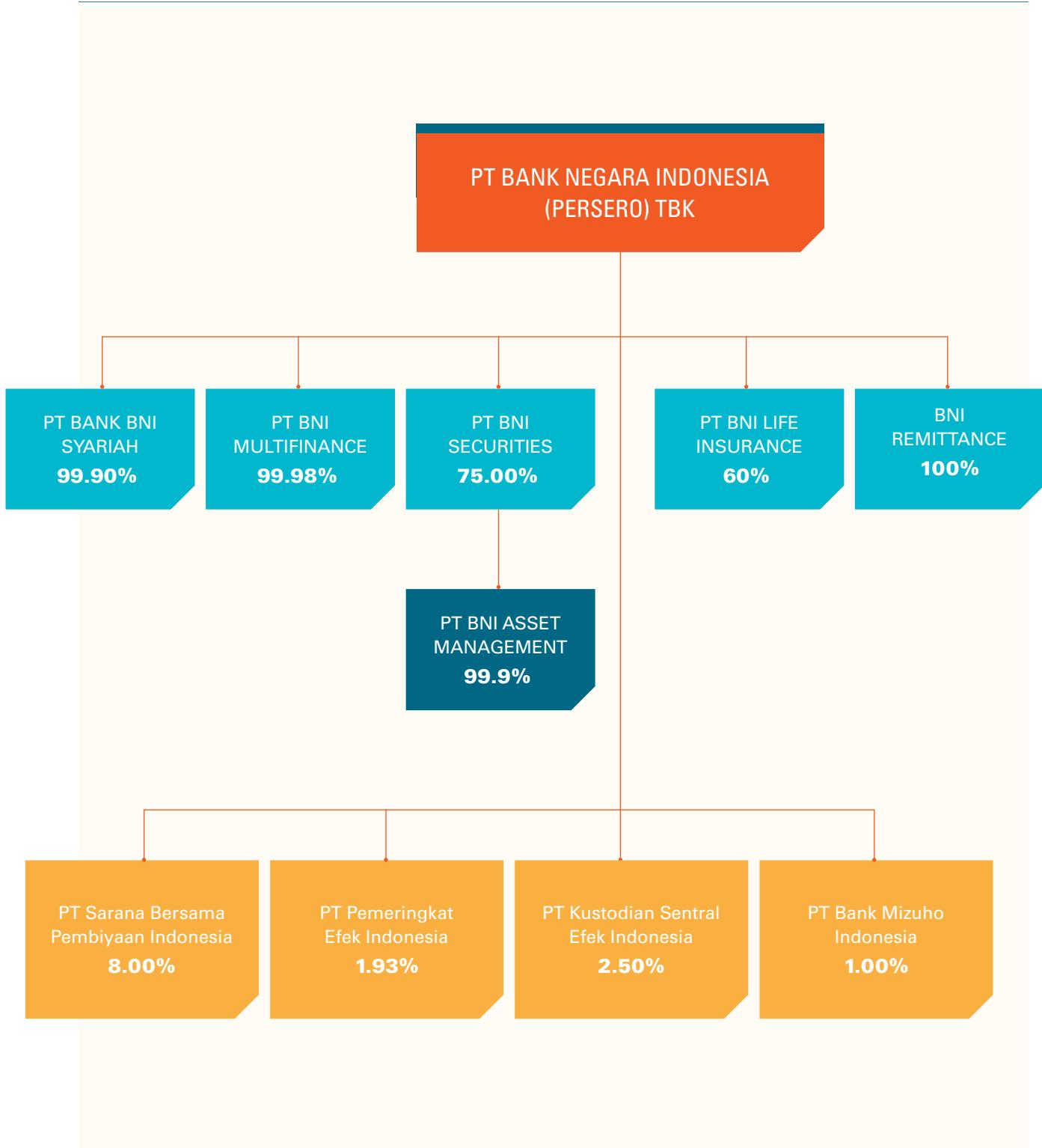
**Director :**  
Eko Kristianto

**ASSOCIATED ENTITIES / SHARE INVESTMENTS**

Name	Business Field	Domiscile	Year of Establishment	Share Ownership	Operational Status
PT Swadharma Surya Finance	Financing	Jakarta	1992	25.0%	Operational
PT Sarana Bersama Pembiayaan Indonesia	Investments	Jakarta	1981	8.0%	Operational
PT Kustodian Sentral Efek Indonesia	Securities Settlements	Jakarta	1988	2.5%	Operational
PT Pemerikat Efek Indonesia	Securities Rating	Jakarta	1994	1.9%	Operational
PT Bursa Efek Indonesia	Stock Exchange	Jakarta	1977	1.2%	Operational
PT Bank Mizuho Indonesia	Financial Services	Jakarta	2003	1.0%	Operational
PT Bank Sumitomo Mitsui Indonesia	Financial Services	Jakarta	2004	0.5%	Operational



## Group Structure



## Share Listing Chronology

Chronological Listing of Shares

Date	Description	Share	Issued and Fully Paid	
				Nominal Value
Before IPO			@Rp1,000,000	1,000,000
November 1996	Initial Public Offering (IPO)	Seri-A	@Rp500	1
		Seri-B	@Rp500	4,340,127,999
	Total			4,340,128,000
June 1999	Rights Issue (1:35)	Seri-A	@Rp500	1
		Seri-B	@Rp500	4,340,127,999
		Seri-C	@Rp25	151,904,480,000
	Total			156,244,608,000
June 2000	Issuance of new shares without pre-emptiverights	Seri-A	@Rp500	1
		Seri-B	@Rp500	4,340,127,999
		Seri-C	@Rp25	196,850,884,500
	Total			201,191,012,500
June 2001	Repayment of excess amount in Government Bonds	Seri-A	@Rp500	1
		Seri-B	@Rp500	4,340,127,999
		Seri-C	@Rp25	194,885,183,000
	Total			199,225,311,000
December 2003	Reverse Stock Split (15:1)	Seri-A	@Rp7.500	1
		Seri-B	@Rp7.500	289,341,866
		Seri-C	@Rp375	12,992,345,533
	Total			13,281,687,400
Auguar 13, 2007	Rights Issue (20:3)	Seri-A	@Rp7.500	1
		Seri-B	@Rp7.500	289,341,866
		Seri-C	@Rp375	14,984,598,643
	Total			15,273,940,510
August 2010	Divestasi Saham Negara RI pada BNI eks green shoe	Seri-A	@Rp7.500	1
		Seri-B	@Rp7.500	289,341,866
		Seri-C	@Rp375	14,984,598,643
	Total			15,273,940,510
December 10, 2010	Rights Issue (110.473:500.000)	Seri-A	@Rp7.500	1
		Seri-B	@Rp7.500	289,341,866
		Seri-C	@Rp375	18,359,314,591
	Total			18,648,656,458



## Bonds Listing Chronology

Chronological Listing of Bonds

No.	Bond	Total (USD 000)	Period (Year)	Coupon Interest Rate	Issue Date	Due Date	Rating	Payment Status
1.	Global Bond	500.000	5 Years	4,125% p.a	April 27, 2012	April 27, 2012	Baa3 (Moody's) BBB- (Fitch)	Not yet paid

## Other Exchange Listings Chronology

### BNI NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD) ISSUED

In 2016, the Company issued an NCD for a maximum Rp3 trillion, with realization amounting to Rp3.023 trillion, made up of several series. Arrangers for BNI's NCD issuance included Danareksa Sekuritas, BNI Securities, Mandiri Sekuritas, and BCA Sekuritas. Legal consultants used were Hanafi Ponggawa & Partners. Notary used was Fathiah Helmi, SE. PT Kustodian Sentral Efek Indonesia (KSEI) acted as Paying Agent. The NCD issuance was in line with the Company's strategy to increase rupiah liquidity.

Other Securities Listing Chronology

NCD	Series	Total (million Rp)	Period	Coupon Interest Rate	Issue Date	Due Date
Phase I	A	390,000	6 months	7.0%	June 16, 2016	Dec 16, 2016
	B	20,000	9 months	7.2%		Mar 16, 2017
	C	42,000	370 days	7.6%		Jun 23, 2017
	D	415,000	18 months	7.8%		Dec 15, 2017
	E	1,231,000	24 months	8.3%		Jun 15, 2018
	F	925,000	36 months	8.4%		Jun 14, 2019
Phase II	A	225,000	370 days	7.2%	September 27, 2016	Oct 2, 2017
	B	390,000	18 months	7.6%		Mar 26, 2018
	C	770,000	24 months	7.9%		Sep 26, 2018
	D	815,000	36 months	8.1%		Sep 29, 2019

## Institutions and Supporting Professions

Institution	Address
PUBLIC ACCOUNTANT	<b>Tanudiredja, Wibisana, Rintis &amp; Rekan –</b> member of the PwC global network Plaza 89, Jl. H.R. Rasuna Said Kav X-7 No. 6 Jakarta 12940, PO Box 2473 JKP 10001 Telephone: (62-21) 521 2901 Fax: (62-21) 5290 5555, 5290 5050 website: <a href="http://www.pwc.com/id">www.pwc.com/id</a>
SHARE LISTING	<b>Indonesia Stock Exchange</b> Building Tower I Jl. Jenderal Sudirman Kav. 52-53 Jakarta 12190 Telephone: (62-21) 515 0515 Fax.: (62-21) 515 0330
STOCK ADMINISTRATION BUREAU	<b>PT Datindo Entrycom</b> Puri Datindo Wisma Diners Club Annex Jl. Jend. Sudirman Kav. 34 Jakarta 10220 Telephone: (62-21) 570 9009 Fax.: (62-21) 570 9026
RATING AGENCIES	<b>Standard &amp; Poor's</b> 30 Cecil Street Prudential Tower 17th floor Singapore 049712 Telephone: (65) 6438 2881 Website: <a href="http://www.standardandpoors.com">www.standardandpoors.com</a>  <b>Moody's Singapore Pte Ltd</b> 50 Raffles Place #23-06 Singapore Land Tower 048623 Telephone: (65) 6398 8300 Fax.: (65) 6398 8301 Website: <a href="http://www.moodys.com">www.moodys.com</a>  <b>PT Fitch Ratings Indonesia</b> Prudential Tower Lt. 20 Jl. Jenderal Sudirman Kav. 79 Jakarta Selatan 12910 Telephone: (62-21) 5795 7755 Fax.: (62-21) 5795 7750 Website: <a href="http://www.fitchratings.com">www.fitchratings.com</a>  <b>Fitch Ratings Ltd</b> 30 North Colonnade London E14 5GN United Kingdom Telephone: +44(0) 20 3530 1000 Fax.: +44(0)20 3530 1500 Website: <a href="http://www.fitchratings.com">www.fitchratings.com</a>  <b>PT Pemerikat Efek Indonesia (Pefindo)</b> Panin Tower Senayan City Lt. 17 Jl. Asia Afrika Lot. 19 Jakarta 10270 Telephone: (62-21) 7278 2380 Fax.: (62-21) 7278 2370 Website: <a href="http://www.pefindo.com">www.pefindo.com</a>
NOTARY	<b>Fathiah Helmi, S.H.</b> Graha Irama Lantai 6-C Jl. HR Rasuna Said Kav 1-2 Bl X-1 Kuningan Timur, Setia Budi Jakarta 12950 Telephone: (021) 529 07304, (021) 529 07305, (021) 529 07306 Fax: (021) 526 1136



## Subsidiaries and / or Regional Office and Branch Names and Addresses

### SUBSIDIARIES

Name	Address
PT Bank BNI Syariah	Gedung Tempo Pavilion 1 Jl. HR. Rasuna Said Kav. 11 Kuningan, Jakarta 12950 Tel.: (021) 29701946 Fax.: (021) 29667935 Email: info@bnisyaria
PT BNI Multifinance	Gedung BNI Life Insurance Lantai 5 Jl. Aipda K.S. Tubun No. 67 Petamburan, Jakarta Pusat 10260 Hotline: (021) 290 22555 Fax. (021) 290 22146 <a href="http://www.bnimultifinance.co.id">www.bnimultifinance.co.id</a>
PT BNI Securities	Sudirman Plaza Indofood Tower Lantai 16 Jl. Jend. Sudirman Kav. 76 - 78, Jakarta 12910 Tel./Call Center: (021) 2554 3946 Fax.: (021) 5793 5831 Email: bnisec@bnisecurities.co.id <a href="http://www.bnisecurities.co.id">www.bnisecurities.co.id</a>
PT BNI Life Insurance	BNI Life Tower Lantai 21 The Landmark Center Jl. Jend. Sudirman No. 1, Jakarta 12910 Tel.: (021) 2953 9999 Fax.: (021) 2953 9998 <a href="http://www.bni-life.co.id">www.bni-life.co.id</a> Email: customer-care@bni-life.co.id Customer Care: (021) 5021 7626 SMS Center: 0811117626
BNI Remittance	BNI Remittance Limited Flat/RM5 on GF, Nos 1-7 Keswick Street, Causeway Bay, Hong Kong Tel.: +852 28908082 Fax.: +852 28908182

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<b>Regional Office Bandung</b> Jl. Perintis Kemerdekaan No. 3 Bandung 40117 Tel. (022) 4240431-39, 4240534 Fax.: (022) 4240432-4214926- 4213107	<b>Regional Office Semarang</b> Jl. Letjen. MT. Haryono No. 16 Semarang 50122 Tel.: (024) 3556747, 3556746 Fax.: (024) 3547686, 3520636	<b>Regional Office Surabaya</b> Jl. Jend. A. Yani No. 286 Gedung Graha Pangeran Lt. 3-4 Surabaya 60292 Tel.: (031) 8292820 - 26 Fax.: (031) 8292805, 8292841
<b>Regional Office Makassar</b> Jl. Jend. Sudirman No. 1 Lt.3 Makassar 90115 Tel.: (0411) 3620355-56, 3621926 Fax.: (0411) 3619562, 3625395	<b>Regional Office Denpasar</b> Jl. Raya Puputan Renon No. 27 - Lantai 2, Renon Denpasar 82265 Tel.: (0361) 263304 - 08 Fax.: (0361) 227874, 263319	<b>Regional Office Banjarmasin</b> Jl. Lambung Mangkurat No. 30 Banjarmasin 70111 Tel.: (0511) 3353689, 3357063 Fax.: (0511) 3354409, 3357066
<b>Regional Office Manado</b> Jl. Dotulolong Lasut No. 1 Manado 95122 Tel.: (0431) 868019, 862777 Fax.: (0431) 851852/865458	<b>Regional Office Papua</b> Jl. Kelapa II Entrop Kota Jayapura Papua 99224 Tel.: (0967) 5355311, 522354 Fax.: (0967) 533316	<b>Regional Office Jakarta Senayan</b> Jl. Jend. Gatot Subroto No. 55 Jakarta Pusat 10210 Tel.: (021) 2500025, 5706057 (Hunting) Fax.: (021) 2500033

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 BNI Yangon Office 3rd Floor Room  
 #0303A Sakura Tower 339  
 Bogyoke Aung San Road Kyauktada  
 Township - Myanmar



## Information Access

BNI provides access to information for shareholders and stakeholders to obtain more information through:

Corporate Communications and Secretariat Division  
Gedung BNI, Lt. 24  
Jl. Jenderal Sudirman Kav. 1  
Jakarta 10220  
Telephone : (62-21) 2511 946, 572 8387  
Fax. : (62-21) 572 8295, 572 8053  
E-mail : investor.relations@bni.co.id  
Website : [www.bni.co.id](http://www.bni.co.id)

Call Center :  
Layanan 24 Jam BNI Call 1500046  
Fax : (021) 2554 1203  
Email : [bnicall@bni.co.id](mailto:bnicall@bni.co.id)  
Twitter : @BNI  
Facebook : BNI  
Instagram : @BNI46

In addition, information on BNI shares and capital development can also be accessed through the Indonesia Stock Exchange website ([www.idx.co.id](http://www.idx.co.id)).

### COMPANY WEBSITE INFORMATION

In accordance with the OJK regulation No.8/POJK.04/2015 regarding the issuer's or a public company website, the BNI company website includes important information such as information on shareholders, the company group structure, financial performance analysis, financial statements of the last 5 years and the profiles of the Board of Commissioners and Board of Directors. Additionally, The information presented in the website is updated regularly.





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Performance in 2016 showed toughness BNI in economic conditions that still face various challenges and impact on slowing growth in the banking industry. In the economic conditions that have not fully recovered, in 2016 BNI has the growth of assets, loans, and deposits are much higher than the industry average. BNI credit grew 20.6%, higher than the industry and also peers group, while third party funds (DPK) BNI grew 17.6% per period of December 2016. With the growth of credit and third party fund, then in the same period, the assets of BNI can grow by 18.6%, higher than the industry. Growth in terms of assets, loans and deposits have increased market share BNI for three consecutive years.

Improved performance of the operational side is able to increase interest income and income from the Sharia Rp25.6 trillion in 2015 to Rp30.0 trillion in 2016, or 17.4%. It has an impact on the increase in earnings per share of BNI from Rp487 per share in 2015 to Rp610 in 2016.



## Industry Overview

### GLOBAL ECONOMY

Global economic recovery was predicted in 2016, and is expected to be better in 2017. Several international agencies projected economic growth in 2016 in a range of less than and up to 3%. In June 2016, the World Bank cut its forecast for global economic growth to the level of 2.4%. While in July 2016, the latest IMF revised global economic growth forecast was lowered to 3.1%, from its previous forecast of 3.2%. This confirms that the world economy is still facing complicated problems.

One of the global risks is the British Exit (Brexit) that will disrupt investor confidence and the investment climate, including financial conditions and market sentiment. However, the Brexit risk will be more concentrated in developed countries in Europe, with a relatively lower impact in other areas, including in the United States and China.

For the next two years, the world economy is expected to improve, with the World Bank projecting the world economy to grow 2.8% in 2017 and 3.0% in 2018. It is supported by the efforts of several countries in their respective economic recovery. Global commodity prices are projected to improve slowly although at a lower level, especially for non-energy commodities. While the outlook for current and future energy commodities production is expected to experience oversupply and weakening global demand.

In terms of interest rates, today the world is experiencing less monetary policy divergence, where some of the world's central banks like the Fed could raise its benchmark interest rate gradually, but still at a low level, in line with the economic recovery.

On the other hand, some central banks (Asia and Europe) have implemented a policy of low or even negative rates, to encourage domestic / region consumption. The United States will continue to maintain the momentum of recovery in the country. The US economy growth rate going forward is expected to be in a range of 2.2- 2.5%. The World Bank predicts the US economy will grow 2.2% in 2017 and 2.1% in 2018, higher than the forecast for economic growth this year of about 1.9%. With the improvement in the US domestic economy, the inflation rate is expected to rise close to the target of 2%. Therefore, the Fed's benchmark interest rate (Fed Funds Rate / FFR) is also projected to increase gradually, from the rapid rise at the end of this year through to 2017. The increase in benchmark interest rates will affect the global economic conditions, particularly in emerging markets. While the unemployment rate which currently stands at 5%, is expected to decline next year. US Presidential Election Results in early November 2016 and also potentially increased uncertainty in the global economy. This is due to the new government policy to be protectionist on the economy in the country. This policy has the potential to increase volatility in global financial markets.

The European region is still uncertain in its economic recovery. Brexit risk will have an impact on the developed countries of Europe, including commercial activities, financial transactions and investments. The European Central Bank ECB plans to extend further quantitative easing amounting to 80 billion euros per month, which will end in March 2017. In December, the ECB is expected to make a decision regarding quantitative easing. Meanwhile, to encourage the Euro zone inflation rate, the central bank has kept its interest rates low, at zero percent, and interest rates on deposits amounted to -0.4%. The inflation rate has not approached the central bank's target of 2%. As of September 2016, the inflation rate stood at 0.4%. Meanwhile, the 2017 and 2018 economic growth is expected to remain stagnant at the level of 1.6% and 1.5% respectively. Therefore, structural reforms are needed to boost economic growth in Europe to achieve the inflation target of 2%.

From Asia, China still continues the trend of economic slowdown. In 2016, China's economy was expected to grow around 6.7%, a slight decrease compared to the previous year of 6.9%. In the next two years, the Chinese economy is predicted to grow at a moderate level between 6.5 to 7.0%. This moderate estimate illustrates the weakness in exports and investment. In 2016, the Chinese government will undertake a further easing policy, more focused on fiscal measures.

Meanwhile in Japan, the government loosened its policy by launching a fiscal stimulus package in August 2016 for 13.5 trillion yen or 132 billion US dollars. This package consisted of 7.5 trillion Japanese yen for central and local government spending, as well as 6 trillion yen for investment and credit programs. This stimulus is part of the Government of Japan's coordination policy with the Bank of Japan (BoJ).

In the medium term, the number of global risks still continue to be a concern. The slowdown following the uncertainty of global economic developments will affect the Indonesian economy.

(Source: Indonesian Banking Statistics, September 2016)

## INDONESIAN ECONOMY

Indonesia's economy in 2016 was marked by a depressed trade performance due to global factors. Exports and imports slowed even though the trade balance remained in surplus. Volatility of the rupiah against the US dollar is expected to rise due to greater pressure due to the global economic uncertainty, especially after the US Presidential Election. Indonesia's financial markets are also expected to experience pressure and increasing volatility after the US Presidential Election. This potentially could create a capital outflow from Indonesia's financial markets.

Household consumption, which is one of the main driving factors for the Indonesian economy is expected to increase, but at a limited level. In addition, government spending will still be another factor in driving the Indonesian economy, particularly related to the focus on infrastructure development in the medium term. Infrastructure development is the focus of the Jokowi-Jusuf Kalla government, and is predicted to continue. The economic policy packages released has also been running well and showed a positive impact.

However, the future fiscal condition of Indonesia is expected to be depressed as reflected in the widening budget deficit, because state revenues will be reduced significantly. On the other hand, the tax amnesty program policies are expected to boost economic growth and reduce the deficit budget, as well as ease bank liquidity. With such conditions, Indonesia's economic growth this year is expected to be at the level of 4.9 to 5.3% (Bank Indonesia forecast). As for next year, the Indonesian economy will be relatively better, or able to grow around 5.1 to 5.3%, still sustained by consumption and investment, as well as confidence in the government.



## Industry Overview

A Jokowi-Jusuf Kalla 2014-2019 government policy focus is to strengthen maritime sectors (including fisheries and marine sub-sector), food, energy, and infrastructure, and the implementation of the ASEAN Economic Community (AEC) by the end of 2015 will further increase competition, especially in the real sector. Strengthening of the domestic market to be the answer involves a fairly broad scope covering the construction, biological resources, minerals, shipbuilding, tourism and recreation, and marine transportation sectors.

The MEA implementation will increase in the competitiveness of the national banking system. On the other hand, with the enactment of the MEA, foreign trade activity will increase. Therefore, BNI will provide increased credit and trade finance facilities to export oriented industries, especially now that the government is continuing to expand its share of exports outside of the countries that today are Indonesia's main export destinations. Banking business opportunities abroad are based on the principle of reciprocity and can also be addressed with the opening of service offices in other countries either located within ASEAN or outside ASEAN.

*(Source: Indonesian Banking Statistics, December 2016)*

## BANKING INDUSTRY CONDITIONS

The banking industry has experienced a slowdown in growth as at December 2016 compared with the previous year's growth. As of December 2016, bank credit growth of 7.9% year on year (yoY) was much lower than December 2015, which reached 9.6% (yoY). From the financial side, bank deposits as at December 2016 grew only by 9.6% growth was much higher than the same period the previous year of 7.3%. As a result of a slowdown in the disbursement of funds and financing the growth of banking assets as at December 2016 amounted to 9.7%, significantly higher than the growth the previous year of 9.2%.

*(Source: Indonesian Banking Statistics, December 2016)*

## BANK BNI POSITION IN THE BANKING INDUSTRY

When compared with the banking industry, BNI has higher growth in terms of both loans and financing. BNI loans grew by 20.9%, higher than industry and peers group while customer deposits grew by 17.3% at December 2016. With the loans and deposits growth, in the same period BNI assets grew by 18.0% higher than industry and peers group.

*(Source: Commercial Bank Monthly Report (LBU) Bank Indonesia, December 2016)*

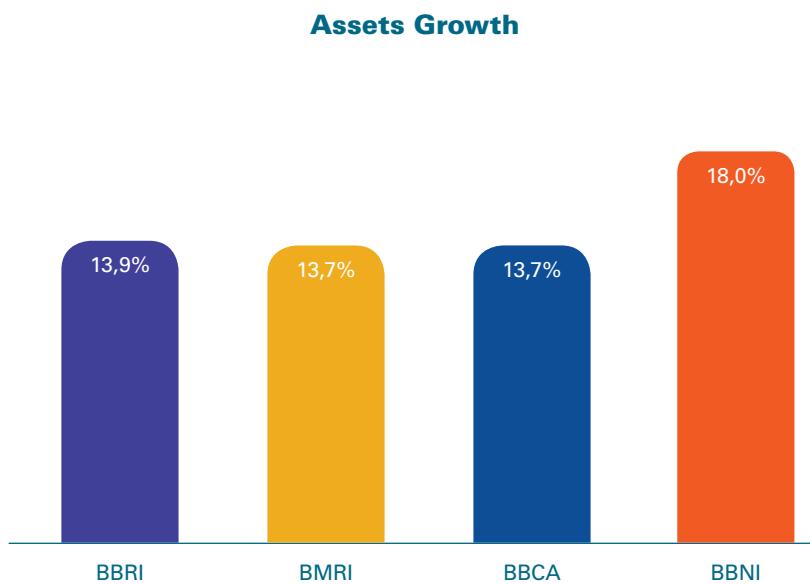
Compared with its peers, BNI's growth in terms of assets, loans and third party funds as at December 2016 was as follows.

**Table position is BNI Based on the Growth Assets, Loans and Third party Fund (Bank Only)**

Bank	Assets	Loans	Third Party Funds
Industry	9.7%	7.9%	9.6%
BBRI	13.9%	13.8%	12.6%
BMRI	13.7%	10.6%	12.2%
BBCA	13.7%	7.3%	11.9%
BBNI	18.0%	20.9%	17.3%

\* For data peers uses the data from Laporan Bulanan Bank Umum (LBU) Bank Indonesia from December 2016 period.

**BNI chart position than its Peers by Assets Growth**

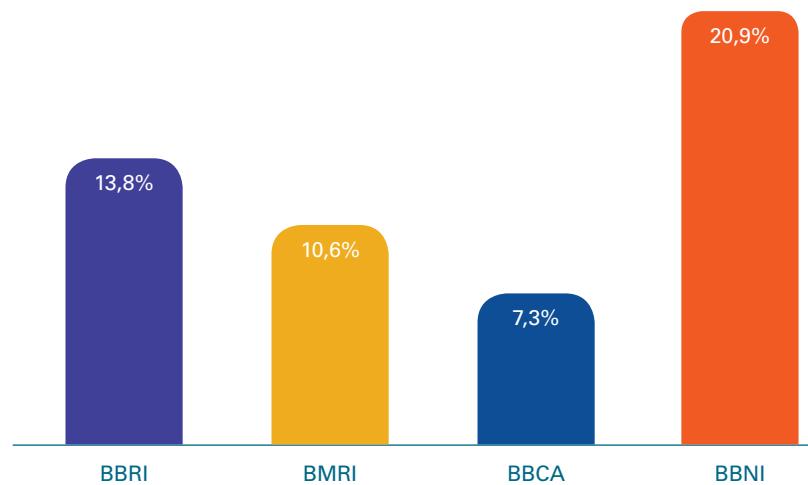




## Industry Overview

BNI chart position than its Peers by Credit Growth

### Credit Growth



BNI chart position than its Peers by the Third Party Funds

### Third Party Funds



## Operational Review

BNI runs its businesses and activities in the banking sector in accordance with the Articles of Association as set forth in Deed No. 35, dated March 17, 2015. Its main activities are: Raising funds from the public in the form of deposits such as demand deposits, time deposits, savings deposits, and / or other equivalent; Giving credit; Issuing debt instruments; Buy, sell, or guarantee on its own risk as well as for the interest and the order of clients (such as money orders, promissory note / other trade paper, State Treasury paper, government guarantees, Bank Indonesia certificates, bonds, future trade, and other securities and instruments); Transferring money both for its own interest or the interest of the customer; Placing funds on, borrowing funds from, or lending funds to other banks, either by using mail, telecommunications facilities as well as with performance notes, checks, or other means; Receive payment of securities and perform calculations with or among third parties; Provides a place to store goods and securities; Conducting care for the interests of the other party pursuant to a contract; placement of funds from the customer to other customers in the form of securities that are not listed on a stock exchange; Provide financing and / or perform other activities, including activities based on sharia principles, in accordance with the provisions stipulated by Bank Indonesia; Conducting factoring, credit card business and trusteeship; Conducting foreign exchange operations; Conducting equity participation in banks or other companies in the financial sector; Conducting temporary investments to overcome the consequences of credit failure, including the activities of financing failure based on Islamic principles, subject to retracting ownership interests in accordance with the provisions stipulated by Bank Indonesia; Acting as a founder of the Pension Fund; Conducting financial services, commercial banking, investment banking; and Performing other activities commonly conducted by the bank that are not contrary to legislation.

In addition to the above main business activities, BNI conducts business activities that support the main business activity that are not contrary to legislation.

### BUSINESS SEGMENT

Bank BNI's business activities are based on business segments classified into Business Banking, Consumer Banking, International Banking, and Treasury. An explanation of Bank BNI's business activities are described as follows.

#### BANKING BUSINESS

Business banking activities or BNI Business Banking is focused to serve customers in the corporate, medium and small segments.

#### LOAN PRODUCTS

The related lending business activities in the corporate, medium and small businesses segments are outlined below.



## Corporate Segment

BNI Corporate segment handles lending above Rp400 billion for individual customers and customer groups on the companies for State Owned Enterprises, national and multi-national companies in Indonesia.

## Medium Segment

BNI Medium segment handles lending above Rp15 billion to Rp400 billion for individual customers and customer groups.

## Small Segment

BNI Small segment handles lending up to 15 billion for individual customers and customer groups.

## THIRD PARTY FUND PRODUCTS

Business Banking Third party funds (DPK) include a number of funds, both for savings and for operational activities, which are owned and or managed by institutional clients. Institutional clients includes national companies, multinational corporations, State enterprises, Local Government enterprises, hospitals, ministries and other Government Institutions. Business Banking Third Party Funds Products includes Giro, Savings and Deposits.

## CONSUMER BANKING

### CONSUMER CREDIT

Products - consumer banking products consisting of mortgage, credit card, payroll, auto loans, and others. Information regarding each consumer banking products is described as follows.

#### 1. Mortgage

BNI Griya is a loan facility aimed at individuals for the consumer purposes including: purchase of houses, apartments, office / home office, vacation home (villa), both new and old and the purchase of plots / land as well as construction, renovation, refinancing, take over, top-up and multi purpose.

#### 2. Credit Card

Credit cards are one of the consumer loan products. BNI Credit Card products include:

- a. Regular Credit Card: BNI Gold and BNI Silver
- b. Premium Credit Card: BNI Style Titanium, BNI Visa Platinum Card, BNI JCB Platinum and BNI Visa Infinite
- c. Corporate Credit Card: BNI Corporate Gold Card, BNI Corporate Platinum Card and BNI American Express Business Card
- d. Affinity Credit Card: BNI Affinity - University, BNI Affinity - Alumni Association and BNI Affinity – Organizations
- e. Credit Card Co-Branding: BNI - Chelsea Card, BNI - Garuda Credit Card, BNI-LOTTE Mart Card, BNI- Bank Sumsel Babel Card, BNI-bank bjb Card and Credit Card Ferrari by BNI
- f. Private Label Credit Cards: BNI Travelling Card, BNI Gasoline Card, BNI Health Card, and BNI Cash Card

#### 3. Payroll

BNI Fleksi is a BNI product Loan available to active employees and retirees who distribute salaries and retirement benefits through BNI.

#### 4. Auto Loan

KKM (Channeling) is the provision of a working capital credit facility to companies to finance the company's accounts receivable according to specified criteria.

#### 5. Others

**BNI Oto**, is a credit product for the purchase of 2 (two) and 4 (four) wheel vehicles with collateral in the form of motor vehicle financing.

**BNI Instan**, is a credit product to the BNI customer who are holders of BNI Deposit, Savings and Giro of.

## THIRD PARTY CONSUMER FUNDS

Third party fund consumer banking products include checking, savings, and deposits, as described below.

### 1. Tabungan (Savings)

BNI Savings products consist of:

- a. Tabungan Plus (*Taplus*), a savings account that provides PLUS services with various features and benefits.
- b. Taplus Bisnis, a savings product intended for businesses and non businesses, both individuals and non-individuals, equipped with features and amenities that provide convenience and flexibility to support business ventures.
- c. Taplus Muda, a savings product catering for young people with ages ranging from 15 years to 25 years.
- d. TAPPA (Taplus Pegawai/ Anggota), a savings account for Employee / Member of a Company / Organization / Association / Professional Organizations cooperating with BNI which serves as a means of savings, and an Employee / Member identity card.
- e. TAPMA (Taplus Mahasiswa), a savings for Higher Education students in collaboration with BNI which serves to accommodate the need to pay tuition and other applicances.
- f. Tapenas, a term savings to help realize the goal of financial planning for the future with more certainty and security.
- g. Taplus Anak, a savings product to help teach children to save from an early age, intended for children younger than 17 years old.
- h. Simpanan Pelajar, a savings for students of early childhood, kindergarten, elementary, junior high, senior high school, Madrasah (MI, MTs, MA) or equivalent issued nationally by banks in Indonesia, with the requirements of Mudan and simple and interesting features, in the framework of education and finances to encourage a culture of saving early.
- i. Tabunganku, a savings product for individuals with easy and light requirements issued jointly by banks in Indonesia in order to foster the culture of saving and improving the welfare of society.

- j. BNI Pandai, a savings product for individuals with easy and light requirements issued by BNI which has the characteristics of a Basic Savings Account (BSA) and can be opened throughout BNI branch offices or through agents.
- k. BNI Dollar, a deposit product denominated in foreign currencies (USD / SGD) with a more stable and secure exchange rate and provides convenience for transactions.

### 1. Deposits

Deposit products offered BNI consist of:

- a. BNI Deposito: a Time deposits in various currencies with attractive interest rates.
- b. BNI Duo: a term deposit with a compound interest calculation system which provides the flexibility to change the currency of deposit before maturity

## INTERNATIONAL BANKING

### LOAN PRODUCTS

Loan products offered by the Overseas Branch Office generally vary depending on the license of each branch. But in geographical and product functions Overseas Branch Office products are divided into:

#### 1. Local Loan

Local loan is a facility offered by the Overseas Branch Office to the local debtor in the same country as the Branch. Types of loans offered include Working Capital Loan, Investment Loan, Trust Receipt, Consumer, and Syndication.



## Operational Review

### 2. Offshore Loan

Offshore loan is a loan facility provided by the Overseas Branch Office (KCLN) to Corporate Division and Loan Centers customers both to finance working capital needs with a maximum period of 1 year (short-term) and to finance capital goods procurements for the purpose of rehabilitation, modernization, and expansion with payments completed in the medium or long term.

### 3. Trade Loan

Trade Loan is a Overseas Branch Office facility for financing granted on the basis of trade transactions.

### FUND THIRD PARTY PRODUCTS

International Third Party Funds Banking Products consist of Savings, Deposits, and Giro. Details related to International third party funds products are described as follows.

#### 1. Savings

Deposit services are developed to accommodate the needs of individual customers in local KCLN with appropriate license.

#### 2. Giro

Deposit services to individual and corporate customers with check facility as a means of attraction. As a KCLN owner checks can be paid, or billed, withdrawn, or paid by the customer.

#### 3. Deposit

Service funding with maturities ranging from 1 month - 12 months for KCLN owners by giving special rates to selective customer with the appropriate KCLN.

### PRODUCTS AND SERVICES

The services offered by the International Banking segment are outlined below.

#### 1. Overseas Branches

##### a. Export Letter of Credit

Is an activity where the bank receives the original LC including pre-advice and amendments of:

- i. *Issuing Bank to be forwarded to Beneficiary Second Advising Bank*
- ii. *First Advising Bank to be forwarded to Beneficiary*

##### b. Opening Import Letter of Credit

Is an activity of the bank to open LC (master LC) including Pre-advice and amendments (amendment LC) as a guarantee of conditional payment on the basis of instructions or requests from Applicant or on its own.

##### c. Confirmation Letter of Credit

Is an activity of the bank to ensure payments of a LC and advise amendments upon request or appointment by the Bank Opener as required under the LC.

##### d. Standby Letter of Credit (SBLC)

Is an activity of the bank to carry out a Standby Letter of Credit (SBLC) which is subject to UCPDC or ISP for an event, covering:

- i. Publishing SBLC
- ii. Extending SBLC
- iii. Confirming SBLC
- iv. Transferring SBLC
- v. Cancelling SBLC
- vi. Realizing SBLC
- vii. Un-used SBLC

##### e. Inward Bill Collection

A bank activities for:

- i. Collecting Bank to instruct collection from Remitting Bank to Presenting Bank, atau
- ii. Presenting Bank to instruct collection from Remitting Bank.

**f. Outward Bill Collection**

A bank activities as Remitting Bank to send commercial documents or accompanied by financial documents (draft/promissory note) and instruct collection to Presenting Bank or through overseas Collecting Bank for submission to Drawee on the basis of payment or acceptance.

**g. Bank Guarantee**

Bank guarantees issued on behalf of customers such as for the establishment of the company, employment contracts, etc. which are full cover or by using an existing credit facility.

**h. Bank Guarantee Under Counter**

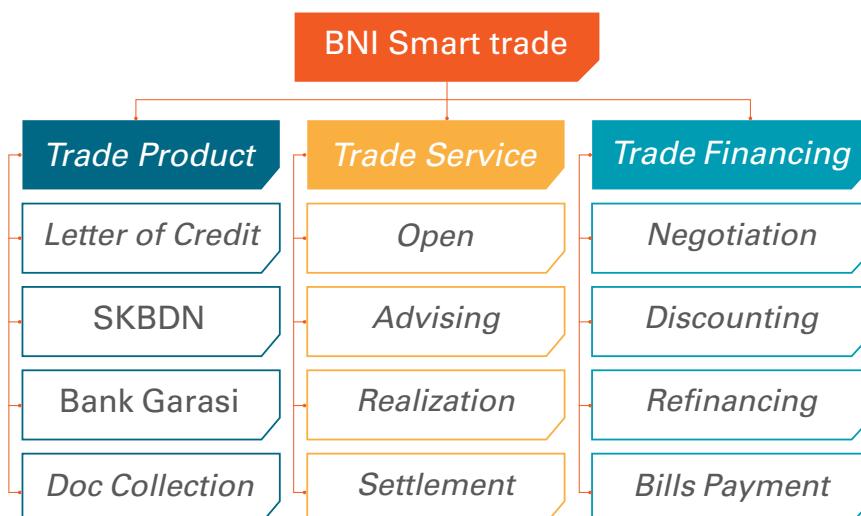
Bank Garansi issued on behalf of customers covered by the counter guarantee of correspondent or otherwise.

**2. Financial Institutions**

- a. **Bank Guarantee Under Counter (BGUC):** Publishing Guarantee (Bank Guarantee or Direct Demand Guarantee) on request and with a sure guarantee of correspondent banks (the Instructing Party)
- b. **Bank to Bank Financing – Refinancing,** Is a derivative of a trade finance transaction where BNI provide financing on bills held by Bank correspondents for the trade finance transaction.
- c. **Bank to Bank Financing, Trade Avance Financing,** financing conducted by BNI to Issuing Bank, as a form of payment for LC/ SKBDN realization, for Nominated Bank.
- d. **Bank to Bank Financing-Forfaiting,** Is purchasing the right to collect on Banker's Acceptance (B/A) held by the Bank as a Correspondent Nominated Bank (forfaitee) in respect of L/C or SKBDN transaction with discount without recourse.

**3. BNI Smart Trade**

BNI Smart Trade is classified into trade product, trade service, and trade finance. The details of the Smart Trade-related products are described as follows.





## Operational Review

### **Trade Product**

#### a. Letter of Credit

L/C is a guarantee of payment instruments issued by the bank (Issuing Bank) to recipients (Beneficiary) which is subject to Uniform Customs and Practice for Documentary Credits (UCP).

#### b. Domestic Letter of Credit

A Domestic Letter of Credit is a guarantee of payment instruments issued by the bank (Issuing Bank) to recipients (Beneficiary) which is subject to Bank Indonesia Regulations and is used for domestic trade transactions.

#### c. Bank Guarantee

A Bank Guarantee is a guarantee of payment instruments issued by the bank to guarantee recipients (Beneficiary) if the guaranteed party is in breach of contract (tort). Bank Guarantee subject to Bank Indonesia Regulations or Uniform Rules for Demand Guarantee (URDG) or International Standby Practices (ISP).

#### d. Documentary Collection

*Documentary Collections is a payment system for world trade conducted through banking services in the form of undocumented bills subject to Uniform Rules for Collections (URC).*

### **Trade Services**

Trade Services is a trade business that provides services to customers to receive products/services trade transactions or export/import trade and domestic. The trade services include.

#### a. Open

*Opening* is a service for the issuance of an instrument (L/C, SKBDN, Bank Guarantee) which ensures certainty of payment or underwrites contract performance by the beneficiary with the conditions agreed upon by the parties to the agreement.

#### b. Advising

*Advising* is a delivery service such as verification of the validity / correctness of an L/C, SKBDN, Bank Guarantee transmitted by the correspondent bank overseas and domestic for delivered to the recipient / beneficiary.

#### c. Realization

*Realization* is a service to deliver / submit trade documents to the recipient of the document as an importer / buyer with agreed conditions.

#### d. Settlement

*Settlement* is a service to settle trade transactions in the form of transaction payment that have been implemented or agreed. This trade transaction service makes payments to the exporter / seller via bank transfer.

### **Trade Financing**

*Trade Financing* is a business managed by the International Division to provide financing to customers for trade / commercial transactions with instruments in the form of L/C, SKBDN, Documentary Collection, Bills Payment, and Invoices or bills. The trade financing is as follows.

#### a. Negotiation

*Negotiation* is the receiving of draft payments drawn by beneficiary to a bank on the basis of documents presented and declared in accordance with the terms and conditions of the LC/SKBDN/SBLC with sight tenor.

#### b. Discounting

*Discounting* is the receiving of draft payments drawn by the beneficiary with a bank on the basis of document presented and declared in accordance with the terms and conditions of the LC/SKBDN/SBLC with usance tenor.

**c. Refinancing**

*Refinancing* is the takeover of financing in the form of payment backed up by an issuance L/C or SKBDN. Financing in the form of refinancing can be carried out at the time of initial opening or when approaching the due date for payment.

**d. Bills Payment**

*Bills Payment* is financing to the exporter / seller and importer/buyer on the basis of a documentary collection/open account transaction.

**4. Remittance**

*Remittance* is a written order at the request of individuals or legal entities (ordering customer or institution) to remitting bank/institution, to send money to another designated party (beneficiary customer atau institution).

Types of remittance are described as follows.

**a. Incoming Fund Transfer or Incoming transfer (ITR) or Incoming remittances**

Are remittances from individuals or legal entities through the overseas remitting bank in foreign currency/rupiah or through domestic banks specialized in forex addressed to BNI as the recipient bank, for benefit recipients whose names are designated in the remittance, either as BNI customers or non-customers in the country. The ITR transaction code in BNI is S06.

BNI Wesel PIN is a remittance / Incoming Transfer (ITR) services from abroad that can be taken in cash (without an account) in BNI outlets and BNI paying agents such as Pos Indonesia, Alfamart, and pawnshops. Disbursement is made through a correct PIN number and valid identity cards (KTP/SIM/Passport).

**b. Outgoing Fund Transfer (OTR) or Outgoing Remittance**

Unconditional written order from BNI at the request of the customer and / or for BNI benefit addressed to the correspondent

bank to pay a certain amount of money to a determined person / entity (beneficiary). Includes foreign currency remittances to correspondent banks at home and abroad. The OTR BNI transaction code is S10.

BNI remittances can be received on the same day (same day service) with time limits (cut off time) determined by each currency. BNI also has multi currency remittances services that can be received in 125 types of currency from 160 countries.

**5. Japan Desk****a. Loan**

For the Japan Desk provide services to Japanese corporate loan customers in Indonesia with Stand By LC (SBLC) or Open Account Financing (OAF) with competitive interest rates. This JPD loan is coordinated by Credit units (LMC, SKM, SKC).

**b. Third Party Funds**

In cooperation with the branch of service opening Saving, Giro dan Deposits for customers, both Japanese individuals and corporations in Indonesia.

**c. Financial Institution Transactions**

Providing banking services such as bank guarantee and Forfaiting to Japanese Banks which has become a counterparty requiring a bank guarantee from the Government.

**d. Cash Management**

In cooperation with the Transaction Banking Services (TBS) Division, marketing BNI Direct products to Japanese customers in Indonesia.

**e. Kartu Kredit**

In cooperation with the Card Business Division (BSK) offering individuals and corporations credit card with the Japan Card Bureau (JCB) logo to Japanese customers.



## Operational Review

### 6. Custody

Based on Law no. 8/1995, custodian and other assets related to securities and other services, including receiving dividends, interest and other rights, completing securities transactions, and representing the account holders as our customers.

The BNI Custodial Services offered are as follows.

#### a. Custody Services

- i. Storage, management and administration of securities either script or scripless on the Indonesian Stock Exchange.
- ii. Storage, management and administration of securities issued by the government such as Government Securities (SUN), Indonesian Retail Bonds (ORI), Shariah Securities (SBSN).
- iii. Storage, management and administration of securities in the international market registered at Euroclear as one international depository institution.

#### b. Fund Services

transaction process Services up to the net asset value calculation (balance sheet, profit / loss, portfolio reports) for Mutual Fund, Fund Management Contract (KPD) and Unit Link. Services provided include Fund Accounting/ Fund Administration, monitoring, reporting and publication.

#### c. Trustee and Agency

##### i. Trustee

Acting as the party that represents the interests of debt securities, including:

- Contract Preparation with the trustee issuer.
- Monitoring the issuer for the fulfillment of its obligations.
- Delivering reports and disclosure information.
- General Meeting of Bondholders (RUPO) Implementation.

##### ii. Security Agent

Administrating assets pledged by a party based on the agreements made.

##### iii. Paying Agent

Process payments in accordance with the agreement for capital market related transactions such as payment coupon / interest, dividend, bonds or other debentures as well as payment services for selling / buying and others.

##### iv. Escrow Agent

Management, monitoring and control or escrow accounts in accordance with the agreed arrangements (customized).

#### d. Trustee

Trust is a bank business in the form of care with the management of settlor's property (parties who own and entrust their property to be managed by the Trustee / Bank) based on a written agreement between the Bank as Trustee with the Settlor for the benefit of the Beneficiary.

Based on Otoritas Jasa Keuangan regulation (POJK) No.27/POJK.03/2015, Trustee may act as:

- i. Paying Agent
- ii. Investment Agent
- iii. Borrowing Agent

Trustee not only serve corporate clients, individual customers but now Trustee customers. Based on POJK No 25/ POJK.03/2016. This is a relaxation of the rules to support the Tax Amnesty program.

## TREASURY

Bank BNI Treasury products classified into transactional products, investment products and hedging products.

### 1. Transactional

Transactional products consist of Forex-TOD, Forex-TOM, Forex-SPOT, and Forex- Bank Notes. Details of these products is described below.

#### a. Forex –TOD

Sale and purchase of foreign currency where the transaction agreement and settlement is carried out on the same day.

#### b. Forex –TOM

Sale and purchase of foreign currency where settlement is done the first working day after the date of the transaction agreement.

#### c. Forex – SPOT

Sale and purchase of foreign currency where the settlement of transactions is carried out two working days after the date of the transaction agreement.

#### d. Forex – Bank Notes

Transactions involving the exchange of physical currency (banknotes).

Distinguished as;

##### i. Banking Transactions

Deposit / withdrawal of banknotes from the customer's account with the same currency. Revenue for the branch is income fee in lieu of exchange.

##### ii. Trading Transactions

Buying / selling banknotes. Revenues for the branch is foreign exchange.

### 2. Investment

Treasury investment products consisting of Deposit on Call (DOC), Money Market Account (MMA), and retail bonds. Details of investment products are described as follows.

#### a. Deposit on Call (DOC)

- i. Placement of funds for a minimum period of 3 days up to 30 days.
- ii. The interest rate are based on interbank interest rates.
- iii. Can be called at any time.

- iv. Minimum placement IDR 100 million or USD 75 thousand.

#### b. Money Market Account (MMA)

- i. Placement of funds for a minimum period of one day up to 1 year.
- ii. The interest rate are based on interbank interest rates.
- iii. Can be called at any time.
- iv. Minimum placement IDR 1 billion or USD 75 thousand

#### c. Retail Bond

Bond is evidence of indebtedness of the issuer which will be repaid at maturity in accordance with the terms and conditions previously set. Bond transactions that can be made between the Treasury Division and Individual Clients for transactions as follows:

- i. In the primary market including non-retail corporate bonds and government bonds of.
- ii. In the secondary market including corporate bonds, retail government bonds, non-retail government bonds, and other countries government bonds.

### 3. Hedging

#### Currency Forward

Sale and purchase of foreign currencies in which settlement is carried out more than two business days after the transaction date. The exchange rate used in this forward transaction takes into account forward points.

#### Currency Swap

'Buy and Sell' transactions for one currency against another currency that is implemented simultaneously with the same counterparties.

#### Currency Option

Agreement to provide a right and not an obligation of the seller (option writer) to buyers (option holder) to buy or sell a certain amount of nominal currency for the foreseeable future at a predetermined price (strike price) on or before the specified time (expiry date).



## Operational Review

### **Interest Rate Swap (IRS)**

An agreement between two parties to exchange a series of fixed interest payments (fixed rate) in one currency with a series of fluctuating interest payments (variable rate) in the same currency (or vice versa). Generally the principal exchange is not done in this transaction, but the principal is used as a reference in the calculation of interchangeable interest.

### **Cross Currency Swap (CCS)**

An agreement between two parties to exchange principal and interest payments in different currencies. Exchange loan principal uses the exchange rate at inception.

## **2016 BUSINESS DEVELOPMENT STRATEGY**

In accordance with the Company's vision and mission, BNI seeks to contribute their best to boosting economic growth and development to improve the welfare of society as a whole. It is implemented in coordination and collaboration with other institutions from countries, governments, individuals, communities, among financial companies, and other private entities.

In addition to contributions to the nation and the country, BNI tries to assert its existence by becoming one of the major players in the financial sector, especially banking financial services to all banking customers and as a value-added benefit to all stakeholders, namely customers, investors, employees, communities, and the financial industry.

BNI short-term plans are based on the long-term plan taking into consideration current internal and external factors. During 2016, the bank carried out its plans as outlined below.

1. Strengthening business expansion in selected corporate and mid-segment markets in selected sectors to maintain quality
  - a. Improving corporate business expansion in selected markets in national priority sectors supporting the government's programs
  - b. Increasing the middle segment expansion in priority regional sectors while maintaining the quality of the portfolio
  - c. Optimizing credit processes that focus on the speed of the process but remain prudent.
  - d. Improving credit quality with a focus on restructuring and recovery customers.
2. Increasing fee based income (FBI) and current and savings accounts (CASA) through strengthening transactional banking customers and its value chain.
  - a. Developing transactions targeted to Ministry, institution, and corporate customers via integrated cash management, trade finance, and bank guarantees.
  - b. Increasing the utilization and wallet-size cash management in the middle segment.
  - c. Optimizing supply chain financing based on customer transactions and its value chain.
3. Strengthening consumer banking product positioning: BNI Griya, BNI Fleksi, and credit cards as well as Tapplus.
  - a. Increasing penetration of featured products in selected customer segments.
  - b. Developing cooperation with business partners to improve customer transactions.
  - c. Improving cross selling of superior products to potential customers.
  - d. Doing product development by optimizing e-channels.
  - e. Optimizing penetration for BNI Flexion Fleksi and pensioner customers
  - f. Penetrating retail products and services in overseas branches to Indonesian people.

- 
- 4. Implementing digital services to increase sales and customer interaction.
    - a. Improving customer transactions through e-channel development, e-commerce and electronic payment solutions to the digital service.
    - b. Developing product and information technology-based services to improve customer interaction and sales.
    - c. Expanding the e-channels infrastructure to increase potential market penetration.
    - d. Increasing e-channel utilization to increase the channel's efficiency and effectiveness.
  - 5. Increasing cross selling products to targeted segments.
    - a. Optimizing bank and subsidiaries product bundling to potential customers.
    - b. Optimizing e-channel in cross selling bank and subsidiaries products and services
    - c. Develop targeted segment to develop the business
  - 6. Optimizing outlets into revenue centers including integrated financial solutions.
    - a. Optimizing customer transactions by providing a total financial solution.
    - b. Developing value chain across all lines and subsidiaries.
    - c. Improving customer referrals for the company's products in all subsidiaries.
  - 7. Acquiring / divesting financial services firms that have strong synergies.
    - a. Acquiring prospective financial institutions to meet customers' financial needs.
    - b. Strengthening subsidiaries to improve business expansion through synergies between units
  - 8. Improving employee engagement and productivity.
    - a. Improving the capability of personnel to support the business strategy implementation
    - b. Optimization of the capacity of employees to meet business needs

The short-term plans in 2016 have generally been implemented successfully. Credit expansion in priority sectors such as agriculture, manufacturing, infrastructure, and supporting industry infrastructure have been implemented optimally. Likewise, credit expansion in potential sectors in each region and customers, the supply / value chain of the corporation. For small sector loans, the bank has managed to exceed the regulatory minimum lending to micro, small and medium enterprises (SMEs) borrowers. Credit portfolio growth has been above the industry average using the precautionary principle so that Non-Performing Loans (NPL) have not increased proportionally and relatively high yields have been achieved.

The increase in non-interest income and fundraising costs has been accomplished according to plan in the middle of business competition in the financial sector, and the placement of public funds from non-bank institutions, or even with fintech. Business competition in financial services digitization has been anticipated by improving existing information technology systems, so that the systems are ready to be developed, in line with the needs of customers, and following the Information Technology Strategic Plan (ITSP). The information technology strategic plan implementation resulted in an increase in the number of transactions and improved quality of service.



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Support services for government and regulators programs have also been carried out perfectly, including with support of the literacy and financial inclusion program "Laku Pandai dan Layanan Keuangan Digital (LKD)" and the SiMolek car program, in addition financial education directly to the Indonesian Workers in Hong Kong and in the region of origin, socializing Tax Amnesty in various locations, social assistance programs (bansos), e-shop KUBE, cooperation with BUMDES (village-owned enterprises), Jaring program (Reach, Synergy and guidelines), issuing Kartu Lentera dan Kartu Masyarakat Sejahtera as well as the Kredit Usaha Rakyat (KUR) program. Services to state owned enterprises (SOE) and other government institutions were also implemented in a comprehensive manner from upstream to downstream, including investment management, financing transactions, cooperation issuing co-brand debit / credit card, distributing consumer credit, cash management and issuing employee /member cards.

The plan to increase and regulate the outlets has been carried out according to plan. In order to improve productivity and increase span of control, as well as expand the bank's service area, BNI in 2016 opened additional outlets, improved the outlet status, relocated outlets, and added functional regional offices in addition to expanding Automated Teller Machines (ATM) and Electronic Data Capture (EDC). Structuring these outlets provided integrated financial solutions in the form of cross-selling products, including subsidiaries' products, and improved employee productivity.

Support for other governments' mandates to accelerate development has also been carried out by BNI. The Holding Financial Institutions establishment plan has also been formated according to plan. The ATM and EDC management company has been established, together with member banks, and has been successfully implemented, with outlets opening ATM and EDC Red and White. The government's Tax Amnesty Program mandate had been successfully implemented by BNI. BNI, functioning as a gateway for compensation and repatriation of funds, has also served as the initiator for Tax Amnesty socialization and communication to various community groups.

## OPERATIONAL PERFORMANCE ACHIEVEMENTS

### BUSINESS BANKING

Business Banking Activity or Business Banking BNI focus is to serve customers in the corporate segment, medium and small.

Armed with optimism albeit in the face of vulnerable domestic and global economic conditions in 2016, there were several events that affected the economic condition in Indonesia in 2016, among others, the economic slowdown in China and the weakening of world oil prices. Amid a slowdown in the Chinese economy that did not directly impact the national economic slowdown, BNI Business Banking recorded a superior than average industry performance through a conservative and proactive strategy to maintain asset quality. Business Banking credit expansion aimed at intensification and extension to local corporates and multinational companies engaged in BNI priority strategic sectors and in syndicated loans. BNI also tried to become bank at forefront of digital banking innovation to improve customer experience, transactions and sales.

BNI, as one of the state-owned bank, strongly supports government programs to achieve the economic development goals of Trisakti and Nawacita, the BNI Business Banking expansion strategy directed to supporting infrastructure development, expansion in the medium and small segment while maintaining credit quality and focus on prospective industries in the priority sectors.

The details related to performance of Business Banking Loan Products are shown in the following table.

**Business Banking Loan Product Performance**

Descriptions	2016 Rp billion	Composition	2015 Rp billion	Composition	Growth
Corporate	174,073	56.6%	137,909	55.0%	26.2%
Medium	61,330	20.0%	51,147	20.4%	19.9%
Small	50,684	16.5%	42,076	16.8%	20.5%
Overseas	21,237	6.9%	19,538	7.8%	8.7%
Total	307,323	100.0%	250,670	100.0%	22.6%

In 2016, BNI Business Banking segment recorded a positive growth. Total outstanding loans reached Rp307.3 trillion, an increase of 22.6% compared to the loan portfolio in 2015 which reached Rp250.7 trillion. In terms of asset quality, the Business Banking segment also continues to maintain good asset quality.

### Corporate Segment

BNI Corporate segment handles lending above 400 billion for individual customers and customer groups in State Owned Enterprises, national and multi-national companies in Indonesia.

In 2016, the corporate segment was able to post a credit growth of 24.0% of Rp157.4 trillion in December 2015 to Rp195.3 trillion in December 2016. The increase in loan growth had an impact on increasing the contribution from the BNI corporate segment, which amounted to 49.7% of BNI's total loan portfolio

(consolidated) compared to 2015, which reached 48.3%. Optimizing the corporate segment continued expansion of business with a focus on sector expansion - BNI priority sectors include infrastructure (telecommunications, toll roads and construction, electricity, oil and gas and transportation), manufacturing, trade and plantations.

In terms of asset quality, despite the weakening global and national economic performance affecting the performance of some BNI corporate debtors, with a conservative and proactively strategy in managing asset quality, the corporate segment was still able to maintain a good level of quality assets.

Throughout 2016, the BNI credit portfolio continued to be well diversified in BNI prioritized sectors. The industrial sector contributed 27.7% of total loans in the corporate business, followed by the agriculture sector at 18.3% and electricity, gas and water by 14.0%.

Below are business sector lists for the 10 largest debtors, individual and group, at the end of 2016.

#### Individual

	Individual Debtor	Total (Rp)
Tobacco		Rp6.0 trillion
Other Financial Intermediaries (Non Bank) excluding Leasing		Rp5.4 trillion
Community Social Services		Rp4.5 trillion
Industrial Production and Ships and Boats Repair		Rp2.6 trillion
Industrial Production and Ships and Boats Repair		Rp1.9 trillion
Telecommunications services		Rp1.8 trillion
Other Civil Developments		Rp1.7 trillion



## Operational Review

Individual Debtor	Total (Rp)
State Administration and Economic and Social Policy	Rp1.6 trillion
Processing industry	Rp1.5 trillion
Other Civil Developments	Rp1.5 trillion
<b>Total</b>	<b>Rp28.6 trillion</b>

Group	Individual Debtor	Total (Rp)
Electrification		Rp20.4 trillion
Fertilizer industry		Rp7.8 trillion
Pulp / Paper Board industry		Rp6.9 trillion
Oil palm plantation; Rubber plantation and Other latex producers; Sugar Industry and Sugar Processing		Rp6.5 trillion
Cement, Lime and Gypsum industry, as well as goods made from Cement and Lime		Rp5.9 trillion
Other Civil Developments		Rp5.7 trillion
Cement, Lime and Gypsum industry, as well as goods made from Cement and Lime		Rp5.4 trillion
Telecommunications services		Rp5.4 trillion
Oil palm plantation; Edible Palm Oil Industry		Rp5.1 trillion
Mining and Oil and Gas		Rp4.4 trillion
<b>Total</b>		<b>Rp73.7 trillion</b>

Based on the type of loans, in 2016 the majority of corporate loans disbursed were in the form of working capital loans, which amounted to 57.9% of total corporate loans, or by Rp113,2 trillion, while the remaining 42.1% or Rp82,1 trillion were investment loans.

### Corporate Business Segment 2017 Strategy

With the economy projected in 2017 to be better than 2016, and in line with the strategy to achieve business targets in 2017, the BNI corporate segment has set initiatives entry strategies for 2017, namely:

1. Expansion of credit focused on financing infrastructure projects for corporations and SOEs including both upstream and downstream.
2. Improvement in asset quality through focus control on NPL recovery and increasing revenues.

3. Identification of credit risk is based on a scale of low to high and high to low yield.
4. Increase in DPK primarily CASA through closed loop transactions and e-channel transactions and mapping of potential institutions (high to low).
5. Optimizing the Value Chain of the 24 Group Debtor Corporation.
6. Synergy corporation with subsidiaries.

## Medium Business Segment

BNI Medium Business segment manages lending from Rp15 billion to Rp400 billion for individual customers and customer groups.

In 2016, the Medium Business segment was able to answer the emerging challenges of the slow Indonesian economy, while still showing high growth with asset quality still maintained. BNI provides banking services to medium scale enterprises through 32 Medium Business Loan Centers (SKM) scattered in various major cities in Indonesia.

### Medium Segment Outstanding Loan Growth ▶

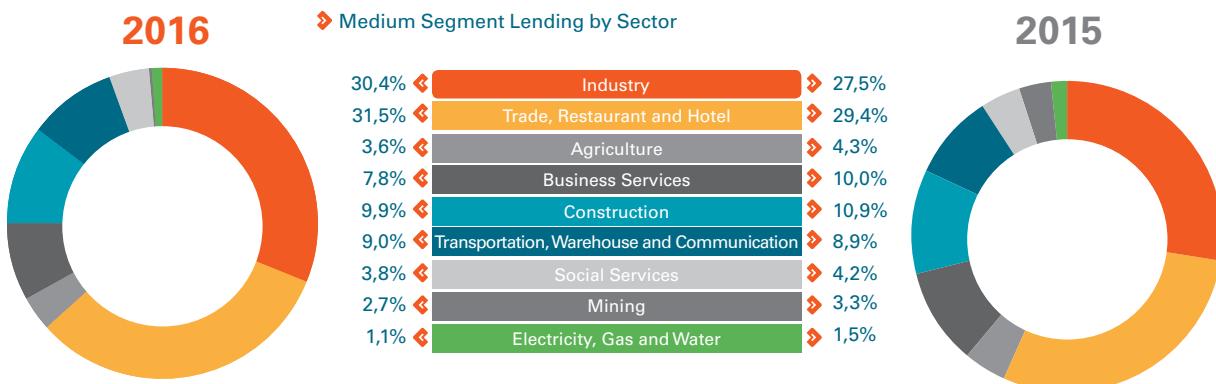


### Loans Provided Growth Medium Segment

At the end of 2016, medium segment loans reached Rp61.3 trillion, or an increase of 19.9% compared to the previous year, and covers 15.6% of the total loan portfolio (consolidated). Medium segment loan disbursements consisted of working capital loans of 66.6% or Rp40.9 trillion, while the remaining 33.4% amounting to Rp20.4 trillion for investment loans.

The majority of the middle segment loans were for the restaurant and hotel trade sector with 31.5%, followed by loans to the manufacturing sector amounting to 30.4% of total middle segment loans.

The following details shows the medium segment loan portfolio.





### **Strategic Initiative / things to do in 2016**

In terms of credit portfolio management, keep providing optimal results with minimized risk through efforts already made as follows.

1. Expand distribution network by adding 8 Secondary Loan Centers (SKM) to work on the market potential in potential areas and increase the debtor ticket size.
2. Improve business processes to improve the debtors Service Level Agreement (SLA) with due regard to the precautionary principle (Prudent)
3. Expand through acquisition other banks that have proven in their past performance and expansion in economic sectors that have manage credit quality.
4. Increase asset based lending.
5. Accelerate handling Pre NPL and NPL with proactive and synergy measures with units that deal with problem loans.

### **2017 Medium Segment Strategy**

BNI has set a series of strategic initiatives as a guideline for the development of the Medium segment to achieve the target that has been set as follows.

1. **Aggressive Growth**
  - a. Focus on priority sectors and the expansion of potential areas
  - b. Optimize outlets and raise debtor ticket size
  - c. Maximize the potential of value chain Corporate debtors
  - d. Implement pipeline management and close monitoring
2. **Increase Asset Quality**
  - a. Implement Credit Risk Review
  - b. Increase Risk Awareness among credit personnel in the Discipline Credit Program
  - c. Strengthen Early Warning System through the Immediate Post Review for the middle segment

- d. Accelerate and improve Remedial and Recovery through Remedial and Recovery organization.

### **3. Profitability**

- a. Optimize Yield (Income) by downsizing the debtor with low rates and optimize Costumer Profitability Report and Tactical Account Planning.
- b. Push Credit Cost and Operational Cost with the closure of the Medium segment debtor Credit Insurance.

4. **Increase Synergy and Cross Selling** by encouraging Closed Loop Transaction, increasing CASA by cross selling Taplus/Giro and encourage increased Product Holding Ratio.

### **Small Segment**

BNI Small Segment deals with lending up to 15 billion for individual customers and customer groups.

### **Loan Growth**

2016 was a year full of challenges for small businesses, however BNI's small segment managed to overcome the challenges and recorded a good performance.

In 2016, small segment lending reached Rp50.7 trillion, growing by 20.5% on Rp42.1 trillion in 2015. This accounted for 12.9% of the total loan portfolio (consolidated). In terms of asset quality, small segment also continue to improve the quality by decreasing its NPL ratio from 4.0% in 2015 to 3.6% in 2016.

As a *Kredit Usaha Rakyat* (KUR) participating bank, in 2016 BNI KUR successfully reached Rp10.3 trillion with 44,877 debtors. BNI is committed to play a role in developing small businesses, primarily with KUR through its 24 Small Loan Centers and 149 Credit Approval Branches.

Product	2016		2015		Growth Outstanding Kredit
	Outstanding Rp miliar	NPL	Outstanding Rp miliar	NPL	
Non KUR	39,720	3.8%	37,750	4.3%	5.2%
KUR	10,964	2.4%	4,326	1.8%	153.4%
Total	50,684	3.6%	42,076	4.0%	20.5%

Kredit Usaha Rakyat (KUR) is a credit program launched by the Government to help develop MSMEs. Non KUR credits are BNI commercial loans.

In 2016, performance achievement was realized thanks to the following BNI developments:

1. Outlets optimized as points of sale
2. Digital access for loan applications by loan borrowers

3. Encouraging KUR distribution efforts to support the Government's Program for Micro, Small and Medium Enterprises (SMEs).

The majority of the small segment loans were for the restaurant and hotel trade sector with 62.5%, followed by the business services sector and the manufacturing sector respectively 10.4% and 9.0% of the total small business loans in 2016.

#### Small Segment Lending by Sector

Economy Sector	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth Yoy	composition	NPL 2016	NPL 2015
Industry	4,565	3,949	3,579	15.6%	9.0%	3.6%	4.3%
Trade, Restaurant & Hotel	31,698	24,413	22,744	29.8%	62.5%	3.8%	4.3%
Agriculture	2,880	2,491	2,483	15.6%	5.7%	3.2%	3.6%
Business Services	5,288	5,073	5,216	4.2%	10.4%	1.8%	2.3%
Transportation, Warehouse and Communication	1,458	1,339	1,317	8.9%	2.9%	6.2%	7.3%
Construction	2,281	2,177	2,175	4.8%	4.5%	4.3%	4.2%
Electricity, Gas and Water	58	53	70	9.1%	0.1%	3.6%	7.4%
Mining	201	249	279	-19.2%	0.4%	4.8%	1.0%
Social Services	2,255	2,323	2,484	2.9%	4.4%	1.9%	2.4%
Others	0	9	0	100.0 %	0.0%	0.0%	0.0%
Total	50,684	42,076	40,375	20.5%	100%	3.6%	4.0%

#### 2017 Strategy

To answer the business challenges, maintain asset quality, and work on the potential wide open market, BNI has set the following strategies:

1. Growth based on outlet and channel optimization
2. Utilizing loan and platforms digital access
3. KUR acceleration primarily in productive sectors
4. Build institutional synergies and cooperation patterns

5. Manage value chain for the company's anchor corporate segment.
6. Strengthen the early warning system and credit personnel risk awareness.
7. Collection management system completion



## Operational Review

### Business Banking Third Party Funds

Business Banking Third party funds (DPK) are a number of funds, both for savings and for operational activities, which are owned and or managed by institutional clients. The Institutional clients in question take the form of national companies, multinational corporations, state enterprises, Local Government enterprises, hospitals, ministries and various other Government Institutions.

DPK Business Banking can be Savings, Deposits and Accounts, in accordance with the benefits sought by the institutional clients. The three products offered are to selected institutional clients with a package that is tailored to the needs of each institution.

For institutional customers, BNI has a special savings product, with interest and competitive features, namely Tabungan Bisnis. Its main segment is small-scale enterprises, such as a family company, which is commonly used in the company's operations.

Meanwhile, the BNI deposit products most in demand are Non Individual Deposit, Deposit on Call (DOC) and Money Market Account (MMA). With a variety of advantages compared with the usual deposit products, DOC and MMA are very attractive for institutional clients, particularly for deposits.

The BNI current accounts, which from the beginning was created for institutional clients, is widely used by national companies, multinational corporations, state enterprises, ministries and Government agencies.

### Transactional Banking Services

Transactional Banking services are cash management services from corporate customers. Management includes Giro funds from customers.

Throughout 2016, BNI remained successful and continued to increase its presence as a transaction bank customer choice through a wide range of efficient, effective, safe and reliable cash management services. As a result, total integrated cash management transaction frequency through BNI Direct (corporate internet banking) grew 45.3% to reach 17.99 million transactions with a value amounting to Rp1,262 trillion from Rp936 trillion in the previous year. Together with the increase in business transactional banking services, fee-based income also grew to Rp477 billion at the end of 2016.

Improved performance of the above is supported by several strategic initiatives in 2016. Among other things, BNI managed to increase the penetration of transactional banking services in the corporate customer segment (including SOEs and Government), as well expanded its presence in the commercial customers segment to optimize the potential BNI debtor in each region.

BNI also have gained confidence in building public services that support the efficiency and transparency of bureaucracy in the various ministries and government agencies, among them for electronically real-time online tax payments (BNI e-Tax) and the customs duties and import of goods payments (BNI e-PIB), payment for passports, as well as play a role in processing Tax Amnesty. BNI diverse cash management solution has helped clients in creating a more efficient business process so as to increase customer productivity. These electronic solutions are also able to create efficiencies in the BNI internal work processes thus improving customer service for.

As in previous years, the BNI banking transactional services won numerous awards in 2016, namely:

1. Best Local Cash Management Bank in Indonesia as voted by Large and Medium Corporates from AsiaMoney
2. 2nd Best Local Cash Management Bank in Indonesia as voted by Small Companies from AsiaMoney
3. Best Cash Management Bank in Indonesia 2016 from Alpha South East Asia

#### BNI Direct Transactions

Description	2016	2015	Growth
Total Transactions (million Rupiah)	18.0	12.4	45.3%
Nominal Transactions (trillion Rupiah)	1261.6	936.0	34.8%
Fee Based Income (billion Rupiah)	477.0	436.6	9.3%

#### CHEAP FUNDING SOURCE IMPROVEMENT

To meet the needs of corporate customers, BNI offers a wide range of current, deposits and savings accounts specially designed to suit the operational needs of institutional clients. In 2016, growth in business banking customers operating funds remained focused on cost of funds, which is growing ever more rapidly and effectively to an average of Rp90 trillion, an increase of 3.6% compared to the average balance of Rp86,9 trillion in 2015. The increased contribution of low-cost funds has resulted in lower cost of funds thereby increasing BNI's efficiency and competitiveness.

Total business banking customer deposits reached Rp207 trillion at the end of 2016, which was 50.4% of BNI's total third party funds. This was an increase of 20% compared to previous year's Rp172,5 trillion, or 49.4% of total deposits in 2015.

Bridging the BNI strategy to achieve growth in asset quality and profitability level through optimal financing structure, in 2017 BNI's initiative will be to improve the customer experience through improved business solutions with the following initiatives.

1. Focus business on 15 Ministries and Institutions, 20 Main SOE, educational institutions, local government and hospital solutions, as well as various institutions, financial services, oil and gas and other corporations.
2. Enhance BNI's role in the public service
3. Optimize electronic-based solutions in the management of Revenue and Non-Tax Revenue.
4. Increase corporate transaction solutions through e-channels for payment services, reception and management of customers' financial information.
5. Increase fee-based income with innovative operational services in various sectors of industry,
6. Optimize Value chain.
7. Cross sell transactional services and bank guarantees to customers.

#### Data Balance

Description	2016 Rp trillion	2015 Rp trillion	Growth
Average Balance	90	87	3.6%
Ending Balance Giro	120	90	33.0%
Ending Balance BB (DPK Business Banking)	207	173	20.0%
Ending Balance DPK (Business Banking and Consumer)	410.9	349	17.7%



## Operational Review

### BUSINESS BANKING SEGMENT REVENUE AND PROFITABILITY

Business banking segment revenue and profitability is presented in the Information Segment of the Financial Review section in this Annual Report.

## CONSUMER BANKING

### CONSUMER LOANS

#### BNI Griya

During 2016, BNI Griya loan portfolio focused on the primary segment of the property market through cooperation with developers, while in the secondary segment of the property market BNI Griya sales were made through Property Agent channels and optimized outlets.

In the primary segment of the property market, BNI Griya expanded cooperation with Developers across Indonesia and provided convenience and speed of credit application process for prospective borrowers who buy a new property with the Developer's cooperation with BNI.

In the secondary segment of the property market, BNI Griya has been cooperating with a number of Property Agents, gathering together to improve the acquisition of BNI Griya applications mainly through property resale purchases. BNI Griya marketing is also done by optimizing the branch as a sales channel for walk-in customers and cross selling programs to existing customers.

BNI Griya Loan disbursements are also done by Business Banking mutual synergies (Corporate, Commercial and Retail) and subsidiaries, BNI Griya operates through the target segment director, business owner and employees of BNI partner institutions.

During 2016, collaboration with BNI partner institutions, where BNI Griya products were marketed in the form of customized facilities such as Home Ownership Program (HOP) with pricing and special features tailored to the needs of each business.

To support government programs for housing in the Low-Income Communities (MBR) segment, BNI also participated in a program providing housing Liquidity Facility (FLPP) financing in collaboration with the Ministry of Public Works and Public Housing.

BNI Griya 2016 Featured Program included a BNI Griya special interest rate program with attractive fixed interest rates and installments for the first 5 years. In addition, the program also applies instant approvals, an accelerated credit process program and simplified documents to submit BNI Griya in some BNI Developer partners.

#### BNI Fleksi

BNI Fleksi is a BNI Loan product available to active employees and retirees who transact salaries and retirement benefits through BNI.

BNI Fleksi be one of the featured products in the consumer credit sector, and the yield is relatively high, the market potential is large enough, and have good credit quality.

BNI Fleksi payroll program is focused on an acquisition strategy through cross selling Fleksi payroll to selected customer / debtor through the customer payroll base. Increasing the number of payroll accounts for 2016 provides considerable potential for BNI Fleksi expansion, mainly civil servant / state / private sector employees. BNI Fleksi features can be customized, so it can be tailored to the needs of companies / institutions. There has been cooperation in the distribution during 2016 between PT. KAI, OJK, Pertamina Group, PTTelkom, Medco Group, PT. PLN, and other companies.

The BNI Fleksi portfolio performed well with the development of a credit facility to retire through BNI Pension Credit (BKP). This product is a credit facility provided to prospective retirees who will retire in a maximum 2 years, with a credit limit that is attractive enough with a maximum credit of up to 350 million, and a period of up to 10 years, as well as competitive interest. Distribution of BNI Fleksi - Pension Credit to prospective retirees is conducted in cooperation with pension institutions and other institutions, including TASPEN and Asabri.

Improved Fleksi BNI acquisition was also supported by the flexibility of channel marketing through ATM, Mobile Banking, SMS Banking, in addition to accelerating the process, document simplification and ease of process (pre-aproval)

Details related to Consumer Banking loan products growth performance is presented below.

#### Consumer Banking loan products

Description	2016 Rp million	Composition	2015 Rp million	Composition	growth
Mortgage	36,436	56.0%	34,719	60.3%	4.9%
Credit Card	10,527	16.2%	9,789	17.0%	7.5%
Payroll	8,949	13.8%	3,923	6.8%	128.1%
Auto Loan	5,161	7.9%	5,379	9.3%	(4.4%)
Others	4,017	6.2%	3,729	6.5%	7.7%
<b>TOTAL CONSUMER</b>	<b>65,069</b>	<b>100.0%</b>	<b>57,539</b>	<b>100.0%</b>	<b>13.1%</b>

In 2016, consumer credit growth was Rp7.5 trillion or 13.1% of the total portfolio of Rp65,1 trillion. The highest growth occurred in payroll loan products (BNI Fleksi), which grew by Rp5.0 trillion or 128.2% from Rp3.9 trillion in 2015 to Rp8.9 trillion in 2016.

#### Customer Deposits

Third Party Fund products are offered by the consumer business segment and consists of savings and deposits.

#### Total Third Party Fund Accounts

Description	2016 number of accounts	Composition	2015 Number of Accounts	Composition	Growth
Savings	21,680,278	98.6%	16,823,018	98.3%	4,857,260
Deposits	309,831	1.4%	289,657	1.7%	20,174
<b>Total</b>	<b>21,990,109</b>	<b>100%</b>	<b>17,112,675</b>	<b>100%</b>	<b>4,877,434</b>

The increase in the number of savings accounts in 2016, including from acquisitions through Company / Institution payroll cooperation has primarily been with BNI Business Banking sector Customers / Debtors (Corporate, Commercial and Retail) as well as cooperation with Government / Ministry. Growth

in the number of accounts is also supported the 2016 Government Program with several ministries and government agencies such as the non-cash Social Assistance Program, Indonesia Pintar Program (PIP) and the student savings program (Simpel).



## Operational Review

### Total Third Party Funds

Description	2016 Rp million	Composition	2015 Rp million	Composition	Growth
Savings	149,148,336	73.1%	127,588,927	71.4%	21,559,410
Deposits	54,786,234	26.9%	51,047,962	28.6%	3,738,272
Total	203,934,570	100%	178,636,888	100%	25,297,682

In line with the number of accounts increase, individual customers total deposits at the end of 2016 increased by Rp203,9 trillion, or 14.2% compared to 2015. The savings deposits contribution amounted to 73.1% and 26.9%. Total funds from savings reached Rp149,1 trillion and deposits grew 7.3% reaching Rp54,8 trillion. The increase in third party funds in 2016 also encouraged support programs that focus and target customers in specific segments.

### Savings

A wide selection of BNI savings products offered are tailored to the needs of customers at every stage of life.

Starting with customer's children, BNITaplus Anak is a savings product to help teach children to save from an early age. In 2016, BNITaplus Anak helped develop the talents of Indonesian children with a national drawing and coloring contest with a vacation to Korea prize. In addition to enjoying the beauty of travel to the Ginseng country, it introduced BNI spirit of service, "BNITaplus Anak Goes to Korea" winners also visited the Seoul BNI branch office.

With the commitment to continue to hone the great talents of Indonesian children collaborations with cooperation partners, including PT Kuark International's program "Olimpiade Sains Kuark" since 2013, PT Mizan Publishing House in the "KKPK Mizan Goes to Korea", and the Yamaha School of Music's program "Early Registration Campaign - Junior Music course".

To penetrate the GenY segment, BNITaplus Muda savings product has features and programs relevant to the youth segment needs / activities. Some BNI Taplus Muda programs held in 2016 included Taplus Muda Online Gift Shop, Java Jazz 2016, School to School and 3 Level Taplus Young a program for students in selective universities cooperating with BNI to enable Student Identity Card with savings, with an active bank balance and transaction.

BNITapenas is a savings plan for the future, a term savings to help realize the secure and safe financial planning future goals. BNITapenas provides benefits to realize future customer plans with free life insurance protection. During 2016 there have been several BNITapenas promotional programs, including rewards programs directly to customers who open BNITapenas via iBank BNI or mobile banking, free Lazada e-voucher for customers who opens BNITapenas through BNI offices, free pre-order Samsung Galaxy S7 and S7 Edge programs and free BNITapenas Gift program including Precious Metals, iPhone 6, Apple Macbook Air in 2016, and Travel Vouchers.

In order to show appreciation to loyal customers with active transactions, BNI launched Rejeki BNI Taplus (RBT) 2016. This Program is unique with the theme "Program Rejeki BNI Taplus - Definitely A Winner in Every Branch". This program is a tribute to BNI customers who make additional balances and transactions with BNI e-Banking and shop using the BNI Debit Card with gifts including a Lexus LX570 and Toyota Fortuner as national prizes and Toyota Sienta and Honda Scoopy as Regional prizes.

In an effort to be transactional, BNI continues to innovate sharing features and benefits in savings products for the entrepreneurs segment by monitoring the financial or business transaction flow. This segment target market is taken seriously by offering BNITaplus Bisnis that helps entrepreneurs do transactions with the bank. Special programs that target this segment includes the BNITaplus Bisnis-EDC programs, BNITaplus Bisnis-KUR Retail Bundling, cooperation with strategic partners (Lotte Wholesale and Indogrosir), acquiring BNITaplus Bisnis business (Thamrin City, ITC Mega Grosir Surabaya and Plaza Medan Fair) and the acquiring by BNITaplus Bisnis Agent 46 Companions.

To increase cheap fund's (CASA), especially savings, BNI markets BNITaplus products to employees of Company / Institution especially those who are customer / debtor in the BNI Business Banking sector (Corporate, Commercial, and Retail). Employees of companies doing their payroll through BNI will acquire a wide range of benefits, unique compared

to other banks, such as KTA BNI Fleksi loans with competitive interest, KPR BNI Griya quick process, promotional spending in the form of discounts or cashback, product bundling, payroll loyalty programs and promo info in Android smartphone via BNI Experience apps in the Play Store.

To support the Ministry of Finance Tax Amnesty program, BNI is one of participant banks designated to handle the Program. All outlets are prepared to handle the flow of repatriated funds from abroad to meet the requirements of the Tax Amnesty taxpayer.

Other BNI program in 2016 included:

1. BNI strategic partnership with PT. Garuda Indonesia to issue BNI Garuda Co. Brand Debit Card with a Unique Value Proposition in the form of Bonus Miles Account Opening, Reward transactions via POS and e-Commerce, Reward Transactions via BNI e-Channel: ATM, SMS Banking and Internet Banking, Cashback 20 Top Spenders every month, Welcome Bonus Miles, Save 5% Redemption Award tickets, Save 5% on Purchase Garuda Indonesia tickets, Garuda Platinum Miles Fast Track. Debit card targets customers who enjoy traveling.
2. The record breaking Muri by opening 100,000 accounts BNI Simpel simultaneously in Makassar.
3. For Youth Pledge Day, BNI made a joint BNI Simpel declaration by signing a BNI Simpel Cooperation Agreement with OJK in 321 schools.

**Total Savings Products Accounts**

Product	2016 number of accounts	Composition	2015 Number of Accounts	Composition	Growth
Tabungan plus (taplus)	8,297,223	39.3%	7,660,207	46.7%	637,016
Taplus bisnis *)	500,112	2.3%	448,983	2.7%	51,129
TAPMA *)	2,544,192	12.0%	2,206,629	13.4%	337,563
TAPPA	1,463,570	6.9%	1,090,683	6.6%	378,887
Tapenas	236,506	1.1%	208,222	1.3%	28,284
Taplus anak	1,200,847	5.6%	1,052,092	6.4%	148,755



## Operational Review

Product	2016 number of accounts	Composition	2015 Number of Accounts	Composition	Growth
Simpanan pelajar (Simpel)	244,231	1.1%	37,948	0.2%	206,283
Tabunganku	1,005,692	4.7%	867,340	5.3%	138,352
BNI Pandai	1,205,105	5.7%	487	0.0%	1,204,618
BNI dollar	58,347	0.3%	53,796	0.3%	4,551
Emerald saving	10,279	0.0%	9,378	0.1%	901
Other program pemerintah	3,350,690	15.7%	1,626,487	9.9%	1,724,203
Other	1,169,127	5.5%	1,156,662	7.0%	6,465
<b>Sub Total</b>	<b>21,285,921</b>	<b>100.0%</b>	<b>16,418,914</b>	<b>100.0%</b>	<b>4,867,007</b>
Tabungan haji Indonesia	394,357		404,104	2.5%	(9,747)
<b>Total</b>	<b>21,680,278</b>		<b>16,823,018</b>		<b>4,857,260</b>

The increase in the number from government's savings programs including Tabunganku Indonesia Pintar and Simpel Program Indonesia Pintar. The increase of savings products in 2016, including programs supported by the Top Customers, boosting payroll and PESTA Program, with the rebound numbers for savings in 2016 starting earlier in 2015.

### Total Savings Products Funds

Product	2016 Rp million	Composition	2015 Rp million	Composition	Growth
Tabungan plus (tplus)	78,955,305	53.3	72,403,301	57.2	6,552,004
Taplus bisnis *)	35,875,355	24.2	31,366,114	24.8	4,509,241
TAPMA *)	1,550,855	1.0	1,389,127	1.1	161,728
TAPPA	5,038,043	3.4	4,225,063	3.3	812,981
Tapenas	2,573,816	1.7	2,521,449	2.0	52,367
Taplus anak	2,424,224	1.6	2,054,004	1.6	370,220
Simpanan pelajar (simple)	23,261	0.0	4,499	0.0	18,762
Tabunganku	2,254,026	1.5	1,878,749	1.5	375,278
BNI Pandai	118,355	0.1	212	0.0	118,143
BNI dollar	12,089,105	8.2	6,472,661	5.1	5,616,444
Emerald saving	6,034,042	4.1	2,853,760	2.3	3,180,282
Other program pemerintah	800,189	0.5	708,605	0.6	91,895
Other	492,908	0.3	700,605	0.6	(207,698)
<b>Sub Total</b>	<b>148,229,484</b>	<b>100</b>	<b>126,511,838</b>	<b>100</b>	<b>21,651,646</b>
Tabungan haji Indonesia	918,853		1,012,046		(93,193)
<b>Total</b>	<b>149,148,336</b>		<b>127,589,889</b>		<b>21,558,453</b>

Note:

Taplus Bisnis : TABI Individual and Non Individual

TAPMA: TAPMA Individual and Non Individual

BNI Dollar: BNI Dollar Individual and Business

Others State Programs: Tabunganku – Indonesia Pintar, Indonesia Pintar (Simpel PIP)

Others: TKI Plus (Piloting) Kartu Plus, Kartu Cobranding, Takesra, Tabungan Mikro, and Simpanan Mikro

## Deposits

Deposits can be an investment instrument for customers. Customer funds can be placed with a wide choice of time periods and competitive interest rates. To face the competition in market interest rates as well as maintaining the growth in third party funds,

BNI implemented strategies to provide selective Special Rates while maintaining the Cost of Fund, to attract customers who are not interest sensitive, BNI offers Multigift deposit programs with direct gifts linked to prizes, based on placement of funds and time period criteria.

### Total Deposit Product Accounts

Product	2016 Number of Accounts	Composition	2015 Number of Accounts	Composition	Growth
Deposits	309,831	100.0%	289,657	100.0%	20,174
<b>Total</b>	<b>309,831</b>	<b>100.0%</b>	<b>289,657</b>	<b>100.0%</b>	<b>4,857,260</b>

### Total Deposit Product Funds

Product	2016 Rp million	Composition	2015 Rp million	Composition	Growth
Deposits	54,786,234	100.0%	51,047,962	100.0%	3,738,272
<b>Total</b>	<b>54,786,234</b>	<b>100.0%</b>	<b>51,047,962</b>	<b>100.0%</b>	<b>21,558,453</b>

The increase in the number of deposit accounts and the amount of deposit products are supported by the special program of selective rates and Multigift program with direct gifts to customers.

## CARD BUSINESS

BNI continues to maintain its position as one of the leading banks in the credit card business in addition to continuously developing the debit card business.

### Debit Card

BNI debit cards have a variety of options with traditional Indonesian batik designs including Kartu Debit BNI Silver, Kartu Debit BNI Gold, Kartu Debit BNI Platinum serta Kartu BNI Emerald World MasterCard (for priority customers). BNI continues to widen cooperation with the non-profit community with Kartu Debit Affinity, as well as the business community with Kartu Debit Co-brand including, Kartu Debit Ferrari by BNI, Kartu Debit LotteMart Wholesale, Kartu Debit Garuda, Kartu Debit Multimart dan Kartu Debit Indogrosir.

### 2016 Performance

In 2016, growth in the value of BNI debit card transactions was above the industry's growth. BNI debit card transaction value in 2016 reached Rp 15.8 trillion, an increase of 35.3% over the previous year.

During 2016, BNI actively organized programs of interest to BNI Debit Card holders. In an effort to increase sales volume and active debit card transactions, debit card promotion programs focus for 2016 was in Supermarket, Department Store and Restaurant outlets. Working together with a variety of favorite merchants to establish and improve the public awareness of the benefits of debit cards in lieu of cash. In an effort to increase convenience for debit card holders, BNI continues to expand its cooperation with potential partners. BNI debit card featured program in 2016 included Restaurants namely KFC, Pizza Hut, Bakmi Gajah Mada, Cold Stone, and Supermarkets like LotteMart, Hypermart, Ranch and Farmers Market as well as Alfa Midi and also for Entertainment like Snowbay and The Jungle.



## Operational Review

Partnerships with the business community are also increasing, particularly in loyalty and activation programs. Some programs are intended to give an appreciation not only to our customers but also BNI business partners. For the owner of a co-brand Garuda BNI debit card, customers can earn Triple Miles by using their co-brand Garuda BNI debit card. The co-brand LotteMart Wholesale debit card gives cashback every month for customer of LotteMart Wholesale with specific balance requirements. In November 2016 BNI-Indogrosir debit cards were launched with a cashback program for customer transactions with BNI-Indogrosir debit cards during the program period.

In addition, to support Government Program in 2016, BNI worked with several ministries and government institutions, namely:

1. Distributed non-cash Social Assistance Keluarga Harapan Program from the Ministry of Social Welfare through the issuance Kartu Keluarga Sejahtera Cards.
2. Distributed Indonesia Pintar Program (PIP) from the Ministry of Education and Culture at high school level throughout Indonesia.
3. Distributed subsidies for sugar cane and onions growers from the Ministry of Agriculture through the issuance of Kartu Tani.
4. Distributed Kartu Jaring intended for fishermen from the Ministry of Maritime Affairs and Fisheries.
5. Distributed Kartu Lantera for the fisherman in Batam from Bank Indonesia.
6. Data Collection for Indonesian migrant workers in Singapore in cooperation with the Ministry of Foreign Affairs through the issuance of Indonesian Singapore identity cards (KPIs)

### 2017 Strategy

2017, BNI will focus on sales growth and the number of debit card transactions through a program at 10 main MCC tailored to the behavior of debit cards holders including Supermarket / Grocery Store, Clothing, Health Service, Home Furnishing, Department Stores, Entertainment, Restaurants, Food and Beverages, Watches and Jewelry, and Telecommunication. The debit card promotional programs in 2017 includes a program to increase customer behavior and loyalty programs to build up experience in transactions using BNI debit cards both national and regionally. Another strategy to increase the number of debit card transactions in 2017 will be through promotional programs that are attractive and of a transactional character.

Also to expand partnerships with the business community, BNI will cooperate with Pertamina as a potential partner in the issuance and management of BNI Pertamina co-branding Debit Card as well as with KFC fast food by issuing loyalty cards.

### Credit Card

Outstanding BNI credit card at the end of 2016 grew by Rp768.443 million or a growth of 7.54%, compared to 2015. The outstanding credit card at the end of 2016 amounted to Rp10,526,975 million and at the end of 2015 amounting to 9,788,532 million. This growth is supported by growth in the number of cards and increased sales volumes of the credit card penetration program "every day transaction", adding instalment features with the leading merchants and penetration through BNI online reward redemption Points. The increase in outstanding credit cards was accompanied by an increase in fee based income and the value of transactions shown in the following table.

**Credit Card Performance**

Description	2016 Rp billion	2015 Rp billion	Growth
Nilai Transaksi	32,617	32,498	0.4%
Fee Based Income	1,291	1,200	7.5%

**2016 Strategy**

BNI card business strategy in 2016 with the theme "**Your Card for Your Everyday Transaction**" still focuses on increasing the number of credit card in the BNI portfolio. Portfolio improvements include:

1. Acquire aggressively by increasing synergy between BNI businesses by optimizing captive data, cooperating with subsidiaries and leveraging cooperation with current BNI co-branding and affinity partners, through payroll based optimization of branch close relationships.
2. Initiate Credit Limit Increase Program for selected customers.
3. Optimize good electronic channels that belong to BNI such as ATM and partner websites.
4. The program uses pre-embossed and pre-approved credit cards.
5. Acquire BNI Credit Card for individuals at BNI Corporate Card partner companies with a simplified process.

Increase BNI Credit Card Sales Volume through:

1. Maximize everyday transactions, Travel Related and Online Transaction (e-commerce) Program.
2. Optimize the already established partnership with co-branding and affinity partners through promotional programs that increase leverage activities related to the partnership.
3. Develop corporate card transactions to serve travel and entertainment as a procurement card is expected to increase the penetration of corporate cards in each company.
4. Loan on Phone Program to the selected customers.
5. Maximize 0% installment program at merchants, as well as installment at mild interest through via SMS conversion.

**2016 Performance**

During 2016, BNI actively organized programs for BNI credit card holders and developed new products to expand the BNI credit card users market, including:

1. Participated in major events such as Indonesia Fashion Week, Inacraft, Garuda Indonesia Travel Fair (GATF), Java Jazz Festival and other major events.
2. Cooperated with large merchants such as e-commerce Tokopedia, Elevenia, Traveloka, Tiket.com, Agoda, Jd.id, Zalora, Lazada, Blibli.com, DinoMarket.com is merchant e-commerce and more. Some of the initiatives undertaken added a 0% installment online feature at the merchant's website running on Lazada, Tokopedia, Traveloka, Panorama, Blibli, DinoMarket.com is, Unity, Jd.id, Garuda Indonesia, Citilink, bukalapak, and Air Asia websites.
3. Continuity program, adding 0% installment with leading merchants such as PT Kawan Lama, Electronic City, Electronic Solution, Best Denki, Erafone, iBox, EMAX, Mitra10, ATRIA, Modena, Telesindo, Home Solution and the various other merchants.
4. Cooperating with the new principals such as AMEX
5. Affinity Card product in cooperation with PLN and Budha Tzu Chi



## Operational Review

### Strategy 2017

In 2017, the BNI Card Business with its tagline "Your Card for Your Everyday Digital Transaction" focused on Fee Based Income and Increased BNI Credit Card Portfolio. With portfolio increase through increased penetration of a captive credit card database, new co-branding partners through BNI co-branding with Bank DKI and Pertamina. Penetration of new digital banking based customer segment as well as motivational programs for Atrition-Team.

In order to increase sales volume in 2017, BNI will undertake the following strategies:

1. Cooperation program with e-commerce merchants with a good strategic discount / rebate, installment, or BNI Reward Point redemption program, such as:
  - a. Garuda Indonesia, Citilink, Sriwijaya Air, Air Asia, Traveloka, Tiket.com, Agoda.
  - b. Tokopedia, bukalapak, Elevenia, Zalora.
  - c. MatahariMall.com, Lazada, Blibli.com, DinoMarket.com is, JD.ID, Bhinneka.com.
2. Increase Sales Volume penetration in the region with emphasis on credit card promotional programs with local merchants through program discounts, cashback, BNI Point redeem reward, and installments
3. Launch new product types including:
  - a. Kartu Kredit BNI Mastercard World that offers benefits and features as premium segmented cards with attractive promotions on merchant choice and promotes the concept of contactless transactions.
  - b. Kartu Kredit Digital Card that facilitate customers in the transaction because it carries the concept of contactless in conducting transactions at merchants.
  - c. Distribution Card, reserved for the commercial segment, especially for agents, distributors and marketers of institutions that cooperate with the BNI.
4. New digital channel as a media program offering installment features, acquisition of credit card and credit card transactions channel (QR Code)
5. Improving the relationship with PIC Corporate Card, Corporate Client through RM Corporate Client Division business and create loyalty programs.
6. Increasing Co-Branding Cooperation with two strategic partners to increase the number of cards and Sales Volume:
  - a. PT Pertamina (Persero)
  - b. PT Bank DKI

### CONSUMER BANKING SEGMENT REVENUE AND PROFITABILITY

The consumer banking segment revenue and profitability is presented in the Information Segment of the Financial Review section in this Annual Report.

### INTERNATIONAL BANKING

#### Loan Products

KCLN loan products mainly increased. In 2016 KCLN total reached Rp21.2 trillion, grew by 8.1% from the previous year with loan product at Rp19.6 trillion. Growth in Local Loan grew significantly by 52.2% to Rp8.7 trillion compared to Rp5.8 trillion in 2015. Proof that KCLN has begun to show its existence in the eyes of local residents in each country.

Details of International Banking loan product performance described as follows.

#### International Banking Loan Product Performance

Description	2016 Rp million	Composition	2015 Rp million	Composition	Growth
Local Loan	8,755,338	41.2%	5,751,504	29.3%	52.2%
Offshore Loan	11,936,907	56.2%	13,440,565	68.4%	(11.2%)
Trade Loan	533,551	2.5%	449,286	2.3%	18.8%
<b>Total</b>	<b>21,225,796</b>	<b>100.0%</b>	<b>19,641,354</b>	<b>100.0%</b>	<b>8.1%</b>

#### THIRD PARTY FUND PRODUCTS

Third Party Funds (DPK) offered by Overseas Offices are in accordance with license owned. For KCLN London and New York, both KCLN do not have permission to conduct retail transactions.

#### Total Third Party Funds

Description	2016 Rp million	Composition	2015 Rp million	Composition	Growth
Savings	86,383	2.2%	61,642	1.7%	40.1%
Giro	2,277,978	57.9%	1,124,591	30.7%	102.6%
Deposits	1,571,673	39.9%	2,478,947	67.6%	(36.6%)
<b>Total</b>	<b>3,936,033</b>	<b>100.0%</b>	<b>3,665,180</b>	<b>100.0%</b>	<b>7.4%</b>

Third Party Funds Increasing across most KCLN in 2016 with Rp3.9 trillion, or 7.4% compared to the previous year's Rp 3.7 trillion. The reason was because this year the bank opened a new KCLN in South Korea where it has full license to conduct business transactions, including retail / consumer.

#### PRODUCTS AND SERVICES

##### Overseas Branches

KCLN trade, in 2016 increased 9.7% to Rp5.6 trillion to 2015 of Rp5.1 trillion. This is supported by the KCLN good service to the local population of each country as well as refinancing of trade transactions.





BNI London



BNI Osaka



BNI Singapore



BNI Hong Kong



BNI Yangon

**Overseas Branches Performance**

Description	2016 Rp million	2015 Rp million	Growth
Trade	5,587,614	5,093,549	9.7%

**Financial Institutions**

The increase in Bank Guarantee Under Counter (BGUC) from 2015 to 2016 was due to SLA provided by BNI making correspondents satisfied with the speed, with courtesy visits by the RM to the correspondent banks also providing insight regarding BNI BGUC service.

The increase in Bank to Bank financing from 2015 to 2016 was due to very competitive pricing provided so the number of correspondent bank conducting refinancing transactions with BNI multiply, BNI also begin to conduct Trade Advance transactions which

contributed to a significant increase in interest. In addition, the SLA provided by BNI satisfied correspondents with its speed and accuracy.

In 2015, Bank Guarantee Under Counter (BGUC) processed 2,275 slips while in 2016 it was 2,681 slips, an increase of 17.8%. There were 59 Bank to Bank Financing transactions in 2015, which rose to 140 transactions in 2016, a growth of 137.3%.

Details related to the performance of the financial institution are described as follows.

**Financial Institution Performance**

Description	2016 Rp million	2015 Rp million	Growth
Bank Guarantee Under Counter(BGUC)	2,681 slip	2,275 slip	17.8%
Bank to Bank Financing	140 Transaksi	59 Transaksi	137.3%

**BNI Smart Trade**

Description BNI Smart Trade revenue performance is presented as follows.

**BNI Revenue Smart Trade**

Description	2016 Rp billion	Composition	2015 Rp billion	Composition	Growth
Export	950.6	72%	583.67	69%	63%
Import	373.3	28%	262.35	31%	42%
<b>Total</b>	<b>1,323.9</b>	<b>100%</b>	<b>846.02</b>	<b>100%</b>	<b>56%</b>

**BNI Performance Smart Trade by transaction volume**

Description	2016 billion USD	Description	2015 billion USD	Description	Growth
Export	17.95	55%	17.11	59%	5%
Import	14.49	45%	12.12	41%	20%
<b>Total</b>	<b>32.44</b>	<b>100%</b>	<b>29.23</b>	<b>100%</b>	<b>11%</b>



## Operational Review

There was good growth in trade performance both in terms of volume and revenue. During 2016 BNI recorded revenue of Rp1,323.85 billion, growing by 56% compared to Rp846.02 billion in 2015. This growth, supported by export transactions, in 2016 amounted to Rp950.59 billion which grew significantly by 63% compared to Rp583.67 billion in 2015.

In addition the volume of trade transactions in 2016 grew by 11% with USD 32.44 billion compared to USD29.23 billion in 2015. Import trade transactions in 2016 grew to USD14,49 billion, or 20% compared to USD12,12 billion in 2015.

The increase in revenue and volume expansion was supported by corporate debtors and their new trade transactions debtors channel. The revenue increase in

trade was dominated by state-owned enterprises in the infrastructure sector which in 2016 the focus was on government infrastructure development program.

### Remittances

The increase in Incoming Transfer (ITR) slips amounted to 17.16% from 2,205,447 slips to 2,583,811 slips due to the additional cooperation network as well as increased IT with Host to Host (H2H) connections with overseas correspondent remittances.

Outgoing Transfer (OTR) slips decreased by 8.64% from 321.046 to 293.311 slips due to Bank Indonesia Regulation Number 17/3 / pbi / 2015 which obligated to use rupiah domestically.

### Remittance Product Performance

Description	2016 Rp million	Composition	2015 Rp million	Composition	Growth
Slip Incoming Transfer (ITR)	2,583,811	89.8%	2,205,447	87.3%	17.2%
Slip Outgoing Transfer (OTR)	293,311	10.2%	321,046	12.7%	(8.6%)
<b>Total</b>	<b>2,877,122</b>	<b>100.0%</b>	<b>2,526,493</b>	<b>100.0%</b>	<b>16.3%</b>

### Japan Desk

Credit transactions decreased dramatically. Compared to 2015 which reached Rp199 billion, in 2016 it reached only Rp43,64 billion, down 78.1%. The Credit decline was caused by the gradual repayment of sizeable debts. Debtors had also received funding from their Parent companies in Japan to increase working capital and investment. In addition, the decline in automobile sales nationwide where most BNI clients are suppliers in automotive spare parts industry.

Third Party Funds experienced of 16.0% from Rp937.48 billion in 2015 to Rp1,087,94 billion in 2016. FI transactions, which in 2015 reached Rp768,15 billion rose to Rp3,024,68 billion in 2016 an increase of 293.8%. The DPK and FI transactions (Forfaiting and BG under Counter) improvement was driven by an intensive and measurable marketing program. The programs included customer gatherings, lottery program for customers, BNI product workshops, and joint marketing with the related Division / Credit Center / Branch.

Japan Desk Performance is presented in the following table.

**Japan Desk Performance**

Description	2016 Rp billion	Composition	2015 Rp billion	Composition	Growth
Corporate lending to Japan	Rp43.64	100%	Rp199	100%	(78.1%)
Third Party Fund from Japan Corporate	Rp1,087.94	100%	Rp937.48	100%	16.0%
FI Transactions	Rp3,024.68	100%	Rp768.15	100%	293.8%
<b>Total</b>	<b>Rp4,156.26</b>		<b>Rp1,904.63</b>		<b>118.2%</b>

### Custody

Growth in Assets Under Custody increased significantly in 2016. During 2016 BNI Custody Assets Under Custody was Rp179,358 trillion, a growth of 32.53% compared to Rp135,336 trillion in 2015. The custodial business performance increased

significantly supported by the increase of trust shown by existing BNI customers to use the custody facility, together with new customers and improving economic growth, there was a positive sentiment towards the stock market with increasing assets under Custody (AUC).

The performance of BNI Assets Under Custody (AUC) is shown below.

**Custody Product Performance**

Description	2016 Rp million	2015 Rp million	Growth
Custodial Services	179,358,440	135,336,069	32.53%

### Trustee

There was an increased volume of Trustee transactions of 14.9% from Rp15.2 trillion in 2015 to Rp 17.5 trillion in 2016.

This was due to:

1. Additional transaction volume and new customers.
2. Relaxated government regulations related to tax amnesty so that individuals could become Trustee customers

**Trustee Product Performance**

Description	2016 Rp million	2015 Rp million	Growth
TRUSTEE	17,477,191	15,210,032	14.9%



## Operational Review

### TREASURY

Explanation of performance-related treasury products are classified into performance on foreign exchange transactions and capital gains. These transactions are described as follows.

#### Forex Gain

In 2016, the BNI forex transactions volume to customers for the Tod, Tom, and Spot products increased from USD23,164 million the previous year to USD25,942 million, an increase of 12%. Similarly, the profit in 2016 increased from Rp315,164 million to Rp374,524 million, an increase of 19%. Improved Forex transactions, Tod, Tom, and Spot was due to additional new SOE enterprises, non-state-owned enterprises and institutions, competitive prices, backed by dealers who are reliable and an adequate infrastructure.

In 2016, the volume of transactions for FX Forward products increased from the previous year from USD605 million to USD849 million, an increase of 40%. Similarly, the 2016 profit increased from Rp2,875 million to Rp4,042 million, an increase of 41%.

FX Swap transactions increased in volume by 170% from USD58,25 million in 2015 to USD157 million in 2016. Profit increased by 99%, from Rp277 million in 2015 to Rp550 million in 2016 ,

CCS and IRS transactions, increased in volume by 713% from USD19,83 million in 2015 to USD161,25 million in 2016. Profit increased by 303%, from Rp3,418 million in 2015 to Rp13,772 million in 2016.

The Increase in FX Forward, FX Swap, CCS, and the IRS hedging transactions was due to dealers actively approaching customers to provide hedging solutions, as well as an adequate infrastructure and capable staff.

The performance of forex gain based on transaction volume and profit is shown below.

**Forex Gain by Volume and Profit Growth**

Product	2016		2015	
	Vol	Profit	Vol	Profit
Tod, tom, spot	USD 25,924	IDR 374,524	USD 23,164	IDR 315,544
FX forward	USD 849	IDR 4,042	USD 605.34	IDR 2,875
FX swap	USD 157	IDR 550	USD 58.25	IDR 277
CCS, IRS	USD 161.25	IDR 13,772	USD 19.83	IDR 3,418
<b>Total</b>	<b>USD 27,092</b>	<b>IDR 392,888</b>	<b>USD 23,847.61</b>	<b>IDR 322,113.30</b>

## Capital Gain

In 2016, the volume of retail bonds increased from Rp2,953.1 billion in 2015 to Rp4,131.6 billion, an increase of 40%. Profit increased from Rp22.5 billion to Rp38.9 billion, an increase of 73.0%.

The increase in Retail Bonds transactions was due very favorable market conditions and the infrastructure to support faster and up to date transactions.

Details related to the of capital gain growth based on transaction volume and profit are shown below.

**Capital Gain by Volume and Profit Growth**

Product	2016 (Rp million)		2015 (Rp million)	
	Vol	Profi	Vol	Profit
Retail Bonds	IDR 4,131,561	IDR 38,898	2,953,067	IDR 22,507

## INTERNATIONAL BANKING SEGMENT REVENUE AND PROFITABILITY

The international banking segment revenue and profitability is presented in the Information Segment of the Financial Review section in this Annual Report.

## MARKETING ASPECT

### MARKETING STRATEGIC

Marketing communication activities for the Consumer Banking and Corporate Branding sectors is managed by the Marketing Communication (MCM) Division with the coordination of business units and other support units to provide optimal benefits for the company and customer satisfaction in line with the vision and mission of BNI.

Synergy between the Consumer Banking and Business Banking sectors sector is pursued through the value chain approach model so that a value chain that provides added value at each BNI stage of identified the products and services needed to simplify the process of business development.

Consumer Banking customers products marketing and promotion are generally made according to segmentation and preferences of customers within the concept of "BNI Experience" are classified into 5 (five) Iconic Cluster, such as BNI Music Experience, BNI Fashion Experience, BNI Food Experience, BNI Travel Experience and BNI Entrepreneurship Experience.

For communicating all marketing activities, BNI uses integrated communication media ranging from Above The Line, Below The Line reinforced by BNI Online and Social Media and as at December 2016 the number of followers per BNI Twitter account: (@BNI, @BNIPromo, @BNICustomerCare and @BNIYouthzone46) totalled 848,217 Followers, Facebook Likes 264,097 and Instagram 47,500 Followers.



## Operational Review

### BNI Music Experience

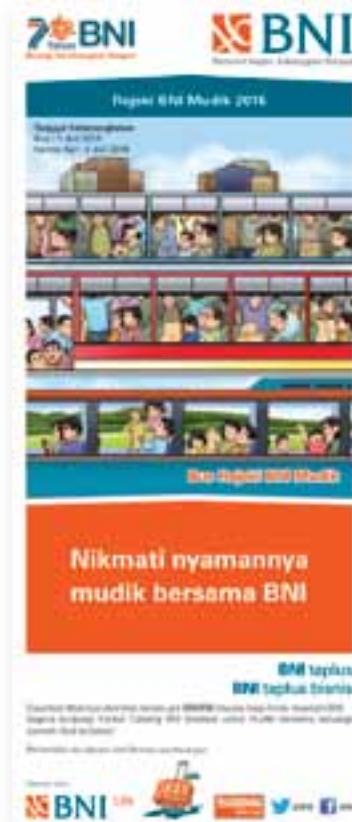
For the 12th time, BNI pampered its customers serving music lovers with Java Jazz Festival 2016 - the biggest music event in Southeast Asia. BNI Customers could enjoy various benefits and privileges for card holders BNI (BNI Kartu Kredit, BNI Kartu Debit, BNI Emerald and Tapcash )where BNI provided facilities and privileges for customers such as Buy 1 Get 2, a 25% discount on ticket purchases or by installments , free VIP entry point queue, BNI Lounge as well as a variety of games and prizes in the BNITapplus Muda booth.

BNI sponsors a variety of other events such as the Java Jazz on the Move, Ijen Summer Jazz, Emerald Loyalty Program AnnieThe Musical, Prambanan Jazz, Loyalty Program Concerts Iwan Fals Malang, Daniel Powter Concerts, Performing Hi 5, Borobudur Nite Concert and New Year Glenn Fredly.

### BNI Fashion Experience

Various fashion shows were held during 2016 include Indonesia Women Expo 2016, the Karya Anak Negeri Exhibition by Anne Avantie, Batikology, Loyalty Program "Tea season with Patrick Owen".

BNI also makes it easy for fashion lovers to purchase reputable products such as Giordano, Giordano Ladies, Guess, Frank and Co, GAP, Timberland, The North Face with program discounts, installment and low fares with BNI Reward Point.



### BNI Food Experience

For foodies, BNI offers a variety of promotional programs for BNI Credit Card and Debit Card holders to enjoy a special dish in many famous restaurants in Jakarta and major cities in Indonesia, by offering price discounts or promotional programs. They include The Duck King, Pancious, Pizza HUT, Coldstone, KFC, JCO, PHD, Krispy Kreme, Rejuve and others. BNI provides thematic culinary promotion events such as the Lunar Dining Experience, Experience Ramadan and Year End Dining Experience.

### BNI Travel Experience

Family vacations to domestic and foreign destinations increasingly become a requirement for most people. BNI has a promotional program offering air tickets and holiday packages in cooperation with airlines and travel agents, such as the Garuda Indonesia Travel Fair (GATF) 2016, and several travel programs including BNI Travel Experience in PIM 2, Promo Credit Card JCB , Promo 25% discount with Garuda Indonesia, Jetstar, Japan Travel Fair and HIS Travel Fair. For hotel reservations and travel packages worldwide BNI online works in collaboration with the Accor Hotel Group, Agoda, and tiket.com.



BNI rewards its BNI Taplus customers by organizing homecoming programs called Rejeki BNI Mudik 2016 to provide an opportunity to return home free during holiday season during Ramadan and Idul Fitri 1437 H, and handled 5,000 travellers in Greater Jakarta and 70 workers working abroad.

### BNI Entrepreneurship Experience

To develop the Indonesian economy by developing the business world, BNI helps retail and SME commercial customers promote their products and services through various industry and products exhibitions.

For the 12th time BNI become a major partner at the Inacraft event in 2016 to support the development of the nation's Creative Industries. BNI became a sponsor for the Mutumanikam event which is the national exhibition of jewellery craftsmen from all over the archipelago; WARISAN, a hand-painted Batik exhibition event and SMEs exhibition named BNI Fashion and Craft Festival Surabaya.

### Government Program Participation

As a Financial Services Institute, Bank Negara Indonesia supported the Government's Financial Inclusion program launched by OJK with its Kartu Jaring created to provide simple Savings and BNI Smart Cards that had been launched earlier. Jaring itself is an abbreviation of the Jangkau, Sinergi, and Guideline (Jaring) and was initiated by Otoritas Jasa Keuangan (OJK).

Issuance Savings and Kartu BNI Card Jaring will facilitate the realization of the main objectives of improving Net Program growth in financing / credit in the Maritime Affairs and Fisheries (KP) sector to grow higher than the previous year.

The formation of village-owned enterprises (BUMDes) is intended as a driver for economic local village level development. Local village economic development is based on village requirements, potential, capacity, and government equity in the form of financing and wealth of the village with the ultimate objective to improve the economy of rural communities. BUMDes formation is motivated to government and village communities initiatives based on the principle of cooperative, participatory, and emancipatory villagers.





## Operational Review

Bank Negara Indonesia participation in BUMDes was through Agen46. BNI actively participated in the Expo Village Potential 2016 initiated by the Ministry of Rural, PDT and Transmigration.

### Achievement

Throughout 2016 BNI gained various awards as follows.

1. Customer X-Factor Award 2016 from Hootsuite Singapore
2. Leading Bank in Indonesia 2016 Tourism Branding from ITTA Foundation
3. Indonesia Best emark Award 2016 for #AskBNI from Telkom University and SWA Magazine
4. Indonesia Business Records in 2016 for #AskBNI as Twitter Auto response from Tera Foundation and Koran Sindo

### OPERATIONAL DISCIPLINE TO IMPROVE PRODUCTIVITY

An ongoing BNI process to salespeople in building Sales Culture habits and character is strong, through structured and documented activities in the sales process (Account Planning, Staging Pipeline) already completed, and programs initiated on an ongoing basis to improve sales capabilities through training and certification program. The entire process is to establish BNI sales staff to be highly skilled, knowledgeable, and have a positive attitude.

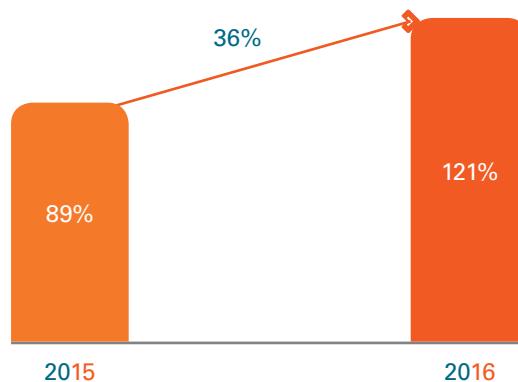
During 2016, BNI also instilled a disciplined pattern work to be carried out and followed on a daily basis with disciplined operationalization, and an execution achievement pattern by measuring success derived from calculations based on already established business targets. Monitoring pattern is carried out to the central office level. This is in accordance with the 2016 work plan, to create operating rhythm having a positive impact on the execution of BNI's business strategy.

From the strategy pattern carried out, there was an increase in the average sales performance in 2016, which grew 36% compared to 2015, as shown in the table and graph below:

**Average Performance Sales**

Subject	2016	2015	Growth
Avg. Performance Sales	121%	89%	36%

**Average Performance Sales Graph** ►

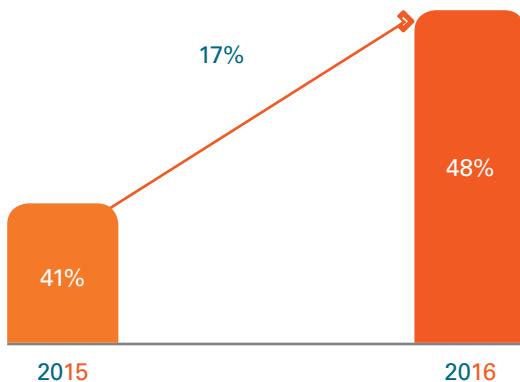


In addition to average sales performance growth, there was an increase in the number of sales with incentives, where the number of sales incentivized grew 17% in 2016 compared to 2015, as shown in the table and graph below

#### Total Average Sales Incentives

Subject	2016	2015	Growth
Average Sales Incentives	48%	41%	17%

Average Sales Incentives Graph ►



#### 2017 Work Plan

Initiation began in 2016 and will continue in 2017 to realize a more productive operating rhythm, enhanced by programs tailored to the development and direction of BNI's business strategy in 2017. Sales

optimization achieves more scalable implementation of Key Performance Indicator (KPI), which are arranged so that sales are becoming more focused on activities.

#### MARKET SHARE

Market share analysis is classified based on the total assets, third party funds that have been collected, and the amount of loans disbursed by the Bank.

#### Bank performance compared to the industry average

	Description	2016	2015	2014
Total Assets	Industry (Rp billion)	6,729.8	6,132.6	5,615.2
	Bank BNI (Rp billion)	603.0	508.6	416.6
	Bank Share	9.0%	8.3%	7.4%
Total Third Party Funds	Industry (Rp billion)	4,836.8	4,413.1	4,114.2
	Bank BNI (Rp billion)	435.6	370.4	313.9
	Bank Share	9.0%	8.4%	7.6%
Total Loans Disbursed	Industry (Rp billion)	4,413.4	4,092.1	3,706.5
	Bank BNI (Rp billion)	393.3	326.1	277.6
	Bank Share	8.9%	8.0%	7.5%



## Operational Review

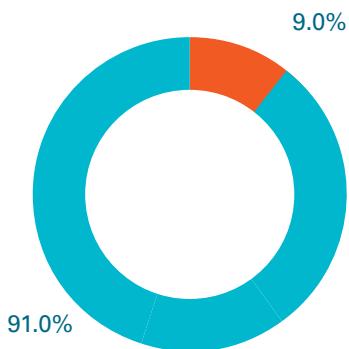
Description		2016	2015	2014
<b>FINANCIAL RATIO COMPARISON WITH THE INDUSTRY AVERAGE OF COMMERCIAL BANKS</b>				
CAR	Industri	22.9%	21.4%	19.6%
	Bank BNI	19.4%	19.5%	16.2%
BOPO	Industri	82.2%	81.5%	76.3%
	Bank BNI	73.6%	75.5%	68.0%
ROA	Industri	2.2%	2.3%	2.9%
	Bank BNI	2.7%	2.6%	3.5%
LDR	Industri	90.7%	92.1%	89.4%
	Bank BNI	90.4%	87.8%	87.8%

(Source: Financial Industry Report (Otoritas Jasa Keuangan) September 2016)

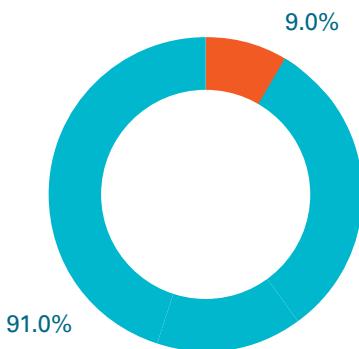
### BNI Market Share Compared Industry Graph

# 2016

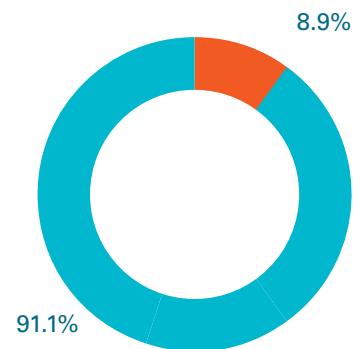
#### Total Assets ↗



#### Third party funds ↗

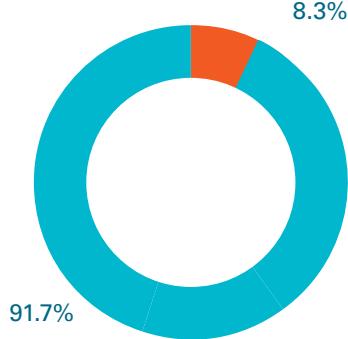


#### Loans ↗

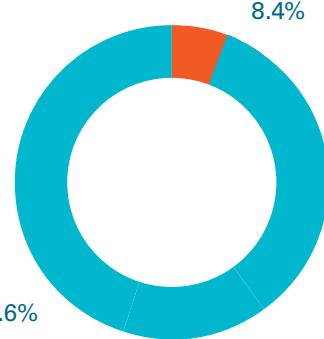


# 2015

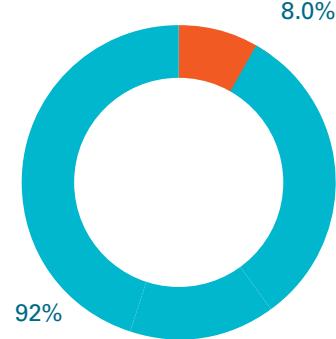
#### Total Assets ↗



#### Third party funds ↗



#### Loans ↗



● BNI Market Share

● Other Banks

### Market Share By Assets

Based on the total assets, the Company's market share in 2016 reached 9.0%. This was due to the increasing total assets, is in line with the overall increase in total assets in Indonesian commercial banks.

### Market Share By Third Party Funds

Based on the number of third party funds collected, the Company's market share in 2016 reached 9.0%. This was due to the Bank's ability to manage the Bank deposit products so as to increase the amount of third party funds collected by the Bank in line with an increasing number of third party funds collected by commercial banks in Indonesia.

### Market Share By Loans Disbursed

Based on total loans disbursed, the Company's market share in 2016 reached 8.9%. This shows the success of the Bank in managing its loan products so as to increase lending.

### Financial Ratios Comparison With Average Commercial Bank Industry

Based on the Company's financial ratios, capital adequacy ratio (CAR) in 2016 reached 19.4%, a decline compared to 2015 and is still lower than the industry. While operating expenses per operating income (ROA) decreased in 2016 by 73.6% compared to 2015, it is still lower than the industry. Return on assets (ROA) increased by 2.7% in 2016 and higher than the industry. In addition, the level of liquidity (LDR) increased by 90.4% in 2016 and is still lower than the industry.

## 2017 BUSINESS PROSPECTS

Many predicted that the global economic recovery will be faster in 2017 than in 2016. For the next two years, the world economy is expected to be relatively better, the World Bank has projected that the world economy will grow 2.8% in 2017 and 3.0% in 2018, based on attempts by several countries in their economic recovery.

Global commodity prices are projected to improve slowly although it will be at a low level, especially for non-energy commodities. Prospects for energy commodities today and in the future are expected to continue to experience oversupply production conditions in the middle of weakening world demand as a result of relatively low economic growth.

The monetary authorities throughout the world, are trying to restore their economic productivity through various instruments. The tendency for inward looking monetary policy also varies greatly according to the conditions of each country (less divergent monetary policy). The United States Federal Reserve (the Fed) has a tendency to raise interest rates if possible.

The Fed is likely to raise its benchmark interest rate gradually, in line with economic recovery indicators. On the other hand, the Central Banks from the Asian countries and Europe tend to apply a lower interest rate policy or even negative, to encourage domestic / region consumption.



## Operational Review

The US economy is expected to remain in the momentum of recovery. US economic growth rate next year is expected to be at the ideal level is a range of 2.2-2.5%. The World Bank predicts the US economy will grow 2.2% in 2017 and 2.1% in 2018, higher than the forecast for economic growth this year estimated at 1.9%. With the improvement in the United States domestic economy, the inflation rate is expected to rise close to the target wanted by the Fed at around 2%. The Fed's benchmark interest rate (Fed Funds Rate / FFR) is also projected to increase gradually, starting fastest until the year 2017. Another indicator is unemployment, which at present, is in the 5% range and is expected to decline next year. Political events such as the United States Presidential Election in early November 2016 has the potential to increase uncertainty in the global economy. The market expects that the new government's policies will be protectionist but those policies are yet to be estimated, and whether they potentially could increase volatility in global financial markets, which will impact primarily the emerging market countries.

Europe's economic recovery is still uncertain. Political events in the form of Brexit will have an impact on the economies of the countries in the region both from the aspect of trade, financial transactions, as well as from an investment aspect. To assist the economic recovery of the euro zone, the European Central Bank (ECB) is likely to extend the return period of quantitative easing (QE) of 80 billion euros per month, which should expire in March 2017. The decision on the extension QE is expected to be taken by the ECB in December 2016. Through ECB efforts, the European region's economic growth is expected to remain stagnant at 1.6% for 2017 and 1.5% for 2018. Therefore, structural reforms are needed to boost economic growth in the European region as well as efforts to achieve the 2% inflation target, which stood at 0.4% in September 2014. To push the Euro zone inflation rate, the ECB is expected to maintain the low at zero percent interest rates policy, with saving interest rate at -0.4%.

In line with the moderate world economic growth, China is predicted to continue the economic slowdown trend. For 2016, China's economy was expected to grow about 6.7%, lower than the previous period 6.9%. For 2017 and 2018, China's economy is predicted to grow at a relatively moderate level i.e. at the level of 6.5 to 7.0%. Moderate estimates for this still illustrates the weakness in exports and investment. In an effort to overcome this slowdown, the Chinese government will focus more on easing policies on fiscal measures in 2016.

In addition, internal domestic factors affected the macroeconomic projections from 2017 to 2019 including:

1. Indonesia's economic growth in 2016 was expected to be slightly better than in 2015 which experienced a moderate growth. In 2015 the economic growth was recorded at 4.79%, while for this year the economy is expected to grow around 4.9 to 5.3%. The increase in household consumption, although still limited, and government spending on infrastructure development, as well as the tax amnesty program is expected to stimulate the economy is be relatively better this year and in the following years.
2. Absorption of the government budget has improved, but remains limited. The Ministry of Finance is optimistic budget absorption by the end of 2016 could reach 97.1%. This is because many ministries / agencies were faster at absorbin the budget at the beginning of the year due to the improved planning. In addition, as well as President Joko Widodo instructions for acceleration, especially for a variety of shopping-related infrastructure.

3. Foreign currency liquidity is expected to be more stringent, so the supply of foreign currency in the country is reduced. This was related to the planned increase in the Fed Funds rate gradually fastest at the end of this year. Therefore, the potential for capital flight of foreign currency will still be there.
4. Loan demand will rise following a decline in bank lending rates, particularly small business credit (KUR) segment to single digit levels. This policy was adopted to address the slowdown in credit growth, which in 2015 recorded growth of only 10.4%, compared to 11.6% in 2014 and 21.6% in 2013.
5. The easing of Loan To Value (LTV) rules for the property sector and easing LTV for the automotive sector. Bank Indonesia this year again eased the LTV rules for the property sector as stated in PBI No. 18/16 / PBI / 2016 dated August 26, 2016. Under the new rules, the LTV for the first mortgage will be 85%, so customers deposits were reduced to 15 % of the total house value,

down compared to the previous rule which amounted to 20%. The rules relaxation targeting the property sector will have a significant multiplier effect on economic benefits to other sectors such as construction, industrial, and financial services including insurance. In addition, OJK also planned to loosen the rules for Vehicle Loans (KKB) advances to 0%. The easing was done to encourage lending, which is currently showing single digit growth. This easing is expected to encourage the growth of the property sector and automotive sales.

6. The economic policy easing packages are expected to strengthen the Indonesian economy fundamentals. With the various incentives, relaxation and ease, the government is expected to stimulate the real sector economic activity. However, the implementation and the positive impact of this policy package remains to be seen and felt in the medium term.

Taking into account the latest political, economic, and social developments domestically and abroad and how the global economy could affect Indonesia's economic growth, it is necessary to adjust Indonesia's economic growth projection 2017-2019 as follows.

**Macro and Micro Assumptions 2017 – 2019**

No,	Assumptions	2017	Projection Year 2018	2019
<b>Macro Assumptions</b>				
1	Economic growth (%)	5.1 - 5.3	5.2-5.5	5.3-5.8
2	Inflation (%)	4.0 – 4.5	3.5-4.5	4.0-5.0
3	Exchange Rate / US Dollar (Rp.)	13,000 – 13,500	12,500-13,00	13,000-13,500
4	Bi 7 days Repo Rate	4.0 – 4.5	4.0-4.5	4.25-4.75
<b>Micro Assumptions</b>				
1	Credit Growth (%)	13.0-15.0	15.0-17.0	15.0-17.0
2	Third Party Fund Growth (%)	11.0-13.0	13.0-15.0	13.0-15.0



## Operational Review

Taking into account the world and domestic economic conditions, technological developments in financial services, authorities policies (monetary, banking and fiscal), and internal business process improvement plan, BNI's plans to continue its business growth to exceed the industry in 2017 was very appropriate.

To achieve these objectives and realize the vision of BNI to be a financial institution that excels in service and performance, BNI's policy directions for 2017-2019 focused on a financial institution, with Superior Performance, with aggressive growth, supported by better service levels, as well as outlet optimization. Indicators of this policy include size of assets, return on investment, employee productivity, synergies between units and subsidiaries, and superior service as well as the company's value for investors.

### BNI Policy Direction 2017 and 2019

Size	Financial Institutions with Superior Performance		
	Target		
	2017	2018	2019
Market Capitalization	Top 3	Top 3	Top 3
Total Asset	Top 3	Top 3	Top 3
ROA	Top 3	Top 2	Top 2
ROE	Top 3	Top 2	Top 2
CSI Independent Surveyor	Top 1	Top 1	Top 1
EPE	Top 3	Top 2	Top 2

## 2017 BUSINESS DEVELOPMENT STRATEGY

Taking into account the world and domestic economic conditions, technological developments in financial services, authorities policies (monetary, banking and fiscal), and internal business process improvement plan, BNI's plans to continue its business growth to exceed the industry in 2017 was very appropriate.

Business growth, pays regard to good corporate government, the principles of prudential banking, regulatory restrictions, and the aspirations of the shareholders. From the limits of regulation, BNI intends to the direction of regulation to be, NPL ratio well below 5%, Loan to Funding Ratio (LFR) below 92%, and Capital Adequacy Ratio (CAR) above provisions in accordance the risk profile where BNI is located.

In accordance with the aspirations of the shareholders, BNI expects financial goals better than the previous year and higher than the industry average. Financial goals are profitability, market share in both loans and deposits, and achievement of the mandated programs by the government to BNI.

To achieve these targets, BNI plans to implement a plan to grow aggressively in 2017 according to the long-term plans set out in the Corporate Plan 2014-2018 and the general policy of Directors in 2017. The plan outlines contained in the BNI Management Policy 2017 are as follows:

1. Credit expansion to focus on financing infrastructure projects for the government and state-owned corporation that includes both upstream and downstream.
  - a. Expansion of new borrowers and optimize the use of existing credit borrowers who focus on infrastructure projects.
  - b. Expansion of new debtors and existing debtor's credit optimization in other priority sectors.
2. Medium Segment Credit Expansion selectively focusing on prospective industries.
  - a. Optimizing the Supply Chain of potential corporate customers
  - b. Selectively taking over new debtors from other Banks in line with the priority sectors.
  - c. Optimizing existing debtor facilities with regard to a fair level
3. Small Segment credit expansion in the economic production and priority sectors.
  - a. Optimizing corporate debtors supply chain financing and potential synergies with SOE.
  - b. Multiply points of sales through outlet optimization.
  - c. Optimizing Agent 46 channel cooperation and digital loan access.
4. Consumer business expansion with a focus on optimizing existing BNI customer, selected developer, selected partner, and high transaction merchant.
  - a. Marketing optimization for BNI Griya, BNI Fleksi and credit cards to employees of Business Banking / Corporate partner institutions of.
  - b. Increase expansion BNI Griya and BNI Fleksi through outlet optimization.
  - c. Focus marketing through development partners that have KPR distribution agreements with BNI.
5. Increase third party funds (DPK), especially current account / savings account (CASA) through closed-loop and e-channel transactions.
  - a. Focus on customer acquisition funds through Business Banking sector borrowers employee payroll penetration.
  - b. Optimization of the funds area, both local governments and other institutions.
  - c. Increase the share of transactions on us to focus on the placement of electronic data capture (EDC) on potential locations.
  - d. Development of digital channels as the point of acquisition and point of transaction for GEN-Y.
  - e. Require Small loans debtors to channel funds through Tabungan and Giro BNI.
6. Develop digital banking to enhance the customer experience, transactions and sales.
7. Increase employee engagement and productivity



## Financial Review

The Financial review described below refers to the Financial Statements for the years ended December 31, 2016 and 2015 as presented in this Annual Report. The Financial Statements have been audited by Public Accountant Purwanto, Sungkoro, and Surja (Member of Ernst & Young Global) with opinions fair, in all material respects, the consolidated financial position of PT Bank Negara Indonesia (Persero) Tbk and its subsidiaries on December 31, 2016, and its financial performance and its consolidated cash flows for the year ended on that date, are in accordance with financial Accounting Standards in Indonesia.

### SUMMARY OF CONSOLIDATED FINANCIAL STATEMENT

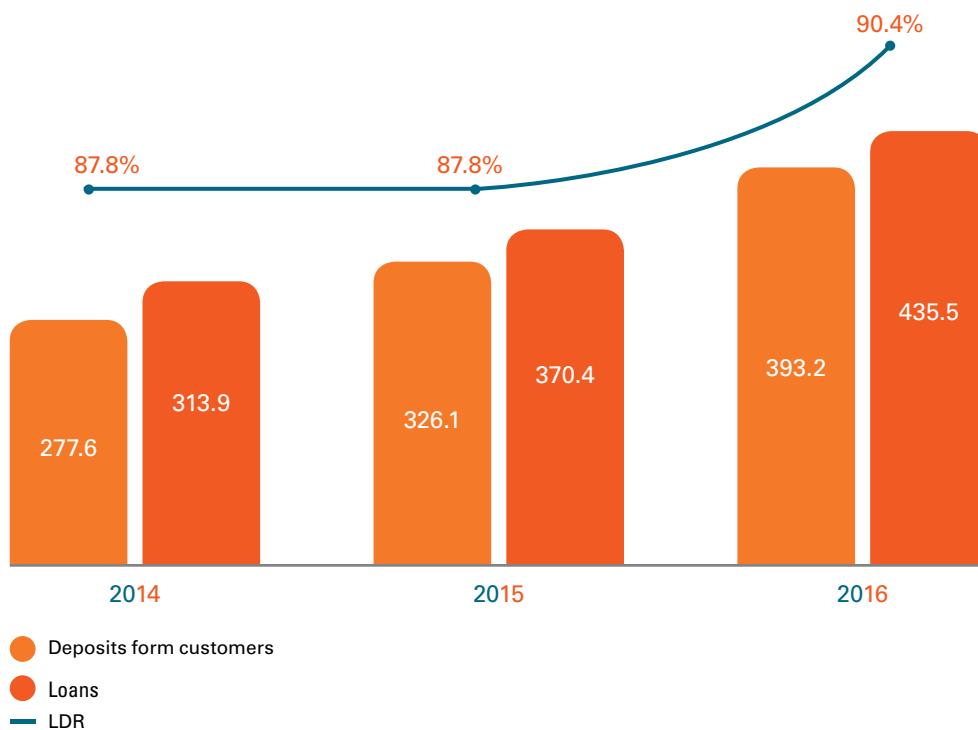
**Consolidated Financial Statement**

	2016 (Rp billion)	2015 (Rp billion)	Growth	
			(Rp billion)	%
Cash	11,168	12,890	(1,723)	-13.4%
Current Accounts with Bank Indonesia	30,147	30,932	(785)	-2.5%
Current Accounts with Other Banks	6,298	8,999	(2,701)	-30.0%
Placements with Other Banks and Bank Indonesia	33,662	33,417	245	0.7%
Marketable Securities	23,765	9,927	13,837	139.4%
Securities purchased under agreements to resell	1,665	376	1,289	342.8%
Bills and other receivables	8,568	8,831	(264)	-3.0%
Acceptances receivables	14,724	10,821	3,904	36.1%
Derivatives receivables	250	441	(191)	-43.3%
Loans	393,275	326,105	67,170	20.6%
Allowance for Impairment Losses - Loans	(16,681)	(12,039)	(4,642)	38.6%
Government bonds after adjustment for amortization of discount and premium	63,006	47,222	15,784	33.4%
Prepaid taxes	620	2,299	(1,679)	-73.0%
Prepaid Expenses	2,411	1,633	778	47.6%
Investments in shares	57	36	21	58.3%
Other Assets - net	6,793	4,483	2,311	51.6%
Fixed Assets	21,972	20,757	1,216	5.9%
Deferred tax Assets - net	1,332	1,465	(134)	-9.1%
<b>Total Assets</b>	<b>603,032</b>	<b>508,595</b>	<b>94,437</b>	<b>18.6%</b>
Obligations due immediately	3,276	1,805	1,470	81.5%
Deposits from customers *	435,545	370,420	65,125	17.6%
Deposits from Other Banks *	10,224	4,698	5,527	117.6%
Borrowings *	32,965	22,524	10,441	46.4%
Derivatives payable	411	1,162	(751)	-64.6%
Securities Sold under agreements to repurchase	3,765	3,163	602	19.0%
Acceptances payable	4,359	6,188	(1,830)	-29.6%
Accrued Expenses	1,047	917	130	14.2%

	2016 (Rp billion)	2015 (Rp billion)	Growth	
			(Rp billion)	%
Tax payable	151	749	(599)	-79.8%
Employee benefits	3,503	3,481	23	0.6%
Provisions	156	99	57	57.6%
Other liabilities	11,149	7,584	3,565	47.0%
Securities issued*	7,227	7,367	(140)	-1.9%
<b>Total Liabilities</b>	<b>513,778</b>	<b>430,157</b>	<b>83,621</b>	<b>19.4%</b>
Deposits from customers	20,092	16,484	3,608	21.9%
Deposits from Other Banks	489	449	39	8.9%
Mudharabah Sukuk Issued	496	496	-	0.0%
<b>Total Temporary Syirkah Funds</b>	<b>21,077</b>	<b>17,429</b>	<b>3,647</b>	<b>20.9%</b>
Non-Controlling Interest	2,097	2,023	73	3.7%
Total Equity Attributable to Equity Holders of the Parent Entity	87,157	76,415	10,743	14.1%
<b>Total Equity</b>	<b>89,254</b>	<b>78,438</b>	<b>10,816</b>	<b>13.8%</b>
<b>Total Liabilities and Equity</b>	<b>603,032</b>	<b>508,595</b>	<b>94,437</b>	<b>18.6%</b>

\*Its included temporary syirkah funds

### Loans Disbursed and Customer Deposits Growth ►





## Financial Review

### ASSETS

2016 was a challenging year for the bank in the increasingly competitive world of business banking. The most serious challenge faced was to continue to grow healthily, in terms of assets and the company's earnings, continually overshadowed by the economic slowdown at global and national levels. Lower lending continued was one impact the banking sector in 2016. However, the government issue a monetary easing policy in November in reaction to the US Federal Reserve decision not to change interest rates.

Despite slowing growth in some sectors, BNI still managed to maintain asset growth that increased by Rp94.4 trillion. Loans, as the main business of banks, contributed 65.2% to total assets in 2016, an increase of 20.6%. The net bank focus, to maintain asset quality and maintain loss reserves as a form of mitigation, were positive with increased Coverage ratio of from 140.0% to 146.0%.

Details of assets are outlined in the following table.

**Assets**

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016 (%)	2014-2015 (%)
Cash	11,168	12,890	11,436	(13.4)	12.7
Current Accounts with Bank Indonesia	30,147	30,932	24,598	(2.5)	25.8
Current Accounts with Other Banks	6,300	9,000	4,497	(30.0)	100.1
Placements with Other Banks and Bank Indonesia	33,662	33,417	14,530	0.7	130.0
Marketable Securities	23,856	9,964	12,743	139.4	(21.8)
Securities purchased under agreements to resell	1,665	376	6,237	342.8	(94.0)
Bills and other receivables	8,599	8,858	2,302	(2.9)	284.7
Acceptances receivables	14,809	10,900	12,531	35.9	(13.0)
Derivatives receivables	250	441	165	(43.3)	166.9
Loans	393,275	326,105	277,622	20.6	17.5
Allowance for Impairment Losses - Loans	(16,681)	(12,039)	(6,970)	38.6	72.7
Government bonds after adjustment for amortization of discount and premium	63,006	47,222	43,830	33.4	7.7
Investments in shares	57	61	62	(6.6)	(2.6)
Fixed Assets	21,972	20,757	6,222	5.9	233.6
Tax paid in advance	620	2,299	1,437	(73.0)	60.0
Prepaid Expenses	2,411	1,633	1,392	47.6	17.3
Deferred tax Assets - net	1,332	1,465	668	(9.1)	119.3
Other Assets - net	6,793	4,481	3,370	51.6	33.0
CKPN	(209)	(167)	(99)	25.1	69.0
<b>Total Assets</b>	<b>603,032</b>	<b>508,595</b>	<b>416,574</b>	<b>18.6</b>	<b>22.1</b>

## Cash and Current Accounts With Bank Indonesia

Cash and current accounts with Bank Indonesia fell 5.7% from Rp43.8 trillion in 2015 to Rp41.3 trillion per December 2016.

## Current Accounts and Placements With Other Banks and Bank Indonesia

Current accounts and placements with other banks and Bank Indonesia fell 5.7% from Rp42.4 trillion in December 2015 to Rp40.0 trillion in December 2016. This decrease was a management policy to place financial instruments with more favorable returns.

## Marketable Securities

Securities are a financial instrument that gives higher yields compared with demand deposits or interbank placements. Therefore, the portion of the effects of BNI in 2016 increased by Rp13.9 trillion, or 139.4% compared with the previous year.

**Marketable Securities**

	2016		2015		2014		Growth 2015-2016		Growth 2014-2015	
	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)
Corporate	8,952	37.5	5,725	57.5	5,582	46.0	3,226	56.4	(127)	(2.2)
Bank	3,279	13.7	2,293	23.0	1,126	8.8	986	43.0	1,167	103.6
Bank Indonesia	11,625	48.7	1,946	19.5	5,765	45.2	9,680	497.5	(3,819)	(66.3)
<b>Total</b>	<b>23,856</b>	<b>100.0</b>	<b>9,964</b>	<b>100.0</b>	<b>12,743</b>	<b>100.0</b>	<b>13,892</b>	<b>139.4</b>	<b>(2,779)</b>	<b>(21.8)</b>
Allowance for impairment losses	(91)		(36)		(5.0)		(55)	150.9	(31)	625.8
<b>Nett</b>	<b>23,765</b>		<b>9,928</b>		<b>12,738</b>		<b>13,837</b>	<b>139.4</b>	<b>(2,811)</b>	<b>(22.1)</b>

## Securities Purchased Under Agreements To Resell

In 2016 Otoritas Jasa Keuangan (OJK) and BI to make improvements in the management of Repo and Reverse Repo transactions that were previously considered unclear, through POJK No. 9 / POJK.04 / 2015 About Guidance for Financial Services Institute Share Repurchase Agreement, SE OJK No. 33 / SEOJK.04 / 2015 About the Global Master Repurchase Agreement Indonesia and various GMRA Workshops outlines the seriousness of the regulator to improve and attract financial institutions to conduct repo transactions, as seen from the increase in repo transactions in 2016 of 342.8% to Rp1,7 trillion from Rp376 billion in 2015.

## Loans

Loans, one of the bank's main businesses, contributed 65.2% of total assets, a slight increase when compared to last year's 64.1%. The increase was caused by increased aggressiveness in loan marketing, and compared to 2015 it grew 20.6% to Rp393.3 trillion in 2016.



## Financial Review

### Loan Composition by Type of Debtors

	2016		2015		2014		Growth 2015-2016		Growth 2014-2015	
	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)
Corporate	174,073	44.3	137,909	42.3	119,715	43.1	36,194	26.2	18,194	15.2
Medium	61,330	15.6	51,147	15.7	40,324	14.5	10,824	19.9	10,824	26.8
Small	50,684	12.9	42,076	12.9	40,274	13.3	8,608	20.5	1,702	4.2
Consumer	65,069	16.5	57,540	17.6	52,024	29.9	7,530	13.1	5,516	10.6
International	21,237	5.4	19,538	6.0	10,082	3.6	1,699	8.7	9,456	93.8
Subsidiaries	20,882	5.3	17,896	5.5	15,104	5.4	2,985	16.7	2,792	18.5
<b>Total Loans</b>	<b>393,275</b>	<b>100.0</b>	<b>326,105</b>	<b>100.0</b>	<b>277,622</b>	<b>100.0</b>	<b>67,170</b>	<b>20.6</b>	<b>26,984</b>	<b>9.7</b>

### Loans Composition

The highest loan composition occurred in the corporate segment with 44.3%, followed by consumer and medium segment respectively at 16.5% and 15.6%, and small segment at 12.9%, and overseas branches accounted for 5.4% of total loans.

On a consolidated basis, the subsidiaries contributed lending of 5.3% to total loans.

All loan segments grew quite aggressively, with the highest growth being corporate segment with 26.2%, an increase of Rp137,9 trillion in 2015 compared to Rp174,0 trillion in 2016. Subsequently followed by small segment growing 20.5% from Rp42,1 trillion in 2015 to Rp50,7 trillion in 2016. Middle segment grew by 19.9% from Rp51,1 trillion in 2015 to Rp61,3 trillion in 2016.

The Consumer segment grew by 13.2% or by Rp7.6 trillion from Rp57,5 trillion in 2015 to Rp65,1 trillion in 2016. Foreign loans grew by 8.7% from Rp19.5 trillion in 2015 to Rp21.2 trillion in 2016. In addition, BNI subsidiaries also recorded growth of 16.7% from Rp17,9 trillion in 2015 to Rp20,9 trillion in 2016.

**Composition of Loans by Segment and Currency**

	2016		2015		2014		Growth 2015-2016		Growth 2014-2015	
	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)
<b>Corporate</b>	<b>174,073</b>	<b>44.3</b>	<b>137,909</b>	<b>42.3</b>	<b>119,715</b>	<b>43.1</b>	<b>36,164</b>	<b>26.2</b>	<b>18,194</b>	<b>15.2</b>
Rupiah	141,044	81.0	114,607	83.1	91,426	76.4	26,437	23.1	23,182	25.4
Foreign Currency	33,029	19.0	23,302	16.9	28,289	23.6	9,727	41.7	(4,988)	(17.6)
<b>Medium</b>	<b>61,330</b>	<b>15.6</b>	<b>51,247</b>	<b>15.7</b>	<b>40,324</b>	<b>24.5</b>	<b>10,182</b>	<b>19.9</b>	<b>10,824</b>	<b>26.8</b>
Rupiah	59,933	96.1	48,785	95.4	38,056	94.4	10,148	20.8	10,728	28.2
Foreign Currency	2,397	3.9	2,363	4.6	2,267	5.6	35	1.5	96	4.2
<b>Small</b>	<b>50,684</b>	<b>12.9</b>	<b>42,076</b>	<b>12.9</b>	<b>40,374</b>	<b>14.5</b>	<b>8,608</b>	<b>20.5</b>	<b>1,702</b>	<b>4.2</b>
Rupiah	50,568	99.8	41,956	99.7	40,250	14.5	8,612	20.5	1,706	4.2
Foreign Currency	116	0.2	120	0.3	124	0.0	(4)	(3.1)	(4)	(3.0)
<b>Consumer</b>	<b>65,069</b>	<b>16.5</b>	<b>57,540</b>	<b>17.6</b>	<b>52,024</b>	<b>18.7</b>	<b>7,530</b>	<b>13.1</b>	<b>5,515</b>	<b>10.6</b>
Rupiah	65,038	100.0	57,514	100.0	52,008	18.7	7,524	13.1	5,507	10.6
Foreign Currency	31	0.0	25	0.0	17	0.0	6	22.8	9	53.1
<b>International</b>	<b>21,237</b>	<b>5.4</b>	<b>19,538</b>	<b>6.0</b>	<b>10,082</b>	<b>3.6</b>	<b>1,699</b>	<b>8.7</b>	<b>9,456</b>	<b>93.8</b>
Rupiah	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Foreign Currency	21,237	100.0	19,538	100.0	10,082	10.0	1,699	8.7	9,456	93.8
<b>Subsidiaries</b>	<b>20,882</b>	<b>5.3</b>	<b>17,896</b>	<b>5.5</b>	<b>15,104</b>	<b>5.4</b>	<b>2,986</b>	<b>16.7</b>	<b>2,792</b>	<b>18.5</b>
Rupiah	20,582	98.6	17,536	98.0	14,878	98.5	3,046	17.4	2,658	17.9
Foreign Currency	301	1.4	360	2.0	226	1.5	(59)	(16.5)	134	59.2
<b>Total Loans</b>	<b>393,275</b>	<b>100.0</b>	<b>326,105</b>	<b>100.0</b>	<b>277,622</b>	<b>100.0</b>	<b>67,170</b>	<b>20.6</b>	<b>48,483</b>	<b>17.5</b>
<b>Total Rupiah</b>	<b>336,164</b>	<b>85.5</b>	<b>280,398</b>	<b>86.0</b>	<b>236,618</b>	<b>85.2</b>	<b>55,766</b>	<b>19.9</b>	<b>43,780</b>	<b>18.5</b>
<b>Total Foreign Currency</b>	<b>57,111</b>	<b>14.5</b>	<b>45,707</b>	<b>14.0</b>	<b>41,004</b>	<b>14.8</b>	<b>11,404</b>	<b>25.0</b>	<b>4,703</b>	<b>11.5</b>

**Loans Quality**

Gross NPL ratio stood at 3.0% in December 2016, a slight increase of 2.7% from 2015. To mitigate the risks associated with the NPL, BNI established a coverage ratio that was higher than the previous year's 140.4% to 146.0% in 2016.

The increase in gross NPL was not matched by net NPL, which decreased from 0.9% in 2015 to 0.4% in 2016. This reflects the adequacy of loss reserves established by BNI cover the rising NPLs that occurred in 2016.



## Financial Review

BNI's loan portfolio collectibility is presented in the following table.

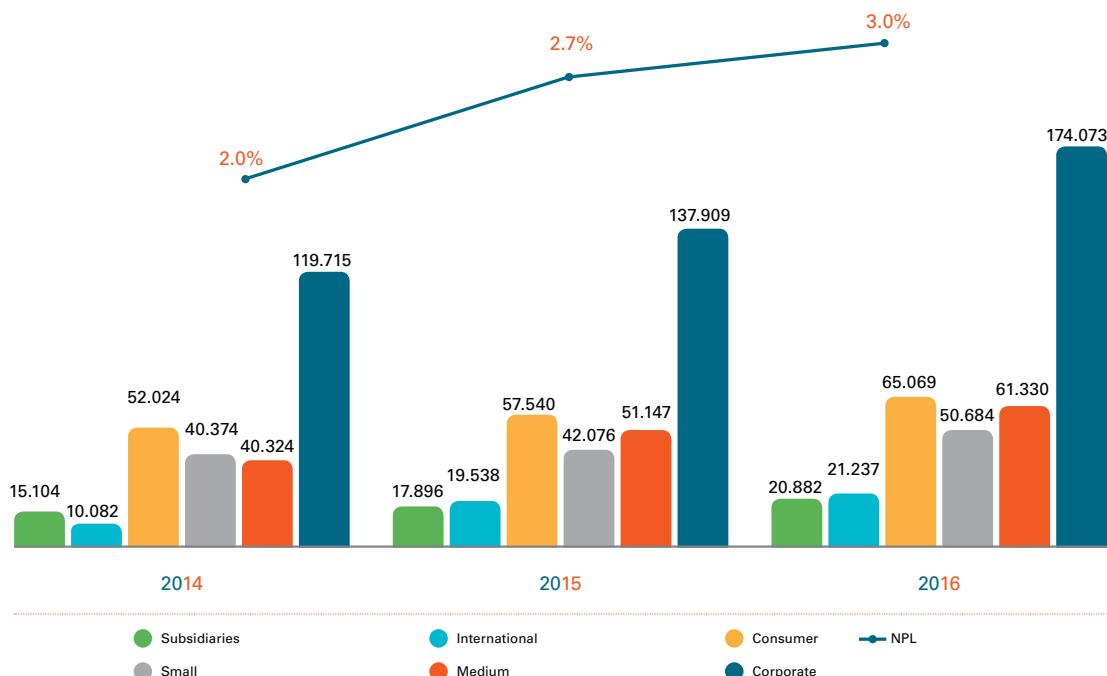
**Loan by Collectibility**

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth 2015-2016		Growth 2014-2015	
				Rp billion	(%)	Rp billion	(%)
Current	396,623	307,863	264,622	61,760	20.1	43,241	16.3
Special Mention	12,008	9,533	7,564	2,475	26.0	1,969	26.0
Substandard	1,594	2,722	392	(1,129)	(41.5)	2,331	595.0
Doubtful	839	848	851	(10)	(1.1)	(3)	(0.3)
Bad	9,212	5,139	4,193	4,073	79.3	945	22.5
<b>Total</b>	<b>393,275</b>	<b>326,105</b>	<b>277,622</b>	<b>67,170</b>	<b>10.6</b>	<b>48,483</b>	<b>17.5</b>

The increase in NPLs occurred in the category amounted to Rp4.1 trillion jammed dominated by two (2) debtor corporate segment. Whereas substandard loans and doubtful category tended to improve

### ► Loans Based on Segment Graph

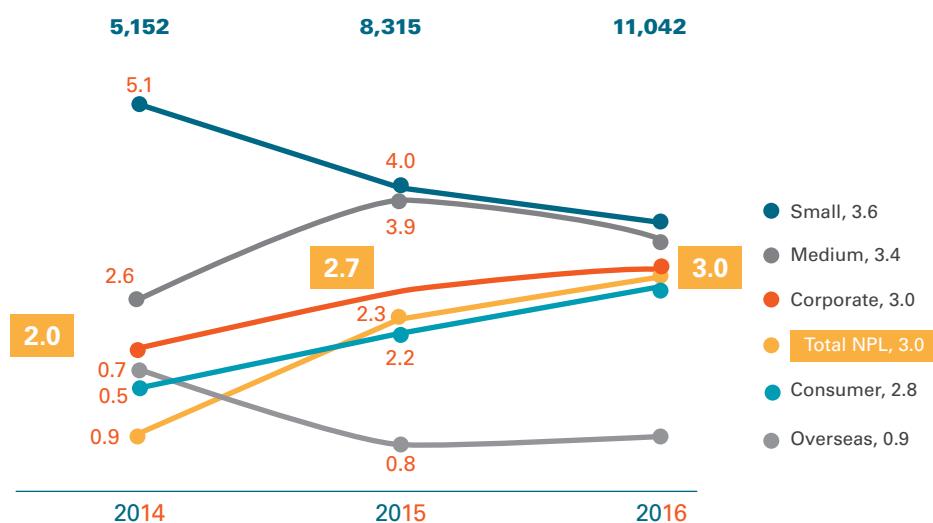
(Rp billion)



**Loan by Economic Sector**

	2016		2015		2014		Growth		Growth	
							2015-2016		2014-2015	
	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)
Manufacturing	73,090	18.6	66,389	20.4	51,031	18.4	6,701	10.1	15,358	30.1
Trade, Restaurant and Hotel	61,581	15.7	49,956	15.3	43,356	15.6	11,625	23.3	6,600	15.2
Trade Services	38,600	9.8	29,108	8.9	25,444	9.2	8,080	32.6	5,076	14.4
Transportation & Communications	22,205	5.6	23,809	7.3	20,330	7.3	(1,604)	(6.7)	3,479	17.1
Agriculture	43,128	11.0	28,887	8.9	24,355	8.8	14,241	49.3	4,532	18.6
Mining	14,184	3.6	14,793	4.5	18,384	6.6	(609)	(4.1)	(3,591)	(19.5)
Electricity Gas and Water	27,006	6.9	17,492	5.4	14,329	5.2	9,547	54.4	3,130	22.1
Construction	20,079	5.1	13,304	4.0	12,091	4.4	3,847	54.1	4,141	7.8
Services Social Services	11,246	2.9	8,670	2.7	1,956	0.7	8,453	29.7	837	343.3
other	82,156	20.9	73,967	22.7	66,346	23.9	6,889	11.1	8,921	11.5
<b>total Loans</b>	<b>393,275</b>	<b>100.0</b>	<b>326,105</b>	<b>100.0</b>	<b>277,622</b>	<b>100.0</b>	<b>67,170</b>	<b>20.6</b>	<b>48,483</b>	<b>17.5</b>

Credit Expansion in 2016 focused on prospective sectors namely construction sector (54.1%), electricity (54.4%), agriculture (49.3%), and trade, restaurant and hotel (23.3%). This is in line with the trend of improvement of NPL in these sectors

**NPL Per Segment**



## Financial Review

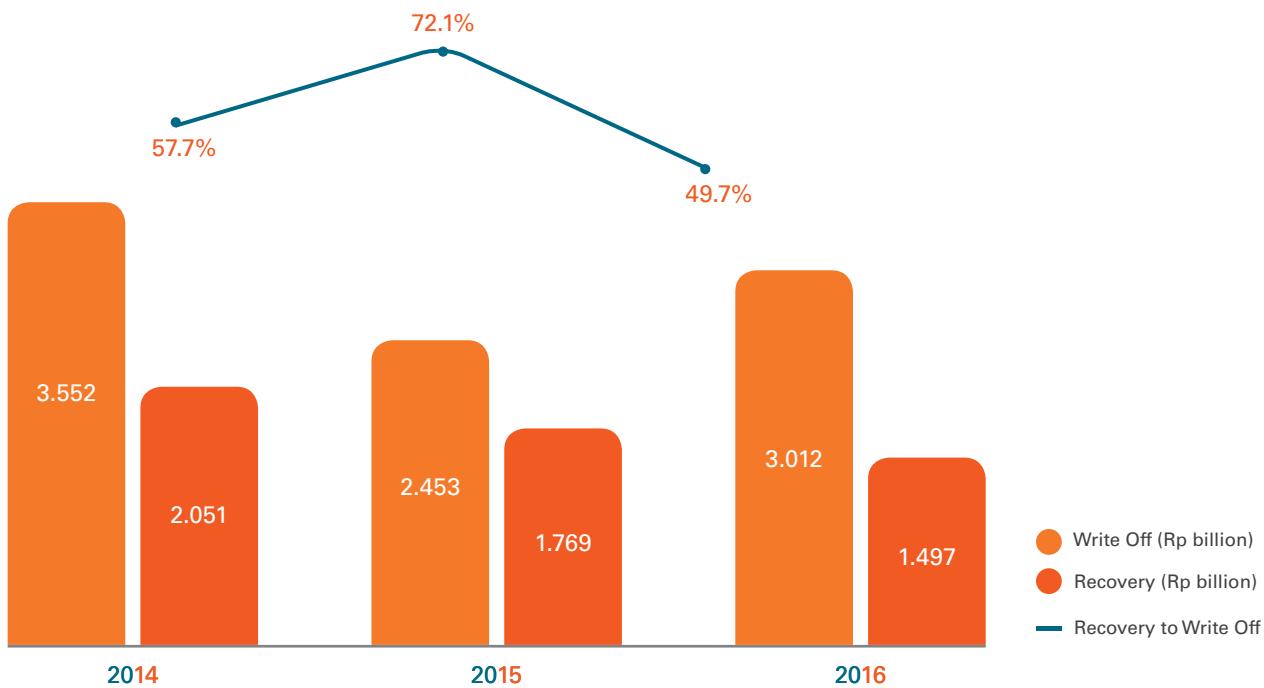
The presence of two (2) of the debtor corporation is deteriorating in 2016 led to Corporate NPLs rose from 2.3% to 3.0%. While the medium and small segments showed improvement in the quality of loans. Meanwhile, the consumer segment affected by the economic conditions that have not been fully improved.

As of December 2016, BNI wrote off Rp3.0 trillion loans, higher than Rp2.5 trillion in 2015. When compared with the total loans granted - banks only, the ratio for uncollectible accounts was still maintained in the range of 0.8%. While the recovery of written off loans was Rp 1.5 trillion, so the recovery rate in 2016 was 49.7%.

### Loan Write-Offs and Recoveries - Bank Only

Loans written off was one alternative to addressing the economic slowdown in some business sectors that continued until 2016, and the steps taken by BNI management were conservative compared to the previous year.

#### ► Write Off & Recovery (Bank Only)



## Government Bonds

BNI owned government bonds rose by Rp15.8 trillion, or 33.4%, from Rp47.2 trillion in 2015 to Rp63.0 trillion in 2016. 84.6% of BNI government bonds were fixed interest rate bonds, reflecting a policy to avoid future risk uncertainty.

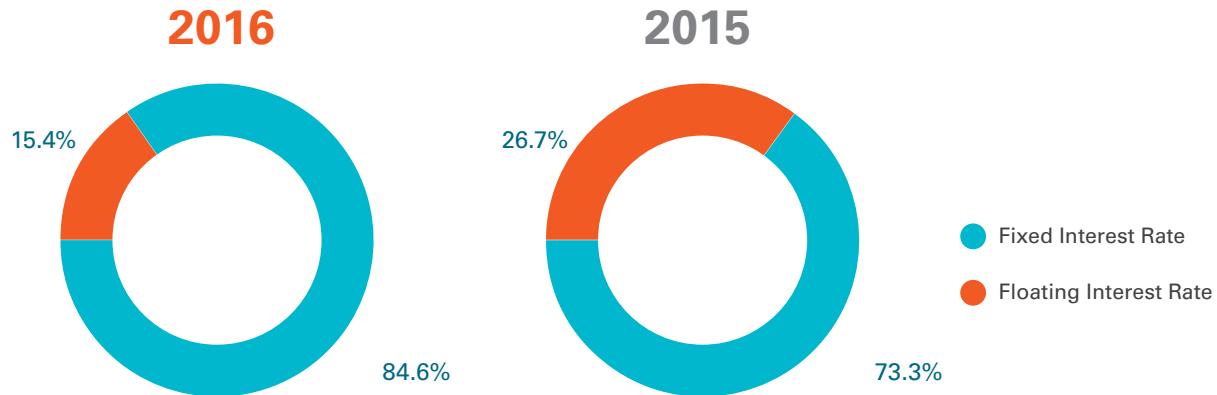
Government bond purchases in 2016 mainly booked as held to maturity portfolio, to minimize the impact of price movements in the market.

Portfolio available for sale down at the end of the year given the fluctuations in the price of bonds in the first half of 2016 are likely to benefit, so do bonds to realize additional non-interest income.

### Government Bonds

	2016		2015		2014	
	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)
Fair value through profit or loss	706	1.1	457	1.0	66	0.1
Available for sale	43,660	69.3	34,338	72.7	32,551	74.3
Held to maturity	18,640	29.6	12,427	26.3	11,213	25.6
<b>Total</b>	<b>63,006</b>	<b>100.0</b>	<b>47,222</b>	<b>100.0</b>	<b>43,830</b>	<b>100.0</b>
Fixed interest rate	53,284	84.6	34,615	73.3	28,504	65.0
Floating Interest Rate	9,722	15.4	12,607	26.7	15,326	35.0
<b>Total</b>	<b>63,006</b>	<b>100.0</b>	<b>47,222</b>	<b>100.0</b>	<b>43,830</b>	<b>100.0</b>

## Government Obligations based on Interest Rate Chart



## Equity Investment

Equity investment comprises shares in financial services non-public companies for long-term purposes. Total BNI equity investment at the end of 2016 was Rp57.2 billion (gross) with the following details.

1. PT Swadharma Surya Finance 7.4%
2. PT Sarana Bersama Pembiayaan Indonesia 8.0%
3. PT Kustodian Sentral Efek Indonesia 1.9%
4. PT Pemerikat Efek Indonesia (Persero) 1.9%
5. PT Bursa Efek Indonesia 2.1%
6. PT Bank Mizuho Indonesia 1.0%
7. PT Sumitomo Mitsui Indonesia 0.5%



## Financial Review

## Fixed Assets

Net Fixed Assets in 2016 increased 5.8% compared to 2015 from Rp20.8 trillion to Rp22.1 trillion. The increase was not as large as the previous year's 233.6% due to fixed asset revaluation surplus in 2015.

## Fixed Assets

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth 2015-2016		Growth 2014-2015	
				Rp billion	(%)	Rp billion	(%)
Land	13,829	13,729	1,766	99	0.7	11,963	677.2
Building	3,850	3,693	2,772	157	4.3	921	33.2
Office Equipment and motor vehicles	8,146	7,625	6,248	521	6.8	1,377	22.0
<b>Total acquisition cost</b>	<b>25,824</b>	<b>25,047</b>	<b>10,786</b>	<b>777</b>	<b>3.1</b>	<b>14,261</b>	<b>132.3</b>
Assets in settlement	2,601	1,301	1,724	1,300	99.9	(422)	(24.5)
<b>Total acquisition cost</b>	<b>28,426</b>	<b>26,349</b>	<b>12,510</b>	<b>2,077</b>	<b>7.9</b>	<b>13,829</b>	<b>110.6</b>
<b>Accumulated depreciation</b>							
Building	546	351	1,518	195	55.6	(1,167)	(76.9)
Office Equipment and motor vehicles	5,908	5,241	4,770	666	12.7	471	9.9
Total accumulated depreciation	6,454	5,592	6,288	861	15.4	(696)	(11.1)
<b>The net book value</b>	<b>21,972</b>	<b>20,757</b>	<b>6,222</b>	<b>1,216</b>	<b>5.9</b>	<b>14,535</b>	<b>233.6</b>

## Other Assets

Other assets rose 54.0% to Rp6.8 trillion in 2016 compared to Rp4.5 trillion in 2015. It consists of interest receivable from government bonds, customer receivables, foreclosed properties, bill customers, other receivables and other assets.

## LIABILITIES

## Liabilities

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016 (%)	2014-2015 (%)
Obligations due immediately	3,276	1,805	1,813	81.4	(0.4)
Deposits from customers*	435,545	370,421	313,893	17.6	18.0
Deposits from Other Banks*	10,224	4,698	3,177	177.6	47.9
Securities Sold under agreements to repurchase	3,765	3,163	2,492	19.0	26.9
Derivatives payable	411	1,162	662	(64.6)	75.6
Acceptances payable	4,359	6,188	6,469	(29.6)	(4.3)
Securities issued*	7,227	7,367	6,158	(1.9)	19.6
Borrowings	32,965	22,524	11,212	46.4	100.9
Tax Debt	151	749	318	(79.9)	136.0
Provisions	156	99	87	57.3	13.8

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016 (%)	2014-2015 (%)
Accrued Expenses	1,047	917	660	14.2	39.0
Employee benefits	3,503	3,481	3,393	0.7	2.6
Other liabilities	11,149	7,584	5,219	47.0	45.3
<b>Total Liabilities</b>	<b>513,778</b>	<b>430,157</b>	<b>355,552</b>	<b>19.4</b>	<b>21.0</b>

\* Including temporary syirkah funds

### Deposits From Customers

Banking competition in collecting public funds in 2016 was increasingly competitive, banks had to compete with products and competitive interest rates. In 2016, BNI customer deposits rose by Rp65.1 trillion, or 17.6% compared with 2015. The increase was greater than the growth in 2015 of Rp56.5 trillion.

The highest increase was in current accounts amounting to Rp31.5 trillion, or 34.6%, higher than last year's increase of 10.1%. Savings products also increased by 17.5% in 2016 to Rp158.7 trillion compared to Rp135.1 trillion in 2015. Deposit rose only 7% compared to last year's rise of 29.4%.

The increase in current accounts and savings was one BNI strategy to raise funds and suppress the cost of funds. CASA BNI in 2016 recorded 64.6%, up from the previous year's 61.1%.

#### Customer Deposits

	2016		2015		2014		Growth 2015-2016		Growth 2014-2015	
	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)	Rp billion	(%)
<b>Current Account</b>	<b>122,652</b>	<b>28.2</b>	<b>91,135</b>	<b>24.6</b>	<b>82,743</b>	<b>26.4</b>	<b>31,517</b>	<b>34.6</b>	<b>8,392</b>	<b>10.1</b>
Rupiah	92,024	21.1	60,400	16.3	54,651	17.4	31,624	52.4	5,749	10.5
Foreign currency	30,628	7.0	30,736	8.3	28,092	8.9	(107)	(0.3)	2,643	9.4
<b>Savings</b>	<b>158,662</b>	<b>36.4</b>	<b>135,065</b>	<b>36.5</b>	<b>199,779</b>	<b>38.2</b>	<b>23,597</b>	<b>17.5</b>	<b>15,286</b>	<b>12.8</b>
Rupiah	146,446	33.6	128,515	34.7	115,607	36.8	17,932	14.0	12,908	11.2
Foreign currency	12,216	2.8	6,551	1.8	4,172	1.3	5,665	86.5	2,379	57.0
<b>Total demand deposits and savings</b>	<b>281,315</b>	<b>64.6</b>	<b>226,200</b>	<b>61.1</b>	<b>202,522</b>	<b>64.5</b>	<b>55,114</b>	<b>24.4</b>	<b>23,678</b>	<b>11.7</b>
<b>Deposit</b>	<b>154,230</b>	<b>35.4</b>	<b>144,161</b>	<b>38.9</b>	<b>111,371</b>	<b>35.5</b>	<b>10,069</b>	<b>7.0</b>	<b>32,790</b>	<b>29.4</b>
Rupiah	131,198	30.2	120,785	32.6	99,921	31.8	10,412	8.6	20,865	20.9
Foreign currency	23,033	5.3	23,376	6.3	11,451	3.6	(343)	(1.5)	11,925	104.1
<b>Total deposits</b>	<b>453,545</b>	<b>100.0</b>	<b>370,421</b>	<b>100.0</b>	<b>313,893</b>	<b>100.0</b>	<b>65,124</b>	<b>17.6</b>	<b>56,527</b>	<b>18.0</b>
Rupiah	369,668	84.9	309,699	83.6	270,178	86.1	59,969	19.4	39,521	14.6
Foreign currency	65,877	15.1	60,662	16.4	43,715	13.9	5,215	8.6	16,947	38.8
<b>Casa Ratio</b>	<b>64.6</b>		<b>61.1</b>				<b>64.5</b>			



## Temporary Syirkah Funds

Temporary *syirkah* funds are investments using *mudharabah mutlaqah* method, in which the owner of funds (*shahibuh maal*) gives freedom to the funds manager (*mudharib*/BNI Syariah) to manage the investments with profit sharing according to the agreement. Temporary *syirkah* funds consist of *mudharabah* savings and *mudharabah* time deposit. Temporary *syirkah* funds cannot be classified as liabilities, because BNI Syariah is not required to return the amount of initial funds Except due to ignorance or default when incurring losses. On the other hand, temporary *syirkah* funds cannot be classified as equity since it has its own due period and the funds owner does not have the same ownership rights as those of shareholders such as voting rights and rights over profits derived from current assets and other non-investment accounts. Owner of temporary *syirkah* funds receive profit sharing rewards according to the specified ratio.

## Negotiable Certificate Deposit (NCD)

To support liquidity and improve the structure and composition of the funding amount, BNI has issued Rupiah scripless (paperless) Negotiable Certificate of Deposit (NCD) in 2016 in two stages as follows:

1. In the first half year, BNI successfully issued Rupiah scripless NCD for the first time for Rp3.0 trillion from the initial target of Rp3 trillion, in 6 tenor series (6 months up to 3 years).
2. In the second half year, BNI issued Rupiah scripless NCD for Rp2.2 trillion from the initial target of Rp1 trillion (oversubscribed). This oversubscription shows the high level of investor confidence in BNI.

## Deposits From Other Banks

Deposits from other banks is used for interbank transactions in the content of operations and liquidity management. Deposits from other banks and other institutions in December 2016 increased by Rp5.5 trillion or Rp 118.9% when compared with December 2015.

## Securites Issued

Securities issued was dominated by debt securities issued by BNI through its London Branch on April 27, 2012 with an interest rate of 4.13% per annum which is payable every six months on April 27, and October 27, each year.

During 2015 and 2016, securities issued did not change significantly but only slightly decreased by Rp0.1 trillion from Rp7.0 trillion in 2015 to Rp6.9 trillion in 2016, caused by the strengthening of the Rupiah during 2016 when compared to the end of 2015.

## Borrowings

Borrowings increased by 46.4% from 22.5 trillion in 2015 to Rp33.0 trillion in 2016. The increase was dominated by bilateral loans of Rp6.6 trillion, or 31.8% from Rp20.6 trillion in 2015. Bilateral loans as a funding strategy for the bank maintains the composition short-term and long-term funding. The bilateral loans coming from China Development Bank (CDB), amounted to USD700 million and CNY1,90 billion, with a loan term of 10 years, maturing September 16, 2025. The loan is used by BNI to finance infrastructure programs initiated by the government.

**Borrowings**

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth 2015-2016	Growth 2014-2015
				(%)	(%)
Loans	132	269	114	(50.9)	135.3
Liquidity loans to credit cooperative members	1	1	1	-	-
Bilateral loans	27,863	20,633	6,838	35.0	201.7
Banker's acceptance	4,240	1,179	2,477	259.5	(52.4)
Other	729	442	1,782	65.3	(75.2)
<b>Total</b>	<b>32,965</b>	<b>22,524</b>	<b>11,212</b>	<b>46.4</b>	<b>100.9</b>

**Obligations Due Immediately**

Obligations due immediately consist of remittances, check deposit funds, deposits that have matured but have not been taken by the customer, clearing transactions, tax payments received by BNI as collecting bank and savings not yet finalized. Obligations due immediately in December 2016 increased by 81.4% when compared with December 2015.

**Securities Sold Under Agreement To Repurchase**

Debt securities sold under repurchase agreements are Repo securities instruments with realization amounting to 3.8 trillion as of December 2016. The new Repo securities transactions were carried out in early 2014 at the signing of the Mini MRA (Master Repo Agreement) between multiple banks including BNI in December 2013.

**Other Liabilities**

Other liabilities rose compared to December 2015 from Rp7.6 trillion to Rp11.1 trillion in 2016, an increase of 47.0%. Other liabilities consist of bank obligations to policyholders, guaranteed deposits, debt interest, unearned income, reinsurance debt, commissions and debts by subsidiary entities to customers.

**EQUITY**

In December 2016 total equity stood at Rp89.3 trillion, an increase of 13.8% compared to December 2015. This increase was due to additional net profit in 2016 reflecting the better performance of the BNI.

**Equity**

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016 (%)	2014-2015 (%)
The issued and fully paid	9,055	9,055	9,055	-	-
Additional paid in capital	14,568	14,568	14,568	-	-
Transactions with non-controlling parties	2,257	2,257	-	-	100
Revaluation reserve asset	12,285	12,190	2,257	-	(3,690.4)
Unrealized losses on securities and government bonds worth as available for sale after deferred tax	(1,888)	(2,519)	(1,945)	25.0	(33.7)
Differences arising from translation of financial statements in foreign currency	82	76	58	7.9	1,073.9
Gains (losses) on defined benefit plan actuarial	-	-	-	-	-



## Financial Review

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016 (%)	2014-2015 (%)
Total retained earnings	50,798	41,538	-	22.3	-
Treasury stock	-	(750)	35,078	44.8	29.9
Total equity attributable to owners parent	87,157	76,415	1,950	14.1	2,241.2
Non-controlling interests	2,097	2,023	-	-	-
<b>Total Equity</b>	<b>89,254</b>	<b>78,438</b>	<b>61,021</b>	<b>46.3</b>	<b>28.0</b>

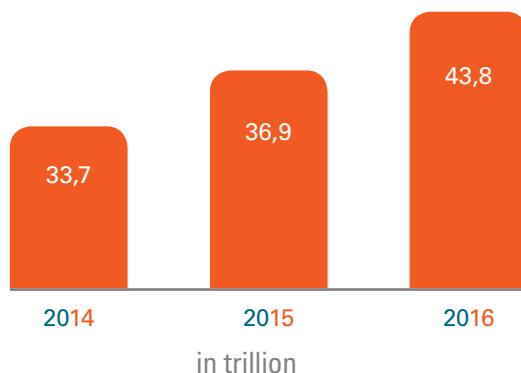
## CONSOLIDATED PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT

The global uncertainty in 2015 encouraged the bank to self-evaluate and improve its performance, so in 2016, BNI was able to achieve aggressive earnings growth. Based on data as of October 2016 BNI achieved profit growth of 24.4%, well above the industry profit growth of 10.0%. From then until the end of 2016, BNI profits grew to 25.1%, due to the higher growth in operating income than the growth in operating Expenses.

## Profit and Loss Statement

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016 (%)	2014-2015 (%)
Interest income and Sharia income-net	29,995	25,560	22,761	17.4	12.3
Premium income and investment return-net	1,342	1,133	607	18.4	86.7
Other operating income	9,963	8,565	8,379	16.3	2.2
<b>Total operating income</b>	<b>41,300</b>	<b>35,258</b>	<b>31,747</b>	<b>17.1</b>	<b>11.1</b>
Other operating expenses	(19,217)	(16,510)	(14,760)	16.4	11.9
Allowance for impairment losses	(7,853)	(7,336)	(3,642)	7.0	101.4
<b>Operational profit</b>	<b>14,229</b>	<b>11,412</b>	<b>13,345</b>	<b>24.7</b>	<b>(14.5)</b>
Income (expense) non-operating-net	74	54	178	36.1	(69.6)
<b>Income before tax expense</b>	<b>14,303</b>	<b>11,466</b>	<b>13,523</b>	<b>24.7</b>	<b>(15.2)</b>
Tax Expense	(2,893)	(2,326)	(2,695)	24.4	(13.7)
Income for the year	11,410	9,141	10,828	24.8	(15.6)
Profit for the year attributable to:					
- Non-controlling interests	71	74	47	(3.4)	58.2
- Equity holder of the parent entity	11,339	9,067	10,783	25.1	(15.9)

## Interest Income Growth



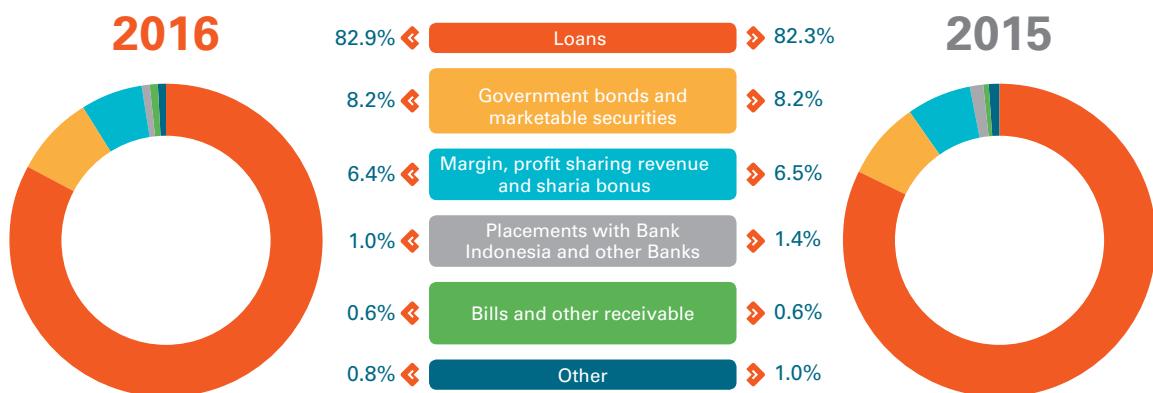
### Interest Income and Sharia income

Interest Income and Sharia income is the main driver for the company in generating profits, in addition to other operating income. Income from interest and Sharia increased from Rp36.9 trillion in 2015 to Rp43.8 trillion in 2016, or 18.6%, with the biggest increase coming from loan income of 19.6%.

#### Interest Income from Productive Assets

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016 (%)	2014-2015 (%)
Loans	36,304	30,360	27,051	19,6	12,2
Government Bonds and Marketable Securities	3,608	3,026	3,111	19,2	(2,7)
Margin, profit sharing revenue and Sharia bonus	2,790	2,414	1,916	15,6	26,0
Placements with Bank Indonesia and other Banks	447	511	751	(12,6)	(32,0)
Bills and other receivable	260	220	151	18,6	45,2
Other	359	364	769	(1,3)	(52,7)
<b>Total</b>	<b>43,768</b>	<b>36,896</b>	<b>33,750</b>	<b>18,6</b>	<b>9,3</b>

### Interest Income and Sharia Composition





## Interest Income From Loans

Interest income from loans increased 19.6%, from Rp30.4 trillion in 2015, to Rp36.3 trillion in 2016. This increase was in line with the 20.9% growth in loans, despite the interest rate trend in 2016 likely to decline.

## Interest Income The Government Bonds and Marketable Securities

Government bonds and securities in 2016 become more attractive compared with the previous year, marked by an increasing portfolio rising 33.4% at the end of 2016. It was also caused by the unstable global economic conditions in early 2016, with BNI deciding to invest in more stable instruments ie government bonds with a fixed interest rate.

This decision resulted in an increase in interest income on government bonds and securities of 19.2%, from Rp3.0 trillion in 2015, to Rp 3.6 trillion in 2016.

## The Interest Income From Margin, Profit-Sharing Revenue and Sharia Bonus

In the midst of a difficult competition, especially in Islamic banking in 2016, BNI Sharia managed to increase interest income on margin, profit sharing and Sharia bonus income by 15.6%. This increase was not as aggressive as the previous year's 26.0% due to increased competition in Islamic banking in Indonesia.

## Interest Income From Placements With Other Banks and Bank Indonesia

Throughout 2016, Bank Indonesia cut interest rates by an average reduction of 100-125 basis points, or about 1.00 to 1.25% when compared with 2015. This decline resulted in lower interest income from placements with other banks and Bank Indonesia in 2016 decreasing by Rp65 billion to Rp447 billion compared to Rp511 billion in 2015.

## Interest Income From Bills and Other Receivables

Export bills transactions were relatively stable in 2016 when compared to previous years. In 2016, interest income on Export bills and other bills rose Rp40 billion to Rp260 billion, from Rp220 billion in 2015.

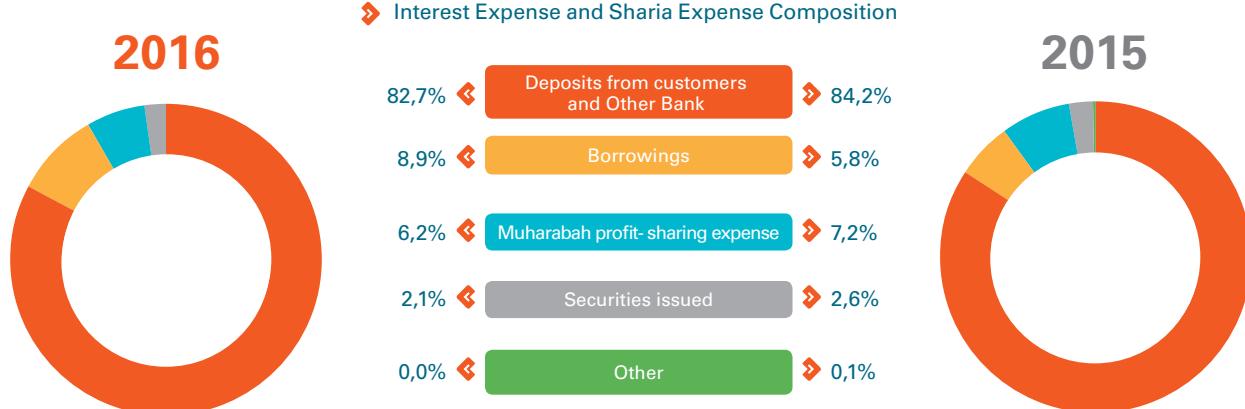
## INTEREST EXPENSE AND SHARIA EXPENSE

2016 saw a full year of competition, especially in some industrial sectors, one of which was banking. Competition for funds in Indonesian local banks and foreign banks dominated banking conditions in Indonesia. Price, products and creativity wars become the main strategy for banks to be able to survive in the middle of the swiftly changing competition.

Interest Expense and Sharia Expense in 2016 rose to 13.8 trillion, or 21.5%, compared to Rp11.3 trillion in 2015. The increase was the result of an increase in Customer Deposits in 2016 amounting to Rp435.5 trillion, or 17.6%. However, BNI was still able to keep the cost of funds relatively equal to the cost of funds the previous year at around 3.1%.

### Interest Expense and Sharia Expense

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016(%)	2014-2015 (%)
Customer Deposits and Other Banks	11,392	9,556	9,528	19.2	0.3
Borrowings	1,231	661	413	86.2	59.9
Mudharabah profit sharing expenses	855	822	657	4.0	25.1
Securities issued	295	296	390	(0.3)	(24.0)
<b>Total</b>	<b>13,773</b>	<b>11,335</b>	<b>10,988</b>	<b>21.5</b>	<b>3.2</b>



### Interest Expense On Deposits From Customers and Other Banks

Movements in interest Expense on deposits from customers and other banks in 2016 was in line with the growth in client deposits. As of the end of 2016, customer deposits increased by 17.6% with growth in interest Expense of 19.2% from Rp9.5 trillion in 2015 to Rp11.4 trillion in 2016.

To reduce the growth in interest Expenses, BNI sought to improve the customer deposits composition by increasing the cost of funds for current and savings as reflected in CASA ratio. At the end of 2016, BNI managed to improve the CASA ratio of 61.1% in 2015 to 64.6% in 2016.

### Interest Expense From Borrowings

Interest Expense on borrowings increased from Rp661 billion in 2015 to Rp1.2 trillion in 2016, or by 86.4%. This was influenced by an increase in the growth of loans received by BNI in 2016 of 46.4% when compared to 2015.

### Interest Expense On Securities Issued

The securities issued are debt securities issued by BNI through the London Branch with a value of USD500 million in April 27, 2012. Interest Expense on securities issued decreased from Rp296 billion in 2015 to Rp295 billion in 2016, down by 0.4%. The decrease was due to the strengthening of the Rupiah during 2016 compared to year end 2015.

### Interest Expense On Profit-Sharing Mudharabah

Interest Expense for *Mudharabah* increased by 4.0%, or Rp33 billion in 2016, due to temporary Syirkah funds rising 16.2% to Rp20,3 trillion.

### INTEREST INCOME AND SHARIA INCOME - NET

Net Interest income and Sharia income grew by 18.6% in 2016, due to rising interest Expenses and Sharia Expenses amounting to 21.5%, net interest income and sharia income rose by 17.4%, higher than 2015, which reached 12.3%.



## PREMIUM INCOME AND INVESTMENT RETURN - NET

Insurance as one of the sectors in the financial industry that was increasingly stretched in 2016, and was not an opportunity to be missed by BNI Life in terms of product diversification offered to customers. The opportunity was realized by issuing investment-based insurance products, thereby increasing net premium income by 18.4% in 2016 from Rp1.1 trillion to Rp1.3 trillion.

## OTHER OPERATING INCOME

In the middle of interest rates and market competition pressure, BNI needed to be creative with superior service and products. The diversity of services provided by BNI to its customers was reflected in other operating income growth. In 2016, other operating income rose to Rp10.0 trillion or 16.3%. The largest increase was in fees and commissions that increased by Rp933 billion, or 16.8%.

**Other Operating Income**

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016(%)	2014-2015 (%)
Fees and commissions	6,473	5,540	4,642	16.8	19.3
Recovery assets written off	1,378	1,590	1,856	(13.3)	(14.3)
Gain (loss) on financial assets held for trading	(43)	22	71	(295.5)	(69.0)
Gain (loss) on sale of financial assets classified as available for sale	646	279	352	131.5	20.7
Gain on foreign exchange - net	685	515	693	33.0	(25.7)
Other	824	619	765	33.1	(19.1)
<b>Total</b>	<b>9,963</b>	<b>8,565</b>	<b>8,379</b>	<b>16.3</b>	<b>2.2</b>

► Other Operating Income Composition



### Fees and Commissions

Income from BNI fees and commissions account for 65.0% of total other operating income in 2016, slightly increased compared to 2015's 55.4%. Revenue growth on fees and commissions in 2016 reached Rp933 billion, up 16.8%. Fees and commissions were

dominated by income from card business, account management, ATM collaboration fee income, bancas surance products, syndicated loans and other account management transactions.

## Recovery of Assets Written-Off

Acceptance of returned assets written off decreased by 13.4% in 2016 when compared to 2015. This reflected acceptance of assets written off before 2016.

This was caused by a non-conducive macroeconomic situation for business survival in some industry sectors, so since 2016 the receipt of assets written-off has not been one of the elements relied upon to achieve profit.

## Gains (losses) on financial assets held for trading

In 2016, financial assets held for trading experienced a slight loss of Rp43 billion compared to 2015 when it experienced a gain of Rp22 billion. This was due to unstable economic conditions and exchange rate fluctuations on financial assets held for trading.

## Gains On Sale Financial Assets Available For Sale and Held For Trading

Gain on sale of financial assets available for sale increased in 2016 to Rp646 billion, grow 131.3% from the previous year amount of Rp279 billion.

## Foreign Exchange Gains - Net

The value of the rupiah against foreign currencies in 2016 was relatively stable from the beginning of the year until the end of the year, but net foreign Exchange gains increased by 33.0% to Rp685 billion in 2016, due to increased foreign currency transactions during 2016.

## Other Operating Income

Other operating income increased by 33.2% from Rp619 billion in 2015 to Rp824 billion in 2016. Other income consisted of other services income, cooperation with other parties, service level agreement income, clearing and other services provided by the bank.

## OTHER OPERATING EXPENSES

The increase in other operating expenses in 2016 is quite restrained compared to the rapid loan growth and the addition of network offices during the year, other operating expenses increased by 16.4% to Rp19.2 trillion. This success is marked by the decline in the CIR ratio in 2016 became 44.0% from 44.2% in 2015. A similar trend is also seen in the ROA ratio fell to 73.6% in 2016 from 75.5% in 2015. The fall in these ratios reflect the condition of the company's operational has been running more efficient than the prior year.

### Other Operating Expenses

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016(%)	2014-2015 (%)
Salaries and allowances	8,834	7,366	6,781	19.9	8,6
General and administrative	6,212	5,758	5,091	7.9	13,1
Promotion Expenses	946	885	844	6.9	4,7
Guarantee premiums	729	597	587	22.1	1,8
Others	2,496	1,904	1,457	31.1	30,6
<b>Total</b>	<b>19,217</b>	<b>16,510</b>	<b>14,760</b>	<b>16.4</b>	<b>11,9</b>



### Salaries and Benefits Expenses

Salaries and employee benefits in 2016 increased by Rp1.5 trillion, or 19.9%, compared to 2015. The increase was quite significant when compared to 2015's increase of 8.6%. This was due to BNI deciding to show their appreciation for the positive performance throughout 2016 by giving all employees increased welfare.

### General and Administrative Expenses

General and administrative Expenses increased by Rp454 billion or 7.9% compared to 2015. The increase was due to the increase in cost of outsourcing labor and rental Expenses in line with BNI's business growth.

### Promotion Expenses

Promotion Expenses in 2016 increased by 6.9% to Rp946 billion compared to Rp885 billion in 2015. This increase was due to BNI feeling the need to foster good relations with customers to increase loyalty in the form of sponsorship, event promotions and other promotional media.

### Deposit Guarantee Premium

The guarantee premium Expense is the premium BNI pays to the Deposit Insurance Agency (LPS), and it recorded an increase of Rp132 billion, or 22.1% in 2016 when compared to the previous year. The premium increase was in line with the growing third party deposits in 2016 and amounted to 17.6%.

### Other Expenses

Other Expenses increased by Rp592 billion, or 31.1% compared to 2015. This Expense is dominated by contributions to Otoritas Jasa Keuangan (OJK), card business transaction Expenses, cooperation with third-party fees and PKBL fund Expenses.

### ALLOWANCES FOR IMPAIRMENT LOSSES

Allowances for impairment losses during 2016 increased by 7.0% in 2015 from Rp7.3 trillion to Rp7.9 trillion. This increase was mainly due to loan loss reserves given in 2016, where the NPL ratio increased to 3.0% from the previous 2.7% in 2015. In addition, the increase in provision for impairment losses was caused also by the coverage ratio being more than the previous year.

## INCOME BEFORE TAX EXPENSE

BNI's profit before income tax rose from Rp11.5 trillion in 2015 to Rp14.3 trillion in 2016, up 24.3%.

## TAX EXPENSE

Along with the increase in revenue in 2016, BNI tax increased by 24.4% to Rp2.9 trillion. In accordance with the provisions in force, BNI has met the payment requirements of a flat rate of 20%.

## CURRENT YEAR PROFIT

As of the end of 2016, BNI's profit grew to 24.8% to Rp11.4 trillion. This was mainly driven by higher operating income growth than the growth in operating Expenses.

## OTHER COMPREHENSIVE INCOME

Other comprehensive income after tax consists of the following:

Items that will not be reclassified to profit or loss:

1. Gain on revaluation of fixed assets: Rp120,1 billion
2. Remeasurement of post employment benefit Rp231.7 billion
3. Income tax relating to components of other comprehensive income Rp47.1 billion

Items that will be reclassified to profit or loss:

1. Reclassified to profit or loss foreign currency on financial statements Rp6,2 billion
2. Loss on changes in value of financial assets categorized as available-for-sale Rp733.9 billion
3. Loss on changes in value of financial assets categorized as available-for-sale Rp122.3 billion

## TOTAL COMPREHENSIVE INCOME

BNI's total comprehensive income for 2016 amounted Rp12.3 trillion, down by 40.9% from Rp20.9 trillion in 2015. The significant decrease of the total comprehensive income was due to the surplus on assets revaluation conducted in 2015.

### Comprehensive Income

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016(%)	2014-2015 (%)
Income for the year	11,410	9,141	10,829	24.8	(15.6)
Other comprehensive loss/income - after tax	923	11,722	1,085	(92.1)	980.0
Comprehensive income for the year	12,333	20,863	11,915	(40.9)	75.1
Comprehensive income for the year Attributable to:					
- Non-controlling interests	73	74	47	(1.0)	58.2
- Equity holder of the parent entity	12,260	20,789	11,868	(41.0)	75.2



## Financial Review

### EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDER OF THE PARENT ENTITY

Current year profit per share is computed by dividing profit for the year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year. The increased net profit after income tax amounted to 24.8% led to an increase in earnings per BNI share from Rp487 per share in 2015 to Rp610 per share in 2016.

**Earnings Per Share**

	2016	2015	2014	Growth 2015-2016		Growth 2014-2015	
					(%)		(%)
Income for the current year attributable to equity holder of the parent entity (Rp billion)	11,339	9,067	10,783	2,272	25.1	(1,716)	(15.9)
Weighted average number of ordinary shares outstanding (shares)	18,588,205,225	18,623,639,791	18,648,656,458	(35,434,566)	(0.2)	(25,016,667)	(0.1)
<b>Earnings per Share</b>	<b>610</b>	<b>487</b>	<b>578</b>	<b>123</b>	<b>25.3</b>	<b>(91)</b>	<b>(15.8)</b>

### CONSOLIDATED CASH FLOW STATEMENTS

In 2016, cash and cash equivalents decreased compared to 2015 from Rp30.1 trillion to Rp5.3 trillion, and consists of net cash inflows from operating activities of Rp15.4 trillion, net cash outflow from investing activities of Rp29.4 trillion, and net cash inflows from financing activities of Rp8.6 trillion.

**Cash Flow**

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth	
				2015-2016	2014-2015
Net Cash Flows From Operating Activities	15,422	24,357	(610)	(8,934)	24,967
Net Cash Flows From Investing Activities	(29,400)	(3,516)	(2,406)	(25,884)	(1,110)
Net Cash Flows From Financing Activities	8,637	9,250	(4,454)	(612)	13,704
<b>Net Cash Flow</b>	<b>(5,341)</b>	<b>30,090</b>	<b>(7,471)</b>	<b>(35,430)</b>	<b>37,560</b>

### CASH FLOWS FROM OPERATING ACTIVITIES

Net cash flows from operating activities for 2016 amounted to Rp15.4 trillion. The net cash flow is a reduction of the cash inflows with cash outflows. Total inflow of Rp134.6 trillion, where the highest inflow coming from an increase in interest income, investment and Sharia, premium income, other operating income, non-operating income, an increase in customer deposits and an increase in deposits from other banks. Total cash outflow amounted to Rp119.2 trillion with the highest outflow coming from loans, interest payments, as well as other operating Expenses.

## CASH FLOWS FROM INVESTING ACTIVITIES

Net cash flows from investing activities for 2016 amounted to Rp29.4 trillion. Total cash inflow was Rp17.7 billion from the sale of fixed assets. Total cash outflow amounted Rp29.4 trillion with the highest outflow coming from the purchase of government bonds, the purchase of securities, as well as the purchase of fixed assets.

## CASH FLOWS FROM FINANCING ACTIVITIES

Net cash flows from financing activities for 2016 amounted to Rp8.6 trillion. Total cash inflow was Rp11.0 trillion, with the highest inflow coming from the increase in loans received and the increase in repo securities. Total cash outflow amounted to Rp2.4 trillion with the highest outflow coming from payment of dividends, partnership and environmental programs and a decrease in securities issued.

## SEGMENT PERFORMANCE

Based on income per business segment in 2016, the three segments that contributed the highest were corporate, consumer and retail, followed by medium and small. Corporate segment's contribution reached Rp7.7 trillion, while consumer and retail segment contribution reached Rp6.6 trillion, and small and medium segment contribution reached Rp2.9 trillion.

**Overview of Segment Income 2016**

(in Rp billion)

2016	Corporate	Medium and Small	Consumer	TRS & FI	Head Office	Subsidiaries	Eliminations & Adjustments	BNI Consolidated
Net interest income	11,358	6,039	9,246	1,913	-	1,966	(527)	29,995
Interest income	25,128	11,778	17,933	7,006	-	2,892	(1,001)	63,736
Interest Expense	13,770	5,739	8,688	5,093	-	925	(474)	33,741
Premium income - net	-	-	-	-	-	1,342	-	1,342
Other operating income	2,233	987	5,285	2,569	(289)	407	(1,229)	9,963
Allowance for losses in the value of financial assets and other	(3,091)	(2,286)	(1,519)	(14)	(620)	(323)	-	(7,853)
Other operating Expenses	(2,745)	(1,846)	(6,393)	(1,164)	(4,332)	(2,803)	67	(19,218)
Operational profit	7,754	2,894	6,619	3,304	(5,241)	588	(1,690)	14,229
Non operations (income/expense) - net	1	0	26	(4)	20	32	-	74
<b>Income before tax Expense</b>	<b>7,754</b>	<b>2,894</b>	<b>6,645</b>	<b>3,300</b>	<b>(5,221)</b>	<b>620</b>	<b>(1,690)</b>	<b>14,303</b>



## Financial Review

## Income Statement per Segment 2015

(in Rp billion)

2015	Corporate	Medium and Small	Consumer	TRS & FI	Head Office	Subsidiaries	Eliminations & Adjustments	BNI Consolidated
Net interest income	8,444	5,686	8,549	1,589	-	1,619	(326)	25,560
Interest income	19,884	10,371	16,215	5,450	-	2,485	(720)	53,685
Interest Expense	11,440	4,685	7,666	3,861	-	866	(394)	28,124
Premium income - net	-	-	-	-	-	826	-	826
Other operating income	1,591	1,423	4,669	1,621	(258)	597	(771)	8,872
Allowance for losses in the value of financial assets and other	(1,616)	(3,555)	(1,643)	(225)	(99)	(199)	-	(7,336)
Other operating Expenses	(2,614)	(1,318)	(6,018)	(1,062)	(3,129)	(2,370)	-	(16,510)
Operational profit	5,805	2,236	5,560	1,933	(3,518)	548	(1,097)	11,412
Non operations (income/ expense) - net	0	(0)	3	8	(32)	75	-	54
<b>Income before tax Expense</b>	<b>5,805</b>	<b>2,236</b>	<b>5,560</b>	<b>1,933</b>	<b>(3,518)</b>	<b>548</b>	<b>(1,097)</b>	<b>11,466</b>

## Profit or loss Growth in 2015-2016

(%)

	Growth 2015-2016 (%)							
	Corporate	Medium and Small	Consumer	TRS & FI	Head Office	Subsidiaries	Eliminations & Adjustments	BNI Consolidated
Net interest income	34.5	6.2	8.2	20.4	-	21.5	61.7	17.4
Interest income	26.4	13.6	10.6	28.6	-	16.4	39.0	18.7
Interest Expense	20.4	22.5	13.3	31.9	-	6.8	20.2	20.0
Premium income - net	-	-	-	-	-	62.4	-	62.4
Other operating income	40.4	(30.6)	13.2	58.4	12.0	(31.9)	59.4	12.3
Allowance for losses in the value of financial assets and other	91.3	(35.7)	(7.6)	(93.8)	526.3	62.4	-	7.0
Other operating Expenses	5.0	40.0	6.2	9.6	38.4	18.3	-	16.4
Operational profit	33.6	29.4	19.1	71.7	50.3	24.4	54.0	24.7
Non operations (income / Expense) - net	144.0	-	766.0	(153.1)	(162.2)	(57.3)	-	37.0
<b>Income before tax Expense</b>	<b>33.6</b>	<b>29.4</b>	<b>19.5</b>	<b>70.8</b>	<b>48.4</b>	<b>13.2</b>	<b>54.0</b>	<b>24.7</b>

**Hilights of Financial Position per Segment 2016**

(in Rp billion)

2016	Corporate	Medium and Small	Consumer	TRS & FI	Head Office	Subsidiaries	Eliminations & Adjustments	BNI Consolidated
<b>Total asset</b>	<b>189,077</b>	<b>104,981</b>	<b>64,458</b>	<b>246,882</b>	<b>12,202</b>	<b>42,888</b>	<b>(57,456)</b>	<b>603,032</b>
Loans - gross	195,188	112,014	65,119	21,537	-	20,882	(21,465)	393,275
<b>Total liabilities</b>	<b>226,359</b>	<b>87</b>	<b>208,459</b>	<b>51,405</b>	<b>7,065</b>	<b>13,637</b>	<b>14,311</b>	<b>492,707</b>
Deposits from customers	203,450	-	207,618	2,680	188	4,151	(2,249)	415,839

**Hilights of Financial Position per Segment 2015**

(in Rp billion)

2015	Corporate	Medium and Small	Consumer	TRS & FI	Head Office	Subsidiaries	Eliminations & Adjustments	BNI Consolidated
<b>Total asset</b>	<b>153,687</b>	<b>87,518</b>	<b>56,441</b>	<b>164,581</b>	<b>39,598</b>	<b>33,839</b>	<b>(27,069)</b>	<b>508,595</b>
Loans - gross	129,828	77,422	55,327	10,082	-	15,117	(10,154)	277,622
<b>Total liabilities</b>	<b>174,880</b>	<b>78</b>	<b>176,869</b>	<b>46,148</b>	<b>7,966</b>	<b>8,889</b>	<b>(2,102)</b>	<b>412,728</b>
Deposits from customers	76,701	60,694	161,480	1,350	146	2,610	(2,717)	300,265

**Financial Position Growth in 2015-2016**

(%)

	Corporate	Medium and Small	Consumer	TRS & FI	Head Office	Subsidiaries	Eliminations & Adjustments	BNI Consolidated
<b>Total assets</b>	<b>23.0</b>	<b>20.0</b>	<b>14.2</b>	<b>50.0</b>	<b>(69.2)</b>	<b>26.7</b>	<b>112.0</b>	<b>18.6</b>
Loans – gross	50.3	44.7	17.7	113.6	-	38.1	111.4	41.7
<b>Total Liabilities</b>	<b>29.4</b>	<b>11.5</b>	<b>17.9</b>	<b>11.4</b>	<b>(11.3)</b>	<b>53.4</b>	<b>(581.0)</b>	<b>19.4</b>
Deposits from customers	165.3	(100.0)	28.6	98.5	28.9	59.0	(17.2)	38.5



## Financial Review

## FINANCIAL RATIOS

## Financial Ratios

	2016	2015	2014
	Bank (%)	Bank (%)	Bank (%)
<b>CAPITAL</b>			
CAR--Tier I	18.3	17.0	15.3
CAR-Tier II	1.1	2.5	0.9
CAR (credit, market and operational risk)	19.4	19.5	16.2
<b>Asset Quality</b>			
NPL Net	0.4	0.9	0.4
Gross NPL	3.0	2.7	2.0
Coverage Ratio	146.0	140.4	130.1
<b>Profitability</b>			
ROA	2.7	2.6	3.5
ROE	15.5	17.2	23.6
Net Interest Margin	6.2	6.4	6.3
<b>Efficiency</b>			
BOPO	73.6	75.5	68.0
CIR	44.0	44.2	43.8
<b>Liquidity</b>			
LDR	90.4	87.8	87.8
<b>Compliance</b>			
GWM (Rupiah)	6.8	9.2	8.1
Net Open Position	3.4	1.7	1.6

## CAPITAL RATIO

## Capital Adequacy Ratio

The capital adequacy ratio (CAR) in 2016 was relatively stable when compared to 2015's 19.4%. BNI CAR in 2016 is much higher than the minimum adequacy ratio set by Bank Indonesia based on Bank Indonesia Regulation Number 15/12/PBI/2013 concerning the Minimum Capital Requirement for Commercial Banks with a minimum 9% from ATMR for banks with Rank 2 risk profile.

## ASSET QUALITY

## NPL Ratio

The economic slowdown in several business sectors in Indonesia meant that the banking sector in Indonesia was affected by these negative impacts, especially in terms of asset quality. NPLs as a bank challenge needs special attention in terms of management and is also the main focus for BNI's healthy growth. The NPL ratio increased slightly from 2.7% in 2015, to 3.0% in 2016. Non performing loan occurred in economic sectors that are not featured in the business banking sector, one of which was the mining sector.

## Coverage Ratio

In anticipation of an economic slowdown continues to run until 2016, BNI again increase the allowance for impairment losses on loans, from 11.7 trillion in 2015 to Rp16.1 trillion in the year.

As an anticipatory step in addressing the economic slowdown in 2016, BNI has set adequate reserves to anticipate non-performing loans, by increasing the coverage ratio from 140.4% in 2015 to 146.0% in 2016, in line with the management policy for risk mitigation.

	2016	2015	2014
	Bank (%)	Bank (%)	Bank (%)
Allowance for impairment losses loan - Bank Only	16,122	11,678	6,702
NPL - Bank Only	11,042	8,315	5,151
Coverage Ratio	146.0%	140.4%	130.1%

## PROFITABILITY RATIO

### ROA

BNI's Return on Assets (ROA) increased when compared to 2.6% in 2015 to 2.7% in 2016. This increase resulted from the increase in BNI's performance compared to 2015.

### ROE

Return on Equity (ROE) measures the rate of return on core capital. Along with the decrease in BNI's net income, ROE fell from 17.2% to 15.5% in 2016. This decrease was primarily due to increased average core capital throughout 2016 impacted by the revaluation of assets at the end of 2015.

### NIM

The net interest margin in 2016 decreased to 6.2% compared to 2015 by 6.4%. This was due to government policies that lowered interest rates to single digit to spur economic growth.

## EFFICIENCY RATIO

### BOPO

The decline in the BOPO ratio (Operating Expenses to Operating Income) from 75.5% in 2015 to 73.6% in 2016 was due to an increases in interest income of 18.6% and other operating income of 16.3% in 2016. This shows that BNI can generate higher income with more cost efficient Expenses.

### CIR

Cost to Income Ratio (CIR) BNI in 2016 was slightly decreased compared to 2015 from 44.2% to 44.0%, showing that BNI was able to improve efficiency in operating Expenses during 2016.



## LIQUIDITY RATIO

### Loan To Deposit Ratio

Loan to deposit ratio (LDR) in 2016 increased slightly in 2016 to 90.4% compared to 87.8% in 2015. This situation was a result of the higher increase in loans than the increase in client deposits. The ratio is still within the range set by Bank Indonesia Regulation Number 15/15/PBI/2013 dated December 24, 2013 concerning Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Bank between 78.0% -92.0 %.

## COMPLIANCE RATIO

### Minimum Statutory Reserves

In liquidity management, BNI always attempts to maintain optimum liquidity levels to support its daily operations and comply with Bank Indonesia through the Minimum Statutory Reserve (GWM). On December 31, 2016, BNI's Rupiah GWM was recorded at 5.2% and foreign currency reserve requirement of 1.5%. The liquidity position is in accordance with Bank Indonesia Regulation No.17/11/PBI/2015 regarding the amendment of Bank Indonesia Regulation Number 15/15/PBI/2013 dated December 24, 2013 concerning Minimum Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Bank.

### Net Open Position

The Net Open Position (NOP) in December 2016 was recorded at 3.4%, a slight increase compared to 2015. This figure is still far below the maximum amount set by BI in Bank Indonesia Regulation No.12/10/PBI/2010 regarding Third Amendment Bank Indonesia Regulation No. 5/13/PBI/2003 concerning the Net Open Position for Commercial Banks, which is maximum 20% of the capital.

## Other Financial Information Review

### BANK HEALTH LEVEL

Bank health level are is the result of Bank condition assessment conducted on the risk and performance of the Bank. Banks is a means for the Bank to establish a business strategy in the future, develop and implement corrective action on weaknesses / problems of the bank, as one of the bases in decision making and to improve competitiveness. As for the supervisory authority is a means of setting the strategy and focus of the Bank's supervision.

Bank health level Rating conducted by four (4) factors as follows.

#### 1. Risk Profile

Risk Profile is an overall picture of risk inherent in the operations of the Bank. The risk profile assessment is done by assessing the Inherent Risk (risk inherent in the Bank's activities) and applying risk management quality.

#### 2. Good Corporate Governance (GCG)

Good Corporate Governance (GCG) is an assessment of the quality of the Bank's management for the implementation of corporate governance principles.

#### 3. Earnings

An assessment of the profitability factor includes an evaluation of the profitability performance, the sources of profitability, sustainability, rentability and profitability management.

#### 4. Capital

Rate on Capital factors include the evaluation of the adequacy of Capital and Capital adequacy management. In assessing the adequacy of capital, the Bank also had to associate with the capital adequacy Bank's risk profile. In addition to the Minimum Capital Requirement in accordance Risk Profile, the Bank is required to establish an additional capital as a buffer (buffer) in accordance with the criteria set forth by OJK (Capital Conservation Buffer and a Countercyclical Capital Buffer Surcharge for D-SIB).

Bank Rating is reported to the regulator (OJK) every 6 months (semi-annual) in od June and December. Results of BNI 's bank health level assessment for period December 31, 2016 ranked "Healthy" meaning that:

- a. Bank conditions generally healthy, so it is considered capable of facing a significant negative effect of changes in business conditions and other external factors.
- b. Rating assessment factors (Risk Profile, GCG, Profitability and Capital) are generally good. If there are weaknesses, the weakness is insignificant.



## COMMITMENTS AND CONTINGENCIES

Bank BNI has commitments and contingencies. Overview of Bank's commitments and contingencies stated in the contract as follows.

**Commitments and Contingencies**

	2016 Rp billion	2015 Rp billion
<b>Commitments Payable</b>		
Unrealized purchases of foreign currency futures	56,936	26,819
Others	459	332
Total	57,395	27,151
<b>Liability Commitments</b>		
Unused Credit facilities to borrowers	54,548	38,265
Oustanding Irrevocable letters of credit	10,515	9,148
Unused Sales of foreign currency futures	57,065	27,528
Total	122,128	74,941
<b>Contingency Commitments</b>		
Bank guarantees received	18,697	16,406
Interest income in progress	4,476	3,852
Others	142	128
Total	23,315	20,386
<b>Contingency Liabilities</b>		
Guarantees issued:		
Performance bonds	24,933	19,649
Advance payment bonds	11,060	9,540
Standby letters of credit	6,721	5,708
Other bank guarantee	7,305	6,668
Bid bonds	4,273	4,099
Shipping guarantee	3	3
Risk sharing	-	57
Total	54,295	45,724

Commitments and contingencies that occur in the normal course of the Bank that have credit risk are as follows:

	2016 Rp billion	2015 Rp billion
<b>Bank Guarantees issued</b>		
- Related Party	18,367	13,430
- Third Party	35,928	32,294
<b>Irrevocable letters of credit</b>		
- Related Party	6,239	4,676
- Third Party	4,276	4,472
<b>Total</b>	<b>64,810</b>	<b>54,872</b>

Commitments and contingencies that have credit risk based on collectibility are as follows.

	2016 Rp billion	2015 Rp billion
Current	64,516	53,864
Special Mention	288	951
Substandard	1	51
Doubtful	-	-
Loss	5	6
<b>Total</b>	<b>64,810</b>	<b>54,872</b>



## Other Financial Information Review

Bank BNI has also compiled details related to commitments and contingencies growth as described in the following table.

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth		2014-2015	
				2015-2016 billion	%	billion	%
<b>Commitments Payable</b>							
Unused Loan Facilities	54,548	38,265	38,667	16,283	42.6	(402)	(1.0)
Outstanding Irrevocable L/C	10,515	9,148	8,784	1,3667	14.9	364	4.1
Outstanding Spot and Derivative sales	57,065	27,528	20,277	29,537	107.3	7,251	35.8
<b>Total Commitments Payable</b>	<b>122,128</b>	<b>74,941</b>	<b>67,728</b>	<b>47,187</b>	<b>63.0</b>	<b>7,213</b>	<b>10.6</b>
<b>Contingent Receivables</b>							
Bank Guarantee Received	18,697	16,406	12,245	2,291	14.0	4,161	34.0
Interest Income in Progress	4,476	3,852	2,946	624	16.2	906	30.8
Others	142	128	104	14	10.9	24	23.1
<b>Total Contingent Receivables</b>	<b>23,315</b>	<b>20,386</b>	<b>15,295</b>	<b>2,929</b>	<b>14.4</b>	<b>5,091</b>	<b>33.3</b>
<b>Contingent Liabilities</b>							
Bank Guarantee issued	54,295	45,724	35,631	8,571	18.7	10,093	28.3
<b>Total Contingent Liabilities</b>	<b>54,295</b>	<b>45,724</b>	<b>35,631</b>	<b>8,571</b>	<b>18.7</b>	<b>10,093</b>	<b>28.3</b>

Total liabilities commitments in 2016 increased by 63% compared to 2015 largely influenced by the rise in spot and derivative sales positions that were still outstanding at 107.3%. For contingent receivables, in 2016 there was an increase of 14.4% compared to 2015 which was dominated by the rise in bank guarantees received at 14%. Contingent liabilities also increased by 18.7% compared to 2015 influenced by the increase in bank guarantees given. The increase in contingent commitments is in line with loan growth, as debtors further optimize the diverse and competitive features of BNI's products and services.

## GUARANTEED BANK ASSETS

In 2016, no Bank assets were guaranteed.

## DERIVATIVES AND HEDGING FACILITIES

BNI entered into derivative transactions in the interest of the Bank or the interests of the Customer. As of December 31, 2016, BNI Cross Currency Swap (CCS) USD-IDR transactions with a conduct total asset value of USD187.9 million included USD94.0 million between banks and USD94.0 million with a client corporation.

In addition to CCS transactions, BNI also conducted Interest Rate Swaps (IRS) with a total asset value as of December 31, 2016 of USD240.0 million consisting of USD120.0 million between banks and USD120.0 million with a client corporation.

BNI conducted transactions for derivative financial instruments, such as foreign currency forward contracts, foreign currency swaps, interest rate swaps, and spot transactions to manage the exposure to market risks such as currency risk and interest rate risk.

Derivative financial instruments are recognized in the consolidated statement of financial position at fair value. Any increase in fair value of derivative contracts are recorded as assets when fair value is positive and as liabilities when fair value is negative.

Bills and derivative liabilities are classified as financial assets and liabilities measured at fair value through profit or loss.

Gains or losses resulting from changes in fair value are recognized in the consolidated income statement.

The fair value of derivative instruments is determined based on discounted cash flows and pricing models or prices provided by a broker (quoted price) on other instruments with similar characteristics.

Foreign currency forward contracts, foreign currency swaps and cross currency swaps and interest rate swaps are conducted for the purpose of funding and trade.

More over, BNI conducts transactions for derivative financial instruments such as foreign currency forward contracts, foreign currency swaps, interest rate swaps over and spot transactions for the financing, trading and hedging.

#### Claims and Liability Derivatives By Type and Currency

Instrument	Notional amount foreign currency (full amount)	Fair Value	
		Receivable derivative Rp billion	Payable derivative Rp billion
<b>Exchange Related</b>			
Forward - buy			
USD	134,933,000	31,595	(4,167)
Futures contracts - sell			
JPY	169,411,600	717	(544)
USD	72,923,045	2,804	(1,753)
Foreign currency swaps - buy			
EUR	25,089,206	-	(13,284)
USD	1,169,798,000	35,807	(15,102)
Foreign currency swaps - sell			
AUD	1,500,000	-	(1)
CNY	86,929,579	1,538	
EUR	25,000,000	4,149	
GBP	500,000	142	
USD	1,548,264,901	33,393	(297,957)
SGD	826,565	-	(13)
HKD	69,758,088	-	(55)
Spot foreign currency - Buy			



## Other Financial Information Review

2016			
Instrument	Notional amount foreign currency (full amount)	Fair Value	
		Receivable derivative Rp billion	Payable derivative Rp billion
EUR	2,000,000	211	
USD	92,815,000	1,316	(218)
Spot foreign currency - sell			
EUR	2,000,000	59	
USD	81,650,000	177	(559)
Related to Exchange Rate and Interest Rates			
Foreign currency swap and interest rate			
USD	187,930,905	89,165	(77,217)
Swaps on interest rates			
USD	740,000,000	48,791	-
<b>Total</b>		<b>249,864</b>	<b>(410,870)</b>
2015			
Instrument	Notional amount foreign currency (full amount)	Fair Value	
		Receivable derivative Rp billion	Payable derivative Rp billion
Exchange Related			
Future Contract - sell			
JPY	120,318,000	-	(200)
USD	15,239,874	189	(4,987)
Futures contracts - buy			
USD	121,994,892	15,319	(1,636)
Foreign currency swaps - buy			
CNY	109,363,588	2,085	-
HKD	11,624,748	21	(35)
JPY	4,213,017,080	-	(280)
USD	576,175,874	17,103	(144,717)
Foreign currency swaps - sell			
AUD	2,500,000	-	(374)
USD	839,818,772	196,720	(20,681)
Spot foreign currency - Buy			
EUR	2,100,000	-	(41)
USD	56,793,472	149	(580)
Spot foreign currency - sell			
EUR	2,100,000	43	-
USD	46,796,896	361	(93)
Related to Exchange Rate and Interest Rates			
Foreign currency swap and interest rate			
USD	338,815,726	208,711	(987,933)
<b>Total</b>		<b>440,701</b>	<b>(1,161,557)</b>

## Receivable and Derivatives Liability by Relationships

Description	2016	2015
<b>Derivative Receivable</b>		
Related Party		
- Foreign currency	48,105	118,902
Total Related Party	48,105	118,902
Third Party		
- Foreign currency	201,759	321,799
Total Third Party	201,759	321,799
<b>Total</b>	<b>249,864</b>	<b>440,701</b>
Derivative liability		
Related Party		
- Foreign currency	10,979	2,745
Total related party	10,979	2,745
Third Party		
- Foreign currency	399,891	1,158,812
Total Third Party	399,891	1,158,812
<b>Total</b>	<b>410,870</b>	<b>1,161,557</b>

Based on the results of research and evaluation by the Bank's management, all derivatives receivable on December 31, 2016 and 2015 were classified as current.

### IMPACT OF INTEREST RATE CHANGES ON THE PERFORMANCE OF BANK

Throughout 2016, Bank Indonesia cut interest rates by an average reduction of 100-125 basis points, or about 1.00 to 1.25% when compared to 2015. Bank Indonesia's policy has resulted in interest income growth not in line with interest expense growth, where the growing interest expense in 2016 amounted to 21.5% compared to interest income which grew only by 18.6%.

The higher growth in interest expenses caused net interest margin (NIM) to drop in 2016 to 6.2% from 6.4% in 2015. Although BNI NIM declined in 2016, BNI still maintained its overall financial performance improvement, as reflected in other financial ratios that grow positively.

### FEE BASED INCOME GROWTH ACCELERATION

BNI's fee-based income in 2016 reached Rp8.59 billion, an increase of 23.1% from Rp6.98 billion in 2015. This increase was dominated by four (4) banking activities including Trade Finance, Account Manager, Bancassurance, and Debit Card Maintenance. Fee-based income from Trade Finance services grew 84.7% from Rp428 billion in 2015.



## Other Financial Information Review

Trade Finance Growth was 84.7% from Rp428 billion in 2015 to Rp791 billion in 2016.

Account Maintenance Growth was 21.7% from Rp1.18 billion in 2015 to Rp1.43 billion in 2016.

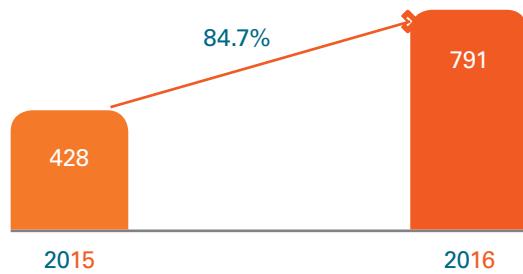
Bancassurance services also increased by 28.6% from Rp317 billion in 2015 to Rp.408 billion in 2016.

In line with the increase in these three services, Debit Card Maintenance services also experienced Growth of 18.2% from Rp183 billion in 2015 to Rp216 billion in 2016.

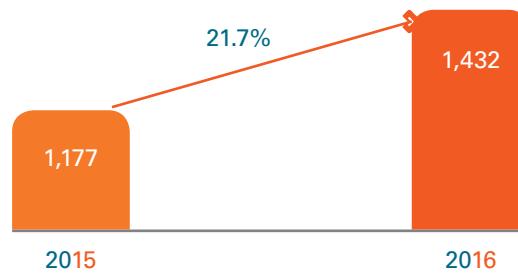
Details of the growth of fee-based income are outlined in tables and graphs as follows.

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth 2015–2016 (%)	Growth 2014–2015 (%)
<i>Recurring Fee</i>	7.986	6.491	5.884	23,0	10,3
<i>Non Recurring Fee</i>	599	483	639	24,0	(24,4)
<b>Total</b>	<b>8.585</b>	<b>6.975</b>	<b>6.523</b>	<b>23,1</b>	<b>6,9</b>

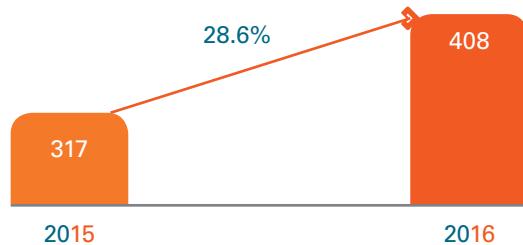
**Trade Finance ►**  
(Rp billion)



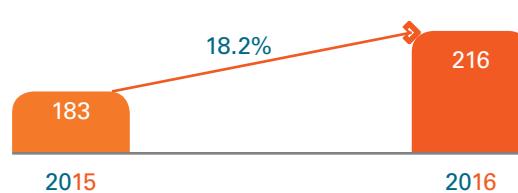
**Account Management ►**  
(Rp billion)



**Bancassurance ►**  
(Rp billion)



**Debit Card Management Fee ►**  
(Rp billion)



## CAPITAL STRUCTURE

### MANAGEMENT POLICY ON CAPITAL STRUCTURE

During 2016 there were no corporate actions related to capital additions or changes in the regulatory or accounting treatment of capital, so that the BNI capital increase was derived from profit operations. BNI strives to maintain composition or minimum capital structure and does not violate the minimum limit applied by Bank Indonesia as the banking regulation.

### CAPITAL STRUCTURE

To meet capital requirements in accordance with Basel III, BNI recorded RWA after credit risk, market risk, and operational risk of Rp435.5 trillion in 2016, a rise of 15.0% compared to December 2015. The increase in RWA is in line with the aggressive growth of BNI assets in 2016 that rose 18.6%. Given the importance of capital structure to support business expansion, BNI is committed to managing a healthy capital structure to optimally support business growth.

**Capital Adequacy Ratio (CAR) - Bank Only**

	2016 Rp billion	2015 Rp billion	2014 Rp billion
Capital components			
Core capital	79,645	64,251	47,618
Supplementary capital,	4,634	9,548	2,734
Total Core Capital and Supplementary Capital	84,278	73,799	50,352
Risk Weighted Assets (RWA) for Credit Risk	378,716	329,343	268,430
Risk Weighted Assets (RWA) for Operational Risk	54,098	47,746	41,228
Risk Weighted Assets (RWA) for Market Risk	2,540	1,476	828
Core Capital Ratio	18.3%	17.0%	15.3%
Capital Adequacy Ratio for Credit Risk and Operational Risk	19.5%	19.6%	16.3%
Capital Adequacy Ratio for Credit Risk, Operational Risk and Market Risk	19.4%	19.5%	16.2%

- Components of Capital - Bank Only

- Core Capital

Core capital is the bank capital that is made up from the main core capital and the additional core capital according to Otoritas Jasa Keuangan regulation (POJK) regarding "Minimum Capital Requirement for Commercial Banks".

BNI's core capital grew 24.0%, an increase from Rp64.3 trillion to Rp79.6 trillion in 2016. This increase was in line with the increase in earnings during 2016 which reached Rp11.3 trillion and the reclassification of specific reserve amounting to Rp5.6 trillion as well as the mandatory overseas branch reserve amounting to Rp92.0 billion. Reclassification was made after the publication of POJK 34 / POJK.03 / 2016 dated September 26, 2016

on Amendments to POJK 11 / POJK.03 / 2016 concerning "Minimum Capital Requirement for Commercial Banks".

- Supplementary capital (maximum 100% of core capital)

Supplementary capital (referring to the capital of the bank) consists of a general reserve for productive assets.

BNI's supplementary capital fell from 9.5 trillion in December 2015 to Rp4.6 trillion in December 2016, down by 51.5% as described in the preceding paragraph due to the reclassification performed on core capital.



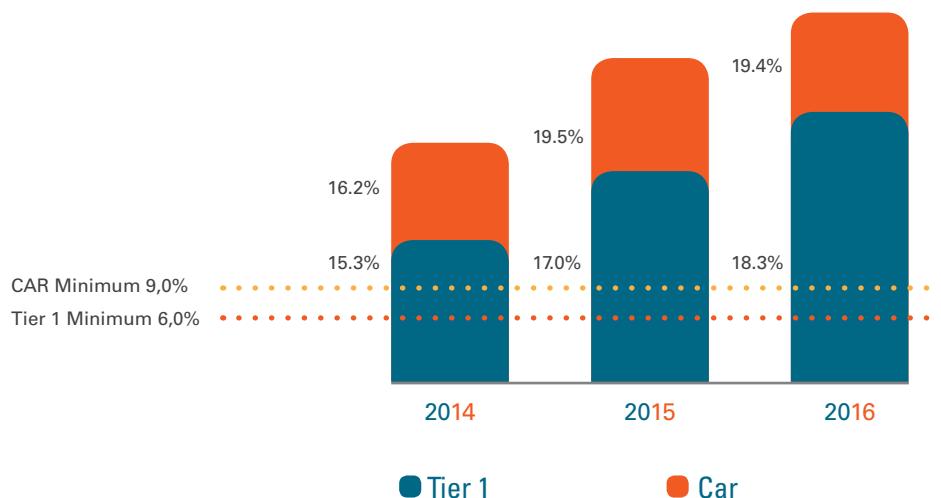
## Other Financial Information Review

- Risk Weighted Assets (RWA)  
As stipulated by Bank Indonesia through PBI No.15 / 12 / PBI / 2013 dated December 12, 2013, risk-weighted assets used in the calculation of minimum capital and the calculation of additional capital formation

consists of RWA for Credit Risk, Market Risk and Operational risk.

Further explanation of the risk profile of RWA can be found in the risk management discussion.

### Capital Structure Graph



## ABILITY TO PAY DEBT AND LOAN COLLECTIBILITY

### ABILITY TO PAY DEBT

Until 2016, BNI levels of liquidity and solvency were good, represented by BNI's ability to meet all maturing obligations in a timely manner, whether the payment of principal debt or interest expense. Here are the banking financial ratios for measuring BNI liquidity and solvency.

### Liquidity

At the end of 2016, BNI liquidity levels, measured by Loan to Deposit Ratio, increased 2.6% to 90.4% when compared to 2015, which reached 87.8%. The level of liquidity is still within the tolerance of OJK which is 85% - 92%.

### Solvency

BNI Capital Adequacy Ratio is relatively stable and unchanged in 2016 at 19.5%. This indicates that the structure of the capital owned by BNI is sufficient to meet the credit risk, risk, and operational risk as the ratio is higher than the minimum capital adequacy ratio set by Bank Indonesia.

## LOAN COLLECTIBILITY

Bank Credit collectibility looks at Non-Performing Loans (NPL). NPL in 2016 was 3.0%, a decrease of 0.3% compared to 2015, which reached 2.7%, show that Bank BNI has been actively monitoring the development of receivables quality, particularly loans disbursed. This was due to the economic still uncertain situation that had impacted the debtor's financial conditions. However, the ratio was still below the industry average, which stood at 3.2%. This suggests a fundamental improvement in the quality of loans granted as a whole.

Restructuring is carried out for borrowers who still have business prospects and are selectively carried out in according to the ability of borrowers. The amount of restructured loans at the end of 2016 reached Rp31.4 trillion, an increase of 51.8% over the previous year, with details as follows:

In addition, the amount of restructured loans at the end of 2016 reached Rp 27.3 trillion, an increase of 59.2% over the previous year with the following details.

1. Restructured Loans with extended maturity amounting to Rp 5.2 trillion, up 66.2% from the previous year.
2. Restructured Loans with extended maturity and lowered interest rates by Rp 11.4 trillion, up 79.7% from the previous year.
3. Restructured Loans with extended maturity, lowered interest rates and other restructuring method, amounting to Rp 14.7 trillion, an increase of 31.9% from the previous year.

### Restructured Loans by Category

	2016 Rp billion	2015 Rp billion	2014 Rp billion
Extension of loan maturity dates	5,285	3,180	933
Extension of loan maturity dates and reduction of interest rates	11,400	6,344	497
Extension of loan maturity dates, reduction of interest rates and other restructuring programs	14,748	11,183	4,933
<b>Total</b>	<b>31,433</b>	<b>20,707</b>	<b>6,363</b>
Allowance for impairment losses	(4,084)	(3,530)	(1,696)
<b>Net</b>	<b>27,349</b>	<b>17,177</b>	<b>4,667</b>

Restructured loans based on collectibility as of December 31, 2016 in the current class were 69.1%, special mention 21.5%, and non-performing loan (NPL) 9.4%.

Viewed from the currency side 82.2% of the restructured debt is denominated in Rupiah while the balance is denominated in USD.

Restructured loans based on designation as at December 31, 2016, were Working Capital Loans amounted to 48.1 %, Investment Loans amounted to 46.6%, and Consumer Credit amounted to 5.4%.

Judging from per segment, the restructured debt per December 31, 2016 is for the Corporation of 55.1%, 27.5% Middle, Small by 12%, and Consumer Goods by 5.4%.

The loans restructured in 2016 were dominated by the manufacturing sector with 20.9%, followed by hotel and restaurant trade reaching 17.3%, agriculture business sector 15.1%, transport, warehousing and telecommunications 12.5%, and the remainder in various business sectors evenly..



## Other Financial Information Review

### Restructured loans by Collectability

Quality	2016 Rp billion	2015 Rp billion	2014 Rp billion
Current	21,719	14,442	4,566
Special Mention	6,773	2,484	624
Substandard	858	2,093	54
Doubtful	117	49	110
Loss	1,965	1,639	1,009
<b>Total</b>	<b>31,433</b>	<b>20,707</b>	<b>6,363</b>

### Restructured loans by Sector – Bank Only

Sector	2016 Rp billion	2015 Rp billion	2014 Rp billion
Business Service	2,849	1,085	343
Social Services	325	58	28
Construction	2,097	1,153	347
Others	1,592	1,306	140
Electricity, gas and water	468	506	529
Transportation, Warehousing and Trading	3,667	2,395	893
Restaurant and Hotel	5,100	3,357	759
Manufacturing	6,175	4,708	2,512
Mining	2,719	3,894	70
Agriculture	4,437	777	476
<b>Total</b>	<b>29,429</b>	<b>19,239</b>	<b>6,098</b>

### Restructured loans by designation type – Bank Only

Designation	2016 Rp billion	2015 Rp billion	2014 Rp billion
Working capital loan	14,143	10,836	3,257
Investment loan	13,698	7,215	2,705
Consumer loan	1,588	1,188	136
<b>Total</b>	<b>29,429</b>	<b>19,239</b>	<b>6,098</b>

### Restructured loans by segment – Bank Only

Segment	2016 Rp billion	2015 Rp billion	2014 Rp billion
Consumer	1,588	1,188	136
Corporate	16,216	9,439	3,552
Small	3,528	2,639	733
Middle	8,097	5,973	1,677
<b>Total</b>	<b>29,429</b>	<b>19,239</b>	<b>6,098</b>

## RELATED PARTY TRANSACTIONS

In the normal course of business, the Bank performs transactions with related parties through ownership and / or management affiliations. All transactions with related parties are conducted under the policies and requirements that have been agreed.

BNI and Subsidiaries conduct transactions with related parties as defined in PSAK 7, "Related Party Disclosures" and Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 on "Guidelines for the Preparation of Financial Statements of Public Company" is defined as:

1. Company under the control of BNI and its Subsidiaries;
2. Associated companies;
3. Investors who have voting rights, which give the investor a significant influence;
4. Companies controlled by investors who have voting rights, which give the investor a significant influence;
5. Key employees and their family members; and
6. The entities are controlled, jointly controlled or significantly influenced by the Government, namely the Minister of Finance or the local governments who are shareholders of the entity.

## TYPE OF RELATIONSHIP

Transactions with related parties based on the type of relationship are listed in the following table.

Type of relationships	Control through The Government of The Republic of Indonesia	Control through The Government of The Republic of Indonesia
<ul style="list-style-type: none"> <li>• Adhi Karya dan Entitas Anak</li> <li>• Amarta Karya</li> <li>• Aneka Tambang dan Entitas Anak</li> <li>• Angkasa Pura I dan Entitas Anak</li> <li>• Angkasa Pura II dan Entitas Anak</li> <li>• ASABRI</li> <li>• ASDP Ferry Indonesia</li> <li>• Asuransi Jasa Indonesia</li> <li>• Asuransi Jasa Raharja dan Entitas Anak</li> <li>• Asuransi Jiwasraya</li> <li>• Asuransi Kredit Indonesia dan Entitas Anak</li> <li>• Bahana Pembinaan Usaha Indonesia dan Entitas Anak</li> <li>• Balai Pustaka</li> <li>• Bank Mandiri dan Entitas Anak</li> <li>• Bank Rakyat Indonesia</li> <li>• Bank Tabungan Negara</li> <li>• Barata Indonesia</li> <li>• Berdikari dan Entitas Anak</li> <li>• Bhanda Ghara Reksa dan Entitas Anak</li> <li>• Bina Karya</li> </ul>		<ul style="list-style-type: none"> <li>• Biofarma</li> <li>• Biro Klasifikasi Indonesia</li> <li>• Boma Bisma Indra</li> <li>• BPJS Kesehatan</li> <li>• BPJS Ketenagakerjaan</li> <li>• Brantas Abipraya</li> <li>• Bulog dan Entitas Anak</li> <li>• Dahana</li> <li>• Damri</li> <li>• Danareksa dan Entitas Anak</li> <li>• Dirgantara Indonesia dan Entitas Anak</li> <li>• Djakarta Lloyd dan Entitas Anak</li> <li>• Dok dan Perkapalan Kodja Bahari</li> <li>• Dok dan Perkapalan Surabaya</li> <li>• Garam</li> <li>• Garuda Indonesia dan Entitas Anak</li> <li>• Hotel Indonesia Natour</li> <li>• Hutama Karya dan Entitas Anak</li> <li>• IGLAS</li> <li>• Indah Karya</li> <li>• Indofarma dan Entitas Anak</li> </ul>



## Other Financial Information Review

### Control through The Government of The Republic of Indonesia

- Indonesia Asahan Aluminium
- Indra Karya
- Industri Kapal Indonesia
- Industri Kereta Api dan Entitas Anak
- Industri Sandang Nusantara
- Industri Telekomunikasi Indonesia
- Istaka Karya
- Jaminan Kredit Indonesia
- Jasa Marga dan Entitas Anak
- Jasa Tirta I
- Jasa Tirta II
- Kawasan Berikat Nusantara
- Kawasan Industri Makassar
- Kawasan Industri Medan
- Kawasan Industri Wijayakusuma
- Kementerian Keuangan
- Kereta Api Indonesia dan Entitas Anak
- Kertas Kraft Aceh
- Kertas Leces
- Kimia Farma dan Entitas Anak
- Kliring Berjangka Indonesia
- Krakatau Steel dan Entitas Anak
- Lembaga Pembiayaan Eksport Indonesia (LPEI)
- LEN Industri dan Entitas Anak
- LKBN Antara
- Merpati Nusantara Airlines
- PAL Indonesia dan Entitas Anak
- PANN dan Entitas Anak
- Pegadaian dan Entitas Anak
- Pelabuhan Indonesia I dan Entitas Anak
- Pelabuhan Indonesia II dan Entitas Anak
- Pelabuhan Indonesia III dan Entitas Anak
- Pelabuhan Indonesia IV dan Entitas Anak
- Pelayaran Nasional Indonesia dan Entitas Anak
- Pembangunan Perumahan dan Entitas Anak
- Percetakan Negara Republik Indonesia
- Percetakan Uang Republik Indonesia dan Entitas Anak

### Control through The Government of The Republic of Indonesia

- Perhutani dan Entitas Anak
  - Perikanan Indonesia
  - Perikanan Nusantara
  - Perkebunan Nusantara III dan Entitas Anak
  - Permodalan Nasional Madani dan Entitas Anak
  - Pertamina dan Entitas Anak
  - Pertani
  - Perumnas
  - Perusahaan Gas Negara dan Entitas Anak
  - Perusahaan Listrik Negara dan Entitas Anak
  - Perusahaan Pengelola Aset dan Entitas Anak
  - Perusahaan Perdagangan Indonesia
  - Pindad dan Entitas Anak
  - Pos Indonesia dan Entitas Anak
  - Primissima
  - Pupuk Indonesia Holding Company dan Entitas Anak
  - Rajawali Nusantara Indonesia dan Entitas Anak
  - Reasuransi Indonesia Utama dan Entitas Anak
  - Sang Hyang Seri
  - Sarana Karya
  - Sarana Multigriya Finansial
  - Sarinah dan Entitas Anak
  - Semen Baturaja
  - Semen Indonesia dan Entitas Anak
  - Sucofindo dan Entitas Anak
  - Surveyor Indonesia
  - Tambang Batubara Bukit Asam dan Entitas Anak
  - Taspen dan Entitas Anak
  - Telekomunikasi Indonesia dan Entitas Anak
  - Timah dan Entitas Anak
  - Varuna Tirta Prakasya
  - Virama Karya
  - Waskita Karya dan Entitas Anak
  - Wijaya Karya dan Entitas Anak
  - Yodya Karya
- CORPORATE CONTROL**
- Key Management

## TRANSACTIONS

Significant transactions with related parties are listed in the following table.

	2016 Rp million	2015 Rp million
<b>CURRENT ACCOUNTS WITH OTHER BANKS</b>		
Bank Mandiri	1,655,195	1,469,438
Bank Rakyat Indonesia	303	79
Total	1,655,498	1,469,517
<b>PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA</b>		
Bank Tabungan Negara	423,215	266,866
Bank Mandiri	213,079	337,957
Bank Rakyat Indonesia	76,732	448,255
Total	713,026	1,053,078
<b>SECURITIES</b>		
Bahana Pembinaan Usaha Indonesia	1,360,531	37,501
Danareksa	928,208	340,875
Bank Rakyat Indonesia	407,467	5,016
Bank Mandiri	331,402	17,754
Permodalan Nasional Madani	283,420	217
Pelabuhan Indonesia II	267,103	273,066
Lembaga Pembiayaan Ekspor Impor	261,187	-
Bank Tabungan Negara	213,454	175,743
Garuda Indonesia	141,872	141,796
Pertamina	96,614	136,030
Waskita Karya	91,509	2,997
Sarana Multigriya Finansial	77,548	11,731
Perusahaan Listrik Negara	47,090	126,949
Telekomunikasi Indonesia	41,955	18,410
Other	137,225	68,219
Total	4,686,585	1,356,304
<b>EXPORT BILLS AND OTHER RECEIVABLES</b>		
Adhi Karya	1,787,265	-
Waskita Karya	1,090,193	1,708,531
Brantas Abipraya	653,799	425,656
Wijaya Karya	631,480	366,854
Hutama Karya	498,574	208,593
Bank Mandiri	328,843	53,591
Nindya Karya	133,223	61,946
Other	82,221	71,048
Total	5,205,598	2,896,219



## Other Financial Information Review

	2016 Rp million	2015 Rp million
<b>ACCEPTANCES RECEIVABLES</b>		
Garuda Indonesia	1,691,031	76,111
Pembangunan Perumahan	254,450	58,509
Hutama Karya	227,160	109,267
Pindad	214,599	58,441
Krakatau Steel	182,284	25,126
Wijaya Karya	149,690	134,871
Dirgantara Indonesia	95,415	198,160
Dahana	90,318	81,703
Nindya Karya	80,625	127,278
Other	130,136	367,408
<b>Total</b>	<b>3,115,708</b>	<b>1,236,874</b>
<b>DERIVATIVES RECEIVABLES</b>		
Garuda Indonesia	33,696	104,686
Bank Mandiri	6,699	1,419
Bank Rakyat Indonesia	4,984	7
Other	2,726	12,790
<b>Total</b>	<b>48,105</b>	<b>118,902</b>
<b>LOANS</b>		
Perusahaan Listrik Negara	19,261,255	10,644,337
Pegadaian	5,378,658	4,940,006
Telekomunikasi Indonesia	4,621,145	3,808,352
Bulog	4,487,128	793
Krakatau Steel	3,607,965	2,117,992
Petrokimia Gresik	3,378,668	4,092,364
Waskita Karya	3,578,039	745,461
Jasa Marga	2,794,921	1,404,660
PANN	2,604,902	2,497,066
Perkebunan Nusantara III	2,389,116	1,078,105
Tambang Batubara Bukit Asam	2,304,160	2,513,414
Perkebunan Nusantara VII	2,126,730	2,149,862
Pertamina	2,031,054	1,486
Kereta Api Indonesia	1,897,367	2,297,209
Kementerian Keuangan	1,635,296	647,573
Garuda Indonesia	1,596,823	631,823
Pupuk Sriwijaya	1,187,151	1,084,836
Rajawali Nusindo	1,042,903	758,916
Pupuk Iskandar Muda	1,014,000	924,795

	2016 Rp million	2015 Rp million
PAL Indonesia	905,478	938,258
Perkebunan Nusantara IV	798,613	-
Pelabuhan Indonesia III	625,000	11,951
Angkasa Pura I	621,300	688,994
Semen Baturaja	599,427	-
Dirgantara Indonesia	568,357	-
Wijaya Karya	504,220	381,095
Perkebunan Nusantara V	500,000	-
Pembangunan Perumahan	494,383	204,274
Pindad	441,927	290,001
Infrastruktur Telekomunikasi Indonesia	432,087	-
Hutama Karya	430,478	239,714
Pupuk Indonesia	426,277	-
Perkebunan Nusantara XI	414,272	96,694
Rekayasa Industri	350,052	203,201
Mega Eltra	313,948	232,124
Pos Indonesia	294,858	374,301
Perusahaan Gas Negara	252,609	-
Adhi Karya	250,000	-
Industri Gula Glenmore	223,021	-
Pupuk Kujang	211,266	618,994
Dahana	169,744	171,641
IGLAS	156,567	157,582
Pelabuhan Indonesia I	155,722	48,516
Permodalan Nasional Madani	153,620	167,500
Brantas Abipraya	99,869	99,551
Perusahaan Perdagangan Indonesia	99,791	-
Sang Hyang Seri	97,500	98,403
Perumnas	94,419	99,659
LEN Industri	92,839	17,445
Angkasa Pura II	82,838	-
Perkebunan Nusantara VIII	72,547	-
Percetakan Uang Republik Indonesia	70,468	99,002
Perikanan Indonesia	52,578	-
Virama Karya	51,390	-
Other	148,836	839,412
<b>Total</b>	<b>78,193,582</b>	<b>48,417,362</b>



## Other Financial Information Review

	2016 Rp million	2015 Rp million
<b>CUSTOMER DEPOSITS</b>		
Pertamina	14,509,204	9,181,220
Perusahaan Listrik Negara	10,559,324	4,426,697
Pelabuhan Indonesia II	4,927,336	81,712
Perusahaan Gas Negara	4,166,171	2,614,511
Telekomunikasi Indonesia	3,315,077	5,739,334
Waskita Karya	3,262,602	1,899,046
BPJS Kesehatan	1,906,443	799,546
Indonesia Asahan Aluminium	1,869,301	-
Hutama Karya	1,724,177	1,157,185
Krakatau Steel	1,658,137	158,715
BPJS Ketenagakerjaan	1,461,736	3,165,008
Wijaya Karya	1,419,215	122,652
Garuda Indonesia	1,245,157	388,938
Pembangunan Perumahan	1,203,778	144,280
Petrokimia Gresik	1,200,805	959,183
Kementerian Keuangan	1,153,026	2,587,003
Asuransi Jiwasraya	1,087,055	971,708
Angkasa Pura II	1,039,429	212,848
Kereta Api Indonesia	1,014,855	772,840
Tambang Batubara Bukit Asam	955,269	1,028,122
Jasa Marga	797,606	760,686
Bulog	587,259	1,756
Pelabuhan Indonesia I	585,418	512,417
Pupuk Indonesia	582,342	300,666
Asuransi Jasa Indonesia	517,541	833,230
Barata Indonesia	500,176	366
Pelabuhan Indonesia IV	484,009	57,325
Semen Gresik	443,463	429,204
Pelabuhan Indonesia III	404,992	390,495
Adhi Karya	387,904	136,072
Pindad	352,063	192,657
Asuransi Kredit Indonesia	344,274	47,893
Aneka Tambang	341,288	874,536
Perumnas	335,095	1,027,591
PAL Indonesia	334,068	972,775
Perikanan Indonesia	311,966	-
Perkebunan Nusantara III	267,673	262,863

	2016 Rp million	2015 Rp million
Perkebunan Nusantara XI	265,582	40,390
Dirgantara Indonesia	243,878	281,799
Brantas Abipraya	233,072	224,563
Kliring Berjangka Indonesia	226,973	82,230
Infrastruktur Telekomunikasi Indonesia	214,557	-
Pos Indonesia	207,852	191,056
Angkasa Pura I	194,747	297,286
Perkebunan Nusantara IV	176,781	40,809
Jaminan Kredit Indonesia	176,705	239,009
Nindya Karya	161,398	195,442
Perkebunan Nusantara VII	157,015	215,408
Perusahaan Perdagangan Indonesia	144,360	4,563
Inhutani V	137,446	202,278
Perkebunan Nusantara XII	135,236	169
Dahana	132,052	123,906
Rekayasa Industri	131,781	235,137
Asuransi Jasa Raharja	117,968	253,927
Percetakan Uang Republik Indonesia	107,518	76,654
Permodalan Nasional Madani	101,974	1,032,033
Others	1,459,767	3,939,131
<b>Total</b>	<b>71,981,896</b>	<b>50,886,870</b>
<b>DEPOSITS FROM OTHER BANKS</b>		
Bank Tabungan Negara	318,426	164,958
Bank Mandiri	278,257	1,371
Bank Rakyat Indonesia	98,370	13,558
LPEI	669	-
<b>Total</b>	<b>695,722</b>	<b>179,887</b>
<b>DERIVATIVE LIABILITIES</b>		
Bank Rakyat Indonesia	7,219	-
Bank Mandiri	1,749	1,394
Perusahaan Listrik Negara	1,236	-
Garuda Indonesia	203	-
Krakatau Steel	36	370
Others	536	981
<b>Total</b>	<b>10,979</b>	<b>2,745</b>
<b>ACCEPTANCES LIABILITIES</b>		
Pindad	199,922	-
Garuda Indonesia	197,644	-
Pembangunan Perumahan	191,559	-



## Other Financial Information Review

	2016 Rp million	2015 Rp million
Hutama karya	131,357	-
Dahana	93,098	-
Wijaya Karya	66,172	-
Krakatau Steel	58,824	-
Adhi Karya	33,124	-
Dirgantara Indonesia	32,873	-
Nindya karya	30,507	-
LEN Industri	17,160	-
Others	41,468	491,533
Total	1,093,708	491,533
<b>TEMPORARY SYIRKAH FUNDS – MUDHARABAH CURRENT ACCOUNTS</b>		
Government of Republic Indonesia	126,634	-
Pertamina	5,913	-
Pegadaian	752	-
Asuransi Jasa Indonesia	90	-
Others	7,726	10
Total	141,115	10
<b>TEMPORARY SYIRKAH FUNDS – MUDHARABAH DEPOSITS</b>		
Government of Republic Indonesia	7,054,485	-
Pertamina	400,000	-
Manajemen kunci	10,104	4,559
Pertamina Gas	-	179,205
Pelabuhan Indonesia II	-	137,850
Asuransi Jasa Indonesia	-	2,525
Others	66,002	10,000
Total	7,530,591	334,139
<b>TEMPORARY SYIRKAH FUNDS – MUDHARABAH SAVINGS</b>		
Key Management	13,830	8,778
Jamsostek	12	-
Bumi Putera	7	-
Total	13,849	8,778
<b>MUDHARABAH SUKUK</b>		
Bank Syariah Mandiri	100,000	100,000
Danareksa	25,000	-
Penjaminan Infrastruktur Indonesia	20,000	-
Asuransi Jasa Indonesia	10,000	-
Others	10,000	51,000
Total	165,000	151,000

	2016 Rp million	2015 Rp million
<b>BANK GUARANTEES ISSUED</b>		
Hutama Karya	2,983,713	2,632,751
Waskita Karya	2,531,086	3,073,846
Nindya Karya	1,593,224	992,257
Brantas Abipraya	1,375,188	818,350
Pembangunan Perumahan	1,295,762	191,673
Pertamina	1,244,240	1,360,016
Wijaya Karya	1,164,496	329,134
Bank Mandiri	940,471	136,147
Perusahaan Listrik Negara	771,797	637,158
Rekayasa Industri	650,958	248,831
Adhi Karya	429,787	-
Dirgantara Indonesia	421,837	625,920
Kereta Api Indonesia	420,323	281,508
Lembaga Pembiayaan Eksport Impor	392,140	199,104
Telekomunikasi Indonesia	351,214	178,934
Perusahaan Gas Negara	313,319	299,745
Tambang Batubara Bukit Asam	284,177	253,057
Krakatau Steel	186,872	322,265
Krakatau Steel	168,157	10,120
LEN Industri	118,050	107,729
Pupuk Iskandar Muda	113,584	119,708
Semen Gresik	110,037	6,214
Garuda Indonesia	83,821	84,746
Rajawali Nusindo	72,440	40,578
Mega Eltra	46,930	63,628
Dahana	46,142	77,893
Kertas Kraft Aceh	43,686	1,254
Asuransi Jasa Indonesia	40,210	9,578
Others	173,308	327,754
Total	18,366,969	13,429,898
<b>LETTERS OF CREDIT</b>		
Telekomunikasi Indonesia	1,734,578	1,102,890
Bulog	1,055,573	292,132
Krakatau Steel	701,044	529,470
Pertamina	529,459	212,769
Pembangunan Perumahan	471,550	148,833
Semen Baturaja	359,083	469,384
Kereta Api Indonesia	341,618	429,276



## Other Financial Information Review

	2016 Rp million	2015 Rp million
Pindad	164,703	221,994
Dirgantara Indonesia	134,541	279,423
Nindya Karya	126,792	198,531
Perkebunan Nusantara V	87,717	-
Hutama Karya	86,437	57,233
Petrokimia Gresik	67,206	104,640
Pupuk Kujang	42,981	57,065
Garuda Indonesia	41,669	43,460
Semen Gresik	40,188	107,566
Others	253,418	421,265
Total	6,238,557	4,675,931
<b>SALARIES AND BENEFITS</b>		
Salaries, benefits and long-term benefits for the Board of Commissioners, Board of Directors, Audit Committee, Executive Vice President and Senior Vice President	122,791	104,685
Tantiem, bonus for the Board of Commissioners, Board of Directors, Executive Vice President and Senior Vice President	138,013	167,060

However, transactions balances with related parties as at December 31, 2016 and 2015 were as follows.

### Transactions with Related Parties

	2016 Rp million	2015 Rp million
<b>ASSETS</b>		
Current Accounts with other banks	1,655,498	1,469,517
Placements with other banks	713,026	1,053,078
Securities	4,686,585	1,356,304
Export Bills and other Receivables	5,205,598	2,896,219
Acceptances Receivables	3,115,708	1,236,874
Derivatives Receivables	48,105	118,902
Loans	78,193,582	48,417,362
Total assets with related parties	93,618,102	56,548,256
Total consolidated assets	603,031,880	508,595,288
Percentage of total assets with related parties to total consolidated assets	15.5%	11.1%
<b>LIABILITIES</b>		
Customer Savings	71,981,896	50,886,870
Deposits from other bankc	695,722	179,887
Derivatives liabilities	10,979	2,745
Acceptances Liabilities	1,093,708	491,533
Total liabilities with related parties	73,782,305	51,561,035
Total consolidated liabilities	492,701,125	412,727,677

	2016 Rp million	2015 Rp million
Percentage of total liabilities with related parties to total consolidated assets	15.0%	12.5%
<b>TEMPORARY SYIRKAH FUNDS</b>		
Mudharabah savings	7,685,555	342,927
Mudharabah Sukuk	165,000	151,000
Total temporary Syirkah funds with related parties	7,850,555	493,927
Total temporary Syirkah funds	21,076,755	17,429,389
Percentage of Temporary Syirkah Funds with related parties to total consolidated Temporary Syirkah Funds	3.8%	2.8%

## MATERIAL TRANSACTIONS INFORMATION WITH CONTAIN CONFLICT OF INTEREST

During 2016, there were no BNI material transactions with conflict of interest.

## PROHIBITIONS, LIMITATIONS, AND / OR SIGNIFICANT BARRIERS TO TRANSFER FUNDS BETWEEN THE BANK AND OTHER ENTITIES IN THE BUSINESS GROUP

In 2016 the total provision of funds to related parties amounted to Rp4.90 trillion. Provision of funds to related parties are still in line with the maximum threshold credit line with regards to Bank Indonesia Regulation (PBI) No. 8/13 / PBI / 2006 on Legal Lending Limit for Commercial Bank amounting to a maximum of 10% of Capital Bank.

In 2016, the three highest provision of funds to related parties were BNI Asset Management for Rp2.3 trillion in the form of securities, BNI Syariah for Rp1.5 trillion in shares and bank guarantees, and BNI Multifinance Rp522 billion for shares, loans, and corporate card.

### Total Provision of Bank Funds To Related Parties Up To December 2016

	Rp billion
Total exposures to related parties	4,881
Capital	84,278
BMPK (10% of Capital)	8,428
Over (Under) to BMPK	(3,547)

### Provision of Funds Bank To Related Parties Up To December 2016

No	Related Parties	Funds Provision Type	Funds Provision Rp billion
1	BNI Aset Management	Securities	2,311
2	BNI Syariah	Participations, Bank Guarantees	1,513
3	BNI Multifinance	Participations, Loans, Corporate Card	522
4	BNI Life Insurance	Participations, Corporate Card, Bank Guarantees	403
5	BNI Securities	Participations, Loans, Corporate Card, Bank Guarantees, Intraday	105



## Other Financial Information Review

No	Related Parties	Funds Provision Type	Funds Provision Rp billion
6	BNI Remittance	Participations	10
7	Individual	Consumer Loans and Credit Card	17
<b>TOTAL FUNDS PROVISION TO RELATED PARTIES</b>			<b>4,881</b>
<b>CAPITAL</b>			<b>84,278</b>
<b>SPACE / OVER (UNDER)</b>			<b>(3,547)</b>

## CONTRIBUTION TO THE STATE

BNI's contribution to the State includes fulfilling corporate obligations as taxpayer and as tax collector. As taxpayer, the largest contribution made by the Company is to fulfill Institutional Tax obligations. Meanwhile, as tax collector, BNI plays an active role in "remitting taxes collected on taxable items and

transactions." BNI has never been late in paying tax obligations i.e. corporate tax, employee income tax, VAT and Land and Building Tax. Furthermore, BNI delivers annual and monthly taxation documents as mandatory documents to regulators in a timely manner. Corporate tax in 2016 amounted to Rp28 trillion, a decrease of 25.3% compared to Rp 3.7 trillion in 2015.

### Contribution to the State Excluding Dividend

	2016 Rp billion	2015 Rp billion	2014 Rp billion	Growth 2015-2016 (%)	Growth 2014-2015 (%)
- PPN	366	490	535	25.3	(8.4)
- PPh	2,316	2,205	2,210	5.0	897.7
- PPh Badan	2,791	3,736	2,559	(25.3)	46.0
- Other Tax	2	77	2	(97.4)	3,750.0
<b>Total</b>	<b>5,475</b>	<b>6,508</b>	<b>5306</b>	<b>(15.9)</b>	<b>22.7</b>

## PROPERTY FOR INVESTMENT

As of the end of 2016, BNI has no property assets for investment.

## MATERIAL COMMITMENTS FOR CAPITAL GOODS INVESTMENT

### COMMITMENT PURPOSE

BNI material commitments are for capital expenditure outlined in the Bank Business Plan (RBB).

### SOURCE OF FUNDS

Funds used for capital expenditure comes from BNI capital that has been budgeted for in the current year. A large part of material commitments for capital expenditure are transacted in Rupiah.

### CURRENCY

All transactions conducted for material capital expenditures are denominated in rupiah.

### CURRENCY RISK PROTECTION

Because all binding transactions and capital expenditures were denominated in Rupiah, BNI does not need to protect against currency risk.

## VALUE OF COMMITMENTS

BNI has capital goods commitments related to the construction of office buildings and procurement of computer equipment and ATMs in the amount of Rp1.2 trillion. In relation with capital expenditure, BNI has several material ties, mostly in Rupiah so there is the risk of currency fluctuations. Material commitments undertaken include:

1. Building construction projects
  - a. Continuing Pejompongan Building construction project in 2016: Rp284 billion
  - b. Continuing BSD Building construction Project in 2016: Rp259 billion
  - c. Purchase of land for KCU Melawai (Jakarta Senayan Region): Rp93 billion
  - d. Purchase of land for KLN Sunter (Jakarta Regional Region): 15 billion
2. IT and e-banking infrastructure development
  - a. ATM 2017: Rp348 billion
  - b. Base EMV 24: Rp10 billion
  - c. IBM License: Rp64 billion
  - d. E-lo Mobile Infrastructure: Rp 8.1 billion
  - e. Electronic Data Capture (EDC): Rp 136.5 billion
  - f. Microsoft Enterprise Agreement license Rp 53 billion
  - g. ATM CCTV: 7 billion
  - h. Purchase and Rejuvenate BNI mobile service (BLG): Rp 8 billion

## SOURCE OF FUNDING

Sources of funding for capital expenditure will be derived from the remaining investment budget from last year, total amortization expenses last year and distribution of net profit from the previous financial year.

## CAPITAL GOODS INVESTMENT

### TYPE OF INVESTMENT

Capital goods Investment in 2016 amounted to 1.8 trillion, largely comprised of Rp848 billion for automation equipment, then the purchase of Building and Building for Rp713 billion.

### OBJECTIVE OF CAPITAL GOODS INVESTMENT

The purpose capital goods investments is to support operational activities as well as the smooth company operations.

### INVESTMENT VALUE

BNI's capital expenditure in 2016 decreased compared to last year's Rp783 billion. This was due to the purchase of BNI Head Office last year for Rp1.5 trillion. The increase in the investments in 2016 of Rp203 billion was dominated by capital goods such as automation for the network and technology expansion, and the replacement of ATM machines.

Details related to the of capital investments value are outlined in the table below.

Investment Value of Capital Goods

Capital Goods Type	2016 Rp billion	2015 Rp billion	2014 Rp billion
Building / Structure	713	524	274
Land	122	1,382	-
Automation Equipment	848	645	803
Non-Automation Equipment	195	114	120
Vehicles	8	4	6
<b>Total</b>	<b>1,886</b>	<b>2,669</b>	<b>1,203</b>



## Other Financial Information Review

### COMPARISON OF TARGET AND REALIZATION

#### ACCESSION OF THE 2016 TARGETS

The domestic political turmoil and global economic slowdown impacted indirectly BNI's growth, BNI already predicted this situation last year and undertook preventive measures to stem the tide of the oncoming competition. In December 2016 BNI's profit was grow 25.1% when compared to last year, from Rp9.1 trillion in 2015 to Rp11.3 trillion in 2016.

BNI assets grew by 18.6%, from Rp508.6 trillion in 2015 to Rp603.0 trillion in 2016, asset growth was bolstered by loan growth of 20.6% to Rp.393.3 trillion this year, followed by Third Party Fund growth by 17.6% to Rp435.5 trillion, with LDR maintained at 90.4%. As a form of risk mitigation, BNI increases its coverage ratio from 140.4% in 2015 to 146.0% in 2016.

Strategic Policy	Target 2016	Achievement 2016	Description
1. Strengthening business expansion in selected corporate and mid-segment market in selected sectors to maintain quality			
2. Increasing the FBI and Casa through strengthening Transactional Banking customers and their value chain	ROA: 2.5-2.7%	ROA: 2.7%	Reached
3. Strengthening consumer banking products positioning: BNI Griya, BNI Flexi, Credit Cards and Taplus	ROE: 14.0-16.0% Growth in loans: 16.0-18.0% Coverage ratio: 145.0-148.0%	ROE: 15.5% Growth in loans: 20.6% Coverage ratio: 146.0%	Reached
4. Implementing digital services to increase sales and customer interaction	Gross NPL: 2.8-3.0%	Gross NPL: 3.0%	Reached
5. Increasing cross selling products to targeted segments	LDR: 90.0-92.0%	LDR: 90.4%	Reached
6. Optimizing outlets as revenue centers including integrated financial solutions	Growth in deposits: 15.0-18.0% CIR: 43.5-45.5	Growth in deposits: 17.6% CIR: 44.0%	Reached
7. Acquisitions / divestitures of financial services firms that have a strong synergy			
8. Improving employee engagement and productivity			

In general, up to December 2016, the bank has performed satisfactorily, as seen in several key performance achievements as follows:

1. Profitability as measured by ROA and ROE reached their targets with a realization of 2.7% and 15.5%.
2. BNI loans growth reached 20.6%, and Coverage Ratio increased to 146.0%. increased by Coverage Ratio 146.0%.

3. LDR was steady at 90.4%
4. Recurring fees increased 23.0% (YoY) and third party funds increased 17.6% and filled the top two positions.
5. Improving operational efficiency with CIR increased to 44.0%.

## PROJECTIONS

In terms of business planning for 2017, the Company has developed a Business Plan (RBB) for 2017 taking into account the current economic conditions and economy projections for 2017, in both macro and micro terms. The Business Plan is described as follows.

Strategic Policy	Target 2017
1. Credit expansion focus on financing government infrastructure projects and state owned corporations including upstream and downstream	ROA: 2.5-2.8% ROE: 17.0-19.0%
2. Expanding middle segment Credit selectively focusing on prospective industries	Loan growth: 15.0-17.0%
3. Expanding small loans in the economic and production priority sectors	Coverage Ratio: 147.0-149.0%
4. Expanding consumer business with a focus on optimizing existing BNI customers, selected developers, selected partners and high transaction merchants	Gross NPL: 2.8-3.0% LDR: 90.0-92.0%
5. Increasing deposits primarily CASA through the closed-loop transaction and e-channel transaction	Growth in deposits: 19.0-21.0%
6. Developing digital banking to enhance the customer experience, transactions and sales	CIR: 43.0-44.0%
7. Increasing employee engagement and productivity	Service Level: Top 3

## REALIZATION OF FUNDS FROM PUBLIC OFFERING

On November 25, 2010, in the Extraordinary General Meeting of Shareholders (EGMS), the Shareholders decided inter alia to approve a BNI subscribed and paid capital increase through a Limited Public Offering III (LPO III) with the issuance of 3,374,715,948 new Series C shares with a nominal value of Rp375 (full amount) per share. The pre-emptive rights can be traded within and outside the Indonesian

Stock Exchange (BEI) starting on December 10, 2010 until December 16, 2010, subject to the provisions applicable in the capital markets. Through the Rights Issue, BNI obtained additional paid-in capital amounting to Rp1,265,519 million and additional share premium, net deductible share issuance costs, amounting to Rp8,950,869 million.

Utilization of Proceeds from Public Offering III	
Net Value Public Offering Realization (after deducting expenses)	Rp10,216,387,083,313,-
UTILIZATION OF PROCEEDS	
About 80% will be used for Corporate, Medium Business, Small Business, and consumer lending	Per December 31, 2014 Rp 173,110,530,423,-
About 15% will be used for infrastructure development in information technology, outlets, ATMs and others	Per December 31, 2014 Rp1,532,458,224,454,-
About 5% will be used for the development of BNI Life, BNI Syariah, BNI Securities and BNI Multifinance subsidiaries	Per December 31, 2014 Rp510,819,408,152,-
Balance of Use of Funds results	None



## Other Financial Information Review

### DIVIDEND POLICY

The Dividend policy is determined by agreement at the Annual General Meeting of Shareholders (AGMS). In 2016, the bank made cash dividend payments amounting to Rp2,266,645,318,109.00 or 25.0% of net profit in 2015 financial year.

Book Year	Total Dividend Distributed	Dividend per share	Pay out Ratio	Date Announcement	Dividend Payment Date
2013	Rp2,716.3	Rp145,7	30% of 2013 net income	April 3, 2014	May 19, 2014
2014	Rp2,695.7	Rp144,6	25% of 2014 net income	March 19, 2016	April 17, 2016
2015	Rp2,266.6	Rp122,5	25% of 2015 net income	March 14, 2016	April 13, 2016

### MANAGEMENT AND/OR EMPLOYEE SHARE OWNERSHIP PROGRAM

Referring to the Otoritas Jasa Keuangan (OJK) Regulation No. 02 / POJK.04 / 2013 dated August 23, 2013 on Buyback of Shares Issued by the Issuer or Public Company in Significant Fluctuating Market Conditions and Circular No. 22 / SEOJK.04 / 2016 dated August 21, 2016 on Market Conditions which Fluctuate Significantly in Implementing Repurchase of Shares Issued By Issuer or Public Company, then BNI implemented a repurchase of the Company's issued and listed shares on the Indonesia Stock Exchange (Buy Back). BNI appointed PT BNI Securities as the institution conducting the repurchase of the Company's shares to purchase shares in less than three months, starting from November 2, 2016 to December 28, 2016.

The number of shares bought back was equal to 0.8% of the issued and fully paid, or 150,537,500 shares. The Company's repurchased shares amounted to Rp749,979,275,500.00 (maximum of 750 billion rupiah) and the average Buyback price amounted to Rp4,982.00 per share.

After the Company shares repurchase, the Company conducted a Disclosure of Information on October 30, 2016. Taking into account point 4 letter a number 3 of Regulation No. XI.B.2 jo. Article 9 of the OJK Regulation No. 2 / POJK.04 / 2013, the share buyback would be diverted / used for the implementation of an Employee Stock Option Plan or employee Stock Purchase Plan, and the Company conducted a Disclosure of Information on May 12, 2016 stated that they will carry out the transfer of Series C shares through the buyback Shareholding Program for the Management and Employees of the Company in the form of Bonus shares (hereinafter referred to as "Bonus Shares Program").

The Bonus Shares Program became part of the remuneration with reference to the Minister for State Owned Enterprises No. Per-04 / MBU / 2014 on Guidelines for Determination of Board of Directors, Board of Commissioners and Board of Trustees of State Owned Enterprises, in the form of long-term rewards where the shares repurchased are allocated to:

- Employees as a bonus for achievement of company performance, and
- Member of the Board of Directors, and the Board of Commissioners as part of the bonus for the fiscal year concerned.

The Bonus Shares Program supervision will be carried out by the Board of Directors and will be reported to the General Meeting of Shareholders of the Company nearest to the implementation of the program.

The bonus shares allocation to members of the Board of Directors and the Board of Commissioners was accordance with the Minister of State-Owned Enterprises Regulation No. Per-04 / MBU / 2014 on Guidelines for Determination of Board of Directors, Board of Commissioners and the Board of Trustees of State Owned Enterprises conducted after the Company obtained approval from the General Meeting of Shareholders / Minister of SOEs.

Based on the Minutes of the Annual General Meeting of the Company No. 8 dated March 10, 2016, the allocation of bonus shares to members of the Board of Directors and Board of Commissioners was carried out after obtaining the approval of the Minister of SOEs.

#### **EMPLOYEE BONUS SHARE PROGRAM**

The Bonus Share Program is a bonus program for employees in the form of Bank shares granted to employees who meet certain criteria and requirements as set out in the Implementation Guidelines Program.

The purpose of employee Bonus Share Program are:

1. To retain employees in the long term.
2. To motivate employees to provide the best performance.
3. To increase the sense of belonging to Bank employees.

Allocation of the first phase was completed in 2016 and employees entitled to be participants in the Bonus Share Program were permanent employees as at October 30, 2016 (Disclosure date).

Employees declared eligible for vesting will be notified by email, or other communication media, and will contain confirmation of the bonus shares entitlement and the vesting date. The vesting conditions are determined as follows.

1. Not being processed in cases and / or being subject to sanctions according to the applicable Bank Personnel Regulations;
2. Has not ended their employment relationship of their own accord; or
3. Has not ended their employment relationship for low performance.

#### **SIGNIFICANT CHANGES IN THE BANK AND BANK GROUP IN THE CURRENT YEAR**

There were no significant changes that occurred in the Bank and the Bank Group during 2016 that affected BNI's financial position.

#### **INVESTMENTS, DIVESTMENTS, ACQUISITION, OR DEBT AND CAPITAL RESTRUCTURING MATERIAL INFORMATION**

##### **INVESTMENTS**

In 2016, BNI did not carry out investment activities.

##### **EXPANSIONS**

In 2016, BNI did not carry out expansion activities.

##### **DIVESTMENTS**

In 2016, BNI did not carry out divestiture activities.

##### **ACQUISITIONS**

In 2016, BNI did not carry out acquisition activities.

##### **DEBT AND CAPITAL RESTRUCTURING**

In 2016, BNI did not carry out debt restructuring and capital.



## Tax Amnesty

BNI was the first national bank to spearhead the socialize Tax Amnesty in overseas on June 29, 2016 through cooperation between the Company and the Indonesian Embassy in Singapore and the Republic of Indonesia's Ministry of Finance. This cooperation was BNI's response to make the Government's program a success, acting as a gateway and manager for repatriating customers taxes, which later became a National program in December 2016.



The Tax Amnesty is a tax that is payable with no tax administration sanctions and tax criminal sanctions, by way of uncovering wealth and payment of demands as stipulated in Law No. Tax Amnesty No.11 - 2016. Since its inception in 2016, the government has reiterated the Tax Amnesty program to accelerate economic growth and restructuring through the transfer of property, encouraging tax reform towards a more equitable tax system, which in turn will increase state tax revenues to finance construction.

BNI, as a commercial bank, is designated by the Ministry to receive state revenue deposits, and under the Act Tax Amnesty, designated to receive money demanded from taxpayers, following the Tax Amnesty and the disclosure of assets (both inside and outside the country) were not fully reported in the 2016 Annual Tax Return.

BNI's role in managing the property taxpayers following the tax amnesty program is to accept repatriated funds through a special account and transfer the funds to the repatriation of investment instruments set up by the Minister of Finance. To support the Tax Amnesty, the bank prepared more than 1,800 branch offices throughout Indonesia and six branch offices overseas.

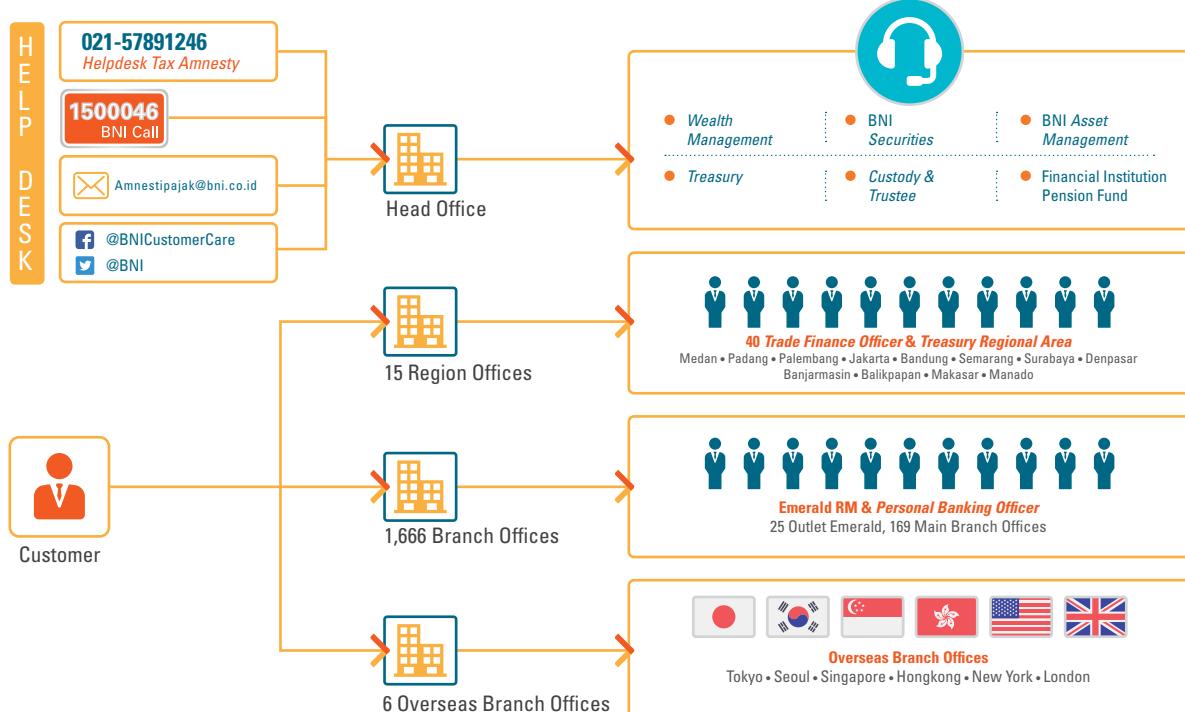
By December 31, 2016, BNI received 106,945 Tax Amnesty deposits with a total nominal value of Rp8,748 billion from taxpayers. The Repatriation Fund for transfers from overseas were deposited into a special account by the taxpayers through BNI in different currencies and totalled 257 special accounts with a total nominal value of Rp9,671 billion

Details related to the realization from the Tax Amnesty are described as follows.

#### BNI Tax Amnesty Realization as at December 31, 2016

Segment	Demand		Repatriated	
	Total Transactions (number)	Amount Rp billion	Total Transactions (number)	Amount Rp billion
Non UMKM	106,945	8,748	257	9,671
UMKM	-	-	-	-
<b>Total</b>	<b>106,945</b>	<b>8,748</b>	<b>257</b>	<b>9,671</b>

#### ► BNI's successful Tax Amnesty role





## Legal Tax Issues

BNI tax-related legal issues are described as follows.

1. Corporate IncomeTax for 2010 shows payables that cannot be collected, and BNI refers to Law No. 36/2008 Article 6 Section (1) item h and Article 3 of the Minister of Finance Regulation No. 57/PMK.03/2010 (PMK 57) regarding invoicing of uncollectible payables.

Based on the result of audit on the 2010 Corporate Tax, the Directorate General of Tax (DGT) issued a Statement of Lack of Tax Payment (SKPKB) No. 00002/206/10/093/12 on 28 November 2012, the DGP considered BNI not to have not fulfilled the criteria of uncollectible payables and therefore was required to pay Rp1.6 trillion from fresh accounts elimination and its ongoing collection attempts. Out of the amount payable, BNI paid Rp816 billion in advance on 26 February 2013.

Regarding the SKPKB, BNI conducted a legal objection, which was rejected by DGP through Decision No. KEP- 289/WPJ.19/2014. Next, over the rejection of objection, BNI proposed a request for appeal to the Tax Court on 19 May 2014, followed by a last inspection trial on 17 February 2015.

Then on March 16, 2016, the Tax Court read out and issued a court judgment on the BNI SKPKB corporate income tax in 2010 appeal to the Tax Court through letter No. Put.69238 / PP / M.IIA / 15/2016, which approved the entire lawsuit appeal BNI.

2. In 2013 the corporate tax report related to compliance requirements on submission listed issuers who qualified through Government Regulation No. 77 Year 2013 (PP 77/2013) to receive a tax rate (VAT) reduction facility of 5% for fiscal year 2013, with one of the conditions in GR 77/2013 is that the taxpayer should have at least 40% scripless. However, up to December 31, 2013, BNI only had 7,459,462,584 scripless shares reaching 39.99%, so according to PP 77/2013, BNI was not eligible for the rate reduction of 5%.

So therefore, by virtue of a tax assessment (SKPKB) number 00002/206/13/093/14 dated December 16, 2014, the Directorate General of Taxes considered BNI underpaid Rp619,751,055,740.00 because they did not meet PP 77/2013 requirements. From a number of such obligations, BNI made an advance payment of Rp619,751,055,740.00 on December 30, 2014.

Against the tax assessment, BNI undertook a legal appeal, which was rejected by the DGT through No.KEP decision-00057 / KEB / WPJ.19 / 2016. After rejection of the appeal, BNI made an appeal to the Tax Court on 03 June 2016 who conducted a hearing on December 6, 2016. As of December 31, 2016, the appeal process was still ongoing and BNI has not seen the verdict of the Tax Court.

## Other Material Information

### MATERIAL INFORMATION AFTER THE AUDITOR'S REPORTING DATE

And was no significant material information after the date of the auditor's report that influenced BNI's financial position as at December 31, 2016.

### OTHER SIGNIFICANT TRANSACTIONS OF A SIGNIFICANT AMOUNT

During 2016, there were no significant transaction of a significant amount conducted by BNI.

### ISO 9001:2015

Repair is relentless and as one of BNI's cultural work values, BNI encourages everyone to always make improvements. One such cultural work value is the quality management system ISO 9001: 2015, when preparing the Financial Report (FR). ISO 9001: 2015 ensures that the BNI CGC meets regulators, external parties, and BNI management expectations and is accurate, timely, and in accordance with regulatory provisions. Efforts have been taken by BNI to develop procedures, documentation, and employee development for those involved in preparing the CGC, as well as system and working environment improvements, to meet ISO 9001: 2015 requirements. In September 2016, the process for preparing the BNI CGC was officially recognized by ISO 9001: 2015.



#### ISO 9001:2015

Scope of Certification:  
Preparation and Verification Process  
of Bank Negara Indonesia  
Published Financial Statements

Certificate No: 16/03754



## SIGNIFICANT CHANGES IN LAWS AND REGULATIONS AFFECTING THE BANK

The changes of several laws throughout 2016 and implications for Bank BNI are described in the following table.

Regulation	Regulation Description	Affect on BNI and Subsidiaries
PBI No. 18/10/PBI/2016 about monitoring of foreign exchange flows	<ol style="list-style-type: none"> <li>1. Scope of Reporting Banks are required to submit a LLD report which generally include             <ol style="list-style-type: none"> <li>a. Bank Transaction for bank and / or customers affecting Foreign Financial Assets (AFLN), bank and / or Foreign Financial Liabilities (KFLN).</li> <li>b. Bank AFLN and / or bank KFLN Position and changes.</li> <li>c. Details of export transactions and supporting export related documents in the case of where customers export-related transactions.</li> </ol> </li> <li>2. Report Submission Deadlines Banks are required to submit LLD reports every month online no later than the 15th of the following month (Report Submission Period / MPL) with a correction period no later than the 20th of the reporting month (Correction Report Submission Period / MPKL).</li> <li>3. Administrative Sanctions             <ol style="list-style-type: none"> <li>a. Banks are late in submitting LLD reports are subject to administrative sanctions in the form of fines amounting to 1,000,000.00 (one million rupiah) for each day of delay.</li> <li>b. Banks that do not submit LLD reports are subject to administrative sanctions in the form of a fine of Rp50,000,000.00 (fifty million rupiah).</li> <li>c. Banks that do not submit LLD report properly are subject to administrative sanctions such as fines starting at Rp25,000.00 (twenty five thousand rupiah) for each line item (field) that is correct with the maximum fine for Rp50,000,000.00 (fifty million rupiah).</li> </ol> </li> </ol>	With the existence of this regulation and the rules governing specific LLD, PT. Bank Negara Indonesia must adapt and update the Company Manual (PP) in conformity with the regulation in force today as the scope of the reporting has changed significantly.

Regulation	Regulation Description	Affect on BNI and Subsidiaries
PBI No. 18/14/PBI/2016 regarding 4th change of PBI No. 15/15/PBI/2013 regarding Statutory Reserves of Commercial Banks in Rupiah and Foreign Currency for Conventional Commercial Bank	<p>1. <b>Background</b> To optimize the monetary easing policy of lower interest rates and decrease Minimum Statutory Account Primer, Bank Indonesia established a macroprudential policy through policy adjustments related to Statutory lower Loan limit to Funding Ratio (LFR) to boost credit growth.</p> <p>2. <b>Substance Completion</b></p> <ul style="list-style-type: none"> <li>a. Determination LFR lower limit target from 78% to 80%.</li> <li>b. Adjustments to GWM calculation examples related to mentions of the lower limit of LFR Target and updating the report data date.</li> <li>c. PBI is valid from August 24, 2016.</li> <li>d. In calculating LFR on 24 August 2016, the bank uses the data source and the value in the Commercial Bank Periodic Reports data period dated August 8 to 15, 2016 and the data in the Report of Securities Issued June 2016 period.</li> </ul>	PT. Bank Negara Indonesia previously calculated Loan to Funding Ratio (LFR), PT Bank Negara Indonesia will adjust the components of the LFR calculation in accordance with the regulations.
PBI No. 18/16/PBI/2016 regarding Loan To Value Ratios for Property Loans, Deposits for Loan Advances or Vehicle Financing	<p>1. <b>Background</b> To boost domestic demand to continue to promote national economic growth while maintaining macroeconomic stability, necessary adjustments to macroprudential policies to encourage the passage of bank intermediation function by taking into account the precautionary principle and consumer protection.</p> <p>2. <b>Substance Completion</b></p> <ul style="list-style-type: none"> <li>a. Adjustment ratios and tiering LTV for Property Loan (KP) and the ratio and tiering FTV for Property Financing (PP) to address for 1st, 2nd, 3rd facilities, and so on, so that the LTV ratios for KP and the FTV ratio for PP follow the following table:</li> <li>b. Adjustments to the requirements for the use of the LTV ratio for KP and FTV for PP ratio as referred to in paragraph 1 so as to be as follows: <ul style="list-style-type: none"> <li>i. The ratio of total nonperforming loans, or the ratio of total problematic financing to net financing be less than 5% (five percent); and</li> <li>ii. The ratio of problematic KP to total KP or ratio of problematic PP to total gross PP be less than 5% (five percent).</li> </ul> </li> </ul>	In connection with the regulation, PT Bank Negara Indonesia has computed Loan To Value Ratio in accordance with the previous regulation, BNI needs to make adjustments and tearing LTV calculations for real estate loans and property financing.



## Other Material Information

Regulation	Regulation Description	Affect on BNI and Subsidiaries
PBI No. 18/21/PBI/2016 regarding changes to PBI No. 9/14/PBI/2007 regarding Debtor Information System	<p><b>Substance Completion:</b></p> <ol style="list-style-type: none"> <li>1. Reporters can submit Debtor Reports and / or Debtor Report corrections online through the Reporting office concerned or the head office or other branches of the Rapporteur referred to using the office concerned Rapporteur's password.</li> <li>2. Parties may request information for Debtor Reporting, Debtors, Credit Institution Business Information or any other party.</li> <li>3. Reporting Entities shall submit relevant information on Debtor related to Provision of Funds Reporting to the Debtor Information System.</li> <li>4. Where the Rapporteur received Debtor complaints related to Debtor Information in the Debtor Information System, the Rapporteur shall follow up and resolve the complaint no later than 20 (twenty) working days after the date of receipt of the complaint. Debtor mandatory complaints reporting and follow up debtor complaints resolution reported to Bank Indonesia on a quarterly basis.</li> <li>5. The financial penalty to the Rapporteur for late submission of Debtor Report corrections is:           <ol style="list-style-type: none"> <li>a. Commercial Banks Rp 100,000.00 (one hundred thousand rupiahs) per working day of delay, the maximum amount of Rp3.600.000,00 (three million six hundred thousand rupiah) for each office Reporting;</li> <li>b. For BPR, Credit Card Provider, Banks, Non-Bank Financial Institutions and Credit Unions Rp25.000,00 (twenty five thousand rupiah) per day of delay, the maximum amount of Rp900.000,00 (nine hundred thousand rupiah ) for each office Reporting.</li> </ol> </li> </ol>	With the publication of the regulations in question, PT Bank Negara Indonesia must add the necessary additional information into BNI systems. In addition, PT Bank Negara Indonesia in parallel is also preparing corresponding Debtor Information System (SID) migration to the Financial Information Reporting System (SLIK).
POJK No. 4/POJK.03/2016 regarding for Commercial Banks Rating	<ol style="list-style-type: none"> <li>1. Banks are required to conduct their own self-assessment of the Bank at least every semester for the position as at the end of June and December.</li> <li>2. In addition to requiring the Bank to make a Soundness self assessment, Otoritas Jasa Keuangan also conducts their own assessment of the Bank soundness.</li> <li>3. Banks are rated by 4 (four) aspects / factors:           <ol style="list-style-type: none"> <li>a. Risk Profile: an assessment of the inherent risk and quality of risk management in bank operations carried out against eight types of risk</li> <li>b. Good Corporate Governance: an assessment of the bank's management on the implementation of corporate governance principles</li> <li>c. Profitability: includes assessment of the earnings performance, sources of earnings, and the sustainability of bank earnings</li> <li>d. Capitalization: includes assessment of the level of capital adequacy and capital management</li> </ol> </li> </ol>	In accordance with the POJK, BNI has to do a self assessment against the BNI health in accordance with aspects / criteria specified. Self assessment shall be submitted to OJK for the second semester (December 2016) by the end of January 2017.

Regulation	Regulation Description	Affect on BNI and Subsidiaries
POJK No. 29/POJK.04/2016 Annual Report of Issuer or Public Company	<ol style="list-style-type: none"> <li>1. To improve the quality of information disclosure by the Issuer or Public Company in the Annual Report of Public Company, there is a need to improve the regulations for Annual Report of Public Company by setting the Otoritas Jasa Keuangan about Annual Report of Public Company;</li> <li>2. Annual reports shall at least contain:             <ol style="list-style-type: none"> <li>a. Important financial data overview;</li> <li>b. Share information (if any);</li> <li>c. Board of Directors report;</li> <li>d. Board of Commissioners report;</li> <li>e. Public Company profiles;</li> <li>f. Management discussion and analysis of;</li> <li>g. Public Company governance;</li> <li>h. Public Company social and environmental responsibility of;</li> <li>i. Audited annual financial statements; and</li> <li>j. Board of Directors and Board of Commissioners affidavit on the responsibility for the Annual Report.</li> </ol> </li> <li>3. The annual report shall be presented in Indonesian and foreign languages. (2) The annual report in a foreign language as referred to in paragraph (1) at least in English. (3) The annual report that uses a foreign language as referred to in paragraph (1) shall contain the same information as the information in the annual report in the Indonesian language.</li> <li>4. The Public Company shall submit the Annual Report to Otoritas Jasa Keuangan no later than the end of the fourth month after the fiscal year ends.</li> </ol>	Given these POJK, PT Bank Negara Indonesia made some adjustments in terms of both composition and timeline for reports preparation of the Annual Report (Annual Report).
POJK No. 32/POJK.03/2016 changing POJK No 6/ POJK.03/2015 regarding Transparency and Publication of Bank Reports	<ol style="list-style-type: none"> <li>1. To create market discipline and in line with international standards development, the need to make improvements to the provisions on transparency and publication of Bank reports;</li> <li>2. Published Reports referred to in Article 2 shall consist of:             <ol style="list-style-type: none"> <li>a. Monthly Report Publications;</li> <li>b. Quarterly Report Publications;</li> <li>c. Annual Report Publications; and</li> <li>d. Other Report Publications.</li> </ol> </li> <li>3. Annual Report Publication referred to in Article 23 shall include:             <ol style="list-style-type: none"> <li>a. General information;</li> <li>b. Financial statements;</li> <li>c. Financial performance information;</li> <li>d. Disclosure of capital and risk management practices applied to the Bank, at least including a description of the types of risks, the potential losses faced by the Bank, and the mitigation of risks referred to in regulations concerning capital and risk management;</li> <li>e. Additional disclosure as set forth in financial accounting standards; and</li> <li>f. Additional information prescribed by the Otoritas Jasa Keuangan.</li> </ol> </li> </ol>	<p>With the POJK above, BNI included additional capital disclosures in the annual report in accordance with the Basel III framework and are displayed side by side on the online website of BNI.</p> <p>The capital Disclosures consist of three standard formats,namely, standard, reconciliation, disclosure and details of capital instruments. Every component of capital disclosures. This is to provide more detailed and informative information on the accounts in each capital component for banking transparency of financial reporting.</p>



## Other Material Information

Regulation	Regulation Description	Affect on BNI and Subsidiaries
POJK No. 34/POJK.03/2016 changing POJK No. 11/POJK.03/2016 regarding Minimum Capital Requirement for Commercial Banks (KPMM)	<p>1. In order to create a sound banking system, that is able to grow and compete nationally and internationally, as well as in line with the development of international standards, there is a need to make improvements to the provisions on minimum capital requirement for commercial banks;</p> <p>2. In addition to the minimum capital requirement corresponding to risk profile as referred to in Article 2, the Bank is required to establish an additional capital as a buffer according to the criteria set out in this Otoritas Jasa Keuangan regulation. (2) The additional capital as referred to in paragraph (1) can be:</p> <ul style="list-style-type: none"> <li>a. Capital Conservation Buffer;</li> <li>b. Countercyclical Buffer; and / or</li> <li>c. Capital Surcharge for Systemic Banks.</li> </ul> <p>3. The amount of additional capital as referred to in paragraph (2) shall be:</p> <ul style="list-style-type: none"> <li>a. Capital Conservation Buffer set at 2.5% (two point five percent) of risk weighted assets;</li> <li>b. Countercyclical Buffer set in the range of 0% (zero percent) to 2.5% (two point five percent) of risk weighted assets;</li> <li>c. Capital Surcharge for Systemic Banks set in the range of 1% (one percent) to 2.5% (two point five percent) of risk weighted assets.</li> </ul> <p>4. Bank classified as a Commercial Bank (CB) 3 and CB 4 Business Activities shall form a Capital Conservation Buffer as referred to in Article 3 paragraph (3) letter a.</p> <p>5. Reserves are not counted again as supplementary capital</p>	Relative to the POJK, PT Bank Negara Indonesia has adjusted additional capital. In addition, PT Bank Negara Indonesia needs to remove the components of the calculation of CAR Reserves and reviewing the Capital Adequacy Ratio (CAR) due to the change.

## CHANGES IN ACCOUNTING POLICIES

### **PSAK Syariah 110 –Sukuk Accounting**

On January 1, 2016, the Group adopted the statement of financial accounting standards new and revised ("PSAK") and interpretations of financial accounting standards ("ISAK") effective from that date. Changes in the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards and interpretations.

The implementation of standards and new interpretations or revisions, which are relevant to the Group's operations and have an impact on the consolidated financial statements, are as follows:

In accordance with changes in the Sharia PSAK 110 - Accounting for Sukuk has additional categories of "Measured at Fair Value through Other Comprehensive Income" in the accounting classification for Sukuk investment with the following conditions:

- The difference between the acquisition cost and the nominal value of the Sukuk amortized on a straight-line basis over the term of the Sukuk
- The difference between the fair value and the carrying value of the investment Sukuk is recognized as Other Comprehensive Income

The application of the following new standards and interpretations, did not cause substantial changes to the Group's accounting policies and no significant impact on the amounts reported in the current period or prior periods:

- Amendments to PSAK 1 Financial Statements Presentation for Disclosure Initiative
- Amendments to PSAK 4: Separate Financial Statements got Equity Method in Separate Financial Statements
- Amendments to PSAK 65: Consolidated Financial Statements for Investment Entities: Consolidation Exception Application
- Amendments to PSAK 66: Setting Shared Accounting Acquisition for Interest in Joint Operation
- ISAK 30: Levies

## BUSINESS CONTINUITY

### MATTERS POTENTIALLY HAVING SIGNIFICANT INFLUENCE ON GOING CONCERN

In order to implement operational risk management, BNI refers to the Bank Indonesia / Otoritas Jasa Keuangan provisions and International Best Practices. Operational risk management includes identification, measurement, monitoring and controlling operational risk.

### MANAGEMENT ASSESSMENT TO MANAGE SIGNIFICANT POTENTIAL INFLUENCE ON THE GOING CONCERN AND ASSUMPTIONS USED

One device used for managing operational risk in BNI is PERISKOP (Operational Risk Tool). PERISKOP consists of three (3) main modules, namely:

- Self Assessment Module, a method used to detect the possibility of operational risk in a unit. This method consists of a series of self assessments undertaken by each unit risk owner independently to identify, assess, control and monitor operational risks that occur in the unit. Self-assessments must be completed by all units every three months, by measuring the frequency and impact of each risk in their units and to find the cause for such risks to arise.
- Loss Event Database, is a tool used to record every operational risk event that raises financial implications and includes actual loss and near misses directly. Each time the unit risk owner suffers operational risk losses, then the unit must input it into the Loss Event Database module. From this module will be known the type of risks that occur, the cause of the incident, the location (business line) where the risk and magnitude (amount) and risk of loss or legal liability occurs and return loss (recovery). These tools are very important to monitor the operational risk profile regularly. Data obtained from the Loss Event Database (LED) is key data input when the Bank applies the Advanced Measurement Approach (AMA) in the measurement of minimum capital adequacy operational risk.



## Other Material Information

Key Risk Indicator, a series of parameters that are set to identify potential primary / dominant operational risk losses, which could potentially interfere with the achievement of business unit Key Performance Indicator (KPI), before the operational risk event occurs. The tool gives a warning / alert if the value is outside the range / pre-specified threshold (early warning signal) that requires unit management follow-up to overcome these problems.

Besides PERISKOP, BNI has an Operating Risk Expenses (BRO) account and Recovery BRO, which are used to record recovery losses caused by operational risk. Entries in the BRO account will impact the performance assessment and be reflected in the Performance Measurement System (PMS) of the unit concerned. Every month monitoring of BRO accounts and BRO Recovery is conducted. This is to mitigate operational risk.

Associated with business continuity is the event of disaster conditions, and BNI has a Business Continuity Management (BCM) policy that is a formal mechanism with a combination of strategies, policies, procedures, and organization, developed to ensure operational continuity of critical business functions at certain service levels in the event of disruption or disaster. This policy covers all business units in BNI, both domestically and abroad.

BNI have the necessary infrastructure in place for BCM including, a Disaster Recovery Center (DRC), Dual Data Center (DDC), Alternative BCM Building and Command Center. BNI regularly tests the systems and applications in the critical divisions / units every 3 (three) months, undertakes site visits and simulations in branches and regions to ensure disaster preparedness.

## Subsidiaries' Performance

At the beginning of 2016, the ASEAN Economic Community (AEC) came into force in the form of free trade agreements in Southeast Asia. MEA is an ASEAN economic integration for free trade between ASEAN countries designed to realize the ASEAN Insight 2020. To compete competitively in MEA is a challenge and the bank continues to develop its business scope. As one of the major banks in Indonesia, BNI's role in the financial industry occupies a strategic position. The bank has created a BNI Financial Services Group to increase the synergy between BNI and its subsidiaries to provide financial services as a whole under one umbrella to customers. BNI established subsidiary companies to provide "one-stop" financial services, with the BNI Financial Center that includes banking products and services, insurance, financing, capital markets and remittances. Strategic alliances and synergies between the subsidiaries and the BNI parent company is been built to improve service, so as to contribute optimally to all BNI stakeholders.

In accordance with the applicable regulations in the banking industry, BNI manages its subsidiaries through equity investment in subsidiaries engaged in the financial sector. At the end of 2016, BNI has shareholding in 10 subsidiaries. Majority ownership in some of the subsidiaries is intended to establish a strategic alliance to deliver added value to BNI customers. While a minority stake is held for the purpose of complying with the policies / regulations of OJK and BI, as well as to establish business cooperation with BNI partners.

Subsidiaries where BNI is a majority shareholder are: PT Bank BNI Syariah (99.90%), PT BNI Life Insurance (60.00%), PT BNI Securities (75.00%), PT BNI Multifinance (99, 99%) and BNI Remittance Ltd (100%). While minority shareholdings are held in PT Sarana Bersama Pengembangan Indonesia (8.00%), PT Pemeringkat Efek Indonesia (1.43%), PT Kustodian Sentral Efek Indonesia (1.00%), PT Bank Mizuho Indonesia (1%) and PT Sumitomo Mitsui Indonesia (0.52%).

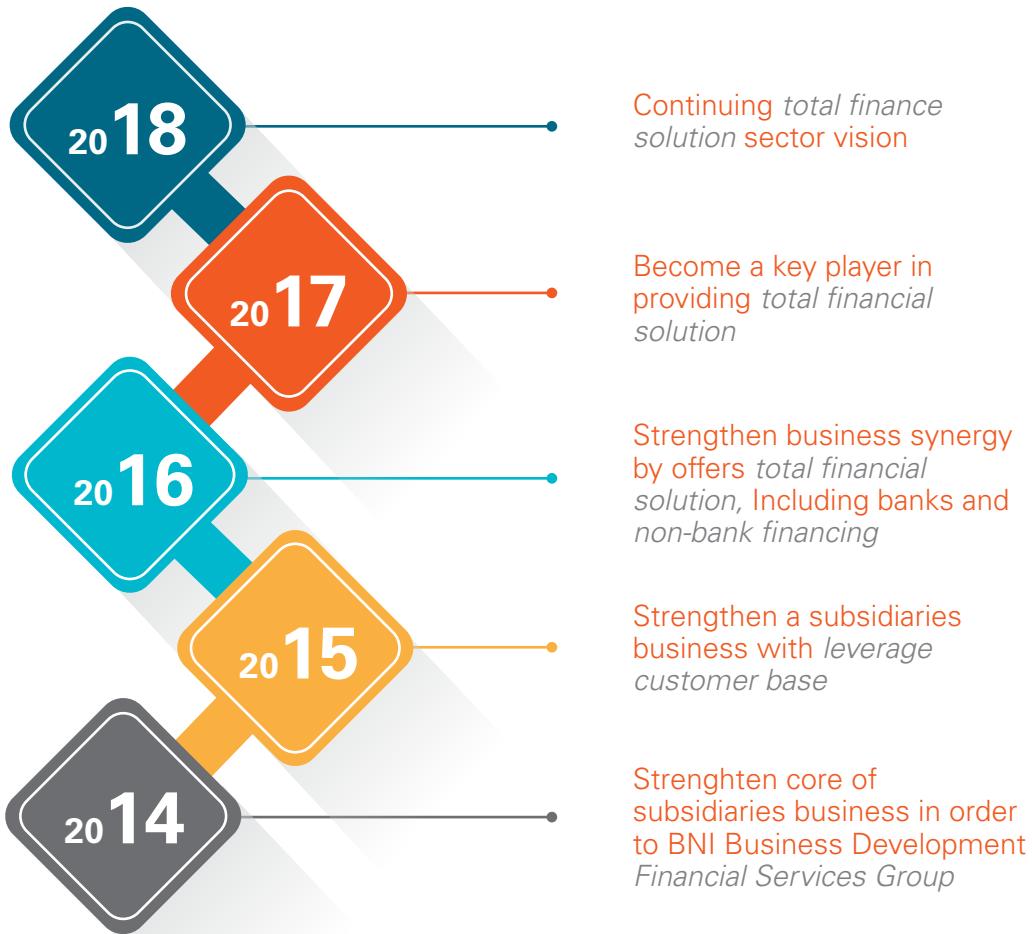
BNI and its subsidiaries continue to grow with aligned business strategies and improved business synergy to provide comprehensive financial services that will ultimately support the achievement of BNI Group business target. For business subsidiary development, one BNI strategy is to strengthen the company's capital, in accordance with the business development potential the ability. For 2016, the bank made additional equity investment in PT BNI Multifinance amounting to Rp203 billion, to support potential business development financing. By 2016, all bank subsidiaries posted a profit, with agrowth of 12.75% compared with 2015, from Rp415.18 billion to Rp468,10 billion and accounted for 4.34% of BNI total profit.



## Total Profit Growth of Subsidiaries



Synergies in BNI Financial Services Group will be created if each subsidiary is well managed and there is cooperation between BNI with its subsidiaries or between the subsidiaries themselves. The success of the each subsidiary performance is reflected in improved financial performance, business growth, customer satisfaction, and its position compared to peers group of companies in the same industry. Thus, the contribution of each subsidiary will continue to increase significantly and meet customers' needs for better overall transaction needs, protection, financing and financial management at each stage of its life cycle. Solid BNI Financial Group synergy is needed for each component to grow and develop together. A BNI Financial Services Group Roadmap is included in the 2014-2018 Corporate Plan, as follows:



## PT BANK BNI SYARIAH (BNI SYARIAH)

### A BRIEF HISTORY

BNI Syariah was established by Deed of Establishment No. 160 dated March 22, 2010, which has been amended several times, most recently by Deed No. 4 dated September 9, 2015. Payment of capital as stated in the deed done by the founder resulting from a spin-off, effective June 19, 2010.

BNI Syariah was established by Deed of Establishment No. 160 dated March 22, 2010, which has been amended several times, most recently by Deed No. 4 dated September 9, 2015. Payment of capital as stated in the deed done by the founder resulting from a spin-off, effective June 19, 2010.



## Subsidiaries' Performance

BNI Syariah is an Islamic commercial bank, the result of a separation of PT Bank Negara Indonesia (Persero) Tbk Sharia Business Unit of ("UUS BNI") from PT Bank Negara Indonesia (Persero) Tbk ("Bank BNI"). The process of establishment was approved by the Bank BNI Extraordinary General Meeting of Shareholders on October 5, 2009. The separation was conducted with reference to Bank Indonesia Regulation No. 11/10 / PBI / 2009 regarding Sharia. The establishment was conducted, with the permission of Bank Indonesia, in two stages, namely the principle consent permits and business licenses. On February 8, 2010, the Bank received Bank Indonesia permission to implement the separation of UUS BNI through letter No. 12/2 / DpG / DPbS. Separation of UUS BNI conducted by Separation Deed No. 159 dated March 22, 2010.

On May 21, 2010, the Bank obtained a business license from Bank Indonesia through Bank Indonesia Governor Decree No. 12/41 / KEP.GBI / 2010. Further separation occurred effective June 19, 2010, the first time the Bank started its business activities. The Bank's operating activities as a foreign bank began on July 9, 2010 based on the Deputy Governor of Bank Indonesia Decree No. 12/5 / KEP.DpG / 2010 dated July 9, 2010. The Bank's aims and objectives are as an Islamic commercial bank that follows banking business based on sharia principles in accordance with the legislation provisions in force. The Bank's head office is located in Gedung Tempo Pavilion 1 Jl. H.R Rasuna Said Kav. 11, Jakarta.

## MANAGEMENT AND SUPERVISION

The composition of the Board of Commissioners and Board of Directors of BNI Syariah is based on notarial minutes of the AGMS No. 28 dated November 16, 2016 as follows.

### Board of Commissioners

President Commissioner : Fero Poerbonegoro  
Independent Commissioner: Rizqullah  
Commissioner : Max Niode\*)  
Independent Commissioner : Muhammad Syakir Sula\*)  
\*) still undergoing fit and proper test

### Board of Directors

President Director : Imam Teguh Saptono  
Director Operations : Junaidi Hisom  
Director Consumer Business : Kukuh Rahardjo

### Syariah Supervisory Board

Chairman : K.H Ma'ruf Amin  
Member : Hasanudin

## BNI SYARIAH PERFORMANCE IN 2016

In 2016, BNI Syariah recorded a positive performance with recorded net profit after tax up by 21.38% from Rp229 billion in 2015 to Rp277 billion in 2016, reaching 95.61% of the Rp290 billion target set for 2016. BNI Syariah's total assets reached Rp28,314 billion, exceeding the Rp26,252 billion target set for 2016.

Assets are driven by financing and DPK, which grew by 15.37% and 22.56%. The financing position in December 2016 amounted to Rp20.494 billion, reaching 99.17% of the target set for 2016, with the largest growth in commercial financing of 26.46%. DPK in 2016 amounted to Rp24,233 billion, or 109.59% of the target set for 2016

BNI Syariah financial performance financial performance in 2016 is outlined below.

**BNI Syariah financial performance**

Description	2016 Rp million	2015 Rp million	Growth	
			Rp million	%
<b>BALANCE SHEET</b>				
ASSETS	28,314,175	23,017,668	5,296,507	23.01%
Investments	6,085,063	4,972,580	1,112,483	22.37%
Placement with BI	2,459,796	2,583,736	(123,940)	(4.80%)
Placement with other banks	225,820	89,743	136,077	151.63%
Securities	3,399,447	2,299,101	1,100,346	47.86%
Financing	20,493,610	17,763,242	2,730,368	15.37%
Murabahah/ Salam/Istishna/ Qardh receivables	16,160,375	14,066,813	2,093,562	14.88%
Financing	4,211,156	3,448,754	762,402	22.11%
Ijarah	122,079	247,675	(125,596)	(50.71%)
Third Party Funds	24,233,009	19,772,239	4,460,770	22.56%
Wadiyah Savings Funds	4,079,084	2,780,736	1,298,348	46.69%
Unrestricted Investment Fund (Mudharabah Muthlaqah)	20,153,925	17,491,504	2,662,421	15.22%
Equity	2,486,565	2,215,658	270,907	12.23%
<b>PROFIT (LOSS)</b>				
Operating income	2,935,118	2,548,057	387,061	15.19%
Income from distribution of funds	2,801,355	2,429,243	372,112	15.32%
Other Operating Income	133,763	118,814	14,949	12.58%
Investor Investment results not bound	905,032	846,069	58,963	6.97%
Operating income after distribution of profit sharing	2,030,086	1,701,988	328,098	19.28%
Expenses for possible losses	349,985	221,253	128,732	58.18%
Estimated expenses for commitments and contingencies	917	4,184	(3,267)	-78.08%
Other Operating Expenses	1,314,174	1,193,136	121,038	10.53%
Operational Profit (Loss)	365,011	266,841	365,011	26.90%
Non Operational Profit (Loss)	8,186	20,169	(11,983)	(59.41%)
Profit (Loss) before tax	373,197	307,768	65,429	21.26%
Tax	95,822	79,243	16,579	20.92%
Profit (Loss) after tax	277,375	228,525	48,850	21.38%

BNI Syariah ROE and ROA in 2016 amounted to 11.72% and 1.44% respectively, increasing 0.1% and 1.41% from 2015 in line with the increase in profit. BOPO of 87.67% decreased 1.96% from 2015 due efficiency, as cost growth was reduced to lower than revenue growth. NPF increased by 0.41% from 2.53% in 2015 to 2.94% in 2016 due to a decrease in the quality of financing, especially in the commercial segment.



## Subsidiaries' Performance

### BNI Syariah Financial Ratios

RATIO	2016	2015
NPF	2.94%	2.53%
ROE	11.72%	10.31%
ROA	1.44%	1.34%
BOPD	87.67%	89.63%
CAR	14.92%	15.48%

In 2016, BNI Syariah also remained committed to expanding its service network to more easily reach customers. By December 2016, BNI Syariah network included 323 outlets, comprising 49 Regular Branch Offices, 19 Micro Branch Offices, 101 Regular Sub-Branch Offices, 70 Sub-Branch Micro Offices, 17 Functional Offices, 17 Cash Offices, 23 Mobile Services and 27 Area Payment Points.

During 2016, BNI Syariah won more than 40 awards from various institutions including:

- The Best Syariah Bank 5 years running the best performing asset category with 10-25 trillion from Infobank Magazine
- Most Improved Bank performance 2016 from Global Islamic Finance Award (GIFA)
- The Best Syariah Bank performance category 2016 from Investor Magazine
- The Best Syariah core capital and financial performance category 2015 from Infobank Magazine
- The Best Syariah Bank best performance category 2015 from Investor Magazine
- The Best Most Efficient Sharia Bank 2016 from Bisnis Indonesia
- The Biggest Contributor Financing Islamic Full Fledged Bank from Karim Consulting
- Sustainability Reporting Awards 2016 commendation for first year report from National Centre for Sustainability Reporting
- The Best Social Media from Marketing Magazine
- The Best Website Syariah Bank from Marketing Magazine
- The Best Digital Brand Financial Institutions Category KPR Syariah from Infobank Magazine
- The Most Expansive Financing Islamic Full Fledged Bank from Karim Consulting
- The Best Bank in Retail Banking Services from Tempo Magazine

### 2017 WORK PLAN

To sustain the growth momentum, BNI Syariah has implemented its business strategy in 2017 as follows:

- A comprehensive marketing strategy undertaken by all business units.
- The strategy consists of supporting information technology strategy and development of Human Capital.
- “Branding Hasanah Lifestyle Bank” strategy as a vehicle to sharpen BNI Syariah positioning as Retail-Commercial bank, which meets the needs of Muslim financial market segments in its life stages with superior value and benefits targeted at the business and halal products such as food, fashion, education and tourism.

Taking into account BNI Syariah earlier economic conditions and infrastructure and the performance realization the previous period, in 2017 the company set targets as follows.

- Financing selective borrowers retaining the principle of prudence with growth in the range of 18.0%.
- Maintaining the financing quality to remain stable with a maximum of 3.38%.
- Keeping important ratios under control.
- Increasing fee-based revenue and maintaining operational efficiency.
- Company's net profit growth in 2017 at around 22.6%.

## PT BNI LIFE INSURANCE (BNI LIFE)

### A BRIEF HISTORY

BNI Life was originally established under the name "PT BNI Life Insurance Jiwasraya" based on Deed No. 24 dated November 28, 1996 in Jakarta. On 26 November 2004, the Company changed its name to PT BNI Life Insurance, and has been endorsed by the Minister of Justice and Human Rights of the Republic of Indonesia No. C-31600 HT.01.04.TH.2004 dated December 29, 2004. In accordance with the Articles of Association, the scope of activities of the Company is conducting business in life insurance including life insurance business with Islamic principles. The Company obtained a license as a life insurance company based on the Ministry of Finance of the Republic of Indonesia Number 305 / KMK.017 / 1997 dated July 7, 1997. The Company has also obtained a license to open a branch office with Islamic principles based on the Ministry of Finance of the Republic of Indonesia No. KEP-186 / KM .6 / 2004 dated May 19, 2004. The Company commenced commercial operations in 1997. The Company is domiciled in Jakarta and its head office is located in BNI Life Tower, 21st Floor, The Landmark Center, Jl. Jend. Sudirman No. 1, Jakarta 12910.

BNI Life is a subsidiary of BNI in the field of insurance, which offers a variety of insurance products such as life, health, education, investment, pension and Sharia insurance.

### MANAGEMENT AND SUPERVISION

The composition of the BNI Life Board of Commissioners and Board of Directors was based on the AGMS notarial minutes No. 19 dated October 13, 2015 and No. 38 dated March 30, 2016 as follows.

#### Board of Commissioners

President Commissioner /	:	Krisna Wijaya
Independent Commissioner	:	Mauli Adiwarman
Independent Commissioner Idris	:	
Commissioner Shinzo Kono	:	
Independent Commissioner Wiriadi Saputra	:	
Commissioner Darwin Suzandi	:	

#### Board of Directors

President Director	:	Budi Tampubolon
Vice President Director	:	Geger N. Maulana
Director Kazuhiko Arai	:	
Director Hirokazu Todaka	:	
Director Intan Sari Abdams Katoppo	:	

#### Syariah Supervisory Board

Chairman	:	Dr. (HC) K.H. Ma'ruf Amin
Member	:	Ir. Agus Haryadi, AAAIJ,
Debt Member	:	Prof. Dr. H. Utang
Ranuwijaya, MA	:	

### BNI LIFE PERFORMANCE IN 2016

In 2016, BNI Life Insurance recorded a positive performance as shown by recording net profit after tax growth by 6.38% from Rp 160 billion in December 2015 to Rp 170 billion in December 2016, reaching 48.06% of the target set for 2016 of Rp 354 billion. Additionally, BNI Life's total assets reached Rp13,062 billion, exceeding the target set for 2016 of Rp12,747 billion. The increase in profit is in line with gross premium income in 2016 which grew 46% to Rp4.746 billion from Rp3.244 billion in 2015.



## Subsidiaries' Performance

BNI Life financial performance in 2016 is outlined below.

**PT BNI Life Insurance's Financial Performance**

Description	2016 Rp million	2015 Rp million	Growth	
			Rp million	%
<b>BALANCE SHEET</b>				
Assets	13,062,865	9,915,762	3,147,103	31.74%
Productive Assets / Investments	11,437,074	8,445,857	2,991,217	35.42%
Obligations	8,164,519	5,092,671	3,071,848	60.32%
Paid-up Capital	4,898,346	4,823,091	75,255	1.56%
<b>PROFIT (LOSS)</b>				
Total Revenue	5,701,772	3,644,315	2,057,457	56.46%
Net Premium Income	4,635,232	3,250,784	1,384,448	42.59%
Income Investment	961,591	315,245	646,346	205.03%
Other income	104,949	78,286	26,663	34.06%
Total Expenses	5,485,480	3,489,840	1,995,640	57.18%
Insurance / Claims expenses	4,255,262	2,501,538	1,753,724	70.11%
Acquisition expenses	654,810	455,891	198,919	43.63%
Operating expenses	573,214	506,273	66,941	13.22%
Non Operating expenses (income)	2,194	26,138	(23,944)	(91.61%)
PROFIT BEFORE TAX	216,292	154,475	61,817	40.02%
TAX	(46,169)	5,565	(51,734)	(929.63%)
NET PROFIT	170,123	160,040	10,083	6.30%

BNI Life ROE and ROA in 2016 amounted to 3.49% and 1.87% respectively increased 0.09% and 0.17% in line with the increase in profits. BOPO amounted to 96.21% an increase of 0.45% compared to 95.76 in 2015 due to the dominant product single premium characteristic, which in the Growth phase upon

the sale of premium, is accompanied by a backup at the same time, and thereby increasing the cost of premiums. BNI Life RBC grew by 1,117.40%, a decrease of 600.9% from 1718.3% in 2015, in line with company business Growth.

**BNI Life Financial Ratios**

RASIO	2016	2015
ROE	3.49%	3.40%
ROA	1.87%	1.70%
BOPO	96.21%	95.76%
RBC	1117.40%	1718.30%

In 2016, the BNI Life focus continued to be directed to the acquisition of premium income from Bancassurance distribution lines primarily In Branch and through Employee Benefits distribution lines, improving service to customers, as well as the launch of new products tailored to the needs of society.

Responding to the dynamic development in the insurance industry and anticipated business growth in 2016 and the years to come, in 2016 BNI Life made changes to its organizational structure by appointing a new director who specializes in Employee Benefits, Agency and Syariah distribution lines, a Chief Bancassurance Officer and Affinity Chief Officer.

To offer more choices for customers, throughout 2016 BNI Life Insurance launched a range of new products, including: Maxima Promo 13, Maksima Promo 14, Blife Optima Saving relaunched, BNI Life Wellness, BNI Life Active, BNI Life Active +, BNI Life Safe Medical Plan +, BNI Life Strength +, Asuransi Jiwa Kredit BNI Life Proteksi Kredit Produktif, BNI Life Spectra Pro, and BNI Life Spectra Double Power.

To accelerate business growth and win business opportunities, BNI Life made a strategic alliance with Sumitomo Life Insurance in 2014. Sumitomo Life Insurance undertook capital investment of Rp 4.2 trillion with an ownership share of 40% in BNI Life in September 2014, so that BNI ownership was diluted to 60%.

As evidence of the seriousness of Sumitomo Life Insurance in BNI Life business development, they have placed representatives in BNI Life management as Commissioner, Director, as well as professional experts. In addition, to enhance synergies with BNI as the parent company, a working group was established to improve cooperation in sales and product strategy.

In 2016 BNI Life again won numerous awards, more than the previous year including the following:

- Contact Center Indonesia 2016, The Best Employee Engagement from Indonesia Contact Center Association
- Best Financial Performance Life Insurance Company 2016, Category Company Assets More Than Rp 6-10 trillion, 3rd Indonesia Insurance Consumer Choice Award 2016, Warta Ekonomi
- Indonesian World Record Museum Award, Most Microinsurance Education participants
- Asuransi Jiwa Terbaik 2016, The Best Life Insurance With Over Rp 5-15 trillion of Assets, Investor Magazine
- Best Life Insurance Award 2016, The Best Life Insurance With Over Rp 2.5 trillion of Equity, Media Asuransi
- The Best Risk Management, Islamic Life Insurance Sharia Unit Islamic Finance Award 2016
- The Most Expansive Insurance, Islamic Life Insurance Sharia Unit Islamic Finance Award 2016
- BNI Life received 2 Contact Center Service Excellence Award 2016 from Carre Center for Customer Satisfaction and Loyalty (Carre-CCSL) for category:
  - Exceptional email customer service: Care@bni-life.co.id
  - Excellent contact center: 1-500-045
  - Excellent Performance, For Mixed Unit Link Blife Syariah Infobank Unit Link Awards 2016
  - Excellent Performance, For Balanced Unit Link Blife Stabil Syariah Infobank Unit Link Awards 2016
- On August 26, 2016, BNI Life received 5 medals from Indonesia Contact Center Association (ICCA) 2016: 1 platinum medal, 1 gold medal, 1 silver medal and 2 bronze medals.



## Subsidiaries' Performance

In addition, to improve service to its customers, in 2016 BNI Life provided the following new features.

- *Same day claim services*
- *VIP Medical Visit*
- *Mobile Application*
- *E-Movement*
- *One Day Service for Withdrawal Transaction with Max Amount of IDR 100 Mio*
- *Claim Submission by Email*
- *Doctors Booking*

## 2017 WORK PLAN

For the 2017 business plan BNI Life will remain focused on the acquisition premium from Bancassurance distribution channels and the development of group insurance business lines through Employee Benefits distribution channels. In 2017, BNI Life is targeting gross premiums amounting to Rp7.35 billion and profit after tax amounting to Rp427.7 billion.

As a company engaged in a very dynamic financial services industry, BNI Life is committed to constantly maintaining and improving services to customers. Additionally, BNI Life continues to conduct reviews of existing business processes, in order to remain at a competitive level in a constantly changing environment.

Also, information technology development will continue to support the business development and expansion in 2017.

## PT BNI SECURITIES (BNI SECURITIES)

### A BRIEF HISTORY

BNI Securities (Group) was established based on notarial deed No. 22 on April 12, 1995 in Jakarta. The deed was amended by deed No. 39 by the same notary dated May 3, 1995. As per the Group Articles of Association, the Group's business activities include securities trading, including acting as a brokerage and underwriting and other activities associated with these activities by observing Market Supervisory Agency capital and Financial Institution (Bapepam-LK) and other statutory laws and regulations in force. The Group obtained a license as a securities broker,

underwriter of stocks and investment manager from the Chairman of Bapepam-LK through decree No. KEP-19 / PM / 1995, No. KEP-020 / PM / 1995 dated August 8, 1995 and No. KEP-07 / PM-MI / 1995 dated October 23, 1995, which were transferred to PT BNI Asset Management by decree No. Kep-480 / BL / 2009 dated December 31, 2009. To implement independence of investment managers by Bapepam-LK No. V.D.11 an annex to the Chairman of Bapepam-LK decree No. Kep-480 / BL / 2009 dated December 31, 2009 on Investment Manager Guidelines, the Group completed the separation / division of business (spin-off) of the business operations division of investment management by forming a new group called PT BNI Asset Management , The process of establishment was approved by the BNIS Extraordinary General Meeting of Shareholders on March 1, 2011. The final Deeds relating to ratification of Group Commissioners and Directors were: - Fathiah Helmi, SH, deed No. 1, dated October 1, 2015, received and acknowledged by the Minister of Justice and Human Rights of the Republic of Indonesia in letter No. AHU-AH.01.10-0966773 dated 22 September 2015; and Fathiah Helmi, SH, deed No. 17, dated December 9, 2013. The Group is domiciled in Sudirman Plaza Indofood Tower, 16th floor, Jl. Sudirman Kav. 76-78, Jakarta 12910, Indonesia. BNI Securities has also established strategic alliances with SBI Securities Co. Ltd., a securities company in Japan.

### MANAGEMENT AND SUPERVISION

The composition of BNI Securities Board of Commissioners and Board of Directors is based on AGMS notarial minute No1 dated October 1, 2016 and No. 21 dated December 6, 2016 as follows.

### Board of Commissioners

President Commissioner /  
Independent Commissioner : Fabianus Sudjatmoko  
Commissioner : Ryosuke Hayashi  
Commissioner : Suhendry Hafni

### Board of Directors

President Director : Adiyasa Suhadibroto  
Director : Reza Benito Zahar  
Director : Aswardin  
Director : Kenichiro Matsuhisa

## BNI SECURITIES PERFORMANCE IN 2016

At the end of 2016, BNI Securities net profit was Rp12 billion (unaudited), a decrease by 68% from Rp39 billion in 2015, reaching 25% of the Rp49 billion target, but operating income still grew by 7% to Rp211 billion from Rp196 billion in 2015. Brokerage activity remains a major revenue contributor, with a revenue contribution of Rp 107 billion or 52% of BNI Securities total operating income, while the remaining Rp83 billion came from investment management fees and a Rp34 billion from underwriter services.

BNI Securities total equity brokerage in 2016 amounted to R 55 trillion, an increase of 31% from 2015. Online contributions transactions reached Rp24 trillion, while total Regular transaction reached Rp31 trillion.

The number of active BNI Securities customers totaled 54,061 customers, an increase of 93% from 27,972 customers in 2015.

In 2016, BNI Securities was awarded the "Best MidCap Equity Deal of the Year 2016 from Alpha Southeast Asia".

BNI Securities financial performance in 2016 is outlined below.

### BNI Securities financial performance

Description	2016 Rp million	2015 Rp million	Growth	
			Rp million	%
<b>BALANCE SHEET</b>				
Assets	987,266	765,439	221,827	28.98%
Obligations	545,728	333,679	212,049	63.55%
Equity	441,538	431,760	9,778	2.26%
<b>PROFIT (LOSS)</b>				
Revenue	211,350	197,841	13,509	6.83%
<i>Brokerage commissions</i>	83,052	59,243	23,809	40.19%
<i>Investment management fees</i>	82,719	36,795	45,924	124.81%
<i>Fees from Inves. Bank. Act. and B C From Fix In Ac</i>	44,324	31,050	13,274	42.75%
<i>Increase/(decrease) on net asset value of mutual funds</i>	3,394	3,397	-3	-0.09%
<i>Interest Revenue from Fund Separation and Bond and Dividends</i>	6,286	4,036	2,250	55.75%
<i>Gain (Loss) on trading of marketable securities -net</i>	(34,598)	44,272	-78,870	-178.15%
<i>Margin and Overdue Revenue and other</i>	26,174	19,049	7,125	37.40%
Operating expenses	181,618	158,736	22,882	14.42%
Other expenses	9,141	13,734	-4,593	-33.44%
Interest and Other Financial expenses	(20,347)	(11,719)	-8,628	73.62%
Total Income	220,492	211,576	8,916	4.21%
Total Expenses	201,965	170,456	31,509	18.49%
Profit / Loss before tax	18,527	41,120	-22,593	-54.94%
Tax	(6,066)	(2,236)	-3,830	171.29%
Profit / Loss after tax	12,461	38,884	-26,423	-67.95%



## Subsidiaries' Performance

BNI Securities ROE and ROA in 2016 amounted to 3.49% and 1.87% respectively due to a decrease in profits. BOPO was 85.93% an increase of 5.7% from 2015

### BNI Securities Financial Ratios

	RATIO	2016	2015
ROA		1.63%	5.37%
ROE		2.74%	9.01%
BOPO		85.93%	80.23%

### 2017 WORK PLAN

In 2017, BNI Securities will continue its strategy to achieve better performance with the following.

- Enhancing the synergy and collaboration with BNI Group.
- Accelerating business growth through the BNI Group Investment Banking business network and overseas.
- Focusing on institutional clients for business development equity.
- Strengthening the equity and bond research team to support the marketing activities for institutional clients.
- Marketing together to BNI business banking customers.

Based on the economy, especially the Indonesia Stock Exchange (IDX) development, BNI Securities targets a 2017 profit above Rp62 billion.

### PT BNI MULTIFINANCE (BNI MULTIFINANCE)

#### A BRIEF HISTORY

BNI Multifinance was established on April 8, 1983 by Notary deed Kartini Muljadi, SH, No. 21. The Company name has been changed several times with the last to PT BNI Multifinance covered by notarial deed No. 103 dated June 27, 1994. As per the Articles of Association, the scope of its activities is finance leases and consumer financing. The Company started commercial operations in 1983. The head office is located in BNI Life Insurance Building, 5th Floor, Jalan Aipda KS. Tubun No. 67, Jakarta.

BNI Multifinance engages in consumer finance, particularly the financing of vehicles, as well as in the field of gunau saha leasing for the supply of capital goods. BNI Multifinance operates 7 branches in the Bogor, Medan, Lampung, Semarang, Surakarta, Yogyakarta, and Surabaya

### MANAGEMENT AND SUPERVISION

The composition of the BNI Multifinance Board of Commissioners and Board of Directors is based on AGMS minutes deed No111 dated September 26, 2016 as follows.

#### Board of Commissioners

President Commissioner : RL Dwi Mutiari  
Commissioner : M. Gunawan Putra

#### Board of Directors

President Director : Suwaluyo  
Director : Rana Ranadi

## BNI MULTIFINANCE PERFORMANCE IN 2016

BNI Multifinance closed 2016 with record positive performance as shown in its net profit after tax recording a growth of 166.4% from a loss of Rp 11billion in December 2015 to a profit of Rp 8billion in December 2016, reaching 59.3% of the target set for 2016 of Rp 14billion. Also, BNI Multifinance total assets reached Rp516.79 billion, exceeding the target set for 2016 of Rp 501 billion, or an increase of 189.56%.

The assets achievement was driven by financing increasing by 203.5%. The financing position in December 2016 amounted to Rp389 billion, reaching 91.87% of the target set for 2016, with the largest growth in the factoring financing by 1579.11%. Financing growth was supported by the capital

BNI Multifinance financial performance in 2016 is outlined below.

**BNI Multifinance financial performance**

Description	2016 Rp million	2015 Rp million	Growth	
			Rp million	%
<b>BALANCE SHEET</b>				
Assets	516,791	178,476	338,315	189.56%
Deposits	46,000	-	46,000	N/A
Financing	388,544	128,126	260,418	203.25%
Rent	191,803	60,076	131,727	219.27%
Consumer Financing	93,701	59,811	33,890	56.66%
Factoring	103,040	6,137	96,903	1579.00%
Obligations	240,209	112,720	127,489	113.10%
Equity	276,582	65,756	210,826	320.62%
Paid-up Capital	299,656	96,656	203,000	210.02%
<b>PROFIT (LOSS)</b>				
Operational Income	54,216	25,041	29,175	116.51%
Lease income	33,752	18,464	15,288	82.80%
Consumer Finance income	12,566	6,417	6,149	95.82%
Factoring income	7,898	160	7,738	4836.25%
Other Operational Income	1,754	2,794	(1,040)	(37.22%)
Total Income	55,970	27,836	28,134	101.07%
Total Expenses	44,800	41,540	3,260	7.85%

increase subscribed by BNI amounting to Rp203 billion in June 2016, as a proof BNI grows together with its subsidiaries.

To develop its business activities, in 2016 BNI Multifinance focused on financing of commercial (commercial vehicles, heavy equipment, etc.) on BNI customer referral, BNI Multifinance customer repeat orders and financing of four wheel drive vehicles through its Car Ownership Program (COP) for the government officials, corporate employees and BNI Business Group employees segments, as well as four-wheel vehicles operating leases to BNI and the Group. The company also began to finance factoring with selective focus on low risk customers to maintain a healthy portfolio.



## Subsidiaries' Performance

Description	2016 Rp million	2015 Rp million	Growth	
			Rp million	%
Other income (expenses)	595	-	595	100.00%
Profit before tax	11,765	(13,704)	25,469	(185.85%)
Tax	3,619	1,437	(5,056)	(351.84%)
Net profit after tax	8,146	(12,267)	20,413	(166.41%)

BNI Multifinance 2016 ROE and ROA amounted to 4.35% and 3.68% respectively from minus 18.66% and minus 7.68% in 2015 due to the company posting a profit. BOPO decreased by 82.63% from 165.88% in 2015 to 83.25% due to revenue Growth being larger than expense Growth. NPF declined to 1.86% from 2.14% in 2015 to 0.28% in 2016 due to improvements in quality and financing Growth.

### BNI Multifinance Financial Ratios

RATIO	2016	2015
NPL	0.28%	2.14%
ROE	4.35%	(18.66%)
ROA	3.68%	(7.68%)
BOPO (Ops expenses / Ops income)	82.63%	165.88%
DER (Debt Equity Ratio) (times)	0.9	1.7

### 2017 WORK PLAN

In order to minimize risk in 2017, BNI Multifinance business focus will remain as the previous year:

- Focus on selective low risk customers.
- Focus on the commercial finance business (commercial vehicles, heavy equipment, etc.) on BNI customer referrals and BNI Multifinance customer repeat orders.
- Focus on superior manufacturing industry sectors and supporting infrastructure.
- Consumer finance continuing to run with COP BNI and COP Non BNI (SOE and its subsidiaries) target markets as well as a multipurpose product for BNI Group employees.
- Increase fee-based income.

BNI Multifinance projects total assets in 2017 was Rp1.37 trillion, an increase of 165% compared to Rp 517 billion in 2016, with the volume of business (new financing / new booking) amounting to Rp1.33 trillion, or 196% increase compared to Rp452 billion in 2016, with a profit of Rp26.5 billion in 2017.

### BNI REMITTANCE LIMITED (BNI REMITTANCE)

#### A BRIEF HISTORY

BNI Remittance Limited (BNIR) is a subsidiary company founded by BNI by BNI Hong Kong in 1996 under the name "High Motivation Company" then in 1997 changed its name to BNI Nakertrans Ltd.

To further optimize the business activities in accordance with the rules of the local authorities, after a comprehensive business assessment, it was decided to separate the management of BNI Nakertrans Ltd from BNI Hong Kong as well as changing the name to BNI Remittance Ltd. in 2009.

BNIR is currently registered as a Money Service Operator with register number 12-08-00768 and subject to Hong Kong Custom and Excise Department.

## MANAGEMENT AND SUPERVISION

The BNI Remittance Board of Commissioners and Board of Directors composition was established by AGM deed No.0574748 dated July 31, 2016 as follows:

### Board of Directors

Director : Eko Kristianto

## BNI REMITTANCE PERFORMANCE IN 2016

In 2016, BNI Remittance managed to record a positive performance with net income of Rp206 million, a decrease of 8.84% from Rp206 million in 2015. BNI Remittance's total assets in 2016 reached Rp7.13 billion, an increase of 31.27% from Rp5.43 billion in 2015.

In 2016, BNI Remittance managed outlets in Hong Kong in three areas, namely the Head Office in Keswick on Hong Kong Island, the Tsuen Wan Branch Office and Yuen Long Branch Office Branch in New Territories and the Hung Hom Office in Kowloon. The BNI Remittance outlets are focused to serve the Indonesian citizens, especially Indonesian Migrant Workers (PMI) in Hong Kong. Of the total 155 thousand PMI, through cooperation with the parent company and fellow subsidiaries, BNI Remittance has assisted 20% of them, or about 30 thousand PMI to open BNI Taplus and BNI iB Hasanah accounts.

With the of four ATM machines in Hong Kong, the BNI customer's can conduct financial transactions with the same features as the ATM machines in Indonesia,

BNI Remittance financial performance in 2016 is outlined below.

### BNI Remittance financial performance

Description	2016 Rp million	2015 Rp million	Growth	
			Rp million	%
<b>POS-POS NERACA</b>				
Total Assets	7,130	5,431	1,699	31.28%
Fixed Asset	1,242	818	424	51.83%
Current Asset	1,973	1,171	802	68.49%
Other Asset	3,914	3,443	471	13.68%
Total Obligations	1,813	184	1,629	885.33%

including cash withdrawals, balance checking, transfers between BNI accounts and other banks, phone credit purchases / tickets and bill payments.

BNI Remittance manages remittance transactions as its main activity. During 2016, there were 142.5 thousand transaction slips or an increase of 92% over the previous year. Transaction through existing Teller counter slips reached 69.2 thousand (33.6% YoY), while electronic transactions through ATM slips amounted to 73.2 thousand (227% YoY)

To improve money transfer transactions through Teller, BNI Remittance has initiated paperless remittance application forms. Customers can show a valid Hong Kong ID card and historical data can be seen regarding online transactions between branches, so the average queue time for each customer becomes shorter. This improvement is expected to increase customer satisfaction and have positive impact on the transaction Growth.

In addition to the above remittance transactions, through an agreement between the Consulate General in Hong Kong and BNI KCLN Hong Kong, BNI Remittance outlet have been designated for non-tax state revenue payments derived from visa and passport fees. During 2016, 68.5 thousand payment transaction slips were recorded, an increase of 44.6% from the previous year.



## Subsidiaries' Performance

Description	2016 Rp million	2015 Rp million	Growth	
			Rp million	%
Current Liabilities	1,813	184	1,629	885.33%
Other Liabilities	-	-	-	-
Total Equity	5,316	5,248	68	1.30%
<b>PROFIT (LOSS)</b>				
Income	9,070	8,096	974	12.03%
<b>Revenue</b>	<b>5,460</b>	<b>4,963</b>	<b>497</b>	<b>10.01%</b>
<i>Commision Earned</i>	3,500	3,059	441	14.42%
<i>Exchange gain/Loss</i>	1,960	1,904	56	2.94%
<b>Other Commision</b>	<b>3,610</b>	<b>3,134</b>	<b>476</b>	<b>15.19%</b>
Expenses	8,864	7,870	994	12.63%
<i>Operational Expenses</i>	<i>8,863.93</i>	<i>7,870</i>	<i>994</i>	<i>12.63%</i>
Profit before tax	206	227	(21)	(9.25%)
Tax	-	-	-	-
Profit after tax	206	227	(21)	(9.25%)

BNI Remittance ROE and ROA in 2016 amounted to 3.88% and 2.90%, respectively, a decrease by 0.44% and 1.27% form 4.32% and 4.17% in 2015.

### BNI Remittance Financial Ratios

RATIO	2016	2015
ROA	2.9%	4.2%
ROE	3.9%	4.3%
BOP0	97.8%	97.2%

### 2017 WORK PLAN

Commonly, Corporate strategy in 2017 would be in the same way with previous year, to focus on programs that involved the customers directly as follows:

#### 1. Customer awareness

Improving synergies between the parent company and fellow subsidiaries to hold the above the line marketing program as well as below the line involving customers actively with communities in Hong Kong.

#### 2. Customer experience

In cooperation with the parent company, improve BNI customer experience in Hong Kong through programs that lead to digital banking, among others:

- a. Optimizing the use of ATMs, especially for non-cash service features.
- b. Initiating other ebanking services (mobile banking) and internet banking.

#### 3. Customer loyalty

Initiate programs that can improve customer loyalty, especially focusing on Web-based sustainable entrepreneurship training program.

## Business Support Review



### BUSINESS RISK MANAGEMENT

BNI credit growth was quite expansive in 2016 following efforts to improve credit risk management to create quality growth. Amid the still not recovered economic conditions in Indonesia, credit risk management is becoming an important factor in supporting business growth strategies for the BNI credit quality in accordance with the risk appetite set. Synergies between the units for the initiated business acceleration to maintain BNI's credit quality, with non-performing loans ratio (NPL) standing at 3.0%.

### 2016 PERFORMANCE

#### Selective Productive Assets Growth

Reflecting previous years, economic growth did not recover in 2016, still affected by the global economic slowdown, especially China, the largest trading partner in Indonesia, as well as unstable world oil prices. BNI established policies that strengthened business expansion in selected corporate and mid-segment markets in selected sectors to maintain quality.

In addition to setting the strategic sectors, optimizing the supply chain and cross selling is also an important element in achieving growth through deep credit quality assessment processes in the parent account.



In the consumer sector, credit growth is also focused on selected partner, portfolio action as well as a segment with a low risk profile.

### Lending Process Flow

BNI has made improvements in the Business Banking credit processes for Corporate, Medium and the Small Business segments.

Improvements made in the Corporate, Medium and Small Unorganic Business segments included:

1. Refine Business Unit Functions

The business unit plans the prospect list, marketing, overall creditworthiness (including the first way out and second way out analysis) and monitoring the debtor.

2. Refine Risk Unit Function

Risk Unit provides recommendations to the business units to conduct credit risk analysis and mitigation / risk control that focuses on risk probability and high impact.

While improvements made in the Small Business segment included:

1. RM (Business Unit) plan a list of prospects, marketing, analyzing the overall creditworthiness (including the first way out and the second way out analysis) and monitoring the debtor.
2. RM direct supervisor besides having the function of supervision, also has the function of credit risk assessment in greater depth.

Tools supporting the credit approval process to be developed and refined. Especially for the Small Business segment, especially in terms of KUR support by the Loan Origination (ELO) electronic system to accelerate the credit analysis process. While in all business segments improvements to Credit Analysis Tool (slate) banking system that have been developed since 2015 to enhance the credit process efficiency and reduce human error in the credit analysis process.

In addition, enhance the four eyes principle in all credit processing units from decision making through to the credit committee consisting of credit breaker officials in accordance with authority, aimed at continuing to maintain the quality of lending.

Business acceleration support for the consumer sector, improving comprehensive process flows and maintaining the principle of prudence, namely:

1. KYC debtor policy through the documents verification process to minimize fraud applications.
2. Building units to perform the verification and credit analysis functions in the LNC in order to speed SLI
3. Provision of loan approval authority to the BNI Griya Regional Leader to accelerate business in the regions.
4. Transfer authority to decide on BNI Fleksi credit from LNC to the branch office with tiering by class to support the BNI Fleksi product growth

Refinement made to equipment supporting the consumer credit process by merging three loan origination system used in to accommodate both internal and external changes, and rapidly occurring market mechanisms in the consumer segment.

### Credit Monitoring

In creating quality asset growth, one way that is achieved is by intensive monitoring and loan collection. Such monitoring can be realized through visits to the debtor to see the condition of their business, reviewing the feasibility of loan debtors, and monitoring the payment obligations of the debtor.

The monitoring process in business banking is also supported by the optimization tool i.e. watchlist monitoring system used to monitor the performance of the debtor's credit and assign follow-up of the debtor to avoid a decline in credit quality.

## Saving and Credit Solutions

In 2016, in the midst of the economic growth slowdown in Indonesia and the global economy not yet recovered, BNI was encouraged to continue improving monitoring restructuring loans in a more comprehensive manner and to improve the settlement of NPLs by referring to the provisions applicable in accordance with the principles of good corporate governance.

Rescue strategies and conservative-proactive credit settlement remains to be done to strengthen the BNI financial fundamentals and maintain credit quality by increasing the coverage ratio and optimally handling problem loans. Problem loan handling generally takes two strategies, rescue and settlement. Rescue strategies do include:

1. Restructuring (Restructuring, Reconditioning, Rescheduling) against debtors who have difficulties to fulfill the obligations but still have prospects and are rated cooperative.
2. Deposit / Redemption through strategic investor
3. Sale of collateral voluntarily or by execution
4. Debt to Asset Swap (DAS)

While the Settlement Strategy applies to the debtors with no prospects.

Loans that have been written-off continue to be pursued to the maximum settlement to minimize losses for the Bank:

1. Completion of debt by additional capital by new investors to debtors who still have business prospects
2. Sale of collateral assets and auction
3. Especially for the consumer credit sector, BNI has provided a means of marketing against collateral that will be auctioned on a website that can be accessed by the general public.
4. Subrogation
5. Legal action by billing against the guarantors of personal guarantee (PG) and the company guarantee (CG), the execution encumbrance / fiduciary litigation, bankruptcy and civil lawsuits.

## 2017 PLAN AND STRATEGY

Responding to the economic turmoil challenges in 2017, BNI set an aggressive growth policy while maintaining quality. Through internal and external studies, credit expansion is focused on prospective industries and priorities. In line with this strategy, improvement in loan quality has also become a main focus in 2017 with credit process improvement including restructuring troubled borrowers, improving risk control in the lending process by implementing the four eyes principle and superiors effectively supervising. Credit monitoring also continues to be optimized to identify problems early and apply the appropriate corrective action to debtors.

Credit Risk Unit plan to implement Credit Risk Management as a key strategy in initiating an aggressive growth policy in 2017. Credit Risk Management includes:

1. Credit Risk Analysis :  
Enhancing the role of Credit Risk Analysts at the moment in terms of the credit committee
  - a. Balancing the role of RM in committee
  - b. Maximizing the unit's role with risk application of four eyes principles
2. Credit Risk Review :
  - a. Conducting periodic review initiated by the unit leader of risks at the branch, Regional and Head Office level
  - b. Collaborating with independent parties for specific things.
3. Credit Administration :  
Establishing credit administration division
  - a. Ensuring fixed assets collateral has been made binding a perfect basis to safeguard BNI interests.
  - b. Ensuring credit documentation has been running accordingly
  - c. Evaluating partner performance



## Business Support Review

In line with the Regional Office organizational structure to improve coordination and business activities, operations and services, then in 2017 the problem loan handling for medium and small segments will be migrated to Remedial and Recovery originally supervised by RRM Division to become part of the Regional Office organizational unit. To be accompanied by increasing the capability of

human resource functions and activities related to the Remedial and Recovery implementation in the regions through competency profile reviews, license preparation and training.

In addition to the credit process improvement, quality improvement and risk awareness for HC loans is also a priority.

## NETWORK AND SERVICES

With a commitment to support the Business Banking and Consumer Banking performance in achieving sustainable business, BNI increased the network of offices (outlets) and electronic networks (ATM) integrated throughout Indonesia, and supported by the Contact Center Unit and Service Quality Unit.

### OFFICE / OUTLET NETWORK

#### 2016 Performance

To expand the network and improve services as well as ease of transactions, in 2016 BNI added 64 sub-branches, 78 Cash Offices, 23 Payment Point, 15 BNI Mobile Units and 3 Money Changers. In addition improve business performance, effectiveness and optimization of outlet management and operational risk control, BNI also adds two regional offices and upgraded the status of 27 Sub-Branch Office to Branch Office.

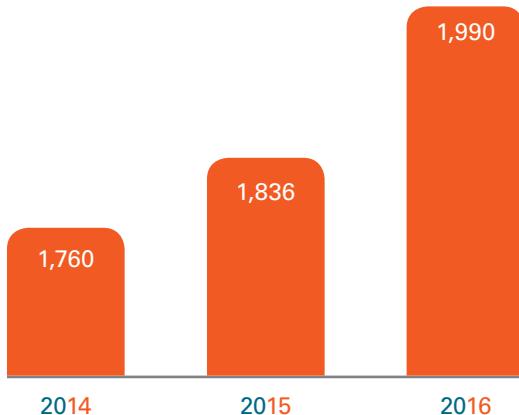
With the additional outlets, BNI's total outlets at the end of 2016 totalled 1,990 outlets comprising 17 Regional Offices, 196 branch offices, 948 sub-branches, 623 Cash Office, 110 payment points and 86 BNI Mobile Units across 34 provinces and 452 citiesy / Regenciesy in Indonesia including 82 Weekend Banking outlets to serve customers on Saturdays and Sundays as well as 26 outlets providing BNI Emerald services.



As of the end of 2016, 58% of the total outlets were located in Java and the remainder spread all over Indonesia. 65% of BNI outlets are in the commercial areas, especially department and shopping stores while the remaining 35% are in the offices and housing area.

Over the past 3 years, the network of outlets BNI grew by 230 outlet or an average of 6.5% / yr.

BNI Network Outlet Number and Growth Graph



## ATM NETWORK

### 2016 Performance

In 2016, BNI added 985 ATM units comprising 856 Cash ATMs and 129 Deposit ATMs bringing the total ATMs until the end of 2016 to 17,056 units spread across 34 provinces and 452 Cities / Regencies including 6 ATMs abroad, 4 in Hong Kong and 2 in Singapore to serve the customer transactions overseas including Indonesian workers.

With the additional ATMs, by December 2016 total ATM transactions grew by 13% over the previous period. Related to effectiveness and efficiency with SOE synergy, BNI ATMs incorporated into the Red and White ATMs reached 3,000 units in 2016.

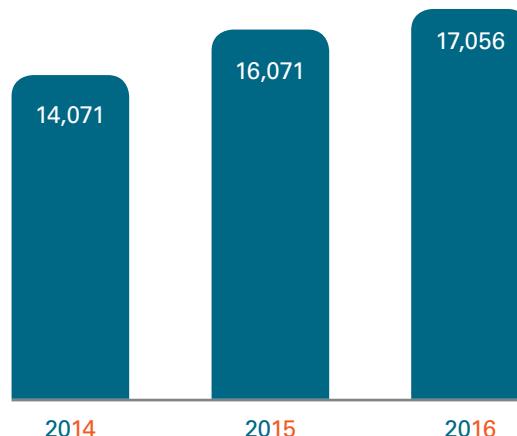
The growth and spread of ATMs is expected to further facilitate banking transactions services for both BNI customers and other customers in the shared ATM network, ATM Link, ATM Global Master Card International and ATM Prima network.

In a period of 3 years, the ATM network has grown with the addition of 2,985 ATMs, or by 10% where 60% are in Java and the rest are scattered throughout Indonesia. As of the end of 2016, 65% of the ATMs were located in commercial areas particularly in shopping centers and the rest in near offices and housing.



## Business Support Review

### ATM Number and Growth Graph



#### **Work Plan 2017**

In order to improve banking services in 2017, BNI plans to add outlets mainly in districts that are not covered by an BNI outlet. BNI will add 146 outlets comprising 28 sub-branches, 79 Cash Office, 13 Payment Points and 26 BNI mobile units and an additional 827 ATMs as well as continue the merger of ATM Merah Putih (Himbara).

In addition to improving business performance and effectiveness and optimize the outlet management, BNI will increase the status of 26 Sub-Branch Offices to Branch Office and 137 Cash Office to Sub-Branch Office.

In addition to increasing the number of conventional outlets, to accommodate the needs of customers in banking transactions and follow the shifting banking industry trends towards digital banking, BNI will undertake the development and optimization of existing e-branch outlets and will open 25 e-branch outlets in several major cities across Indonesia

#### **BNI CONTACT CENTER**

BNI Contact Center continues to provide the best service to its customers. By calling 1500046 through BNI service, customers are provided with access to information, can conduct transactions and obtain solutions to problem both for banking and credit card services.

BNI Contact Center in 2016, was rated the best in the category of phone banking and ranked second in the category of call center based on a survey by Bank Service Excellence Monitor (BSEM) Marketing Research Indonesia (MRI) and received numerous awards at international competitions - Contact Center World Asia Pacific – 3 (three) gold medals, 2 (two) silver medals and 5 (five) bronze medals..

BNI's Contact Center commitment to continuously improve the quality of service for customers was realized through quality of service by obtaining ISO 9001: 2015 by the end of 2016.



BNI Contact Center wins an award for best phone banking based on a survey by Bank Service Excellence Monitor (BSEM) Marketing Research Indonesia (MRI), 2016.



BNI Contact Center receives numerous awards in international competitions Contact Center World Asia Pacific 2016 in Kinabalu, Malaysia.



## Business Support Review

In an effort to always provide the best service to customers, BNI Contact Center continues to evaluate the processes and the effectiveness customer claims settlement through synergic cooperation between divisions, providing feedback to the business / product owner related to customer complaints, monitoring Service Level Agreement (SLA) resolving a grievance, improvement of customer complaints handling applications Online Request Management and the adjustment of internal regulations if there are changes in legislation, resulting in a 4 (four) years trend rate of settlement of customer complaints continuing to rise.

BNI's Contact Center prioritizes cost efficiency with a reduction in repeat calls by improving the quality of its agents, the process is fast and accurate, improving forecasting accuracy and decreasing adherence agent and agent attrition.

In order to improve customer satisfaction, BNI Contact Center conducts surveys of customer satisfaction periodically through independent surveyors that involve known desires and expectations of our customers for the BNI Call 1500046 service. The results of the customer satisfaction index score increased from 3.86 in 2013 to 3.98 in 2015.

BNI Contact Center plays a role as a strategic asset unit, providing insights to other divisions in the improvement of products, features and superior service to customers.

Along with the development of the Financial and Technology, BNI Contact Center continues to increase the accessibility and cost efficiency of telecommunications customers through Live Chat service development and Tap To Call so that customer satisfaction with the services continue to increase BNI Call 1500046.

BNI Contact Center will continue to develop Online Request Management to integrate all BNI customer requests through either BNI Call 1500046 or BNI branch so that customers will get the same experience

BNI Contact Center participates and strengthens business synergies and opportunities for increased revenues for the Business Banking and its subsidiaries Consumer and Retail Segments through a referral program and cross selling and BNI Call 1500046 is one point of contact to provide integrated service and sales solutions.

### **BNI Complaint Settlement Procedures and Customer Service**

BNI Contact Center is one of the frontline BNI services for our customers, to provide the best service, including the settlement of any customer complaints both for banking and credit card services.

Services and settlement solutions for BNI customer complaints have been listed on the BNI website [www.bni.co.id](http://www.bni.co.id) and BNI Call 1500046.

BNI Customers are given access through a wide choice of media either verbal or written.

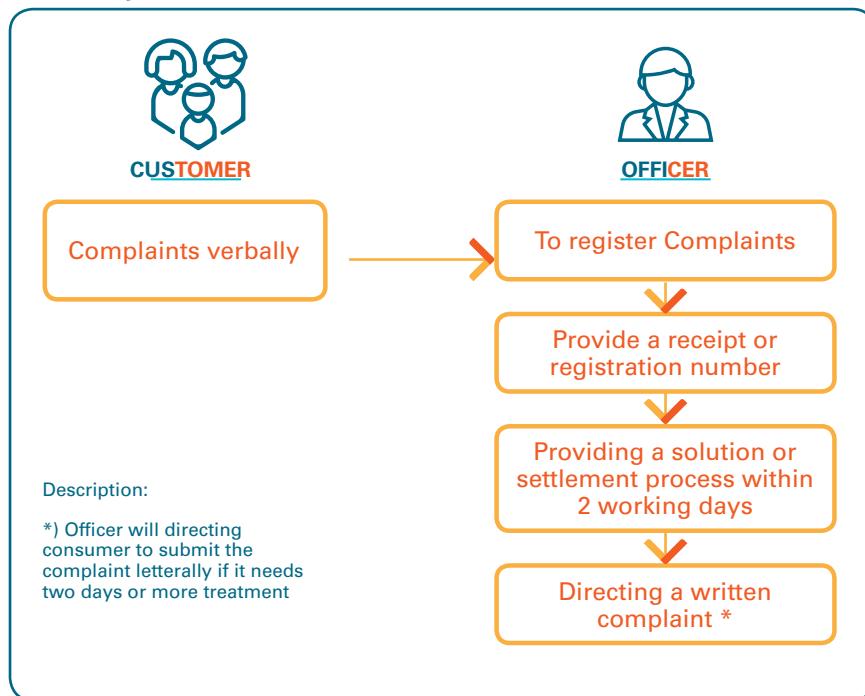


**Illustration 1. Media Complaint Submission**

Solutions for complaint are made orally, within a maximum of two (2) working days. If the oral solution requires more than 2 (two) days, then the officer will advise the customer filing a complaint in writing.



## Flow delivery and settlement complaints orally



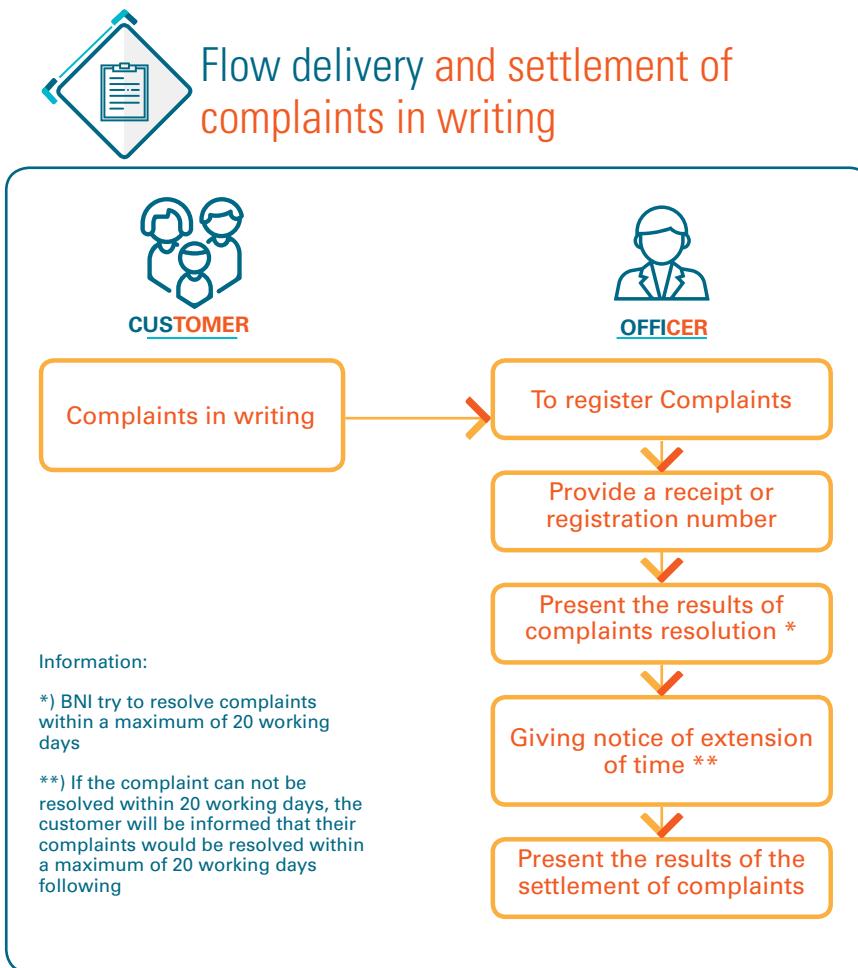
**Illustration 2. Complaints Oral Solution Delivery**

For written submission documents required from customers, include:

1. Statement that describes the problems experienced by customers (which are required)
2. A copy of the identity client / customer representative (to be required)
3. Supporting documents such as:
  - a. Proof of deposit / withdrawal / transfer or other banking activities related to the complaint in question
  - b. A copy of savings / checking account belonging to customers and / or their representatives

- c. The power of attorney (if not the customer has not filed the complaint)
- d. Documents from the authorities (if the customer representative is an institution / legal entity)
- e. Other documents required

Written complaints are resolved within 20 (twenty) working days, and under certain circumstances can be extended a further 20 (twenty) working days. In accordance with Bank Indonesia Regulation (PBI) No. 10/10 / PBI / 2008 dated February 28, 2008 concerning amendment of PBI No. 7/7 / PBI / 2005 on Settlement of Customer Complaints, BNI will provide information to customers when extra-time is needed.

**Illustration 3. Flow and Delivery Solution for Written Complaints**

In accordance with OJK Circular FSA (FSA SE) No. 2 / SEOJK.07 / 2014 dated February 14, 2014, BNI will provide information on the settlement of customer complaints by means of telephone, email, mail or short message (short message service / sms).

If the customer feels the settlement solutions provided by BNI are not appropriate, customers can continue the process of resolving complaints through mediation services of Bank Indonesia, Otoritas Jasa Keuangan or for alternative Dispute Resolution Institutions.

BNI Contact Center is supported by an integrated complaint handling Online Request Management application so that the receiving and processing of resolving customer complaints can be made into the application to facilitate the monitoring of the status of customer claims settlements.



## UNIT QUALITY OF SERVICE

### PERFORMANCE 2016

BNI is constantly making efforts and programs aimed at improving the quality and consistency of its service standards, in line with changing customer expectations to banking services in general. BNI has also been serving financial advisory services to provide financial solutions, educating on related transactions through already certified front liners digitization, and of course continuing to provide friendly, fast, thorough and accurate service to the customer. In other words, with quality and leading service excellence service as its vision, BNI must improve to encourage business opportunities that will ultimately increase profits. For that, BNI continues to perform monitoring and performance measurement services through its officers.

The efforts to improve service quality has resulted in a positive image by society as reflected through customer satisfaction surveys, such as the voice of customer carried out periodically as well as several awards in 2016, so that BNI managed was ranked 2 in the Bank Service Excellence Monitor survey by Marketing Research Indonesia (MRI), ranked second category for Customer Service, first category for security guards, and first in the category of branch phones.



### WORK PLAN 2017

1. In 2017, BNI will continue to make improvements with the latest innovations in service quality in line with the rapid technological developments and expectations of workers' competency in providing financial management solutions. Along with a value service in the form of "Integrity, Continuous Improvement, and Energy" which renders services as the "Culture" for all employees of BNI.
2. In addition, to monitor the implementation of standards as well as ensuring consistency of service in all outlets, to evaluate the quality of service in outlets regularly with measurement methods including inputs and results from reliable independent surveys, mystery shopping, testing the frontline skills and of by phone (calling test), an online competency test and implementation of customer satisfaction surveys to obtain feedback regarding the quality of service branch officers in meeting customer expectations as well as the impact on BNI service improvement and performance.

## Review of Operations and Information Technology



BNI is constantly upgrading the capabilities and reliability of its information technology (IT) BNI to support sustainable business growth. During 2016, improvements have been made to increase sustainability in a continuous manner associated with information technology systems



## BNI INFORMATION TECHNOLOGY STRATEGY AND MAIN ACHIEVEMENTS IN 2016

### INFORMATION TECHNOLOGY STRATEGY 2016

BNI's IT strategy is to ensure the BNI business services for customers through the use of IT, namely through IT services with high availability and reliability, IT services with high turnaround development, service decision support and management information systems, implementation of the IT strategic plan with a development platform to digital banking, as well as to ensure compliance with IT Banking governance.

The IT strategy is carried out on an ongoing basis as a strategic partner for the business to support business processes, by increasing internal processes as well as products and services for its customers.

### 2016 WORK PROGRAM

IT realization to fulfill this strategy included the following:

1. High availability and reliability of IT
  - a. The process server migration in the BNI dual data center implementation
  - b. - High Availability Firewall Implementation to ensure access availability and guarding against authorized parties
  - c. - Improved IT Service Management, to further accelerate the resolution of IT issues faced by outlets and branches
2. High turnaround IT Development
 

Increasing the capability of the simulator and testing tool used in the development process, to shorten the processing time for a workable implementation while improving the quality of the application development.
3. Decision support and management information system
 

Continual improvement of the Enterprise Data Warehouse, including the addition of data sources as well as the implementation of updating and cleansing datax

4. Implementation of the IT strategic plan with development towards a digital banking platform Increased coverage and capacity of server virtualization, thus speeding up the IT infrastructure to support the needs of BNI
5. Compliance with IT Banking governance Upgrading licensing and operational support tools to ensure the continuity of service while improving the performance of existing systems

### IT SUPPORT FOR OF E-BANKING DEVELOPMENT

In order to improve service quality and customer satisfaction, BNI carries out technological upgrading of information held in accordance with customer needs and technological developments. Increased bank information technology requires changing the mindset to accommodate developments in technology and demands of clients. Developments in technology and the demands of the dynamic needs of customers become inputs for the development of the information technology structure owned by BNI. The structure of information technology should be able to keep up with technology and customer needs so that products and services are always relevant for customers. These customers in a broad sense are all parties receiving output from BNI either investors, regulators, the public, as well as BNI employees.

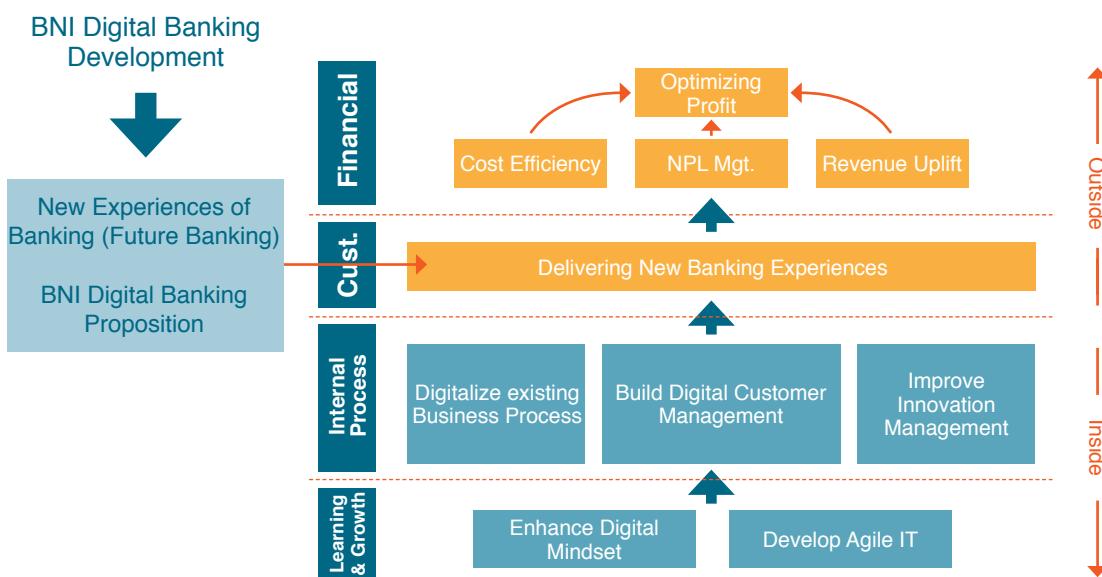
The structure of information technology, including the infrastructure which must be able to accommodate those needs, will increase to replace manual business processes with digital, creating customer management that is recognizable and meet the needs of customers, as well as manages the required

innovations and changes. If it can be achieved it is expected to increase customer satisfaction resulting in increased revenues and profits. At the same time, internally, improving the quality and speed of information technology increases the efficiency of BNI.

Here are some strategies to develop digital banking outlined as follows.

### The strategy for developing the Digital Bank

Digital banking development will deliver new banking experiences to target customers, so the bank has set a strategy of developing certain capabilities in Digital Bank



In addition, information technology support for BNI business development is realized through the development of Electronic Banking. E-Banking offers a range of products to support the activities and improve the quality of service and customer satisfaction. To realize this, BNI offers a variety of E-Banking facilities that include ATM, SMS Banking, Phone Banking, Internet Banking, Mobile Banking, Agent 46, Tap Cash, Uniqku, and EDC.

## E-BANKING PRODUCTS AND SERVICES

Electronic Banking products and services offered by BNI are as follows.

### ATM

Banking service channel, which allows Customer to conduct transactions such as cash withdrawals, cash deposits, check balances, transfer, payments and purchases. The number of ATM machines per December 2016 was 17,050 units spread across the whole of Indonesia. In order to improve banking services for BNI Customers abroad, especially Indonesian workers, BNI has placed ATMs in Singapore (2 units) and Hong Kong (4 units).



## Review of Operations and Information Technology

### **SMS BANKING**

BNI SMS Banking is a transactional bank channel that can be used by clients to transact transfers, payments and purchases via sms media (syntax) or sms menu.

### **MOBILE BANKING**

BNI Mobile Banking is a transactional channel bank that can be used by clients to transact transfers, payments and purchases via the mobile banking application for Android and IOS.

### **INTERNET BANKING**

BNI Internet Banking is one e-Banking channel with facilities from BNI to access accounts owned by the customer through the Internet using the Internet browser software on a computer or mobile phone.

### **PHONE BANKING**

Phone Banking is a specialized banking services provided to customers to ease the use of certain banking services, both transfers and other transactions, including but not limited to payment over the telephone network to access a particular phone number

### **AGEN46**

Agen46 BNI is a partner providing banking services to the public in the context of inclusive finance. Besides being a BNI partner providing a wide range of banking services, Agen46 also handles a wide range of government programs, such as the distribution of relief aid or subsidies, either in cash or non cash. Through Agen46, banking transactions are easier, faster and easily accessible by the surrounding communities. (In accordance with Agen46 tagline: Easier, Faster, Closer).

### **TAPCASH**

TapCash is electronic money in lieu of a cash-based card and can be recharged with a maximum balance Rp.1,000,000.

### **UNIKQU**

UnikQu is server-based BNI electronic money. UnikQu can be accessed and used by BNI customers and non-customers via smartphone or USSD (\* 946 #).

With such flexibility, payments using UnikQu can be made with cooperating merchants who already have the IT infrastructure, and also at merchants that do not have the IT infrastructure such as street vendors, traders, etc.

UnikQu balance replenishment can be made through BNI SMS Banking, BNI Mobile Banking, BNI Internet Banking, and Agen46. In the future recharging will be implemented through ATM Kerjasama and merchants.

In addition to payments to offline merchants feature, UnikQu can also be used with online merchants such as Lazada and can be used to top up mobile phones and pay kartu Halo.

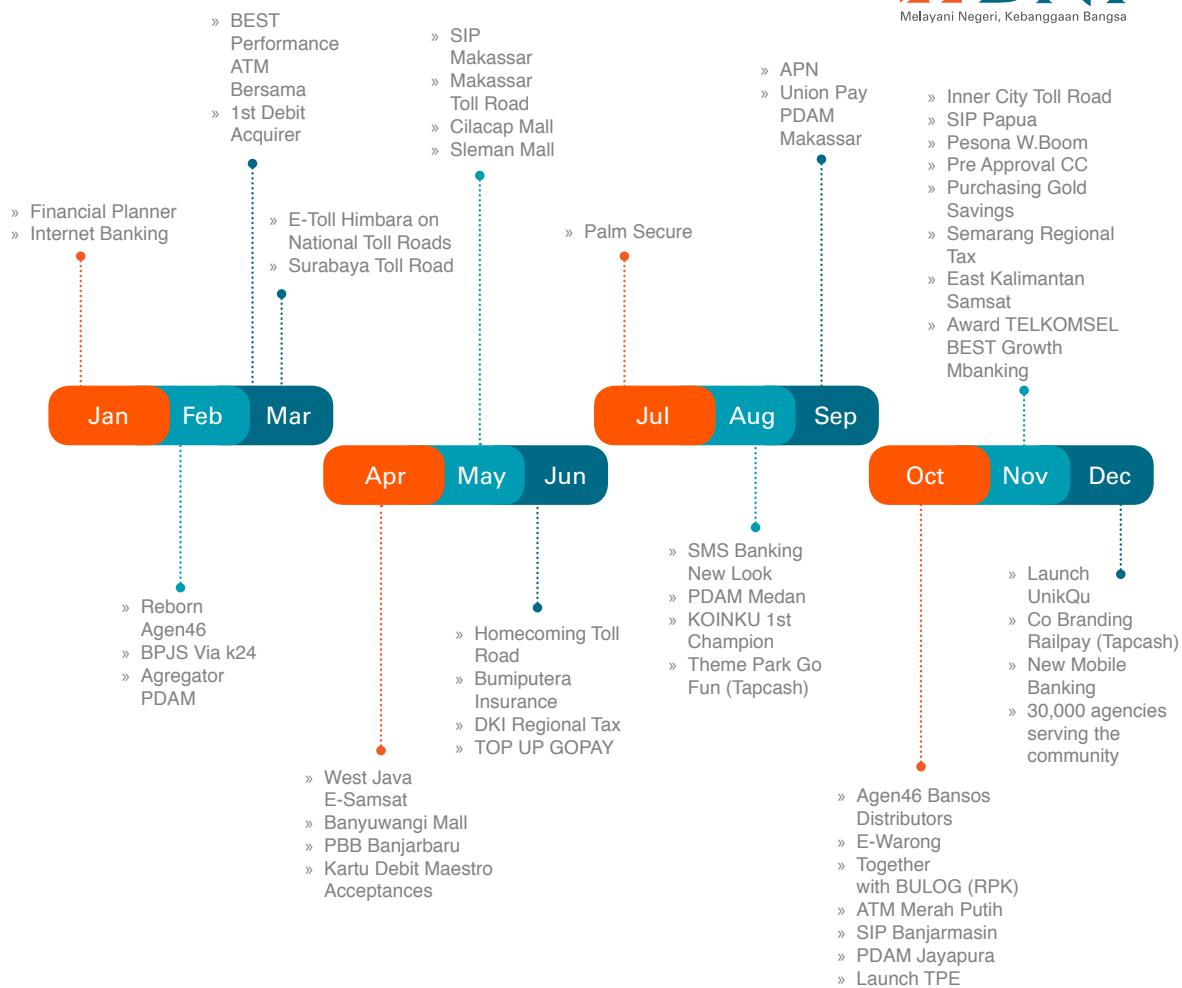
By using UnikQu, everyone can enjoy the BNI services.

### **EDC / Merchants**

The Merchant network is a APMK transaction receipt network (using a credit card, debit and prepaid). The Merchant network is a collaboration between the bank (acquirer) with global principals such as VISA, MasterCard, Japan Credit Bureau (JCB), UPI, or the local principals such as Artajasa, Prima and ALTO. As a member, the merchant network can establish cooperation with shops, hotels, restaurants, and a variety of other business entities that receive payment for goods or services using APMK (credit, debit, and prepaid).

## E-BANKING KALEIDOSCOPE IN 2016

### ◆ KALEIDOSCOPE E-BANKING 2016





## Review of Operations and Information Technology

### E-BANKING PERFORMANCE IN 2016

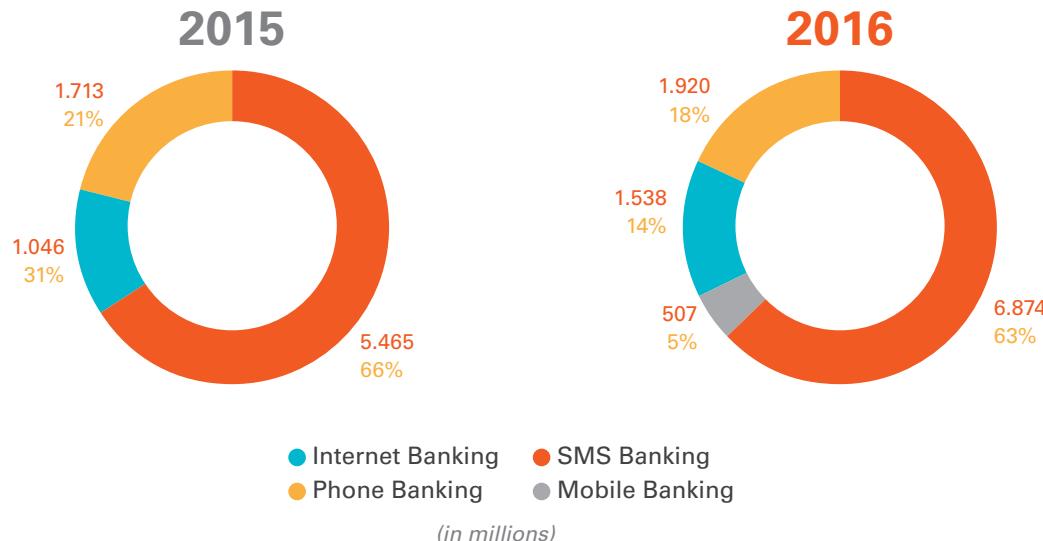
The E-Banking performance discussion is demonstrated in the growth of users, growth in user performance, growth in ATM and EDC, and growth based on the transactions. The details related to the E-banking products and services performance is described as follows.

#### E-BANKING USER COMPOSITION

In 2015, the number of users by SMS Banking, Phone Banking and Internet Banking channels was 66%, 21%, and 13% respectively of the total e-banking service users. The SMS Banking channel users was 66%, or 5,465,190 users, the Phone Banking channel users was 21%, or 1,713,352 users, and the Internet Banking channel users was 13%, or 1,046,550 of the total e-banking services users.

In 2016, the the number of users by SMS Banking, Phone Banking, Internet Banking and Mobile Banking channels was 63%, 18%, 14%, and 5% respectively of the total e-banking service users. The SMS Banking channel users was 63%, or 6,873,626 users, the Phone Banking channel users was 18% or 1,919,679 users, the Internet Banking channel users was 14% or 1,538,020 users, and the Mobile Banking channel users was 5% or 506,564 of the total e-banking services users.

**Diagram E-Banking Product Growth by User**



Throughout 2016, the Internet Banking service recorded significant growth with an increase of 492,470 or 47% from 1,045,555 users in 2015, increasing steadily in the last quarter in 2016 with 1,459,166 users in October 2016, 1,501,703 users, reaching 1,538,020 users by December 2016.

Phone Banking services users increased by 206,327 or 12% of the 1,713,352 users in 2015, increasing regularly over the last quarter in 2016 to 1,880,535 users in October 2016, 1,900,783 users in November 2016 to reach 1,919,679 users by the end of December 2016.

Also, mobile banking services in 2016 increased over the last quarter. In October 2016 the number of users was 416,742, increasing to 461,499 users in November, to reach 506,564 users by the end of December 2016.

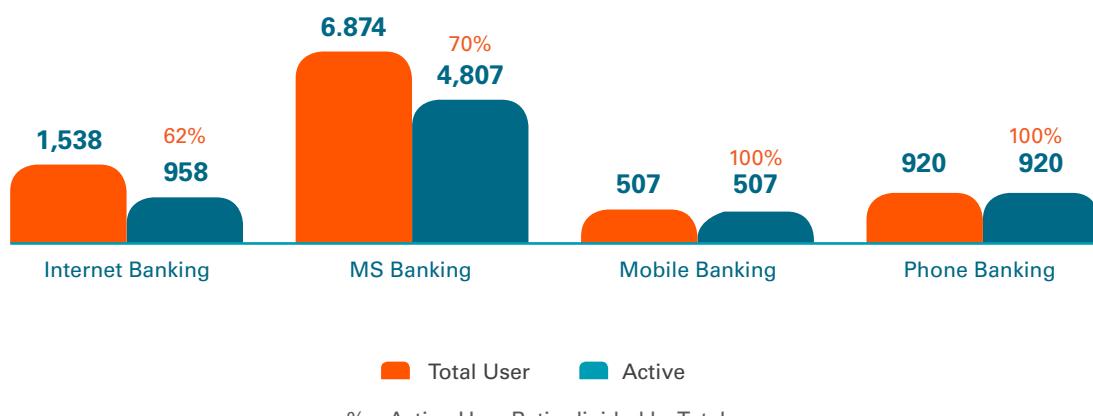
Details related to the growth of e-banking are shown below:

#### E-Banking Growth Based On The Number of Users

Channels	2015 User	2016 User	Pertumbuhan	
			User	%
Internet Banking	1,045,550	1,538,020	492,470	47%
Phone Banking	1,713,352	1,919,679	206,327	12%
SMS Banking	5,465,190	6,873,626	1,408,436	26%
Mobile Banking	-	506,564	506,564	-

#### E-BANKING GROWTH BASED ON USER PERFORMANCE

E-Banking Growth Based On 2016 User Performance Graph  
(User)





## Review of Operations and Information Technology

Details related to the growth of e-banking based on user performance is shown below:

**Pertumbuhan Produk E-Banking berdasarkan User Performance**

Channels	2015		Ratio	Des-16		Ratio	Target	
	User	Aktif		User	Aktif		Total User Aktif	% Pencapaian Terhadap Target
Internet Banking	1,046	708	68%	1,538	958	62%	1,124	85%
SMS Banking	5,465	3,555	65%	6,874	4,807	70%	5,332	90%
Mobile Banking	-	-	-	507	507	100%	253	200%
Phone Banking	1,713	1,713	100%	1,920	1,920	100%	n/a	n/a

Based on user performance, the total active users of internet banking in 2015 amounted to 708 thousand users or 68% of the total number of Internet banking services users, and this increased by 85% in 2016 to 1,538 thousand users, or 62% of the internet banking service users.

Active SMS banking users in 2015 amounted to 3,555 thousand users, or about 65% of the total SMS banking services users, and this increased by 90% in 2016 to 4,807 thousand users or 70% of the total number SMS banking services users.

In addition, the total active mobile banking users in 2016 amounted to 507 thousand active users.

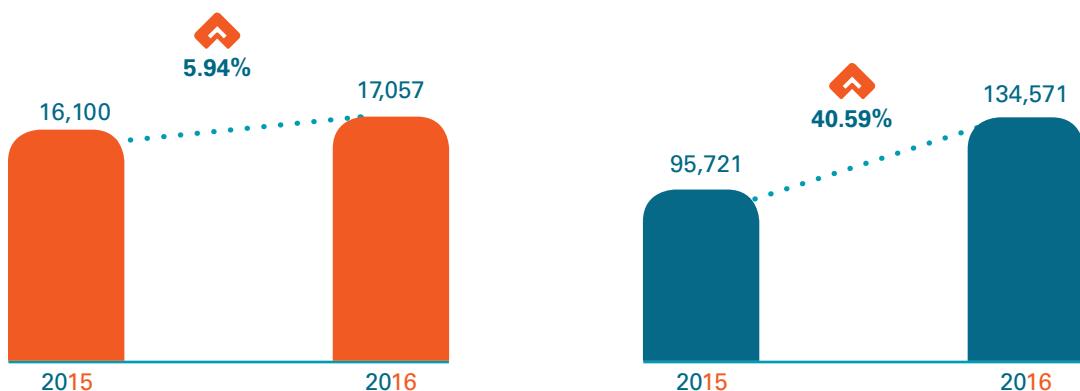
In line with the increase in Internet Banking and SMS Banking service users, Phone Banking user growth also increased. In 2016, total active users totaled 1,920 thousand Phone banking users or 100% of the Phone banking service users compared to the number of Phone Banking in 2015 service users, which stood at 1,713 thousand users.

### **ATM AND ELECTRONIC DATA CAPTURE (EDC) GROWTH**

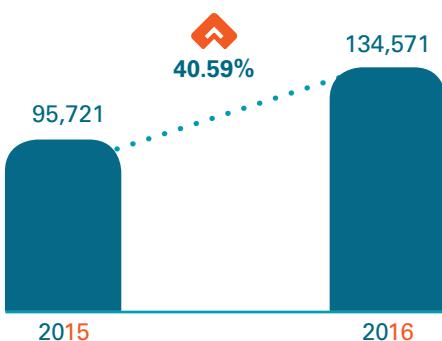
The growth in the number of ATMs in 2016 saw an increase of 5.94% from the total 16,100 ATMs in 2015 and has reached 17,057 ATMs in 2016. In addition, the amount of EDC in 2016 also increased from 95,721 to 134,571 EDC, a growth of 40.59%. Here are the growth details for ATM and EDC.

**ATM Growth Graph**

TOTAL ATM

**EDC Growth Graph**

TOTAL EDC (BTD)

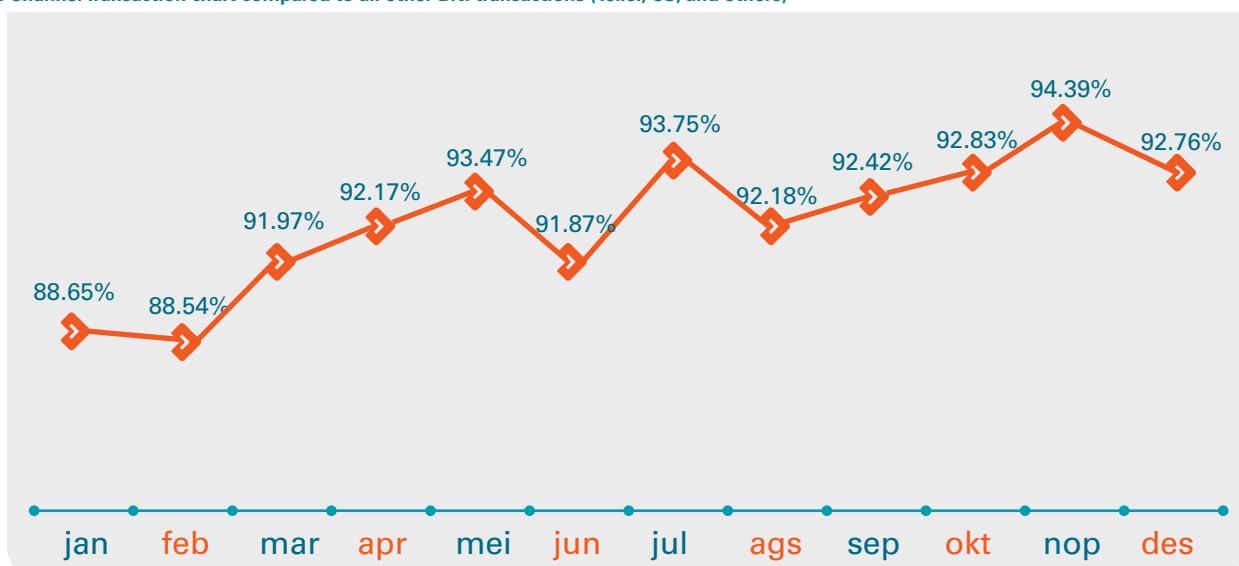


In line with the growth in ATMs and EDC, E-Channel transactions also increased. This can be seen from the graph below. The graph shows the movement of e-channel transactions during 2016. Growth in the number of transactions in January 2016 stood at 88.65%, and increased to 92.76% in December 2016.

**BNI E-CHANNEL TRANSACTION CONTRIBUTION**

In January 2016, the e-Banking channel contributed 88.65% to BNI's total transactions. While in December, e-banking channel transactions had increased to 92.76% of all BNI transactions.

E-Channel Transaction chart compared to all other BNI transactions (Teller, CS, and others)





## Review of Operations and Information Technology

### TRANSACTION GROWTH

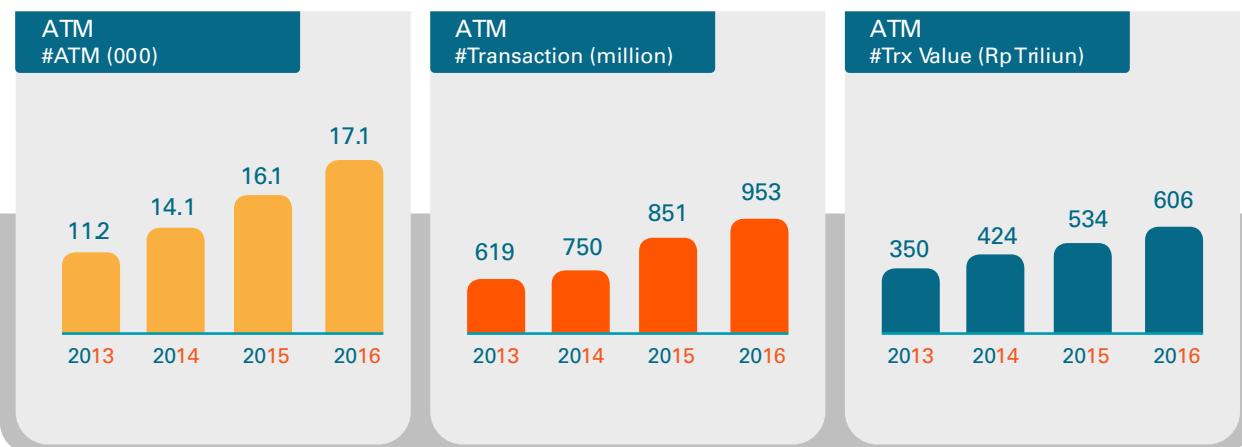
#### ATM

During 2016, ATMs totaled 17.1 million, an increase from last year's 16.1 million ATMs. Based on number of transactions, the ATMs processed 953 million transactions in 2016, an increase compared to 851 million transactions the previous year. In line with the increase in the number of ATMs and number of transactions, ATM transactions were recorded for a value of Rp606 trillion in 2016, an increase compared to the previous year's Rp534 trillion.

The details related to the ATM growth is illustrated in the graph below.

**ATM growth based on number of ATM, Number of Transactions and Transaction Value Graph**

#### ATM TRANSACTION GROWTH



#### SMS Banking

During 2016, the number of SMS Banking users totaled 6.9 million users, an increase from last year's 5.5 million users. Based on the number of transactions, SMS Banking managed process 308 million transactions in 2016, an increase compared to the previous year of 257 million transactions. In line with the increase in number of users and number of transactions, SMS Banking transaction value in 2016 was recorded at Rp36 trillion, an increase compared to the previous year which amounted to Rp26 trillion.

Details related to the SMS Banking growth are illustrated in the graph below.

**SMS Banking growth based on Number of Users, Number of Transactions and Transaction Value Graph**

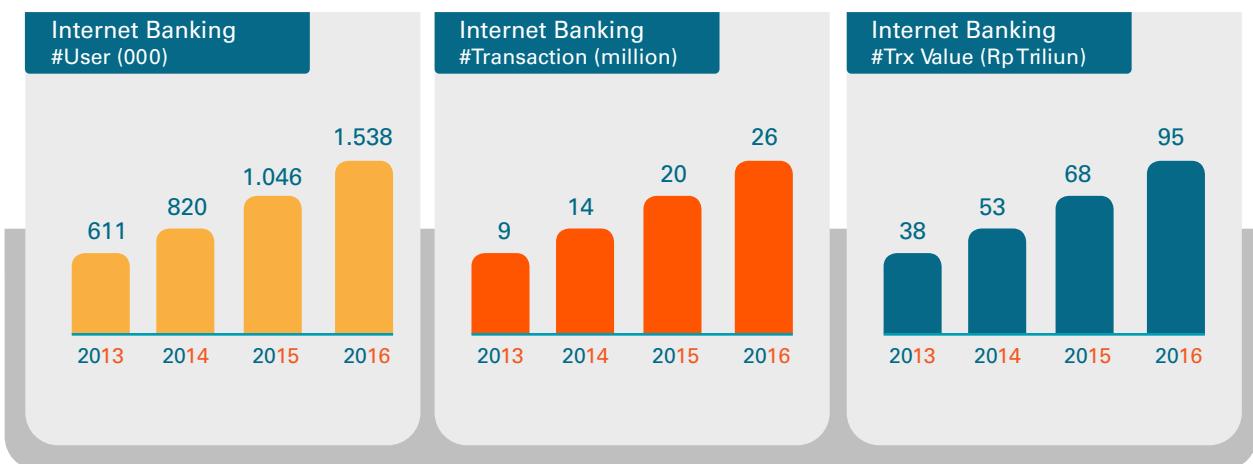


## Internet Banking

During 2016, the number of users of Internet Banking users totaled 1,538 thousand, an increase from last year's 1,046 users. Based on the number of transactions, Internet Banking managed to process more than 26 million transactions in 2016, an increase compared to the previous year's 20 million transactions. In line with the increase in number of users and number of transactions, Internet Banking transactions value in 2016 amounted to Rp95 trillion, an increase compared to the previous year which amounted to Rp68 trillion.

Details related to the Internet Banking growth are illustrated in the graph below.

**Internet Banking Growth based on Number of Users, Number of Transactions and Transaction Value Graph**





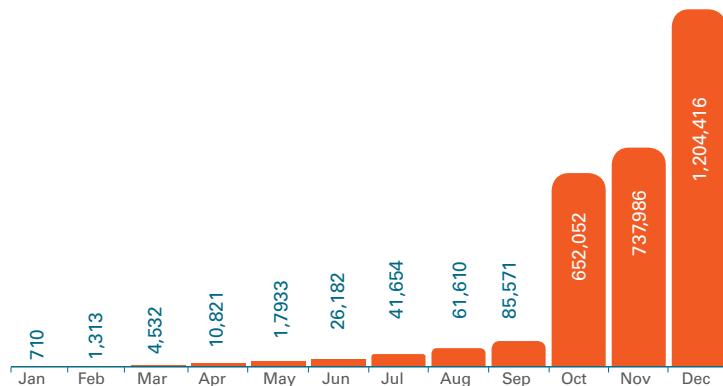
## Review of Operations and Information Technology

### Agen46 Growth



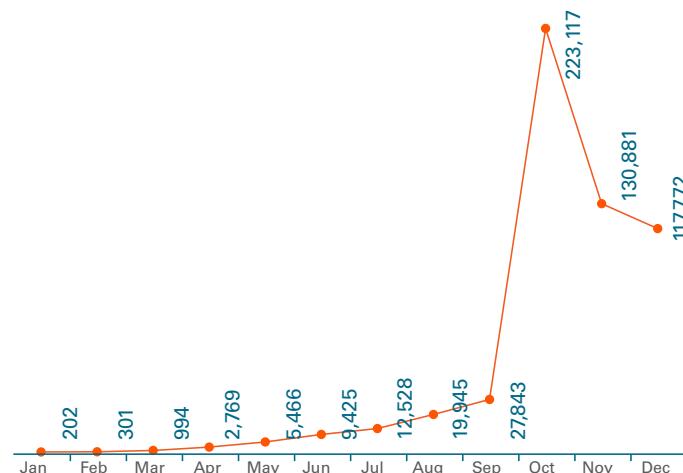
#### Growth Based on Total Agen46

By 2016, the number of BNI agen46 increased significantly by 99.448%. In December 2015, there were 31 agen46, which increased to 30,860 agen46 by December 2016.



#### Growth Based on Total BNI Pandai accounts

By 2016, the number of accounts BNI Pandai (BSA) increased significantly by 230.631%. In December 2015, there were 522 BNI Pandai (BSA) which increased to 1,204,416 accounts by December 2016.



#### Growth Based on Total Third Party Funds

In line with the increase in the number of agen46 and BNI Pandai (BSA) accounts, third-party funds collected through BNI agen46 also increased by 35.741%. In December 2015 third party funds amounted to Rp328 million and increased to Rp117,772 million by December 2016.





# Human Capital

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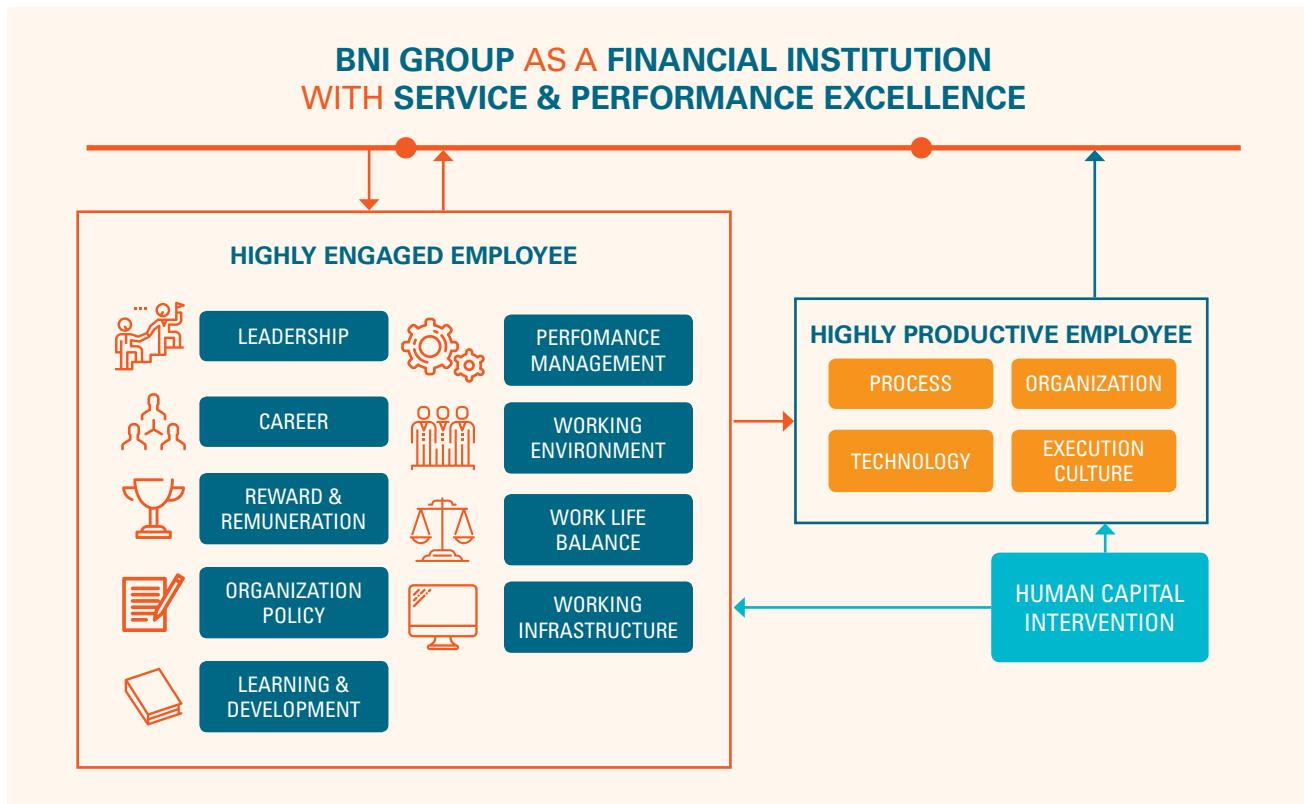


### **Guiding, escorting, and controlling the fast pace of business to beat the competition**

2016 was a year of growth for the bank, as evidenced by the performance indicators that showed significant changes over the previous year, and the ability to compete with competitors. BNI believes that growth will be realized due to the support from various resources in the company. Human capital are a major driving factor so that all the existing businesses' potential and challenges can be captured by BNI to maintain its sustainable revenue risk. Strategic initiatives have taken place in the human capital throughout 2016 that are capable of guiding, escorting, and controlling the fast pace of business needed to beat the competition.



## System Thinking



The Company believes that to be a financial institution that excels in service and performance it needs to be supported by loyal and productive human capital (engage). According to the 2015 Employee Engagement Survey results, employee loyalty (engagement) is affected by a number of aspects, including leadership, career paths, rewards and remuneration, company policies, learning opportunities, performance management, working environment, work life balance, and the type of employment. While the factors that affect employee productivity, among others, are aspects of work processes, technology, organization and execution culture. Therefore, the Company considers that the BNI HC management should interact in aspects that affect the level of employee loyalty and productivity.

## Employee Value Proposition

### BNI Employee Value Proposition

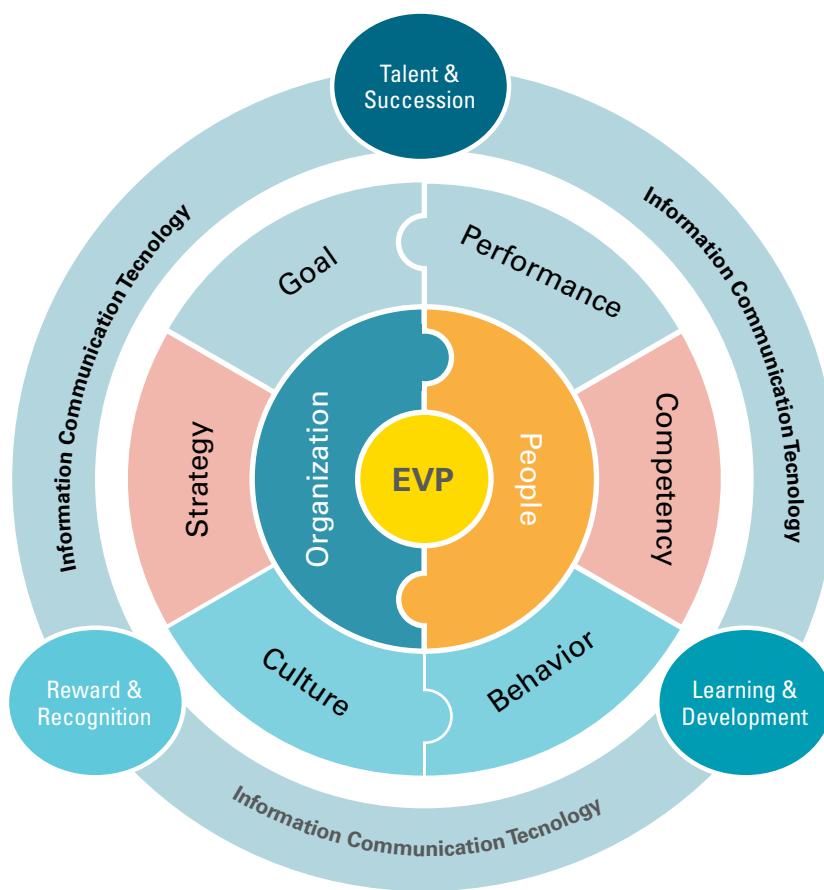
Together create the best place to contribute, learn and grow, to become the pride of the nation

Employee Value Proposition (EVP) is the ideal value promised, and believed to be shared, by the Company and employees so as to give rise to a commitment to make it happen. EVP existence becomes the glue that binds the organization and its employees together to generate maximum synergy. The Company promises to reward employees based on contributions and performances shown. Likewise, employees are committed to contributing to the Company with their best performance. In line with the third mission of BNI to "create the best working environment for employees to proudly work and actualize oneself" and "together create the best place to contribute, learn and grow, to become the pride of the nation." The meaning of the word "together" means that the Company and the employees are like two sides of a coin and are interdependent when achieving the common goal of the organization.



## Human Capital Architecture

In facing the challenges of an increasingly competitive business, the Company's strategy needs to be supported by a human capital management strategy that aligns with the Company's business direction. Therefore, in 2016 the Company implementing its human capital management strategy in the form of BNI Human Capital Architecture so that the human resource management strategy adaptable and supports the Company's dynamic business strategy.



### *Aligning Corporate's Goals, Strategy and Culture with Employee's Performance, Competency and Behavior*

The Company have goals to achieve, and the strategies needed to achieve them, together with an organizational culture, form the basis of organizational behavior. For the company's goals to be achieved, BNI employees are required to demonstrate performances that are aligned with those goals. By changing the company's strategy in achieving its goals, the employee is expected to continuously improve their competency to supports the company's strategy. The Company also expects that employees continue to display behavior that is consistent with the organization's culture.

### Talent and Succession, Learning and Development, Reward and Recognition

If the employees are able to deliver performances aligned with the goals, with competencies that are aligned with the corporate strategy and behavior that reflects the company's culture, then the Company is committed to realizing 3 (three) things to employees including career development opportunities (talent & succession), opportunities to develop competencies and capability (learning & development), as well as recognition and appreciation for their contributions to the company (reward & recognition).

### Information Communication Technology

The full Human Capital management strategy is communicated to employees in an open and transparent manner through various communication channels that can be accessed anytime and anywhere by employees. Technology plays a major part in supporting the implementation aspects of human capital management to become more effective and efficient. All employee management components contained in the HC Architecture can be accessed independently by employees through an integrated online personnel management system.



## Realization of Human Capital Management Strategy 2016

### Planning and Allocation Permanent Employees

In 2016, BNI established a strategy to boost credit expansion while maintaining the loan quality and improve the digital services to provide more quality services to customers.

To support this plan, require planning the number and composition of effective and efficient employees in every business unit. Indicators used in the preparation of human capital planning were based on employee productivity ratios by using Earning per Employee (EPE) and Human Capital Return on Investment (HC ROI).

In 2016, BNI employed 28,184 people, not including 195 trainees, or 101.2% of the target set. The number of employees is higher than the target because there are some strategies that aim to support government policies, opening new outlets, and beginning the optimization of BNI outlets as point of sales.

The addition of employees slightly above plan proved effective in supporting the achievements of the business, as indicated in employee productivity based on Earnings per Employee (EPE), which reached 100.53% of the target set (Rp.380 million / employees against Rp. 378 million / employee target). With the achievement of these targets, the level of productivity compared to competing banks ranked BNI employees third.

### Performance Management

Employee performance management is an aspect that becomes the focus for the Company's achievements. The Company's Performance Management System consists of three aspects, goal setting, performance driving and performance evaluation. These three aspects are monitored regularly through two short cycles every 3 months, and a full cycle every year.

Three Phases of Performance Management



- The goal setting Phase involves all relevant stakeholders ensuring that targets for every employee have been aligned with the unit target and Bank targets as a whole;
- The Performance Driving Phase aims to encourage and motivate employees and their superiors in continuous performance achievement so as to achieve the set targets;
- The Performance Evaluation Phase is the process of assessing the performance achievements in accordance with the short cycle (3 months) and full cycle (one year) aspects.

The three phases are part of the short cycles conducted every three months and full cycle performed each year. During 2016, the Bank improved the design of the Key Performance Indicators (KPI), to harmonize the KPI from the company level, through to the unit and finally the individual as the smallest entity in the organization.

The entire performance management process applied by BNI uses an online system that can be accessed by every employee. This year, the Bank has also made a number of improvements to its performance management IT systems and infrastructure aimed at improving the effectiveness and efficiency of the overall process.

Employee performance evaluation results will have an impact on competency, career and reward & recognition development plans. In 2016, the Company began to introduce variable allowances to employees who achieve their specified performance targets.

## Competency Management Corporate Strategy Support

In 2016, the Company improved the competency model for each available position. This improvement is part of competency management that aims to ensure the effectiveness of human resource management in placing employees in accordance with their competence (right man in the right place).

BNI also carry out competency assessments for all staff members. This assessment process helps employees understand their strengths and areas for improvement so that employees can demonstrate optimal performance. The assessment not only determines employee's competence in their current position, but also prepares employees for future positions. The assessment activities involved cooperation with third parties, internal BNI and superior evaluation.

## Behavior Building In line with Corporate Culture

BNI organizes surveys for all employees regarding work culture and employee engagement. The Culture Value Assessment (CVA) is an analytical survey that measures aspects of organizational culture. In general, the CVA results in 2016 showed an improvement in all aspects of the organization's culture. In the previous year, the ethical aspects had increased fairly highly. It demonstrated the Company's success in instilling a risk culture and business ethics, based on Principle 46, through the socialization and coaching by the unit head to every employee, and the quality of its implementation. The CVA results also showed that the highest increase came in Professionalism (Silo Mentality). Employees feel that they themselves are part of the company, not just a part of the work unit. As a result, the openness and quality of employee collaboration, both with fellow colleagues as well as with cross-unit business units is on the rise.



## Realization of Human Capital Management Strategy 2016

In addition to the CVA, the Bank also conducts employee engagement surveys on a regular basis. The BNI Engagement Survey believes that highly engaged employees are rationally and emotionally connected employees who are loyal and motivated and want to demonstrate more contributions to the Company. The Engagement survey results are one input for the Bank in the preparation of policies that can improve employee engagement. The Engagement survey results in 2016 showed a significant increase in engagement from the previous year. Figures show BNI's EES score increased from 46.88% in 2014 to 55.22% in 2016. The Company believes that this increase due to the impact of new initiatives BNI's human capital management. Going forward, the Company will remain committed to developing policies that can improve employee engagement for Generation Y as the majority of employees in BNI, having reached 56.98% of the total employees.

To improve engagement and innovativeness to BNI's people, the Company organizes BNI Business Innovation Awards (BINNOVA) which opens up opportunities for employees to contribute. This program is expected to boost the growth of sustainable business performances. Featured programs generated through this activity give further opportunities to apply them in the real business activities of the Company. The programs that have been implemented to date have resulted in 10 innovations that have won BINNOVA. In 2016, the company re-organized BINNOVA, and this was greeted with enthusiasm by all employees.

Through the BNI Business Innovation Award 2016 (BINNOVA) program, the Company opens up greater opportunities for employees to contribute to enhancing the sustainable business performance growth. The employee enthusiasm for this program is considered high, indicated by an increase in the number of proposals received from 172 proposals in 2015 to 235 proposals in 2016. In 2016 there were two major themes set by the organizers, namely Cost Innovation and department levels. In 2017, the company intends to continue talent management at the AMGR - SVP level and start the preparation of talent management at the assistant level.

### Aligning Talent Management with the Need for Future Leaders

BNI Talent Management is a process in preparing for, developing, and retaining employees so that their achievements and superior performances, both now and in the future, are in line with the Vision, Mission and BNI's Work Culture. The Company realizes that talent management is a process that is carried out consistently and is long term. BNI's Talent Management scope starts with the entry of employees, and includes Talent Acquisition, Talent Classification, Talent Development, Talent Mobility and Talent Retention.

The components in the preparation of talent management consists of employee competence and performance. Competency is assessed through the assessment mechanism to measure the level of competency of employees. In 2016, assessments were carried out for hierarchies for 11,090 employees, or 39.4%. This figure was due to employees at assistant level being 54.8% new employees who will be assessed in 2017. The assessment results are used as input in the talent management implementation. All talent management phases involves the Talent Committee who ensure that the process of Talent Management is run with an objective and standardized manner, the Talent Committee's authority includes establishing talent classifications, organizing and encouraging the implementation of the talent mobility plan, organizing the talent development plan and encouraging its realization, and implementing changes in employees' positions.

In 2016, was held talent management arrangement for all the employees start from AMGR to Senior Vice President (SVP) for 10,040 or 87.8% from all the employees in that position. in 2017, the company continues talent management arrangement for AMGR-SVP position and will start from assistant position.

## Talent Acquisition

To obtain superior human capital, the recruitment program has to become an effective sourcing channel. During 2016, BNI recruited 2,354 employees. In line with the Company's business focus to accelerate expansion and prepare BNI for the digital age, then in 2016 recruitment prioritized filling the positions associated with the strategic initiatives. The employees fulfillment mechanism in 2016 was accomplished through external recruitment, internal employee career development, outsourcing and internships. Recruitment is not only intended to add new employees, but also to replace employees who leave, so that business activities can continue to run optimally.

Of the total workforce, the position of assistant accounts for 2,308 or 98% of total employees. Recruitment of employees in assistant positions is largely to fill assistant level positions in branches and centers, in accordance with the business outlet expansion strategy, which began in 2015. In addition, the distribution of assistant level employees is also directed to positions in credit card and consumer credit collection, as part of BNI's efforts to improve the quality of non-performing loans (NPL). To continue the initiation of smart agent behavior for branchless banking in the framework of Inclusive Finance, and in accordance with Otoritas Jasa Keuangan regulations, the proportion of employees recruited at assistant level should also be directed to fill the assistant position for Branchless Banking throughout Indonesia.

In addition, employee recharging is also conducted through the internal employee career. Mechanisms that have been implemented in 2016, include a basic employee career development policy, as well as career development from assistant to Assistant Manager (AMGR). Recruitment at the assistant manager / officer level is achieved through the Officer Development Program (ODP), which is a regular program to prepare future BNI candidates leaders, which this year recruited 178 candidates. Placement of employees recruited through this program is focused on BNI core business position in credit and Information Technology.

For the positions not filled by available internal employees, BNI hired experienced recruiters through a selective mechanism.

In 2016, the employee turnover rate was 764 employees or 2.7%. The largest percentage turnover was at the assistant level, because in 2015, BNI implemented policies extended the retirement age for assistant-level staff whose effects began to be felt in 2016. This policy is an attempt to accommodate BNI employees aspirations. For the AMGR level, turnover decreased. The company predicts that this occurred due to the increase in employee engagement as a result of BNI's efforts in creating a comfortable working environment for employees that emphasizes quality synergistic relationships between employees and the Company.



## Realization of Human Capital Management Strategy 2016

### Reward and Recognition System to Improve Employee Engagement

The remuneration management strategy implemented in 2016 is based on the concept of FoR MoRe Benefit WE GO with the following explanation:

#### **FoR: Foundational Reward**

Foundational reward constitutes a steady income received by each employee according to their position and personal attributes.

#### **MoRe: Motivational Reward**

Motivational Reward is a component of the reward given with the aim of increasing employee motivation to show their best performance.

#### **Benefit: Benefit**

Benefit component is a component of the reward given in order to provide comfort for employees.

#### **WE: Working Environment**

Working Environment provides a comfortable working environment for employees, because the company realizes that the physical, social and psychological environment impacts on the of employee performance.

#### **GO: Growth Opportunity**

The Company provides an opportunity for each employee to develop their potential and career.

The remuneration policies were based on the concept of FoR MoRe Benefit WE GO and have been implemented gradually starting in 2016 and began with the implementation of the Flexible Benefit and Retirement Health Fund (DKMP) program as part of the concept of "benefit".

In 2017, Corporate committed to runs this initiative in accordance with FoR MoRe Benefit WE GO concept.

#### **Flexible Benefit**

In 2016, BNI launched its flexible benefits program providing benefits in line with the concept of We Go For More Benefit. BNI realizes that each employee has different needs, based on their current life phase. As an illustration, the BNI employee population currently consists mostly of Generation Y, followed by Generation X, and then the Baby Boomer generation. The different generations affects the benefits needs.

For example, young employees want recreational or leisure benefits. Meanwhile, employees who already have children want children's education benefits. These different aspirations could not be met by the previous benefit scheme which adopted a "One Size Fit for All", where all employees were given the same benefits in accordance with their position. So with the improvements to the "One Size Fit for All" benefit scheme that was in force, the Flexible Benefit scheme offers flexibility for each employee to have their own benefits in accordance with their needs.

#### **Retirement Health Fund (DKMP)**

The Retirement Health Fund is a program that aims to help employees prepare for retirement healthcare. The company realizes that health is a human need throughout life, including after retirement. During active service every employee receives health facilities from the Company. The DKMP program is the Company's moral obligation to ensure that employees will still receive health facilities after retirement by way of preparing it today while still active as an employee.

## Improving the quality of human resources through Activity Learning and Development

To answer the challenges as the banking industry competition intensifies, BNI understands that the key to success is human capital. So to have the most competent and reliable human capital, as well as continue sustainable development, BNI Organizational Learning became BNI Corporate University. BNI Corporate University was born with the motto Learn, Grow, Lead or Learn, Work, Career. Its vision is "to become a world class financial services professional development center".

BNI Corporate University mission includes:

1. Create a world-class financial services professional development system for international banking, credit, risk management and operations;

2. Accelerate the BNI business leaders preparation to address future business needs;
3. Build strategic alliances with potential partners (universities, leadership development centers, and business study centers, associations, other industry players);
4. Build applicable world-class business financial services learning solutions;
5. Build a reliable assessment center to support the development process.

The BNI Corporate University gives every employee the opportunity to learn and gain applicable knowledge, as well as the opportunity to grow through good performance and contributed significantly to achieving the Company's business performance and has focused its learning on BNI "Principle 46", namely Professionalism, Integrity, Customer Orientation, and Non Stop Improvement.

## 2016 Learning Program Realization

During 2016, BNI trained 99.76%, or 28,311 employees (including 767 employees who were non-active), with the total training participants being 179,914, making the average training time per employee 6.34 times.

Total Employees	Training Hours	Training Hours per Employee	Total Training Participants	Total Employees Trained
28,378	1,740,788	61,3	179,914	28.311

The Cost of Education and Training in 2016 amounted to Rp214,996.57 million or 86.34% of the annual budget, an increase of 3.75% compared to 2015. With the training participation by 179,914 participants, with an average per employee of 6.34 times, means the investment cost of learning reached Rp7.59 million per employee in 2016.

Explanation	2016 (in million Rp)	2015 (in million Rp)	Peningkatan (in million Rp)	Peningkatan (in %)
Education and training cost	214,996,57	207,229,04	7,767,53	3.75



## Realization of Human Capital Management Strategy 2016

The largest education and training cost was for Prospective New Employee Training Expenses which reached Rp47,845.56 million, or 22.25 % of the total cost of education and training, this amount was made up by the Officer Development Program (ODP) and Assistant Development Program (ADP). The realization figures increased by 17.91% compared to last year. The second largest education and training cost was for Credit Training which reached Rp47,253.64 million, or 21.98% of the total cost of education and training.

BNI seriousness in improving personnel capability in consistent credit granting was demonstrated in 2016 by its certification program, Training for Trainers (TFT), and e-Learning Mandatory Credit Core Skill. The BNI professional certification program provided is based on business and employees needs, with additional tutorial programs organized both in-class and e-learning. The certification program followed include Associate Wealth Management Certification, Certificate for Specialists in Demand Guarantees, Advocate Profession Special Education, Capital Market Law Consultant Profession Education, Risk Management Certification, Certificate in International Trade and Finance, Certificate Documentary Credit Specialists, AAJI Certification, as well as Banking Compliance Certification.

The BNI Group also demonstrates its synergy by providing education for its Subsidiaries including, Four Disciplines of Execution (4DX) program, Integrated Risk Management, Credit Skills Enhancement, Bank Guarantees and Trade Finance.

For the second year, BNI management shows its appreciation in the form of its employee recognition programs, BNI Development Program, which not only gives employees the opportunity to continue their post-graduate education abroad, but also gives employees the opportunity to intern at BNI overseas branch offices.

In 2017, BNV will be instrumental in improving employee engagement and productivity, and contribution to BNI's business target achievement, through the learning design that reaches all employees, with learning programs prioritizing credit, funds and digital banking through the best practice Corporate University.

**2016 learning realization based on learning and development model 70:20:10**

Metode Pengembangan	Σ Kelas	Σ Partisipasi
Experiential Learning "70"	<i>On the Job Training (OJT)</i>	72
	<i>In Service Training (IST)</i>	72
	<i>Short Overseas Assignment</i>	1
Social Learning "20"	<i>Coaching</i>	58
	<i>Mentoring</i>	165
	<i>Role Play</i>	193
Formal Learning "10"	<i>In-Class Learning</i>	1,130
	<i>e-Learning</i>	43
	<i>Workshop/Seminar</i>	119
	<i>Certification</i>	64
	<i>Conferences/Congresses</i>	5

## Information and Communication Technology - Human Capital Management Based Technology

Information technology is an integral part of industry development today. Implementation of policies, as well as the human capital management system, have used information technology to improve the business processes' effectiveness and efficiency. Human Capital Management System (HCMS) features are being regularly enhanced based on system evaluation and feedback. In 2016 the employee performance management system was enhanced by adding a module to facilitate the process of adding content and monitoring performance. In addition, the system also emphasized that improvements focus on increasing the IT infrastructure capability across BNI. A number of programs such as Performance Management, Flexible Benefit, DKMP, and Individual Development Plan have been implemented using the HCMS platform.

## Human Resource Management based on Information, Communication and Technology

The Company strives to create quality and harmonious Industrial Relations through labor unions as employee representatives. Through a partnership forum with labor unions, employees can express their aspirations to the company so two-way communication between the company and employees is maintained. During 2016, 21 meetings were conducted with labor unions which discussed a number of agenda items, including administrative provisions regarding employment, rights, benefits and employee facilities, including the dissemination of agreed policies. Industrial relations mechanisms are implemented on an ongoing effort as the Company's commitment in maintaining harmonious relations between the Company and employees.

In addition to the partnership forum, the Company provides employees with the means to register complaints and get answers to the situation at hand. The Company provides HCT services info that helps deal with various issues related to human capital through the medium of email communication, telephone, whatsapp group, BBM and SMS Blasts.



## Human Capital Transformation

In this year, the Company also continued to run the Human Capital Transformation Roadmap initiative towards World Class Human Capital Practices Roadmap 2018. This is a long-term program, started in 2016, and aims to make the Human Capital Management Division capable of integrating business strategy with human capital management in all organizational aspects that have a main focus on human capital management. Business management concern is that human capital has a sense of engagement with the company. Therefore, it will create a relationship between the organization and employees, as the relationship is mutually beneficial and profitable for both parties.

BNI's Transformation of Human Resource Management strategy is explained as follows:

1. Improving the strategy and human capital policies;
2. Focus on more strategic "Business Partnering" for all business units;
3. Implementation of shared services for human capital management to improve the involvement of line managers in managing human capital in the units.

## Appreciation

Throughout 2016, the bank received a number of awards related to human capital development, as follows.

**INDONESIA HUMAN CAPITAL AWARD- II- 2016 from Economic Review Magazine**

No	Award	Category
1	The Best Visionary HC Director – Bp.Suprajarto	HC Inner Potential
2	1st.The Best Recruitment Strategy and HR Planning	Recruitment Strategy
3	2nd. The Best Human Capital BUMN – Public Company	BUMN – Tbk
4	2nd.The Best Industrial Relations	Industrial Relations
5	3rd. The Best HC Business Impact	HC Business Impact
6	3rd. The Best Human Capital Strategy	HC Strategy
7	The Big 5 - Learning Development	Learning Development
8	The Big 5 - Performance Management	Performance Develop
9	The Big 5 - HR Technology	HR Technology
10	The Big 5 - Employee Engagement	Employee Engagement
11	The Big 5 - Organization Strategy	Organization Strategy
12	3rd. The Best Human Capital - of The Year 2016	General Champion



## 2017 Strategic Initiatives

In line with BNI's business strategy to conduct aggressive growth, the human capital management focus in BNI is still in line with the initiatives that were started in 2016 on improving productivity and employee engagement in accordance with BNI's Human Capital Architecture.

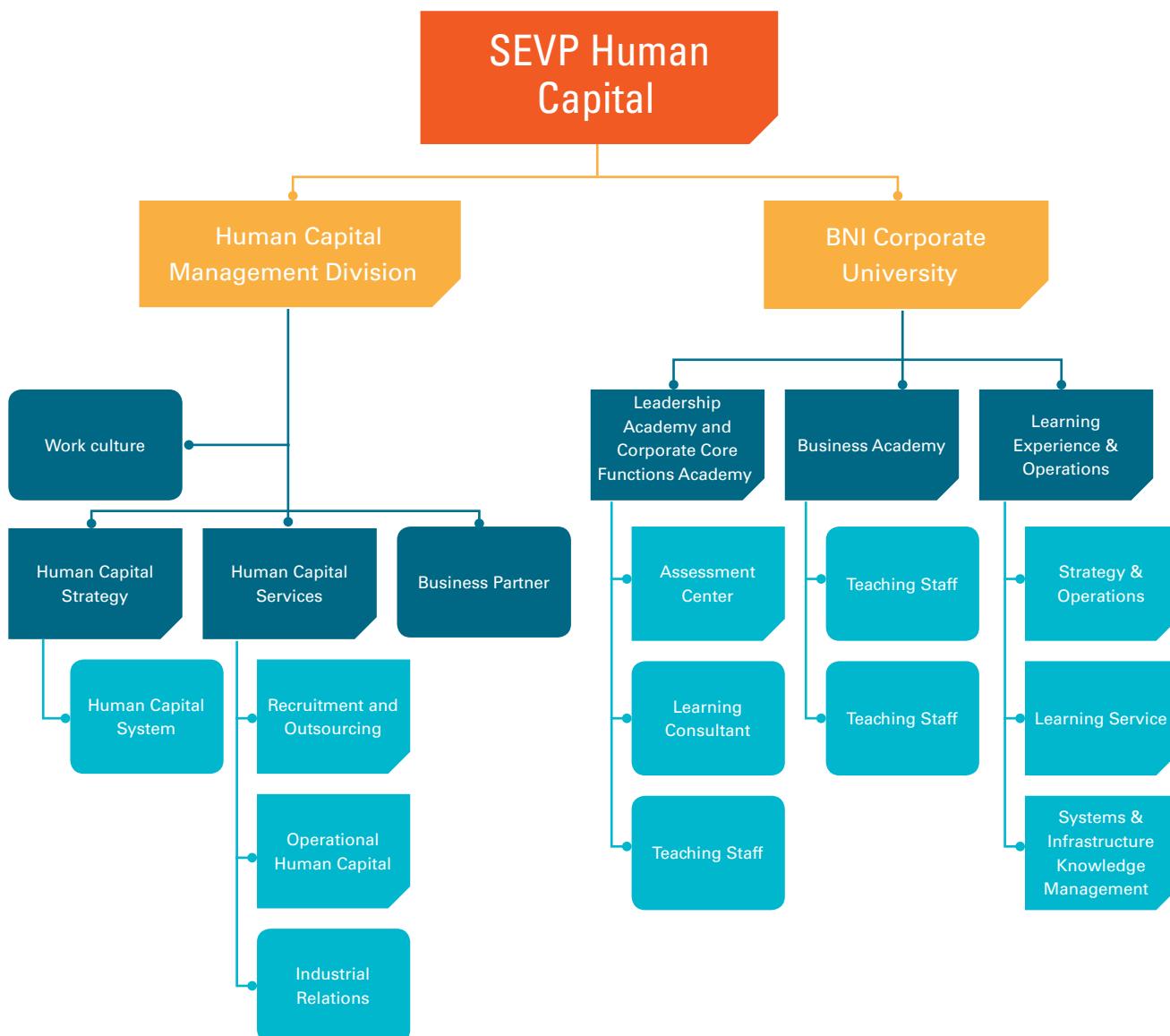
Together with the Company's strategy related to business activities and banking services digitization, the employee composition also conforms to the Company's business strategy. Business units and IT positions contained will be the main focus in determining the composition and availability of employees in those positions.

The work programs drawn up for 2017 include:

1. Application performance management policies aligned between BNI, unit and individual employees performance
2. Innovation Center Development as part of digital-based knowledge management
3. Implementation of talent mobility and talent development plans as arranged in the 2016 talent management
4. Reward & Remuneration policies in accordance with the concept for FoR MoRe Benefit WE GO
5. Talent acquisition strategy implementation through Management Trainee (MT) programs and cooperation with third parties through Pola Kontrak, Outsourcing and Partnership Programs, and others;
6. Providing training opportunities and vocational guidance for the inexperienced workforce (high school and University graduates) through BNI BINA Program

## Human Resources Management Structure

BNI's Human Capital Management is conducted by the Human Capital Management Division, who are responsible for the strategy and management of human capital and BNI's Corporate University is responsible for the organization's learning function. Both divisions are led by Division Heads who are directly responsible to Human Capital SEVP.





The human capital officials / heads at the Bank are as follows :

#### Brief Profile Human Capital SEVP



Alex Denni earned his doctorate in Agricultural Industrial Technology Studies from IPB and has served as Human Capital SEVP since June 1, 2016. As Human Capital SEVP, he oversees the Human Capital Management Division and the BNI Corporate University.

#### Brief Profile of Human Capital Management Division Head



Sari Ayu Wulandari has served as Human Capital Management Division Head since January 22, 2016.

#### Brief Profile BNI Corporate University Head



BNI Corporate University has been led by Putu Bagus Kresna as Chief Learning Officer since December 2, 2013.

## Employee Profiles

### NUMBER OF EMPLOYEES FOR EACH POSITION LEVEL

Number of Employees based on Position

Position Level	2016			2015			2014			2013			2012		
	M	F	Total												
≥ VP	167	42	209	139	40	179	111	34	145	108	32	140	91	30	121
AVP	680	254	934	677	233	910	693	216	909	639	186	825	629	177	806
MGR	1,684	1,095	2,779	1,594	1,032	2,626	1,500	936	2,436	1,486	839	2,325	1,442	758	2,200
AMGR	3,989	3,784	7,773	4,031	3,754	7,785	4,143	3,848	7,991	4,243	3,919	8,162	3,769	3,320	7,089
ASST	5,834	9,620	15,454	5,340	8,957	14,297	5,277	8,668	13,945	5,120	8,360	13,480	4,982	8,274	13,256
PGD	1,035	-	1,035	1,078	-	1,078	1,110	-	1,110	1,168	-	1,168	1,388	1	1,389
TOTAL	28,184			26,875			26,536			26,100			24,861		

Growth in number of employees at each position level

Position Level	2016	Composition of Total Employees	2015	Composition of Total Employees	Growth
≥ VP	209	0.74%	179	0.7%	16.8%
AVP	934	3.31%	910	3.4%	2.6%
MGR	2,779	9.86%	2,626	9.8%	5.8%
AMGR	7,773	27.58%	7,785	29%	(0.1%)
ASST	15,454	54.83%	14,297	53.2%	8.1%
PGD	1,035	3.67%	1,078	4.0%	(4%)
TOTAL	28,184	100.00%	26,875	100.0%	4.9%

BNI's employee composition in 2016, in terms of position level, is dominated by first-class office Assistant (ASST) employees with 54.83% of the 15,454 employees, a growth increase of 8.09% compared to the previous year, where there were 14,297 employees. Meanwhile, the second highest position level is Assistant Manager (AMGR) with 27.58%, a decline of 0.51%.

Since 2012, the trend in BNI shows that the top three positions in the hierarchy (Vice President, Assistant Vice President and Manager) are held more by male than female employees. As for the Assistant position in the hierarchy more than 60% are held by females, but for the Assistant Manager level females and males are almost equal.



## NUMBER OF EMPLOYEES AT EACH EDUCATION LEVEL

**Number of Employees at each education level**

Education Level	2016			2015			2014			2013			2012		
	M	F	Total	M	F	Total									
Strata 3	3	3	6	3	3	6	4	1	5	4	1	5	5	1	6
Strata 2	1,497	920	2,417	1,509	867	2,376	1,514	858	2,372	1,514	858	2,372	1,546	823	2,369
Strata 1	9,793	11,559	21,352	9,437	11,314	20,751	9,241	10,945	20,186	9,241	10,945	20,186	8,696	9,701	18,397
Akademi	1,190	2,286	3,476	1,140	1,796	2,936	1,233	1,844	3,077	1,233	1,844	3,077	1,102	1,946	3,048
SD-SMA	905	27	933	770	36	806	842	54	896	842	54	896	952	89	1041
TOTAL	28,184			26,875			26,536			26,100			24,861		

**Growth in number of Employees at each education level**

Education Level	2016	Composition of Total Employees	2015	Composition of Total Employees	Growth
Strata 3	6	0.02%	6	0.02%	0.00%
Strata 2	2,417	8.58%	2,376	8.84%	1.73%
Strata 1	21,352	75.76%	20,751	77.21%	2.90%
Akademi	3,476	12.33%	2,936	10.92%	18.39%
SD-SMA	933	3.31%	806	3.00%	15.76%
TOTAL	28,184	100.00%	26,875	100.00%	4.87%

In 2016, employees at the Strata 1 education level still dominate BNI's employee composition employees amounting to 75.76% of the total 21,352 employees, an increase of 2.90% compared to 2015, which amounted to 20,751 employees. 12.33% of the employee composition are Academy graduates of amounting to 3,476 employees, the number of employees at this level has increased most among employees with other education, amounting to 18.39% compared to 2015.

Based on the employee composition trend by education level, between 2012 and 2016, employees with elementary high school education showed 90% being male, while employees with Academy education were on average 60% females. For higher education, Strata 2 male employees are greater than female employees, reaching over 60%.

## NUMBER OF EMPLOYEES BASED ON EMPLOYMENT STATUS

**Number of employees based on employment status**

Employment Status	2016			2015			2014			2013			2012		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Permanent	11,775	12,495	24,270	11,647	12,173	23,820	11,500	11,689	23,189	11,352	11,097	22,449	10,273	8,908	19,181
Contract	1,614	2,300	3,914	1,212	1,843	3,055	1,334	2,013	3,347	1,412	2,239	3,651	2,028	3,652	5,680
<b>TOTAL</b>	<b>28,184</b>		<b>26,875</b>			<b>26,536</b>			<b>26,100</b>			<b>24,861</b>			

**Growth in number of employees based on employment status**

Employment Status	2016	Composition of Total Employees	2015	Composition of Total Employees	Growth
Permanent	24,270	86.11%	23,820	88.63%	4.12%
Contract	3,914	13.89%	3,055	11.37%	5.56%
<b>TOTAL</b>	<b>28,184</b>	<b>100.00%</b>	<b>26,875</b>	<b>100.00%</b>	<b>4.87%</b>

Not much different from previous years, in 2016 the composition of employees based on employment status is still dominated by permanent employees amounting to 86.11%, while the number of contract employees stands at 13.89%. The number of employees increased by 4.12% from 23,820 employees in 2015 to 24,270 employees in 2016.

The trend between 2012 and 2016 shows that the number of permanent employees employed by BNI is almost balanced between male and female, indicating that BNI, when recruiting employees, does not differentiate and upholds gender equality. As for contract employees, number of female employees is slightly more than male employees.

## NUMBER OF EMPLOYEES BASED ON AGE

**Number of employees based on age**

Age Group	2016			2015			2014			2013			2012		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
>50 years	578	201	779	598	205	803	783	266	1049	841	277	1,118	703	205	908
>45-50 years	1,931	1,108	3,039	1,643	841	2,484	1,628	829	2,457	1,224	536	1,760	770	297	1,067
>40-45 years	1,512	1,287	2,799	1,634	1,420	3,054	1,694	1,459	3,153	1,944	1,538	3,482	2,294	1,483	3,777
>35-40 years	2,640	2,462	5,102	2,760	2,320	5,080	2,805	2,379	5,184	2,599	2,069	4,668	1,675	1,418	3,093
>30-35 years	1,449	1,509	2,958	1,281	1,346	2,627	1,325	1,436	2,761	1,581	1,810	3,391	2,626	2,711	5,337
>25-30 years	3,897	5,716	9,613	3,785	5,570	9,355	3,805	5,727	9,532	3,455	4,943	8,398	2,140	2,733	4,873
≤ 25 years	1,382	2,512	3,894	1,158	2,314	3,472	794	1,606	2,400	1,120	2,163	3,283	2,093	3,713	5,806
<b>TOTAL</b>	<b>28,184</b>		<b>26,875</b>			<b>26,536</b>			<b>26,100</b>			<b>24,861</b>			



## Employee Profiles

### Growth in number of employees based on age

Age Group	2016	Composition of Total Employees	2015	Composition of Total Employees	Growth
>50 years	779	2.76%	979	3.64%	(20.43%)
>45-50 years	3,039	10.78%	3,079	11.46%	(1.30%)
>40-45 years	2,799	9.93%	2,860	10.64%	(2.13%)
>35-40 years	5,102	18.10%	5,262	19.58%	(3.04%)
>30-35 years	2,958	10.50%	3,000	11.16%	(1.40%)
>25-30 years	9,613	34.11%	9,625	35.81%	(0.12%)
≤ 25 years	3,894	13.82%	2,070	7.70%	88.12%
<b>TOTAL</b>	<b>28,184</b>	<b>100.00%</b>	<b>26,875</b>	<b>100.00%</b>	<b>4.87%</b>

In 2016, there was a shift in the BNI employee composition by age level, a significant increase occurred in the number of employees under 25 years of age. The number of employees at this level increased by 88.12% to 3,894 employees compared 2,070 employees the previous year.

The trend between 2012 and 2016 shows that the number of employees under 25 and between 25 and 30 is dominated by female employees, while the number of female and male employees is balanced in the 30 to 50 range.

## NUMBER OF EMPLOYEES BASED ON GENDER

### Number of employees based on gender

Gender	2016	2015	2014	2013	2012
Male	13,389	12,859	12,834	12,764	12,301
Female	14,795	14,016	13,702	13,336	12,560
<b>TOTAL</b>	<b>28,184</b>	<b>26,875</b>	<b>26,536</b>	<b>26,100</b>	<b>24,861</b>

### Growth in number of employees based on gender

Gender	2016	Composition of Total Employees	2015	Composition of Total Employees	Growth
Male	13,389	47.51%	12,859	47.85%	4.12%
Female	14,795	52.49%	14,016	52.15%	5.56%
<b>TOTAL</b>	<b>28,184</b>	<b>100.00%</b>	<b>26,875</b>	<b>100.00%</b>	<b>4.87%</b>

As stated earlier, the number of BNI employees, when viewed by gender, shows a nearly balanced composition between female and male employees. In 2016, the composition of female employees was 52.49% or 14,795 employees, while male employees amounted to 47.51% or 13,389 employees. Respectively increasing by 5.56% and 4.12% from the previous year.

## NUMBER OF EMPLOYEES BY GENERATION

**Number of Employees based on Generation**

Generation	2016			2015			2014			2013			2012		
	M	F	Total												
Baby Boomer	567	198	765	722	257	979	913	323	1236	1108	371	1479	1146	359	1505
Gen X	6291	5068	11359	6460	5215	11675	6606	5378	11984	6691	5506	12197	6690	5479	12169
Gen Y	6531	9529	16060	5677	8544	14221	5315	8001	13316	4965	7459	12424	4465	6722	11187
<b>TOTAL</b>	<b>28,184</b>			<b>26,875</b>			<b>26,536</b>			<b>26,100</b>			<b>24,861</b>		

**Growth in Number of Employees Based on Generation**

Generation	2016	Composition of Total	2015	Composition of Total	Growth
Baby Boomer	765	2.71%	979	3.64%	-21.86%
Gen X	11359	40.30%	11675	43.44%	-2.71%
Gen Y	16060	56.98%	14221	52.92%	12.93%
<b>TOTAL</b>	<b>28,184</b>	<b>100.00%</b>	<b>26,875</b>	<b>100.00%</b>	<b>4.87%</b>

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# Corporate Governance

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BNI has benefited from its good corporate governance implementation. For its performance improvement, both in operational and financial sustainably, BNI has been publically recognized by winning a number of awards. In 2016, BNI once again won an award as The Best State Owned Enterprise and Top 50 Public Listed Companies in the Good Corporate Governance Award event. Another award was for The Most Trusted Company Based On Corporate Governance Perception index (CGPI) in the Good Corporate Governance Award 2016.



## BNI Corporate Governance Framework

BNI is very aware that the implementation of effective corporate governance is of paramount importance in the banking industry in particular and the economy in general. The Bank has a crucial role in the economy through its role as an intermediary institution between the owners of funds with business activities (companies), which are the main driving factors of economic growth. Bank health and safety is a key factor for the creation of financial stability in a country. Therefore, good bank management is a key factor for the creation of a strong economy.

The main goal in BNI's application of corporate governance is to guarantee the fulfillment of the stakeholders' rights in a sustainable manner.

### BANK AS AN INSTITUTION OF TRUST

A bank that is driving the economy will receive a lot of assessment and scrutiny from the public and from the government. The assessment and scrutiny will be in line with the confidence level in the bank, therefore, every Bank has to provide a high level of confidence to all stakeholders. To gain their trust, the bank should achieve a good performance reflected in its good health level, have capital adequacy above the minimum requirement, a lower composite risk profile and a strong financial performance.

Related with business competition, every bank should maintain its good name through healthy competition in pricing or deposit and loan / financing interest rates whilst carrying out the business ethics of the banking industry well. In addition, banks should also be able to control its reputation risk to maintain a positive image for the bank.

Internally, as an institution of trust, banks must manage every activity professionally and uphold the corporate governance principles. It begins with reliable, professional, high integrity, and moral human resources. Followed by the application of consistent and continuing GCG together with relentless innovation in terms of products and services to gain all stakeholders trust.

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## BANK IS A PUBLIC COMPANY

As a public company, each bank will be in direct contact with customers. Therefore, the bank must always maintain customer satisfaction by providing the best service arising from the heart so it can be felt by every client. In addition, the bank must have good facilities and infrastructure and an adequate banking systems that is convenient for all customer transactions.

Banks, who are public companies have very strict supervision from the regulators and also from its own customers. This relates to the banks' primary function as an intermediary that raises deposits from the and then channels them back in the form of loans and financing. The banks are also a stimulant and economic driver in the region, carrying out development, and are a local revenue source for the improvement of living standards. The regional banks are also agents for development in all sectors and businesses. In all processes, the precautionary principle is applied.



## GCG Importance

Implementation of Good Corporate Governance in an era of global competition has become a necessity that cannot be substituted by any company when running their business. Through GCG implementation, the company already has a strong foundation and is equipped to become a formidable company and continue to grow.

GCG for BNI is a necessity that has to be applied at every step BNI is taking. Implementation of GCG has enormous benefits for the bank. With the implementation of GCG, BNI has guidelines in running the business in harmony with the goals and the needs of each stakeholder. Harmony between stakeholders and BNI fosters mutual trust and attitudes, conducive to a corporate environment that leads to an increase in superior and professional performance in every member of BNI.

BNI understands that the banking industry has an important role in the national economy. A poor quality of governance will negatively affect the national economy. BNI realizes that the delivery of banking activities, together with a strong GCG base, will impact positively on BNI's financial performance. With good financial performance, BNI's position in the global competition will strengthen further, and will give way to BNI's development in the coming years.

By holding fast to the principles of good corporate governance in every process, BNI will gain the trust of all stakeholders, and BNI will receive support both internally and externally. Therefore BNI always follows the GCG principles of Transparency, Accountability, Responsibility, Independence and Fairness. The application of these principles in BNI, has been agreed by the Board of Commissioners, Board of Directors, management and all BNI staff, and will bring about the Company's continuing growth and global competitiveness, as well as strength and persistence in running the business.

The principles are also in line with the Minister of State-Owned Enterprises Regulation No: PER — 01 /MBU/2011 regarding Good Corporate Governance with amendment through Minister of State-Owned Enterprises Regulation No: PER-09/MBU/2012 dated July 6 2012, which aims to optimize the value of the Company, and encourage SOE management to be professional and ultimately enable the SOEs to compete globally. As a Public Financial Institutions, then BNI is also maintaining its corporate governance principles and continues to develop corporate governance practices based on OJK Regulation No. 21 / POJK.04 / 2015 on the Application of Corporate Governance Guidelines and OJK Regulation No. 55 /POJK.03/2016 on Governance Implementation for Commercial Banks, so as a result of the GCG implementation in BNI, BNI is gaining more confidence to the challenges and progress that lies ahead

The application of the BNI GCG principles is shown below.

GCG Principles	Description
Transparency	<ul style="list-style-type: none"> <li>1. The Bank discloses information in a timely, adequate, clear, accurate and comparable manner that is accessible to interested parties (stakeholders) in accordance with their rights.</li> <li>2. The Bank discloses information which includes, but is not limited to, the vision, mission, business objectives, strategies, financial condition, management composition and compensation, controlling shareholders, executive officers, risk management, control systems and internal control, compliance status, and GCG implementation and information and material facts that may affect investors decisions.</li> <li>3. The principle of transparency is subject to the banking secrecy rules, professional confidentiality and personal rights, in accordance with the regulations.</li> </ul> <p>The Bank's policy must be in writing and communicated to stakeholders, who have the right to obtain information on such policy.</p>
Accountability	<ul style="list-style-type: none"> <li>1. The Bank sets business objectives and strategies as part of its accountability to stakeholders.</li> <li>2. The Bank applies a check and balance system in its management.</li> <li>3. The Bank has agreed performance measures for all positions in the company, in accordance with corporate culture values, business objectives and the Bank's strategies, and has a rewards and punishment system.</li> </ul> <p>The Bank must ensure that all organs in the organization have the necessary authority to discharge their responsibilities, and that they understand their roles in the implementation of good corporate governance.</p>
Responsibility	<ul style="list-style-type: none"> <li>1. The Bank adheres to prudential banking practices and ensures compliance with prevailing regulations.</li> <li>2. The Bank, as a good corporate citizen, is concerned about the environment and social</li> </ul>
Independence	<ul style="list-style-type: none"> <li>1. The Banks avoids undue domination by stakeholders in all circumstances and is not affected by unilateral interests and conflicts of interest.</li> <li>2. The Bank makes decisions objectively and free from pressure from any third parties.</li> </ul>
Fairness	<ul style="list-style-type: none"> <li>1. The Bank takes into account the interests of all stakeholders based on the principles of equality and fairness (equal treatment).</li> <li>2. The Bank provides the opportunity for all stakeholders to provide input and opinions in the Bank's interest, and provides access to appropriate information based on the principle of transparency.</li> </ul>



## GCG Application Basis

Heeding past banking experiences, it has become imperative for Conventional, Commercial and Syariah Banks to implement GCG as set forth in the applicable provisions, namely:

1. Republic of Indonesia Law No.10 - 1998 regarding amendments to Law No. 7 - 1992 on Banking.
2. Republic of Indonesia Law No. 40 - 2007 regarding Limited Liability Companies.
3. Otoritas Jasa Keuangan Regulation 55 / POJK.03 / 2016 regarding the application of Corporate Governance for Commercial Banks;
4. Bank Indonesia Circular Letter No. 15/15 / DPNP / dated 29 April 2013 regarding the implementation of Good Corporate Governance for Banks.
5. Otoritas Jasa Keuangan Circular No. 32 / SEOJK.04 / 2015 regarding Open Corporate Governance
6. Otoritas Jasa Keuangan Regulation No. 17 / POJK.03 / 2014 regarding Integrated Risk Management Application For Financial Conglomerates.
7. Otoritas Jasa Keuangan Regulation 18 / POJK.03 / 2014 regarding the Application of Integrated Governance For Financial Conglomerates.
8. Otoritas Jasa Keuangan Regulation No8 / POJK04 / 2015 regarding the web sites of the Issuer or Public Company.
9. Otoritas Jasa Keuangan Regulation No31 / POJK04 / 2015 on disclosure of information or material facts by the Issuer or a Public Company
10. Otoritas Jasa Keuangan Regulation No55 / POJK03 / 2015 on Governance for Banks.

In addition to the provisions that are required by the various rules of law, the Bank also adheres to the following guidelines related to GCG implementation.

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

## GCG Roadmap

To support BNI's GCG implementation and to avoid Bad Corporate Governance practices, BNI continually strives to create, develop and improve themselves in accordance with the principles of corporate governance. A Roadmap was prepared to map out the aspects of corporate governance and create a related GCG program in BNI to support the GCG practices implementation.

### ROADMAP STAGES



#### AWARENESS

BNI realizes the importance of GCG awareness for the implementation of GCG. The first step is building awareness of good corporate governance, which is essential in creating a shared commitment from all BNI personnel. Awareness building is conducted in various ways, including:

#### GCG Socialization

GCG related socialization during 2016 was conducted both at Headquarters and Regional Offices, including the Treasury Division, Corporate and Secretariat, Operations Communications, BNI Corporate University, Padang Region, Denpasar Region, and Surabaya Region. Socialization was also carried out at Vendor Gathering events organized by the Asset Management and Procurement Division. The socialization describes the principles of good corporate governance, implementation examples, up to the most recent relevant GCG provisions. With this socialization it is expected that BNI personnel will have a determination and a shared commitment to GCG implementation in BNI. Future plans include GCG related materials being presented in Unit Business Meetings in every region.



## Induction Program for New Employee

New employees are BNI's personnel pioneers who will learn, grow and develop in BNI. As a bud or a pioneer, the equipping of corporate values is very important, because this will instill the expected GCG values and the Code of Conduct, which will be helpful in the course of their career in BNI. The briefing given by the GCG team, in collaboration with BNI Corporate University, allocates time specifically for GCG and Code of Conduct for new employees.

## Corporate Governance Commitment

To demonstrate its shared commitment to support the enforcement and implementation of GCG in BNI, once a year in January Governance Commitments are signed. Every employee from all levels of the Company jointly sign Governance Commitments preceded by the reading of the commitment and socialization of Anti Fraud Awareness. This program is conducted to emphasize to BNI personnel the importance and meaning of commitment values. The Governance Commitment stipulates, among other things, that the BNI personnel are committed to:

1. Carry out tasks and jobs properly and responsibly in accordance with the corporate culture and the legislation in force;
2. Not give, promise and / or receive compensation in any form;
3. Refrain from any possible conflict of interest;
4. Act fairly and equally in fulfilling the rights of stakeholders;
5. Try to the maximum to prevent the possibility of fraud;
6. Be willing to report any case of suspected fraud through BNI's reporting media;
7. Be willing to be penalized if, in the execution of their duties and responsibilities as BNI personnel, it is proven they have not implemented the commitments mentioned above.

## INTERNALIZATION

Internalization is not limited to knowledge, internalization has reached the stage of understanding. GCG internalization in BNI is conducted through various tools, facilitating the process of adopting the values that can later be applied in carrying out their daily work. Tools used include, among others:

1. Reading the BNI's 46 Principles and Code of Conduct each month in each unit as well as in the morning briefing,
2. Self-education through GCG e-learning and Corporate Culture providing ease of learning GCG for the BNI personnel,
3. Distribution of anti-graft posters and e-leaflets and GCG enforcement in each unit and BNI Forum so employees can be aware at all times,
4. Distribution of Code of Conduct pocket books,
5. Ease of access to the Code of Conduct and Corporate Culture through the BNI website that can be accessed anytime and anywhere.
6. GCG Opinion Competition. Competition opinions related to corporate governance through writing competitions was held with themes surrounding GCG that are different each year. Competitions can be followed by all BNI employees (permanent and outsourcing), both in Head Office units, Regional Offices or Domestic / Overseas Branches. This activity aims to improve the quality of the application of the GCG principles and the Code of Conduct in BNI, to review the GCG and the Code of Conduct implementation already conducted and the increase in awareness by all BNI personnel of the importance of corporate governance in the management of the company toward continued growth. It is undeniably that papers obtained from the Opinion Competition provides a positive contribution GCG implementation in BNI and are an input in the preparation of required policies.

BNI understands that Corporate Culture provides concentration in the form of an attitude. Attitudes are what will shape the personality of each individual in a company, so a collection of attitudes will form an interaction between individuals and their integration will further bring out the characters that will exist in a company.

## GCG ASSESSMENT

GCG Assessment is an attempt to measure or map the company's GCG implementation to date. This step is taken to ascertain the level of GCG implementation and to identify appropriate measures to prepare an infrastructure and corporate structure that is conducive to the effective implementation of GCG. In other words, GCG assessment is needed to identify the aspects that need attention first, and the steps to be taken to make them happen.

To evaluate GCG implementation, the Company's GCG Assessment is carried out periodically and consistently each year, and comprises Self Assessment pursuant to BI / OJK and Third Party Assessment, as follows.

### Self Assessment Based On Otoritas Jasa Keuangan (OJK)

Based on POJK No. 55/POJK.03/2016 regarding the application of Corporate Governance for Commercial Banks, which revokes Bank Indonesia Regulation Number 8/4/PBI/2006 regarding Implementation of Good Corporate Governance for Banks, as amended by Bank Indonesia Regulation 8/14/PBI/2006, POJK No.21/POJK.04/2015 regarding the Application of Code of Corporate Governance, the OJK Circular Letter No.32/SEOJK.04/2015 regarding the Code of Corporate Governance and Bank Indonesia Regulation Number 13/1/PBI/2011 regarding Bank Rating on GCG implementation for Commercial banks and Bank Indonesia Regulation concerning Bank Rating, one means of Bank rating is self-assessment on the implementation of Good Corporate Governance (GCG) principles at the bank, Self Assessment is conducted periodically every semester, namely in June and December of the current year.

The self-assessment is intended to map the strengths and the weaknesses of GCG in BNI and uses three aspects:

#### 1. Governance Structure

Rates governance structure to assess the adequacy of Bank's GCG governance structures and infrastructures so that the implementation process produces outcomes that match the expectations of the Bank's stakeholders. Included in the Bank's governance structure are the Bank's Board of Commissioners, Board of Directors, the Committees and business units. The Bank's governance infrastructure also includes, the Bank's policies and procedures, management information systems as well as the duties and functions at each level of the organizational structure.

#### 2. Governance Process

The governance assessment process aims to assess the effectiveness of the GCG principles implementation supported by adequate Bank governance structures and infrastructures so as to produce outcomes that correspond to the expectations of Bank's stakeholders.

#### 3. Governance Outcome

Governance outcome aims to assess the quality of outcomes that meet the expectations of the Bank's stakeholders as a result of the GCG principles implementation supported by adequate Bank governance structures and infrastructures. Included in the governance outcome includes qualitative and quantitative aspects, including:

- a. The adequacy of the transparency of the report;
- b. Compliance with laws and regulations;
- c. Consumer protection;
- d. Objectivity in performing assessment / audit;
- e. The Bank's performance related to profitability, efficiency, and capital; and / or
- f. Increase / decrease in compliance with applicable regulations and solving problems faced by the Bank such as fraud, breach of LLL, violation of relevant provisions of bank statements to regulators.



## GCG Roadmap

Self-assessment includes 11 (eleven) GCG implementation assessment factors including:

1. The Board of Commissioners' tasks and responsibilities implementation
2. The Board of Directors' tasks and responsibilities implementation
3. Committee's tasks completion and implementation
4. Conflicts of interest Handling
5. Compliance Implementation
6. Internal audit function application

7. External audit function Implementation
8. Risk management Implementation, including the internal control system
9. Provision of funds to related parties and large exposures
10. Banks' financial and non financial condition transparency, reports on the implementation of good corporate governance and internal reporting
11. Strategic Plan

In accordance with the OJK regulations, the Bank is obliged to conduct a Self Assessment for the GCG implementation. The GCG Self Assessment results for 3 (three) years can be seen in the table below.

	2016	2015	2014
Composite Value	2	2	2

Based on the three assessment aspects, through GCG self assessment in 2016, the bank has set a score for GCG as follows.

GCG Self Assessment Implementation Results	
RANKING	RANKING DEFINITION
2	Reflecting that the Bank Management has made a general Good Corporate Governance implementation. This is reflected by an adequate governance structure, in accordance with applicable regulations, but there are still weaknesses in the governance process that affects the governance outcome, but in general these weaknesses can be solved by normal actions by the Bank's management. Currently Bank continues to make efforts to improve the quality of GCG in all Bank operations.

Determination scores for the strengths and weaknesses for the GCG implementation in BNI are as follows.

Strengths	Weaknesses
<ol style="list-style-type: none"> <li>1. Improved security and banking information system in the Bank, through the recertification of quality standardization within the scope of IT Operations and IT Security Management through ISO - 9001 that will be valid until 2018.</li> <li>2. GCG refreshment courses for all personnel BNI and Stakeholders carried out routinely among other things through:           <ol style="list-style-type: none"> <li>a. Socialization governance in the BNI Regional Offices with Unit Heads, Branches and Loan Centers</li> <li>b. Anti Gratification Campaign through the mass media, as well as the signing of the Anti Gratitudes commitment with the Corruption Eradication Commission</li> </ol> </li> <li>3. The implementation of corporate governance principles in all business activities of the Bank at all levels of the organization going well, as reflected in the independent GCG assessment conducted by the following:           <ol style="list-style-type: none"> <li>a. Indonesian Institute of Corporate Directors who ranked the GCG implementation based on Asean CG Scorecard, with an assessment of good (score 87.33) related to BNI's GCG implementation, where the value has significantly increased compared to 2015.</li> <li>b. Through the Corporate Governance Perception Index 2016, The Indonesian Institute for Corporate Governance awarded Indonesia Most Trusted Company to BNI for six consecutive years.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. The Bank has established guidelines and infrastructure related to the implementation of internal control systems, but still needs improvement to the quality of the implementation of the internal control system.</li> <li>2. In 2016 they were fines and reprimands imposed by the regulator.</li> </ol>

### Third Party Assessment

In addition to carrying out a Self Assessment, BNI has been consistently implementing Third Party Assessments intended to gain a second opinion on the quality of GCG implementation to improve the quality its GCG implementation on an ongoing basis.

### Corporate Governance Perception Index (CGPI)

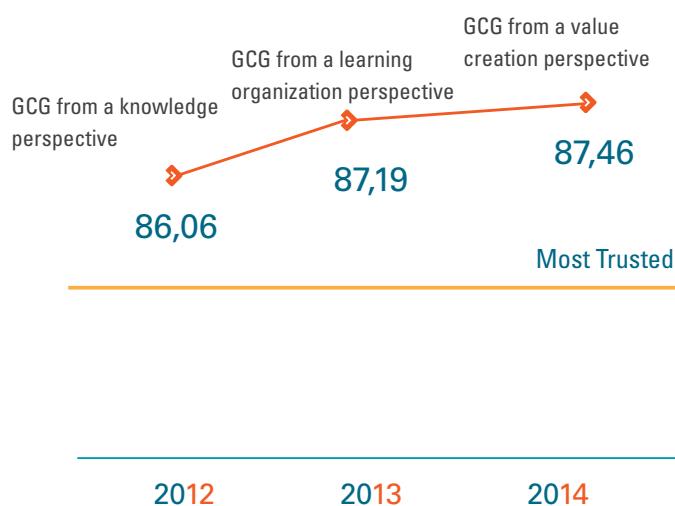
To maintain the confidence all its stakeholders, BNI also actively participates in the Corporate Governance Perception Index (CGPI) held by The Indonesian Institute for Corporate Governance (IICG). BNI's participation in the program aims to evaluate the implementation of the GCG Implementation in BNI. The results of the evaluation are a reference for the bank to make improvements in future GCG implementations.

CGPI 2015, implemented in 2016, with the theme of Sustainability Pillars to Support Good Corporate Governance Implementation. In accordance with the results of assessments conducted by IICG, the BNI's GCG Implementation was awarded Most Trusted, comprising the following assessment.

Appraisal Aspect	2015	2014	2013
Self Assessment/survey	26,94	18,17	24,61
Documentation System	22,35	23,55	35,21
Papers	13,12	22,01	11,97
Observation	25,33	23,73	15,40
CGPI Score	87,73	87,46	87,19

Over a 3 (three) year period, IICG Ratings in BNI's participation in the CGPI have always increased, proving that GCG implementation in BNI is improving from year to year

#### ► Score CGPI BNI





## GCG Roadmap

### Asean CG Scorecard (ACGS)

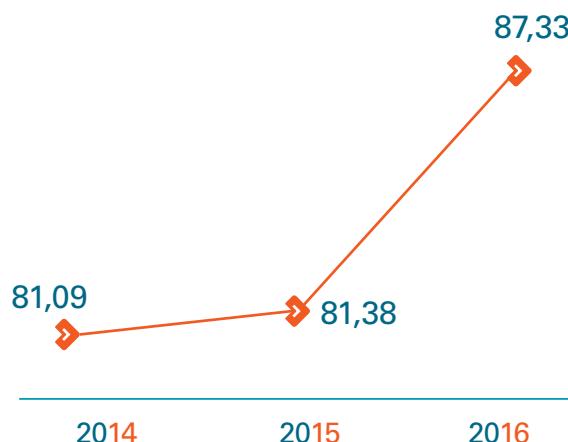
An assessment of BNI's GCG implementation was also carried out by ASEAN CG Scorecard (ACGS) based on the annual report and the Company's Website. ACGS assessment was carried out by the IICD (Indonesian Institute for Corporate Directorship) using scorecard components consisting of:

1. Shareholders Rights
2. Equal Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Board of Directors and Board of Commissioners Responsibilities

BNI's ACGS score increased from 81.38 in 2015 to 87.33 in 2016, this suggests that BNI, as a public company, is committed to conducting corporate governance practices based on the principles set out in the ASEAN Corporate Governance Scorecard.

No	Appraisal Component	Weighting(%)	2016(%)	2015(%)
1.	Shareholders' Rights	10	8,8	4,4
2.	Equal Treatment of Shareholders	15	9,17	10,59
3.	Stakeholders	10	10	9,52
4.	Openness and Transparency	25	23,17	20
5.	Board of Commissioners' Responsibilities	40	29,19	29,87
6.	Bonus		7	7
7.	Penalty		0	0
Total Score		100	87,33	81,38

BNI's ACGS score increased from 81.38 in 2015 to 87.33 in 2016, this suggests that BNI, as a public company, is committed to conducting corporate governance practices based on the principles set out in the ASEAN Corporate Governance Scorecard.



## Superior Performance Assessment Criteria

Superior Performance Assessment Criteria (KPKU) is a management and performance control system prepared by the Ministry of State Owned Enterprises (SOEs) as the standard guidelines for the Ministry of SOEs and all SOEs in building, managing, and empowering their company's systems and resources to achieve superior performance.

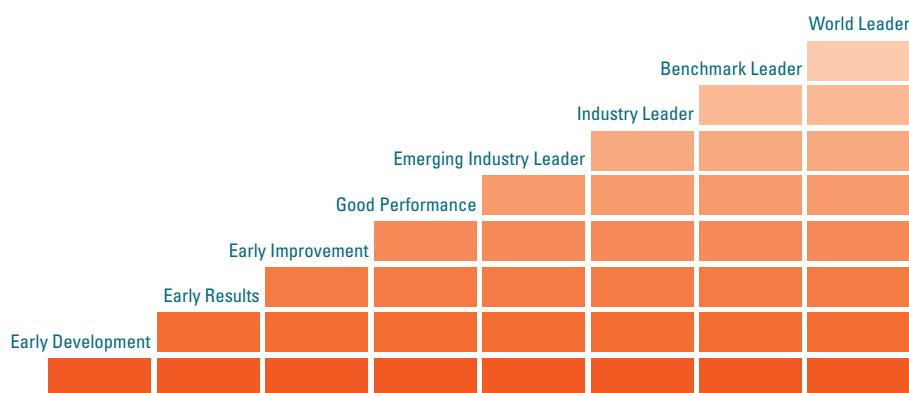
The KPKU criteria were adopted from the Malcolm Baldrige Criteria for Performance Excellence (MBCfPE) and were implemented in SOEs in 2012 through Ministry of SOEs Letter No. S-153/A.MBU/2012 dated 19 July 2012.

Since 2005, BNI integrated the Malcolm Baldrige Criteria for Performance Excellence (MBCfPE) system into the framework for the company's performance development, and continues its implementation following the SOEs KPKU.

The KPKU assessment consists of a number of questions representing the fundamental aspects of company/organization management in the superior achievement context. Such questions are classified in 7 (seven) categories, as follow:

1. Leadership
2. Strategic planning
3. Customer focus
4. Measurement, Analysis and Knowledge Management
5. Manpower Focus
6. Operation Focus
7. Business Results

For SOEs, the evaluation process of the seven categories above will result in feedback in the form of performance improvement recommendations (OFI/ Opportunity for Improvement) and world class performance rating standards, as the SOEs KPKU is taken from the Malcolm Baldrige Criteria designed to assess the company's work based on the characteristics of world-class companies. The performance ratings are divided into several levels, which are:





Since implementing the MBCfPE system in 2005, the assessment results indicate an increasing BNI KPKU score over time. The 2016 KPKU assessment results will take place in late January 2017 and not yet available, however in the previous Assessment (2015) BNI had reached the "Emerging Industry Leader" level.

Through the implementation of the KPKU framework, BNI obtains a comprehensive picture of the company's condition from various aspects, both process and outcome. Through this picture of the company's condition, BNI can find out the strengths and weaknesses of the company. The Company weaknesses become part of the OFI, as well as a source for inspiration and a trigger for the bank to carry out repairs and improvements in a number of areas.

## EXTERNALIZATION

Externalization itself is defined as an adjustment to the outside world that is a 'world' without oneself. As we know, the parties or the 'world' outside the public company is comprised of stakeholders (shareholders, depositors, borrowers (debtors), associates / vendors / work partners, governments, employees, customers) and the wider community. GCG externalization is closely related to the principles of transparency and fairness, where the principles of openness always takes into account the provisions of bank secrecy and professional secrecy and treating stakeholders and the public with fair treatment and equal opportunity in accordance with proportions. BNI implements GCG externalization to stakeholders and the general public through various means as follows.

### 1. GMS

GMS is a communication means to the company's stakeholders and embodies the implementation of GCG, because at the GMS are described embodiment responsibilities of the various aspects of the Company's Management. A more detailed GMS explanation can be found in GMS Section of the Corporate Governance chapter in this Annual Report.

2. Shareholders Rights and Ownership Functions  
Shareholders 'rights are always protected and facilitated, BNI shareholders' rights are demonstrated through dividends, the right to ask questions at the GMS, the right to obtain information, and the right to approve / not approve the GMS decisions via voting at the time of the GMS.
3. Disclosure and Transparency  
For the GCG transparency pillar, BNI continues to strive to provide disclosure of information to stakeholders and the general public through various means including through the Annual Report, BNI website, the mass media, IDX website, as well as notification to the regulator via hardcopy and electronic reporting , Given BNI's status as an issuer, then the Disclosures are considered very important as an open company medium of communication, disclosures refer to the prevailing capital market regulations.
4. Equal Treatment  
All BNI shareholders including minority shareholders and foreign shareholders are treated equally. All shareholders are given equal opportunities to obtain information. This treatment is applied in BNI in the provision of information related to Corporate Actions and in the Information Disclosure regulated by the capital market.  
Everyone is given equal opportunities to obtain information and express criticism / advice to the Bank. Information, criticism and / or suggestions can be accessed through the BNI website and the BNI Call service.

## 5. Creating a Positive Bank Image

It is undeniable that the Bank is a financial institution that relies on trust. Healthy corporate governance practices by all internal company parties and stakeholders can improve the company's image to the wider public in the long term so that the trust to the bank will be maintained. In this digital age, BNI seeks to utilize a variety of tools to enhance the positive image of banks through various media such as through print media (newspapers, tabloids, magazines), electronic media (radio and television) and cyber media (website, twitter, instagram, email, news portals, facebook, blogs and other social media). Exploiting the media supports the dissemination of corporate governance practices carried out related to anti gratuities, GCG awareness, service excellent, WBS, and so forth.

## MONITORING AND EVALUATION

Monitoring and evaluation is conducted as a part of the GCG accountability and responsibility pillar implementation.

### GCG Monitoring

GCG Monitoring in BNI is carried out by:

1. Oversight of the duties and responsibilities of each employee, carried out in each unit by the immediate supervisor, the Unit Head, QA (quality assurance) and the Internal Audit Unit.
2. Preparation and monitoring Key Performance Indicator (KPI). Unit Heads have an active role in the monitoring of KPIs.
3. Branch Performance Reward, i.e. a reward made in branches with operational assessment, business and improvement efforts criteria.
4. Know Your Employee (KYE) is attached to employee surveillance efforts. Direct supervisors monitor the employees under their supervision to ensure no cheating / fraud and by paying attention to whether there are any indications that need further attention (irregularities).

### GCG Evaluation

BNI's GCG implementation is going well and has been implemented by the Board of Commissioners, Board of Directors, and all employees in every activity with the aim to protect the interests of the Bank, shareholders and stakeholders. BNI constantly evaluates GCG implementation on an ongoing basis, so that the application of GCG will always increase. BNI's GCG evaluation is conducted among others by:

1. Reviewing the guidelines / policies relating to pre-existing GCG to conform to the provisions of the latest regulator.
2. Preparing guidelines / new policies related to GCG, including updating new provisions to the Board of Directors and Board of Commissioners.
3. Improving Compliance Principles through Compliance Index.
4. Preparing reports related to corporate governance, including the Governance Report, Corporate Secretary Report, as well as other related reports.
5. Means of External Complaints Related to GCG  
To encourage awareness for BNI employees to always behave in accordance with GCG principles as a culture, BNI also involves the community / public as supervisors of BNI's GCG implementation by providing a means for the general public to submit complaints including GCG violation complaints performed by BNI employees to PO Box GCG BNI JKP 10000 and [gcg@bni.co.id](mailto:gcg@bni.co.id), where people who feel aggrieved by BNI personnel, or know of any BNI employee's actions that deviate from the GCG principles, can inform through both of these facilities by mentioning clearly the identity of the BNI employee / personnel who violated and the unit where the BNI employees / personnel carry out their duties.



## GCG Roadmap

Complaints or grievances received at PO Box GCG BNI JKP 10000 and [gcg@bni.co.id](mailto:gcg@bni.co.id) are intended to help the process of resolving the problems faced by the complainant / information is also expected to be material / input for the bank for feedback and evaluation to make improvements and to improve the quality of BNI's GCG implementation and reduce the occurrences of corporate governance principles irregularities or violations by BNI

employees. The number of complaints received in 2016 totalled 12 (twelve), consisting of eight complaints related to services and credit process, one related to interest rates, one related to the extension of credit, one related to GCG, and one not associated with BNI. The complaint not related to GCG has been forwarded to the relevant units for completion.

### GCG ROADMAP IMPLEMENTATION

BNI always tries to run its business following Good Corporate Governance (GCG) principles as required by all stakeholders. GCG implementation has been conducted in a structured and systematic way in stages as shown below.

Year	Activity
2001	<ul style="list-style-type: none"> <li>BNI is committed to implementing good corporate governance. This commitment was initiated by BNI Board of Commissioners and Board of Directors with the signing of the Board of Commissioners' and Board of Directors' Collective Decree No. KEP/001/DK and KP/001/DIR dated January 3, 2001 regarding Good Corporate Governance Principles Implementation as set forth in the Corporate Governance Handbook of PT Bank Negara Indonesia (Persero) Tbk, which became the guidelines for the Board of Commissioners and Board of Directors to manage BNI.</li> </ul>
2002	<p>As a part of the commitment to continuously improve the Good Corporate Governance Implementation, BNI held the following activities:</p> <ul style="list-style-type: none"> <li>Established the Compliance Unit and Anti Money Laundering Unit under the Legal and Compliance Division's responsibility.</li> <li>Established the Remuneration and Nomination Committee, with the role and responsibility in the drafting work assessment criteria for each member of the Board of Commissioners and Board of Directors and also assess the structure, system, and implementation of compensation for the Board of Directors and give recommendations for its amendment to the Board of Commissioners if requested.</li> <li>Established the assessment center to improve the process/system of high level chairman selection</li> <li>Improved the banking information system.</li> <li>Board of Commissioner established the Audit Committee Charter as the guideline for Audit Committee members in performing their tasks.</li> </ul>
2003 Quasi-Reorganization, Reverse Stock Split, increase in authorized capital	<p>BNI continued to improve its corporate governance, either through commitment or compliance. Every employee is obliged to sign a statement of compliance to the Behavioral Code of Conduct.</p> <p>One such governance improvement in 2003 involved BNI establishing an executive committee tasked to assist the Board of Director in specific areas, including:</p> <ul style="list-style-type: none"> <li>Asset and Liability Committee (ALCO)</li> <li>Risk Management Committee</li> <li>Credit Policy Committee</li> <li>Human Resource Committee</li> <li>Technology Management Committee</li> </ul>

Year	Activity
2004 Launch of new Corporate Identity	<p>The following are the major achievements in the corporate governance implementation sector within 2004:</p> <ul style="list-style-type: none"> <li>BNI management agreed to establish a Good Corporate Governance Committee whose function is to assist the Board of Directors in evaluating and optimizing the policy effectiveness and corporate governance implementation in BNI's working environment.</li> <li>BNI was recognized as one of the top five public companies with good corporate governance practices in a survey conducted by Standard and Poor's Governance Services and Corporate Governance and Financial Reporting Center (CGRFC), headquarters in Singapore.</li> <li>The management implemented a Zero Fraud program to grow healthy and responsible banking practices, risk awareness, and supervision of deviating behavior. Through this program, BNI rewarded working units that successfully reached zero fraud in its business, or otherwise, sanctioned workings unit that failed to prevent fraud.</li> <li>BNI established a Work Ethics Team under the Human Resources Committee. Periodically, this team evaluates the working ethics in BNI's working environment.</li> <li>BNI increased the stakeholders access to all information having an material impact to BNI, including quarterly financial reports, annual report information regarding the utilization of funds from corporate actions, information which could influence investment decisions of investors, General Meeting of Shareholders' resolutions, and other material events relating to BNI, either through BNI website, reports to Bapepam-LK, capital market, mass media, public expository, or analysis meetings.</li> </ul>
2005	<ul style="list-style-type: none"> <li>BNI's commitment to corporate governance improvement was realized by the establishment of a GCG Monitoring implementation unit, based on Board of Director Decree No. KP/174/DIR/R dated April 26, 2005.</li> </ul>
2006	<ul style="list-style-type: none"> <li>The signing of "Commitment Statement to Implement Good Corporate Governance" by all members of the Board of Director, Board of Commissioners, and Division Heads in the Company Business Meeting, to be followed by all BNI officials at all organization levels and renewed each year.</li> </ul>
2007	<p>As feedback for the previous year's "Commitment Statement to Implement Good Corporate Governance", BNI prepared the following GCG program:</p> <ul style="list-style-type: none"> <li>GCG e-learning</li> <li>Board of Commissioners and Board of Directors Guidelines and Work Code of Conduct Book</li> <li>Behavioral Guidelines Book for BNI officials consisting of Working Culture Values and Main Behaviors for BNI officials, known as PRINSIP 46.</li> </ul> <p>BNI achieved the rank of Reliable Company in the Corporate Governance Perception Index ranking held by The Indonesian Institute for Corporate Governance (IICG) and SWA magazine.</p>
2008	<ul style="list-style-type: none"> <li>In relation to the implementation of Know Your Customer Principle and the implementation of Law regarding Money Laundering Crime Act, the Compliance Division, together with Information Technology Division, developed and continued to perfect the integrated system with the iCONS system to identify suspicious financial transactions.</li> </ul>
2009	<ul style="list-style-type: none"> <li>BNI successfully improved their performance leading to an increase in profit of 103% from the previous year. This is cannot be separated from the consistent implementation of GCG by all BNI officials.</li> </ul>
2010	<ul style="list-style-type: none"> <li>Launch of Whistle Blowing System (WBS), in an integrated manner so as to increase transparency and ensure all BNI officials understand implementation.</li> <li>Improvement of code of conduct of BNI officials, addressed to improve BNI employee quality.</li> <li>BNI participated in the GCG implementation ranking conducted by independent ranking institutions, Center for Good Corporate Governance of Universitas Gadjah Mada (CGCG UGM) and Indonesian Institute for Corporate Directorship (IICD).</li> </ul>



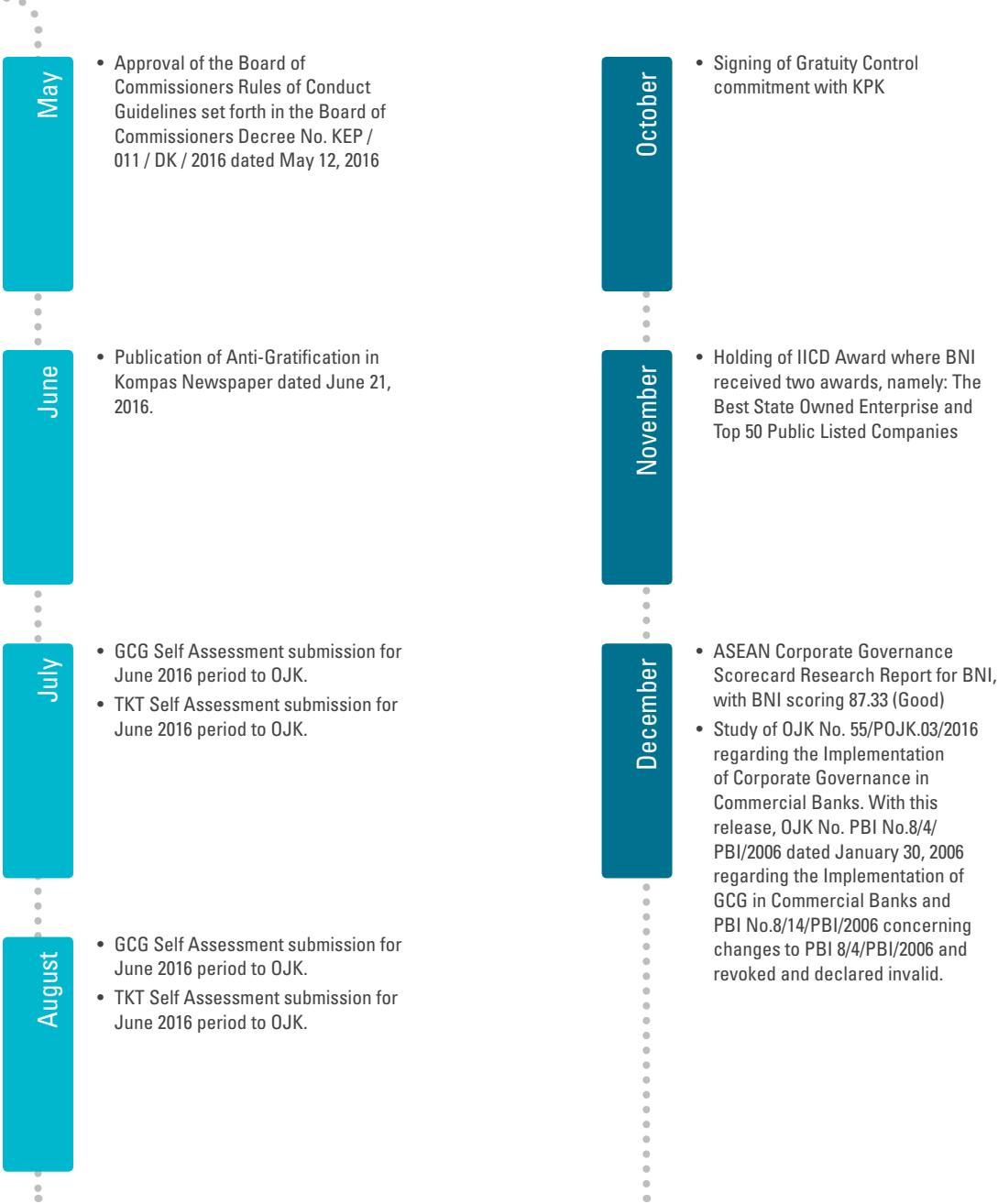
Year	Activity
2011	<p>BNI achieved a number of awards from institutions, both national and international. Some of the major awards were as follows:</p> <ul style="list-style-type: none"> <li>• Best of the Best Company BUMN 2011</li> <li>• The Most Admired ASEAN Enterprise Economics Challenge Award 2011</li> <li>• The Most Trusted Company from the Indonesia Institute for Corporate Governance (IICG)</li> </ul> <p>Associated with GCG, BNI received numerous awards, including:</p> <ul style="list-style-type: none"> <li>• Corporate Governance Award 2011 from The Indonesian Institute for Corporate Governance</li> <li>• BNI's Corporate Governance for information technology was recognized for its reliability with the IT Governance Award given by the Ministry of SOEs</li> </ul>
2012	<ul style="list-style-type: none"> <li>• Self-assessment results, in accordance with Bank Indonesia provisions, in 2011 and 2012 reflected the stable trend with a Very Good composite ranking.</li> <li>• Establishment of an Anti-Fraud Committee by the Board of Director Decree No. KP/508/DIR/R dated 9 November 2012 regarding the Establishment of Anti-Fraud Committee (KAF). In conducting its task and responsibility, KAF is assisted by the Ethics Management Unit under the Compliance Division, whose functions include data and reporting liaison for divisions / units and external parties in relation with the Anti-Fraud Strategy and database management in relation to fraud in BNI</li> </ul>
2013	<p>BNI achieved the following awards:</p> <ul style="list-style-type: none"> <li>• Most Trusted Company Based on Investors and Analyst's Assessment Survey in the Corporate Governance Award 2013</li> <li>• Most Trusted Company Based on Corporate Governance Index (CGPI) in the Good Corporate Governance Award 2013</li> <li>• The Award as The Best Bank in Indonesia in Developing Good Corporate Governance (GCG) from the Asiamoney Magazine</li> </ul>
2014	<ul style="list-style-type: none"> <li>• BNI continued to improve and renew its corporate governance.</li> <li>• BNI continued to support the growth of the economy and environment by holding programs such as Kampoeng BNI, PKBL, CSR activity held by BNI Syariah, and its commitment to the One billion Indonesian Trees (OBIT) program, and planted more than 7 billion trees over the last 7 years.</li> </ul>
2015	<ul style="list-style-type: none"> <li>• BNI achieved an award as: The Best State Owned Enterprise and Top 50 Public Listed Companies in the Good Corporate Governance Award event held by Indonesian Institute for Corporate Directorship (IICD).</li> </ul>
2016	<ul style="list-style-type: none"> <li>• BNI re-awarded: The Best State Owned Enterprise and Top 50 Public Listed Companies in Gthe ood Corporate Governance Award event held by Indonesian Institute for Corporate Directorship (IICD).</li> <li>• Most Trusted Company Based on Corporate Governance Index (CGPI) in the Good Corporate Governance Award 2016</li> </ul>

All over 2016, BNI has implemented GCG as follows :





## GCG Roadmap



## Corporate Governance Aspects and Principles Corresponding to Otoritas Jasa Keuangan Provisions

Governance Guidelines include 5 (five) aspects, 8 (eight) principles and 25 (twenty-five) recommendations for good corporate governance aspects and principles. The recommended good corporate governance aspects and principles in the Governance Guidelines are the good corporate governance aspects and principles standards that should be applied by the Company when implementing the governance principles. The description is as follows.

**Corporate Governance Aspects and Principles Execution**

No	Principle	Recommends
<b>I ASPECT 1: PUBLIC COMPANY RELATIONS WITH SHAREHOLDERS ENSURING THE RIGHTS OF SHAREHOLDERS;</b>		
1	Principle 1 Increase the Management Value of AGMS	<ol style="list-style-type: none"> <li>1. Public Company has technical voting collection procedure either open or closed that promotes independence and the interests of shareholders.</li> <li>2. All members of the Board of Directors and Board of Commissioners of the Public Company attend the Annual General Meeting.</li> <li>3. A summary of the AGMS minutes are available on the Public Company website for at least one (1) year.</li> </ol>



OJK Recommendations Description	BNI Implementation Explanation
<ul style="list-style-type: none"> <li>Each share with voting rights issued has 1 (one) vote (one share one vote). Shareholders may use their voting rights at the time of decision-making. However, the mechanism of decision making by voting either open or closed is not regulated in detail.</li> <li>It is recommended that Public Companies have voting procedures in decision-making on an AGMS agenda. The procedure of voting must maintain independence and shareholder freedom. For example, the collection of voting openly by raising hand follows the instructions made by the AGMS Chair. Whereas, for the collection in a closed session conducted for decisions that require secrecy or at the request of shareholders, by way of cards or by electronic voting.</li> </ul> <p>The presence of all Public Company members of the Board of Directors and the Board of Commissioners aims to make every member pay attention, explaining and answering the issues raised or questions asked by shareholders directly relating to the AGMS agenda.</p> <p>The Public Company shall make summary minutes of the AGMS in Indonesian and foreign language (at least in English), and publish it within two (2) working days after the AGMS on the Public Company website. This provides an opportunity for shareholders who were not present to obtain important information of the AGMS easily and quickly. Therefore, the provision of a minimum period for the availability of the summary minutes of the AGMS on the website is intended to provide sufficient time for shareholders to obtain such information.</p>	<ul style="list-style-type: none"> <li>Voting procedures in BNI AGMS agenda decision-making is done by closed voting by cards or electronic voting.</li> <li>The procedures for Meeting quorum calculation, discussions and decision-making mechanisms are set forth in the AGMS Rules of Conduct which refers to POJK No. 32/POJK.04/2014.</li> </ul> <p>The BNI AGMS dated March 10, 2016 was attended by all the Members of the Board of Directors and five (5) members of the Board of Commissioners.</p> <p>AGMS and EGMS Summary minutes are published within a maximum of two (2) working days after the AGMS both on company the Website or in the print media, as well as through the IDXnet electronic reporting system and OJK Ereporting, i.e. on January 14, 2016 for the EGMS and March 14, 2016 for the 2015 AGMS in.</p>

No	Principle	Recommends
	Principle 2 Improving Quality of Public Company Communications with Shareholders or investors.	<p>4. The company has a policy of open communication with shareholders or investors.</p> <p>5. The company has a policy of open communication with shareholders or investors.</p>
II	<b>ASPECT 2: FUNCTION AND ROLE OF THE BOARD OF COMMISSIONERS</b>	
	Principle 3 Strengthening membership and composition of the Board of Commissioners	<p>6. Determination of the number of Board of Commissioners members considers the Public Company condition.</p> <p>7. Determination of the Board of Commissioners composition pays attention to the diversity of skills, knowledge and experience required.</p>



## Corporate Governance Aspects and Principles Corresponding to Otoritas Jasa Keuangan Provisions

OJK Recommendations Description	BNI Implementation Explanation
<ul style="list-style-type: none"> <li>The communication between the Public Company and shareholders or investors is meant so that shareholders and investors gain a clearer understanding of information published to the public, such as newsletters, information disclosure, condition or business prospects and performance, as well as Corporate Governance Implementation. In addition, shareholders or investors can also submit feedback and opinions to the Public Company management.</li> <li>The communication policy with shareholders and investors shows the commitment of the Public Company in carrying out communications with shareholders or investors. This policy may include strategy, program, and the timing of the communication, and guidance that supports shareholders or investors to participate in the communication.</li> </ul> <p>Communication policy disclosure is a form of transparency for the Public Company commitment in providing equality for all shareholders and investors regarding the communication. Such information Disclosure also aims to increase the participation and role of the shareholders or investors in the Public Company communication programs.</p>	<ul style="list-style-type: none"> <li>The communication policy with shareholders or investors is set out in the Investor Relations Guidelines No. IN / 41 / KMP / 001 dated January 26, 2015 which includes investor relations for analyst meetings, annual reports preparation, investor meetings, public exposé, and roadshows.</li> <li>This policy includes communication strategies, programs and timing, and guidance that support shareholders or investors to participate in the communication. The BNI communication policy with shareholders or investors shows they are committed to carry out communications with shareholders or investors.</li> </ul> <p>The Agenda Communications Disclosure Policy with shareholders or investors has been uploaded to the website's Investor Relations section.</p>
<p>The number of Board of Commissioners members may affect the effectiveness of Board of Commissioners. Determining the number of members of the Board of Commissioners of Public Company refers to the legislation provisions, which are at least two (2) persons under the OJK provisions concerning the Public Company Board of Directors and Board of Commissioners. In addition, it should also take into consideration the Public Company condition including characteristics, capacities and sizes, and objectives and requirements achievement in the public company's different businesses. A large number of Board of Commissioners members could potentially interfere with the effectiveness of the Board of Commissioners.</p>	<p>The number of BNI Board of Commissioners members on December 31, 2016 was 9 (nine) people and based on diversity is deemed sufficient and in accordance with the conditions and in accordance with BNI provision POJK No 33 / POJK.04 / 2014.</p>
<p>The Board of Commissioners Composition is a combination of characteristics in terms of both Board of Commissioners collectively and individually, according to the Public Company needs. The characteristics are reflected by the determining the expertise, knowledge, and experience needed in the Board of Commissioners advisory duties. The composition attentiveness to the Public Company needs is a positive thing, particularly when related to decision making in the supervisory function by considering wider aspects.</p>	<p>The Board of Commissioners composition today meets the diversity elements of independence, expertise / education, work experience, age and gender based on the needs and complexity of BNI. It is described in the Board of Commissioners Diversity Composition Sub Chapter in the Corporate Governance Report.</p>

No	Principle	Recommends
4	<p><b>Principle 4</b> Improving the Quality of Board of Commissioners Duties and Responsibilities.</p>	<p>8. The Board of Commissioners has its own Self Assessment policy to assess performance.</p> <p>9. The Self-Assessment Policy is the Board of Commissioners performance assessment, expressed through the Public Company Annual Report.</p> <p>10. The Board of Commissioners has a policy related to resignation of Board of Commissioners members if it involves financial crimes.</p> <p>11. The Board of Commissioners, or Nomination and Remuneration Committee that carries out the succession function, is in the process of formulating Board of Directors members Nomination policies.</p>



## Corporate Governance Aspects and Principles Corresponding to Otoritas Jasa Keuangan Provisions

OJK Recommendations Description	BNI Implementation Explanation
<ul style="list-style-type: none"> <li>The Board of Commissioners Self Assessment Policy is a guideline that is used as a form of accountability for the Board of Commissioners performance assessment collegially. The Self Assessment is conducted by each member to assess the Board of Commissioners performance collegially, and not to assess the individual performance of each member of the Board of Commissioners. The Self Assessment from each member of the Board of Commissioners contributes to improving the Board of Commissioners performance on an ongoing basis.</li> <li>This policy may include assessment activities together with intents and purposes, the execution time, and benchmarks or criteria for assessment used in accordance with the recommendations given by the Public Company nomination and remuneration function, which is required in OJK Regulation on the Public Company Nomination and Remuneration Committee.</li> </ul> <p>The Board of Commissioners Self Assessment Policy disclosures on Board of Commissioners performance not only meets transparency as a form of accountability for execution of their duties, but also, to give confidence, especially to shareholders or investors for the efforts needed to improve the Board of Commissioners performance. The disclosure to shareholders or investors provides check and balance on the Board of Commissioners performance.</p> <ul style="list-style-type: none"> <li>The Board of Commissioners member's resignation policy if they are involved in financial crimes is to boost the confidence of the Public Company stakeholders, so that the integrity of the company remains intact. This policy is necessary to help smooth the process of law and so that the legal process does not disrupt business activities. Moreover, in terms of morality, this policy establishes a culture of ethics in the public company. The policy can be included in the Guidelines or Code of Conduct applicable to the Board of Commissioners.</li> <li>Furthermore, what is meant by engaging in financial crimes means Board of Commissioners members convicted by the authorities. Financial crimes refers to manipulation and various forms of embezzlement in the financial services activities as well as Money Laundering Measures referred to in Law No. 8 of 2010 on the Prevention and Combating of Money Laundering.</li> </ul> <p>Under the OJK provisions for Rules of Nomination and Remuneration Committee of Public Company, those who perform the nomination function have to develop policies and criteria required in the Nomination process for Board of Directors candidates. One such policy that supports the Nomination process refers to the policy on Board of Directors members' succession. Policies regarding succession aim to maintain continuity, regeneration, or leadership cadres in the company to maintain the company business continuity and long-term goals.</p>	<ul style="list-style-type: none"> <li>The self-assessment Policy assesses the Board of Commissioners performance through the work program realization, in accordance with the Board of Commissioners Work Plan and Budget (RKA) and through GCG Self assessment where there are indicators for the Board of Commissioners duties and responsibilities.</li> <li>The self-assessment Policy to assess the Board of Commissioners performance through the work program realization, in accordance with the Board of Commissioners Work Plan and Budget (RKA) is illustrated through indicators, advisory performance, executive function strengthening, and compliance monitoring. While the GCG self-assessment is divided into 3 (three) measures, Governance Structure, Governance Process and Governance Outcome. Governance structure consists of 14 (fourteen) indicators, Governance Process consists of 17 (seventeen) while Governance Outcome consists of 6 (six) indicators.</li> </ul> <p>The Self Assessment policy disclosures policy on the Board of Commissioners performance are set out in the RKA assessment delivered through the Public Company AGMS, while the GCG self assessment on the Board of Commissioners duties and responsibilities is submitted to the regulator.</p> <p>Board of Commissioners Resignation Policies are laid down in the BNI Articles of Association, Article 14, paragraph 12 c which states that the dismissal of members of the Board of Commissioners, among others when engaging in actions that harm the Company and / or the State as well as Article 14, paragraph 24, which states that the office of the Board of Commissioners by itself ends when Board of Commissioners members no longer qualify based on the legislation.</p> <p>One body of the Board of Commissioners is the Nomination and Remuneration Committee (the current membership is all Commissioners) who carry out the nomination function, and assist the Board of Commissioners in assessing the performance of the Board of Directors members and / or of the Board of Commissioners members based on benchmarks that have been set as an evaluation, based on SOEs regulation No. Per-02 / MBU / 02/2015 and Per-02 / MBU / 02/2015.</p>

No	Principle	Recommends
<b>III ASPECT 3: BOARD OF DIRECTORS FUNCTIONS AND ROLE</b>		
5	principle 5 Strengthening membership and composition of the Board of Directors.	<p>12. Determination of the number of Board of Directors members considers the Public Company condition and effectiveness in decision-making.</p> <p>13. Determination of the Board of Directors composition pays attention to the diversity of skills, knowledge and experience required.</p> <p>14. Board of Directors members that oversees accounting or finance must have expertise and / or knowledge in the field of accounting.</p>



## Corporate Governance Aspects and Principles Corresponding to Otoritas Jasa Keuangan Provisions

OJK Recommendations Description	BNI Implementation Explanation
<p>As the company body in charge of company management, determining the Board of Directors number will greatly affect the Public Company performance. Thus, determining the Board of Directors member's number must be made through careful consideration and shall refer to the provisions of legislation in force, based on OJK Regulations on Public Company Board of Directors and Board of Commissioners must consist of at least two (2) people. In addition, determining the Directors number is also based on the need to achieve the Public Company objectives and adapted to the Public Company conditions, including characteristics, capacity and size as well as how to achieve the effectiveness in the Board of Directors decision-making.</p>	<p>The Board of Directors members number and capacity is based on the provisions in POJK No 33 / POJK.04 / 2014. The Board of Directors member's number on December 31, 2016 was 10 (ten) people. In the framework of decision-making effectiveness, the Board of Directors Meetings decision-making is carried out by consensus.</p>
<p>Like the Board of Commissioners, the Board of Directors Composition is a combination of characteristics in terms of both Board of Directors collectively and individually, according to the Public Company needs. The combination is reflected by determining the expertise, knowledge, and experience relevant to the Board of Directors duties and functions in achieving the Public Company objectives. Thus, the combination will impact the accuracy of the nomination process for the Board of Directors individual members appointment, both collectively and individually.</p> <ul style="list-style-type: none"> <li>The Financial Statement is the management accountability report for the management of the public company owned resources, which must be prepared and presented in accordance with generally accepted accounting standards in Indonesia and also OJK rules related to legislation in the Capital Markets sector governing presentation and disclosure of Public Company financial statements. Based on the Capital Markets sector legislation in regulating the Board of Directors responsibilities for the Financial Statements, the Board of Directors is jointly and severally liable for the Financial Statements, which are signed by the President Director and each member of the Board of Directors that oversees accounting or finance.</li> <li>Accordingly, the disclosure and preparation of financial information presented in the financial statements will be highly dependent on the Board of Directors' skills and / or knowledge, in particular the Board of Directors members that oversee accounting or finance. Their qualifications, expertise and / or knowledge in the accounting area experience.</li> </ul>	<p>BNI's Board of Directors Composition has met the elements of diversity with a combination of independence, expertise / education, work experience, age and gender with the needs and complexity of BNI. It is described in the Board of Directors Diversity Composition Sub Chapter in the Corporate Governance Report.</p> <ul style="list-style-type: none"> <li>BNI Financial Statements consists of financial position statements and income and other comprehensive income statements, changes in equity and cash flows statement and significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP in Indonesia as stated in the Directors Statement of Responsibility for the BNI and Subsidiary Consolidated Financial Statements.</li> <li>The Financial Statements contains the BNI Directors Statement of Responsibility for the BNI and Subsidiary Consolidated Financial Statements and states that the Board of Directors is responsible for the preparation and presentation. The BNI and Subsidiary Consolidated Financial Statements, have been prepared in accordance with SAK and all the information in the Financial Statement as published is complete and correct, does not omit material information. In addition the Public Accounting Firm (KAP) designated has the competence and professional in his field. This proves the full commitment of the Board of Directors so that the financial statements may be relied upon by stakeholders.</li> <li>BNI Director of Finance currently has the expertise, knowledge and capabilities in accounting / finance, which can be seen in the formal and informal education that has been followed both at home and abroad. The Director of Risk and Compliance has previous experience at other Banks and the relevant expertise, and is certainly an added and relevant value to BNI.</li> </ul>

No	Principle	Recommends
6	principle 6 Improving the Quality of Board of Directors Duties and Responsibilities.	<p>15. The Board of Directors has its own Self Assessment policy to assess performance.</p> <p>16. The Self-Assessment Policy is the Board of Directors performance assessment, expressed through the Public Company Annual Report.</p> <p>17. The Board of Directors has a policy related to resignation of Board of Commissioners members if it involves financial crimes.</p>
IV	<b>ASPECT 4: STAKEHOLDER PARTICIPATION</b>	
7	principle 7 Increasing Corporate Governance Aspects through Stakeholder Participation.	<p>18. The Public Company has a policy to prevent insider trading.</p>



## Corporate Governance Aspects and Principles Corresponding to Otoritas Jasa Keuangan Provisions

OJK Recommendations Description	BNI Implementation Explanation
<ul style="list-style-type: none"> <li>As in the Board of Commissioners, The Board of Directors Self Assessment Policy is a guideline that is used as a form of accountability for the Board of Directors performance assessment collegially. The Self Assessment is conducted by each member to assess the Board of Directors performance collegially, and not to assess the individual performance of each member of the Board of Directors. The Self Assessment from each member of the Board of Directors contributes to improving the Board of Directors performance on an ongoing basis</li> <li>This policy may include assessment activities together with intents and purposes, the execution time, and benchmarks or criteria for assessment used in accordance with the recommendations given by the Public Company nomination and remuneration function, which is required in OJK Regulation on the Public Company Nomination and Remuneration Committee.</li> </ul> <p>The Board of Directors Self Assessment Policy disclosures on Board of Directors performance not only meets transparency as a form of accountability for execution of their duties, but also to provide important information on remediation efforts in the management of the Public Company. Such information is very useful to provide assurance to shareholders or investors that the company's management continues to go in a better direction. The disclosure to shareholders or investors provides check and balance on the Board of Directors performance.</p>	<ul style="list-style-type: none"> <li>The Directors' performance assessment policy contains the Board of Directors Principle Key Performance Indicator (KPI). The Board of Directors performance measurement consists of several KPIs measured collegially for all Directors, both quantitatively and qualitatively.</li> <li>The policy includes assessment activities performed on several factors such as market capitalization, profits, market share and leadership. The Remuneration and Nomination Committee conducts an evaluation and provides recommendations to the Board of Commissioners regarding the nomination and remuneration system / policy for the Board of Commissioners, Board of Directors, executive officers and employees.</li> </ul> <p>Each year the Board of Directors Performance Assessment is disclosed in the Annual Report and can be accessed by shareholders / investors and other stakeholders through the BNI website so that the information provides assurances to shareholders or investors that the company's management continues to move in a better direction.</p>
<ul style="list-style-type: none"> <li>The Board of Directors member's resignation policy if they are involved in financial crimes is to boost the confidence of the Public Company stakeholders, so that the integrity of the company remains intact. This policy is necessary to help smooth the process of law and so that the legal process does not disrupt business activities. Moreover, in terms of morality, this policy establishes a culture of ethics in the public company. The policy can be included in the Guidelines or Code of Conduct applicable to the Board of Directors.</li> <li>Furthermore, what is meant by engaging in financial crimes means Board of Directors members convicted by the authorities. Financial crimes refers to manipulation and various forms of embezzlement in the financial services activities as well as Money Laundering Measures referred to in Law No. 8 of 2010 on the Prevention and Combating of Money Laundering.</li> </ul>	<p>The company will be active in cases of financial crimes, BNI's Articles of Association state that Board of Directors members may be dismissed temporarily by the Board of Commissioners stating the reasons if the acts are contrary to the Articles of Association or there are indications of losses by the Company due to neglect in their obligations or there are compelling reasons for the Company</p> <p>The Company has a BNI Anti-Money Laundering and countering Financing of Terrorism (AML &amp; CFT) Policy Statement enforcing Law No. 8 of 2010 on the Prevention and Combating Money Laundering.</p>
<p>A person who has inside information is prohibited from engaging in a securities transaction using that information as defined in Capital Market legislation. The Public Company minimizes insider trading through prevention policies, for example by explicitly separating the data and / or confidential information from the public, as well as shared duties and responsibilities for managing the information referred to a proportionate and efficient way.</p>	<p>BNI has a policy related to preventing insider trading. The policy is outlined in the Online Corporate Guidelines (e-PP) No.IN/329/INT/001 dated June 9, 2015.</p>

No	Principle	Recommends
		19. The Public Company has an anti-corruption and anti-fraud policy.
		20. The Public Company has a suppliers or vendors selection and ability policy.
		21. The Public Company has a policy on the fulfillment of creditors rights.
		22. The Public Company has whistleblowing systems policy of.



## Corporate Governance Aspects and Principles Corresponding to Otoritas Jasa Keuangan Provisions

OJK Recommendations Description	BNI Implementation Explanation
<p>The Anti-corruption policy is beneficial to ensure that the Public Company business activities are carried out legally, prudently and in accordance with the principles of good governance. The policy may be part of the code of conduct, or on its own. This policy includes, the programs and procedures performed in overcoming corruption, kickbacks, fraud, bribery and / or gratuities in a public company. The policy scope describes the Public Company prevention against any corrupt practices either given or received from other parties</p> <ul style="list-style-type: none"> <li>• The vendor or supplier selection policy helps to ensure that the Public Company obtains the required goods or services at competitive prices with good quality. The policy also increases the suppliers or vendors ability to ensure that the supply chain run efficiently and effectively. The suppliers or vendors ability to supply / meet the required goods or services will affect the quality of the firm's output.</li> <li>• The implementation of these policies ensures continuity of supply, both in terms of quantity and quality required by the public company. The policy includes criteria in supplier or vendor selection, transparent procurement mechanisms, efforts to increase the ability of suppliers or vendors, and fulfillment of the rights associated with a supplier or vendor.</li> </ul>	<p>In compliance with SEBI No. 13/28 / DPNP dated December 9, 2011 on the Application of Anti-Fraud Strategy for Banks, BNI formed an Anti Fraud Committee to foster a culture and anti-fraud awareness at all levels of the organization. The no fraud for our bank Policies and Principles are organized through the Anti Fraud Strategy Application. To measure the compliance culture, the Compliance Division has a tool called Compliance Index (CIX). While the Anti-corruption policy has been regulated in the BNI Code of Conduct, which can be accessed by all employees and stakeholders through the BNI website.</p> <ul style="list-style-type: none"> <li>• The Company has a policy for supplier or vendor selection and capacity building in the Online Company Manual (e-PP) Procurement of goods and services No. IN / 96 / PFA / 004 dated February 25, 2016. The policy also includes Procurement procedures, methods and workflow processes.</li> <li>• Implementation of this policy is applied in the procurement of goods and / or services and serves as a guideline for all employees. Providers of goods and / or services required by BNI have been registered in the system manually or in the e-Procurement Application Systems. Notification of procurement of goods and / or services awarded is conducted transparently.</li> </ul>
<p>The policy on the fulfillment of creditors rights is used as a guide in making loans to the creditors. The policy safeguards the fulfillment of creditors rights and the public company confidence. This policy includes the considerations to take in making agreements, as well as follow-up to fulfill the Public Company's obligations to creditors.</p>	<p>The creditors rights policy relates to the terms for BNI loan agreements with creditors. The agreements include the rights and obligations of the parties, the rights of creditors, for example the form of providing information in a transparent, accurate, and timely manner either at the request and use of loans, maintaining financial ratios (current ratio, DER, Debt to Service Ratio), in accordance with the ratios agreed with creditors, submit annual audited financial statements within an agreed time period with creditors, and so on.</p>
<p>The whistleblowing system policy has been developed to assure protection to the witness or the complainant related to any indication of violations committed by employees or management of the public company. This system policy will have an impact on the cultural formation of good corporate governance. The whistleblowing system policy includes, types of violations that can be reported through the whistleblowing system, how, protecting and guaranteeing the confidentiality of the complainant, handling of complaints, managing complaints and the treatment and follow-up of complaints.</p>	<p>Whistle Blowing System (WBS) Management in BNI is called "WBS to CEO". WBS is a commitment to achieve integrity and a clean working environment in the form of active participation by BNI personnel to report violations that occur in BNI. WBS report violations can be made by phone, email, letter or through the website.</p>

No	Principle	Recommends
		<p>23. The Public Company has a policy related to long-term incentives to The Board of Directors and employees</p>
V 8	<b>ASPECT 5: INFORMATION DISCLOSURE</b> <b>principle 8</b> Improve Information Disclosure.	<p>24. The Public Company uses information technology more widely through the website as a medium for information disclosure.</p> <p>25. The Public Company Annual Report discloses the shareholders in the Public Company, those holding is at least 5% (five percent), and in addition discloses the Public Company's main and controlling shareholder.</p>



## Corporate Governance Aspects and Principles Corresponding to Otoritas Jasa Keuangan Provisions

OJK Recommendations Description	BNI Implementation Explanation
<ul style="list-style-type: none"> <li>Long-term incentives are based on achievement of long-term performance. The long-term incentive plan has the basic premise that the company's long-term performance is reflected by the growth in value of the shares or long-term targets of other companies. Long-term incentives are helpful in maintaining loyalty and provide motivation to the Board of Directors and employees to improve performance or productivity and will have an impact on improving the company's performance in the long term.</li> <li>The a long-term incentive policy is a real commitment to encourage the implementation of long-term incentives to Directors and Employees with the terms, procedures and forms adapted to long-term goals of the Public Company. This policy includes: the intent and purpose of long-term incentives, terms and procedures for awarding incentives, as well as the conditions and risks that must be considered by the Public Company in incentives. The policy can also be included in the remuneration policy of the existing public company.</li> </ul>	<p>The policy on granting long-term incentives to the Board of Directors and employees is contained in the Long Term Incentive Guidelines, which for 2016 contained Guidelines for Employee Bonus Shares.</p> <p>This incentive policy is a commitment by BNI, adapted to long-term goals of the Company and statutory provisions.</p>
<p>Information technology can be useful as a medium for information disclosure. The information disclosure does not only apply to that set in the legislation, but also other information perceived by the Public Company as worthwhile to shareholders or investors. Other information technology in addition to the company website will enhance the effectiveness of company information dissemination. The use of information technology takes into account the benefits and costs to the company.</p>	<p>In addition to the website, BNI also utilize other information technologies like email, twitter and instagram as a means of communication and information disclosure. Information Disclosure is carried not only to disclose information set out in legislation but also other information related to the Public Company perceived helpful to the shareholders / investors.</p>
<p>Capital Markets sector legislation governs the submission of the Public Company annual report and has an obligation of disclosure of information about the shareholders who own 5% (five percent) or more shares in the public company and the obligation of disclosure of information regarding the major and controlling shareholders of the Public Company both directly or indirectly, until the final shareholders. The Governance Guidelines recommend disclosure of the shareholders who own 5% (five percent) or more shares in addition to revealing the major and controlling shareholders of the Public Company.</p>	<p>Shareholders who own 5% (five percent) or more shares are listed in the Annual Report in Sub Chapter Register of Shareholders as well as Sub-Chapter Board of Directors and Board of Commissioners Shareholdings.</p>

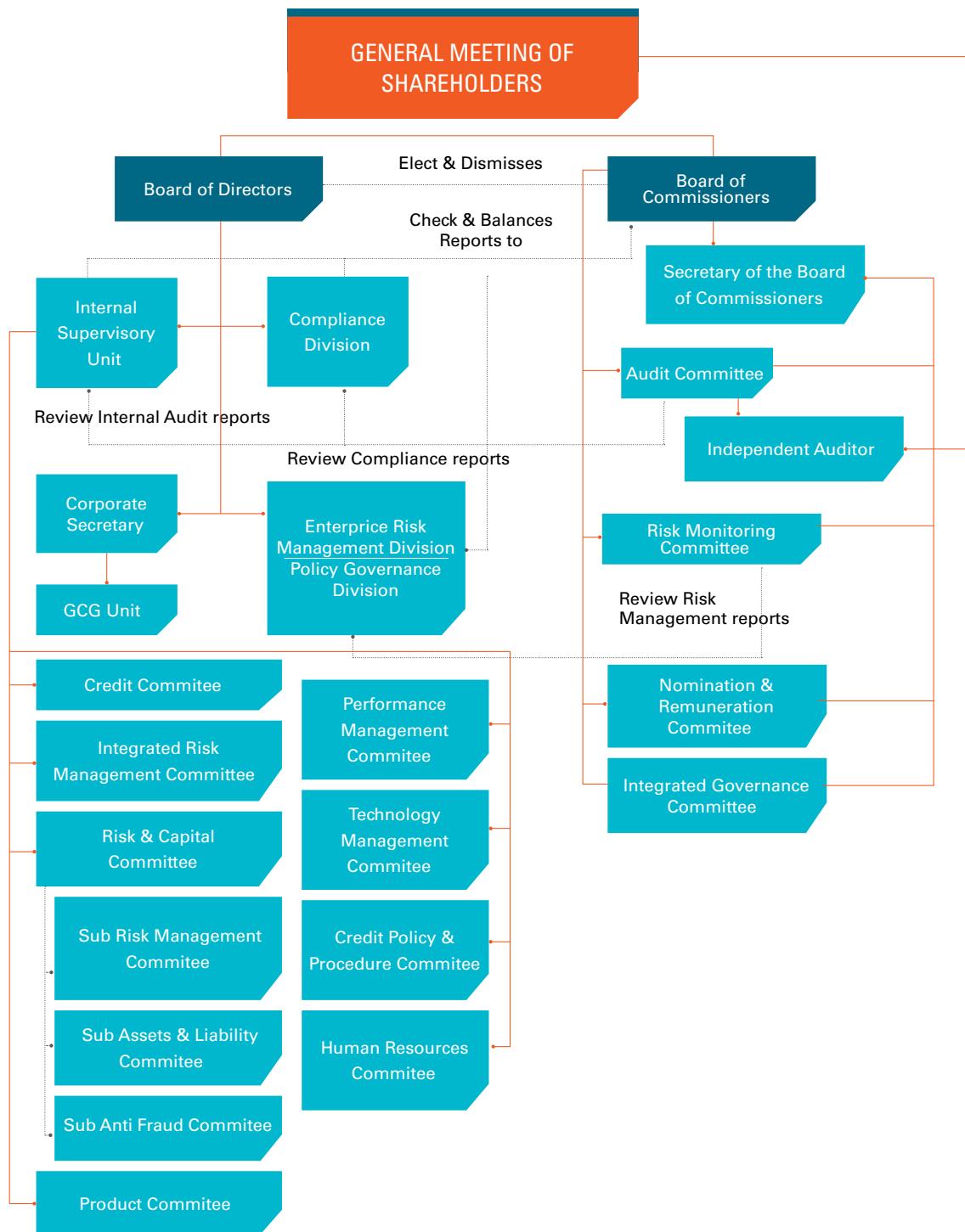
## GCG Structure and Mechanism

Based on Republic of Indonesia Law Number 40 - 2007 regarding Limited Liability Company (Company Law), Company Bodies consist of a General Meeting of Shareholders (GMS), the Board of Commissioners and the Board of Directors. The management system adopts a two-tier system, namely the Board of Commissioners and the Board of Directors, who have clear authorities and responsibilities appropriate to their respective functions, as mandated by the Articles of Association and Regulations.

In carrying out the management of BNI, the Board of Directors is supported by an organizational structure consisting of major bodies and supporting bodies so that management is effective. In implementing its monitoring and advisory functions, the Board of Commissioners is supported by supporting bodies, namely: Secretary to the Board of Commissioners, Audit Committee, Risk Monitoring Committee, Remuneration and Nomination Committee and Integrated Corporate Governance Committee.



The BNI GCG structure is as follows.



In doing so, Bank BNI has various policies / guidelines to carry out its functions and duties called GCG soft structure. The purpose of building a GCG Soft Structure is as follows.

1. Supplementing the supporting policies in the GCG implementation.
2. A guideline for the Bank in carrying out everyday activities in accordance with the expected corporate culture.
3. Is a form of a written commitment for all levels of the Bank's organization to improve the discipline and responsibility of the company's bodies to safeguard the interest of stakeholders in accordance with their respective responsibilities.

GCG soft structure that has been implemented by BNI include:

1. Articles of Association of the Bank No. 35 dated March 17, 2015 have been received and recorded in the Administration System Ministry of Justice and Human Rights of the Republic of Indonesia under number AHU-AH.01.03-0776526 April 14, 2015.
2. BNI Employees' Code of Conduct Guidelines, which came into force in 2010.
3. Board of Commissioners' Code of Conduct (Board Manual) approved by Board of Commissioners Decree No. KEP/011/DK/2016 dated May 12, 2016.
4. Board of Directors' Code of Conduct through BNI Board of Directors' Decree No. KP/150/DIR/R dated April 11, 2016.
5. Integrated Governance Guidelines approved by the Board of Commissioners through its letter No. BOC DK/71 dated July 8, 2015.
6. Integrated Risk Management Guidelines approved by the Board of Commissioners through Board of Commissioners' letter No. DK/27 dated March 8, 2016 and set forth in e-PP No. IN/239/ERM/001 date. 28 April 2016.
7. Conflict of Interest Guidelines set forth in the Online Company Manual (e-PP) No. IN/695/KMP/001 dated October 29, 2014.
8. Corporate Secretary Guidelines approved by the Board of Directors' Decree No. KP/356/DIR/R dated September 2, 2016.
9. The Audit Committee Charter approved by the Board of Commissioners through the Board of Commissioners' Decree No. Kep/009/DK/2016 dated April 14, 2016.
10. Risk Monitoring Committee Charter approved by the Board of Commissioners through Board of Commissioners' Decree No. Kep/024/DK/2016 dated July 21, 2016.
11. The Remuneration and Nomination Committee Charter approved by the Board of Commissioners through Board of Commissioners' Decree No. 027 KEP/DK /2015 dated September 21, 2015.
12. Integrated Governance Committee Guidelines and Rules of Work Conduct approved by the Board of Commissioners through the Board of Commissioners' Decree No. Kep/006/DK/2015 dated June 22, 2015.
13. Corporate Governance Handbook No. Kep/001/DK and KP/001/Dir dated January 3, 2001 on the Implementation of Corporate Governance Principles.
14. Anti-Money Laundering and countering Financing of Terrorism (AML & CFT) Policy Statement.
15. Related Companies Guidelines for Procurement Procedures already made in e-PP IN/96/PFA/004 dated February 25, 2016.
16. WBS Policy approved by the Joint Decree of the Board of Directors and Board of Commissioners No. Kep/019/DK/2010 and No. KP/279/DIR dated December 1, 2010.
17. Risk and Capital Committee Work Guidelines (KRK) approved by the Board of Directors through Board of Directors' Decree No. KP/483/DIR/R dated December 21, 2016.
18. Integrated Risk Management Committee Work Guidelines (KMRT) approved by the Board of Directors through Board of Directors' Decree No. KP/193/DIR/R dated May 26, 2015.
19. Credit Policy Committee Work Guidelines in which there is a Sub-Committee for Credit Procedure (KPP) approved by the Board of Directors through Board of Directors' Decree No. KP/253/DIR/R dated June 1, 2016.



## GCG Structure and Mechanism

20. Performance Management Committee Guidelines approved by the Board of Directors through Board of Directors' Decree No. KP/466/DIR/R dated October 5, 2012 regarding BNI Performance Management Committee (PMC).
21. Product Committee Guidelines approved by the Board of Directors through Board of Directors' Decree No. KP/448/DIR/R dated September 20, 2012 regarding the BNI Product Committee (PRC).
22. Management of Technology Committee Guidelines approved by the Board of Directors through Board of Directors' Decree No. KP/201/DIR/R dated June 14, 2011 which has been renewed through the Planning of Memo No. REN/2/234/R dated May 4, 2016 concerning Amendment Committee membership.
23. GCG Self Assessment Report Guidelines and monitoring activities contained in e-PP No.IN/462/KMP/001 dated October 22, 2015.
24. Investor Relations activities Guidelines contained in e-PP No. IN/41/KMP/001 dated January 26, 2015.
25. Preparing Business Plan Guidelines contained in e-PP No. IN / 92 / REN / 001 dated March 17, 2014.
26. Management Accounting Policies Guidelines contained in e-PP No.IN/406/PKU/001 dated August 24, 2016.
27. Employment Performance Assessment Guidelines contained in e-PP No. IN/99/HCT/001 dated February 29, 2016.
28. Employment Guidelines on Employee Code No.IN/648/HCT/001 dated October 10, 2014.

### GENERAL MEETING OF SHAREHOLDERS

The limited liability company GMS is highest body which has the power and authority that is not owned by the Board of Directors and Board of Commissioners. Thus, the GMS is the highest body in the company. Seen from the angle of their role in the company, GMS has a very important role, because this body is authorized to appoint and dismiss Directors and or Commissioners. Also, this body which determines the direction and objectives of the company is set forth in the Articles of Association of the Company. Furthermore, the GMS also determines important matters related to the company.

### REGULATION REFERENCES

The GMS is the Company body that has authority not granted to the Board of Directors or Board of Commissioners within the limits specified in Law No. 40 Year 2007 on Limited Liability Companies and / or the Articles of Association.

Based on the BNI Articles of Association, the GMS consists of an Annual GMS (AGMS) and Extraordinary GMS (EGMS) to be held at any time based on the needs. The stages of Implementation of the GMS is based on to the provisions of the Articles of Association and OJK Regulation No. 32/POJK.04/2014 dated December 8, 2014 regarding the Planning and Implementation of Company GMS.

## IMPLEMENTATION OF 2016 EGMS

The phases of the BNI General Meeting of Shareholders in 2016 are shown in the following table.

### 2016 EGMS implementation

Notification	Announcement	Invitation	Implementation	AGMS Results
Notified on November 24, 2015 to OJK and the Ministry of SOEs.	Announced on December 4, 2015, through the Investor Daily and The Jakarta Post.	Announced on December 21, 2015, through the Investor Daily and The Jakarta Post.	AGMS held on January 12, 2016 at 10:00 WB - ending, in multipurpose room BNI Lt. 25. Jalan Sudirman Kav jenderal. 1. Jakarta, 10220.	Announced on January 14, 2016 through the Investor Daily and The Jakarta Post.

## EGMS Agenda

The Agenda of Annual General Meeting of Stakeholders is Amendment of the Board of Commissioners and Board of Directors

## EGMS Attendance Recapitulation

Board of Commissioners and Board of Directors who Attends EGMS on January 12, 2016 as follows.

### Attendance at the 2016 EGMS

No.	Name	Position	Attended	Absent	Explanation
1.	Pradjoto	Vice President Commissioner / Independent Commissioner	✓		
2.	Daniel T. Sparringa	Independent Commissioner	✓		
3.	Kiagus Ahmad Badaruddin	Commissioner	✓		
4.	Zulkifli Zaini	Independent Commissioner	✓		
5.	Anny Ratnawati	Independent Commissioner	✓		
6.	Joseph F.P Luhukay	Independent Commissioner	✓		
7.	Patanjari Siahaan	Commissioner	✓		
8.	Revisond Baswir	Commissioner	✓		
9.	Achmad Baiquni	President Director	✓		
10.	Suprajarto	Vice President Director	✓		
11.	Herry sidharta	Director of Corporate Business 1	✓		
12.	Sutanto	Director Banking 2	✓		
13.	Anggoro Eko Cahyo	Director of Consumer Banking	✓		
14.	Rico Rizal Budidarmo	Director of Finance	✓		
15.	Adi Sulistyowati	Director of Institutional Relations	✓		
16.	Imam Budi Sarjito	Director of Complaince and Risk	✓		
17.	Bob Tyasika Ananta	Director IT and Operational	-		Family Reasons



## GCG Structure and Mechanism

### The Result of Extraordinary General Meeting of Stakeholders

The result of Annual General Meeting of Stakeholders was as follows.

#### The Result of EGMS

Agenda	EGMS Decision	Agreed (Number of Votes and Percentage)	Did Not Agree (Number of Votes and Percentage)	Abstain (Number of Votes and Percentage)
First	<p>1. To approve and raise the names below as members of the Board of Commissioners:</p> <ul style="list-style-type: none"> <li>- Hartadi A. Sarwono as President Commissioner</li> <li>- Bistok Simbolon as Commissioner</li> </ul> <p>Appointment of members of the Board of Commissioners becomes effective after passing OJK Fit and Proper Test and meet the regulations in force.</p> <p>The end of the term of office of members of the Board of Commissioners appointed are until the close of the 5th (fifth) Annual General Meeting of Shareholders after the appointment in question, with due regard to capital market legislation and without prejudice to the right of the GMS to dismiss at any time.</p> <p>Thus the composition of the Board of Commissioners after the approval of OJK to be as follows:</p> <ul style="list-style-type: none"> <li>• Hartadi A. Sarwono as President Commissioner</li> <li>• Pradjoto as Vice President Commissioner / Independent Commissioner</li> <li>• Daniel T. Sparringa as Independent Commissioner</li> <li>• Kiagus Ahmad Badaruddin as Commissioner</li> <li>• Zulkifli Zaini as Independent Commissioner</li> <li>• Anny Ratnawati as Independent Commissioner</li> <li>• Joseph F.P. Luhukay as Independent Commissioner</li> <li>• Pataniari Siahan as Commissioner</li> <li>• Revisond Baswir as Commissioner</li> <li>• Bistok Simbolon as Commissioner</li> </ul>	11,861,234,015 votes or 81.09% of the total shares with voting rights present at the Meeting	2,580,946,301 votes or 17.65% of the total shares with voting rights present at the Meeting	184,807,216 votes or 1.26% of the total shares with voting rights present at the Meeting

Agenda	EGMS Decision	Agreed (Number of Votes and Percentage)	Did Not Agree (Number of Votes and Percentage)	Abstain (Number of Votes and Percentage)
Second	<p>2. Approval of Panji Irawan as a member of the Board of Directors. Appointment of members of the Board of Directors is effective upon passing the OJK Fit and Proper Test and meet the regulations in force. The end of the term of office of members of the Board of Directors appointed is until the closing of the 5th (fifth) General Meeting of Shareholders since the appointment in question, with due regard to the capital market legislation and without prejudice to the right of the GMS to dismiss at any time.</p> <p>Thus the composition of the Board of Directors following approval by OJK to be as follows:</p> <ul style="list-style-type: none"> <li>• Achmad Baiquni as President Director</li> <li>• Suprajarto as Vice President Director</li> <li>• Herry Sidharta as Director</li> <li>• Sutanto as Director</li> <li>• Anggoro Eko Cahyo as Director</li> <li>• Rico Rizal Budidarmo as Director</li> <li>• Adi Sulistyowati as Director</li> <li>• Bob Tyasika Ananta as Director</li> <li>• Imam Budi Sarjito as Director</li> <li>• Panji Irawan as Director</li> </ul> <p>Provide power and authority to the Board of Directors with the right of substitution to perform all the necessary actions related to this agenda decision in accordance with the legislation in force, including to declare in a separate Notary Deed and notify the Board of Commissioners and the Board of Directors of the Ministry of Justice and Human Rights of the Republic of Indonesia, as well as asking OJK to conduct Fit and Proper Tests for the candidate President Commissioner, candidate Commissioner and the candidate Director of the Company in accordance with applicable regulations.</p>			



## GCG Structure and Mechanism

### EGMS Decision Followed Up

BNI has realized EGMS decision which held on January 12, 2016, thus as follows.

No.	AGMS Decision	Status	Explanation
1	<p>To approve and raise the names below as members of the Board of Commissioners:</p> <ul style="list-style-type: none"> <li>• Hartadi A. Sarwono as President Commissioner</li> <li>• Bistik Simbolon as Commissioner</li> </ul> <p>Appointment of members of the Board of Commissioners becomes effective after passing OJK Fit and Proper Test and meet the regulations in force. The end of the term of office of members of the Board of Commissioners appointed are until the close of the 5th (fifth) Annual General Meeting of Shareholders after the appointment in question, with due regard to capital market legislation and without prejudice to the right of the GMS to dismiss at any time.</p> <p>Thus the composition of the Board of Commissioners after the approval of OJK to be as follows:</p> <ul style="list-style-type: none"> <li>• Hartadi A. Sarwono as President Commissioner</li> <li>• Pradjoto as Vice President Commissioner / Independent Commissioner</li> <li>• Daniel T. Sparringa as Independent Commissioner</li> <li>• Kagus Ahmad Badaruddin as Commissioner</li> <li>• Zulkifli Zaini as Independent Commissioner</li> <li>• Anny Ratnawati as Independent Commissioner</li> <li>• Joseph F.P. Luhukay as Independent Commissioner</li> </ul>	Finished	That members of the Board of Commissioners over name Mr. Hartadi A. Sarwono as Chief Commissioner had been approved appointment as of commissioners BNI from OJK by OJK letter Number: SR-78/D.03/2016 dated May 4, 2016 and Mr. Bistik Simbolon as commissioner had been approved appointment as Commissioners BNI from OJK by OJK letter, Number: SR-81/D.03/2016, dated May 10, 2016. In other words the appointment of the Board of Commissioners has been effective .
2	<p>Approval of Panji Irawan as a member of the Board of Directors. Appointment of members of the Board of Directors is effective upon passing the OJK Fit and Proper Test and meet the regulations in force. The end of the term of office of members of the Board of Directors appointed is until the closing of the 5th (fifth) General Meeting of Shareholders since the appointment in question, with due regard to the capital market legislation and without prejudice to the right of the GMS to dismiss at any time.</p>	Finished	That members of the Board of Directors over name Mr. Panji Irawan had been approved appointment as Director of BNI from OJK by OJK letter Number: SR-67/D.03/2016, dated April 11, 2016. In other words the appointment of the Board of Director over name Mr Panji Irawan has been effective.

## 2015 AGMS IMPLEMENTATION AND REALIZATION

The phases of the BNI General Meeting of Shareholders in 2015 are shown in the following table

**2015 AGMS implementation**

Notification	Announcement	Invitation	Implementation	AGMS Results
Notified on January 26, 2016 to OJK and the Ministry of SOEs.	Announced on February 2, 2016, through the Investor Daily and The Jakarta Post.	Announced on February 17, 2016, through the Investor Daily and The Jakarta Post.	AGMS held on March 10, 2016 at 10:00 WB - ending, in multipurpose room BNI Lt. 25. Jalan Sudirman Kav jenderal. 1. Jakarta, 10220.	Announced on March 14, 2016 through the Investor Daily and The Jakarta Post.

## 2015 AGMS Agenda

The agenda of the GMS in 2015, namely:

1. Approve the Annual Report and approve the Consolidated Financial Statements of the Company, approve the Supervisory Board of Commissioners Report and the Ratification of the Annual Report on Implementation of Partnership and Community Development Program for Fiscal Year 2015 and simultaneously granting release and full responsibility discharge (acquit et de charge) to the Board of Directors and the Board of Commissioners for their management and supervision actions implemented during Fiscal Year 2015.
2. Determine the Company's use of Net Income for the Fiscal Year 2015.
3. Determine the remuneration (salary / honorarium, allowances and benefits) for Fiscal Year 2016 and the tantiem for Fiscal Year 2015 for the Board of Directors and Board of Commissioners.
4. Determine the public accounting firm to audit the Company's Financial Statements and Annual Report on the Implementation of Partnership and Community Development Program for Fiscal Year 2016.
5. Approve the Program Management and Employee Stock Ownership by using treasury shares.
6. Changes in the Company Boards.



## GCG Structure and Mechanism

## ATTENDANCE AT THE 2015 AGMS

Attendance at the 2015 GMS

No.	Name	Position	Attended	Absent	Explanation
1.	Hartadi A. Sarwono	President Commissioner	✓		
2.	Pradjoto	Vice President Commissioner / Independent Commissioner	✓		
3.	Kiagus Ahmad Badaruddin	Commissioner	✓		
4.	Anny Ratnawati	Independent Commissioner	✓		
5.	Pataniari Siahaan	Commissioner	✓		
6.	Revrisond Baswir	Commissioner	✓		
7.	Bistik Simbolon	Commissioner	✓		
8.	Daniel T. Sparingga	Independent Commissioner	-	✓	Permit
9.	Zulkifli Zaini	Independent Commissioner	-	✓	Permit
10.	Joseph F.P Luhukay	Independent Commissioner	-	✓	Permit
11.	Achmad Baiquni	President Director	✓		
12.	Suprajarto	Vice President Director	✓		
13.	Rico Rizal Budidarmo	Director of Finance and Business Risk	✓		
14.	Herry Sidharta	Director of Corporate Business	✓		
15.	Sutanto	Director of Retail Business	✓		
16.	Anggoro Eko Cahyo	Director of Consumer Banking	✓		
17.	Adi Sulistyowati	Director of Institutional Relations and Transactional Banking	✓		
18.	Bob Tyasika Ananta	Director of Planning and Operations	✓		
19.	Imam Budi Sarjito	Director of Compliance and Risk	✓		
20.	Panji Irawan	Director of Treasury and International	✓		

## 2015 AGMS Decisions

Agenda	AGMS Decision	Agreed (Number of Votes and Percentage)	Did Not Agree (Number of Votes and Percentage)	Abstain (Number of Votes and Percentage)
First	<p>To approve the Company's Annual Report for the Fiscal Year 2015, including Supervisory Report which has been implemented by the Board of Commissioners for the fiscal year ended December 31, 2015, and ratified the Consolidated Financial Statements for the fiscal year ended December 31, 2015 which were audited by Public Accounting firm Tanudiredja, Wibisana, Rintis &amp; Partners - member firm of PwC global network according to Report No. A160125003/DC2/ANG/I/2016 dated January 25, 2016 with the opinion "Consolidated Financial Statements have been presented fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries dated December 31, 2015 and its financial performance and cash flows consolidated for the year which then ended in accordance with Financial Accounting Standards in Indonesia".</p> <p>To approve the Annual Report of Partnership and Community Development Program including Financial Report of Partnership and Community Development for the fiscal year ended December 31, 2015, which were audited by Public Accounting Firm Tanudiredja, Wibisana, Rintis &amp; Partners - member firm of PwC global network in accordance with report No. A160215003/DC2/ANG/2016 dated February 15, 2016 with the opinion "The accompanying Financial Statements have been present fairly, in all material respects, the statement of financial position of the Partnership and Community Development Program of the Company on December 31, 2015, activity reports and statements of cash flows for year ended on that date, are in accordance with Financial Accounting Standards for Entities Without Public Accountability".</p> <p>Provide release and full responsibility discharge (acquit et de charge) to all members of the Board of Directors and the Board of Commissioners for their management and supervision actions implemented during the year ended December 31, 2015, including management and supervision of the Partnership and Community Development Program, providing these actions were not illegal; and those actions as reflected in the Annual Report and the Financial Statements and the Annual Report of the Partnership and Community Development Program for the fiscal year ended December 31, 2015.</p>	14,963,812,207 votes or 99.87% of the shares with voting rights present at the Meeting	7,100 votes or 0.00% of the shares with voting rights present at the Meeting	18,503,200 votes or 0.12% of the shares with voting rights present at the Meeting



## GCG Structure and Mechanism

Agenda	AGMS Decision	Agreed (Number of Votes and Percentage)	Did Not Agree (Number of Votes and Percentage)	Abstain (Number of Votes and Percentage)
	<p>In addition, to comply with Article 11 paragraph 5 and Article 17 paragraph 5 of the Minister of State Owned Enterprises Regulation No. PER-12/MBU/2012 dated August 24, 2012 the Board of Commissioners' / SOE Supervisory Board Supporting body, the Company delivered Statement of Changes in the Composition of the Company's Audit Committee, Risk Monitoring Committee, Remuneration and Nomination Committee and Integrated Governance Committee.</p>			
Second	<p>To approve and authorize the use of Net Income for the fiscal year ended December 31, amounting to Rp9,066,581,272,436, - (nine trillion sixty-six billion, five hundred and eighty-one million two hundred and seventy-two thousand four hundred and thirty-six rupiah) hereinafter referred to as "Net Income for Fiscal Year 2015" as follows:</p> <ul style="list-style-type: none"> <li>• 25.00% of the net profit of the Company designated as cash dividend and will be paid to shareholders.</li> <li>• The rest will be used as Retained Earnings.</li> </ul> <p>Allocation of funds for the Community Development Program for 2016 amounting to 1% of the Net Income for Fiscal Year 2015.</p> <p>Give power and authority to the Board of Directors with the right of substitution to set a timetable and procedure for the distribution of cash dividend for financial year 2015 in accordance with applicable regulations.</p>	<p>14,981,040,607 votes or 99.99% of the shares with voting rights present at the Meeting</p>	<p>1,256,000 votes or 0.00% of the shares with voting rights present at the Meeting</p>	<p>25,900 votes or 0.00% of the shares with voting rights present at the Meeting.</p>
Third	<p>Give power and authority to the Board of Commissioners with the prior approval of Series A Shareholders to determine the amount of the bonus for the financial year 2015, and set the salary / honorarium, allowances and facilities for members of the Board of Directors and the Board of Commissioners for 2016</p>	<p>14,740,588,303 votes or 98.39% of the shares with voting rights present at the Meeting</p>	<p>240,963,104 votes or 1.61% of the shares with voting rights present at the Meeting</p>	<p>771,100 votes or 0.00% of the shares with voting rights present at the Meeting.</p>

Agenda	AGMS Decision	Agreed (Number of Votes and Percentage)	Did Not Agree (Number of Votes and Percentage)	Abstain (Number of Votes and Percentage)
Fourth	Provide the power and authority to the Board of Commissioners to determine the Public Accounting Firm (KAP), to audit the Financial Report of the Company and the Financial Report of Partnership and Community Development for the year 2016 and to determine the honorarium and other requirements for the KAP, also set the terms for a KAP substitute, if the designated KAP for whatever reason cannot complete the audit of the Company's Financial Statements and Financial Statements of the Partnership and Community Development Program for Fiscal Year 2016.	14,376,957,216 votes or 95.96% of the shares with voting rights present at the Meeting	586,644,837 votes or 3.92% of the shares with voting rights present at the Meeting	18,720,454 votes or 0.12% of the shares with voting rights present at the Meeting
Fifth	Give authority and power to the Board of Commissioners with the prior written approval of the Series A Shareholders to assign Management and Employee Stock Ownership Program by using treasury stock.	12,337,372,858 votes or 82.35% of the shares with voting rights present at the Meeting	2,607,194,808 votes or 17.40% of the shares with voting rights present at the Meeting	37,754,841 votes or 0.25% of the shares with voting rights present at the Meeting
Sixth	<p>To honorably discharge the following names as members of the Board of Commissioners:</p> <ul style="list-style-type: none"> <li>• Zulkifli Zaini as Independent Commissioner</li> <li>• Joseph F.P. Luhukay as Independent Commissioner</li> <li>• Daniel T. Sparraga as Independent Commissioner</li> </ul> <p>The dismissal of members of the Board of Commissioners as of the closing of this Meeting with gratitude for the contribution of labor and thought given as serving members of the Board of Commissioners.</p> <p>To approve the assignment of Hartadi A. Sarwono from President Commissioner and Independent Commissioner and Revisond Baswir and Br. Pataniari Siahaan from Independent Commissioners.</p> <p>Approve and raise the following names as members of the Board of Commissioners:</p> <ul style="list-style-type: none"> <li>• Wahyu Kuncoroas Commissioner</li> <li>• Joni Swastanto as Commissioner</li> </ul> <p>The appointment of members of the Board of Commissioners becomes effective after the passing of the OJK on Fit and Proper Test and the regulations in force. The end of the term of office of members of the Board of Commissioners appointed will be until the closing of the 5th General Meeting of Shareholders after the appointment in question, with due regard to capital market legislations and without prejudice to the right of the GMS to dismiss any -time.</p>	11,903,946,787 votes or 79.45% of the shares with voting rights present at the Meeting	2,924,011,804 votes or 19.52% of the shares with voting rights present at the Meeting	154,363,916 votes or 1.03% of the shares with voting rights present at the Meeting



## GCG Structure and Mechanism

Agenda	AGMS Decision	Agreed (Number of Votes and Percentage)	Did Not Agree (Number of Votes and Percentage)	Abstain (Number of Votes and Percentage)
	<p>Thus the composition of the Board of Commissioners after the approval of the OJK to be as follows:</p> <ul style="list-style-type: none"> <li>• Hartadi A. Sarwono as President Commissioner/ Independent Commissioner</li> <li>• Pradjoto as Vice President Commissioner/ Independent Commissioner</li> <li>• Kiagus Ahmad Badaruddin as Commissioner</li> <li>• Anny Ratnawati as Independent Commissioner</li> <li>• Pataniari Siahaan as Independent Commissioner</li> <li>• Revrisond Baswir as Independent Commissioner</li> <li>• Bistik Simbolon as Commissioner</li> <li>• Wahyu Kuncoro as Commissioner</li> <li>• Joni Swastanto as Commissioner</li> </ul> <p>To honorably discharge Sutanto as a Director of the Company as of the close of the Meeting with gratitude for the contribution of labor and thought given while a serving member of the Board of Directors.</p>			
	<p>To approve and raise Putrama Wahju Setiawan as a Director of the Company. The appointment of members of the Board of Directors is effective upon passing OJK Fit and Proper Test and meeting the regulations in force. The term of office for the Director of the Company who was appointed is until the closing of the 5th General Meeting of Shareholders after the appointment in question, with due regard to the capital market legislations and without prejudice to the right of the GMS to dismiss at any time ,</p> <p>Thus, the composition of the Board of Directors following approval by OJK to be as follows:</p> <ul style="list-style-type: none"> <li>• Achmad Baiquni as President Director</li> <li>• Suprajarto sebagai as Vice President Director</li> <li>• Rico Rizal Budidarmo as Director</li> <li>• Herry Sidharta s as Director</li> <li>• Anggoro Eko Cahyo as Director</li> <li>• Adi Sulistyowati as Director</li> <li>• Bob Tyasika Ananta as Director</li> <li>• Imam Budi Sarjito as Director</li> <li>• Panji Irawan as Director</li> <li>• Putrama Wahju Setiawan as Director</li> </ul>			

Agenda	AGMS Decision	Agreed (Number of Votes and Percentage)	Did Not Agree (Number of Votes and Percentage)	Abstain (Number of Votes and Percentage)
	Provide power and authority to the Board of Directors with the right of substitution to perform all the necessary actions related to this agenda's decisions in accordance with the legislation in force, including to declare in a separate Notary Deed and notify the Board of Commissioners and Board of Directors of the Ministry Justice and Human Rights, and request OJK conduct Fit and Proper Tests to prospective members of the Board of Commissioners and Board of Directors in accordance with applicable regulations.			

### AGMS 2015 Financial Year Results Follow Up

BNI has realized the Annual GMS resolution for Financial Year of 2015 which has been conducted on 10 March 2016, with the details as follows:

#### AGMS 2015 Financial Year Results Follow Up

No.	GMS Decision	Status	Explanation
1.	Approval of the Annual Report and Approval of the Consolidated Financial Statements, approval of the Board of Commissioners Supervisory Report and Approval of the Partnership and Community Development Program Annual Report for the financial year 2015	Completed	Financial Statements and Annual Report were submitted to Otoritas Jasa keuangan (OJK)and the Indonesia Stock Exchange (IDX) on January 26, 2016 and February 17, 2016.
2.	Approval of the use of Net Income for the fiscal year ended December 31, 2015	Completed	BNI announced the schedule and Procedures for the Cash Dividend for Fiscal Year 2015 on March 14, 2016 and has paid a cash dividend to shareholders on 10 April 2016
3.	Determination of the amount of tantiem for 2015, and the determination of salary / honorarium, allowances and facilities for the Board of Directors and the Board of Commissioners for 2016	Completed	Shareholders gave approval and authorized the Board of Commissioners with the prior approval of the of Series A Shareholders to determine the amount of the tantiem for fiscal year 2015, and set the salary / honorarium, allowances and facilities for the Board of Directors and the Board of Commissioners for 2016
4.	Determination of the public accounting firm to audit the Financial Report and Financial Statements of the Partnership and Community Development Program of the Company for the financial year 2016	Completed	Purwantono, Sungkoro & Surja (a member of Ernst and Young) completed the audit of the Company on January 20, 2017
5.	Approval of the Management and Employee Shareholding Program using treasury shares (treasury stock).	Completed	The Company conducted Disclosure implementation plan related to the transfer of shares repurchased through the Share Ownership Program For Management and Employees of the Company in the form of bonus shares of the Company on May 12, 2016 and has been reported to OJK through BNI Letter No. KMP / 1/1475 dated May 12, 2016.
6.	Company management changes	Completed	Members of the Board of Commissioners and Board of Directors were appointed having received approval from Otoritas Jasa Keuangan and the Company has stated in notarial deed of their own and have notified changes in composition of Board of Commissioners and Board of Directors to the Ministry of Justice and Human Rights



## GCG Structure and Mechanism

### 2014 AGMS DECISIONS FOLLOW UP

BNI has realized the 2015 AGMS decisions on March 17, 2015, as follows:

#### 2014 AGMS Decisions Follow Up

Agenda	AGMS Decision	Status	Explanation
To approve the Annual Report and the Consolidated Financial Statements of the Company, approve the Board of Commissioners Supervisory Report as well as ratify the Annual Report on the Partnership and Community Development Program Implementation for Fiscal Year 2014, and at the same time grant release and full responsibility discharge (acquit et de charge) to the Company's Board of Directors and Board of Commissioners for their management and supervision actions implemented during the Fiscal Year 2014.	Approved the Annual Report and Approved the Consolidated Financial Statements, approved the Board of Commissioners Supervisory Report and Approved the Annual Report on the Partnership and Community Development Program Implementation for the Fiscal Year 2014	Completed	Financial Statements and Annual Report were submitted to Otoritas Jasa Keuangan (OJK) and the Indonesia Stock Exchange (IDX) on January 30, 2015 and February 23, 2015.
Determine the Company's use of Net Income for the Fiscal Year 2014.	Approved the use of Net Income for the fiscal year ended December 31, 2014	Completed	BNI announced the schedule and procedures for the Cash Dividend for Fiscal Year 2014 on March 19, 2015 and has made a cash dividend payment to shareholders on April 17, 2015
Determine the remuneration (salary / honorarium, allowances and benefits) for Fiscal Year 2015 and Fiscal Year 2014 and the bonus for the Board of Directors and Board of Commissioners.	Determined the amount of the bonus for 2014, and determined the salary / honorarium, allowances and benefits for the Board of Directors and the Board of Commissioners for 2015	Completed	Shareholders have given the authority and power to the Board of Commissioners with the prior approval of Series A Shareholders to determine the amount of the bonus for 2014, as well as determine the remuneration / honorarium, allowances and benefits for the Board of Directors and the Board of Commissioners for 2015
Determine the public accounting firm to audit the Company's Financial Statements and the Partnership and Community Development Program Annual Report for Fiscal Year 2015.	Determined the public accounting firm to audit the Company's Financial Statements and the Partnership and Community Development Program Financial Statements for the Fiscal Year 2015.	Completed	Public Accounting Firm Tanudiredja, Wibisana & Co - a member firm of PwC Global Network completed the Company audit on January 25, 2016
Amendment to the Articles of Association, in compliance with regulations of Otoritas Jasa Keuangan (OJK) No. 32 / POJK.04 / 2014 and No. 33 / POJK.04 / 2014.	Amendment aligned with OJK Regulation No. 32 / POJK.04 / 2014 and No. 33 / POJK.04 / 2014	Completed	BNI registered an Articles of Association amendment through Company Number: AHU-2931709.AH.01.11.Tahun 2015 on April 14, 2015 at the Central Jakarta Registration Office and is currently in the process of announcement in the RI. State Gazette
Changes in the Board of Commissioners and Board of Directors, in connection with the Board of Commissioners and Board of Directors expiration of office	Changed the Board of Directors and Board of Commissioners	Completed	The Board of Commissioners and Board of Directors Members were appointed and received approval from Otoritas Jasa Keuangan and the Company has stated in notarial deed and has notified changes in the Board of Commissioners and Board of Directors composition to the Ministry of Law and Human Rights

## 2015 AGMS DECISIONS FOLLOW UP

Additionally, BNI has realized the 2015 EGMS decisions held on November 9, 2015, as follows:

### 2015 Agms Decisions Follow Up

Agenda	AGMS Decision	Status	Explanation
Changes in the Company's Supervisory Board	Discharge Rizal Ramli as Company Commissioner commencing from his appointment as Coordinating Minister for Maritime and Resources for the Republic of Indonesia on August 12, 2015 and determine Pradjoto, Vice President Commissioner / Independent Commissioner, be concurrently as Acting President Commissioner / Independent Commissioner until enacting the President Commissioner appointment definitively.	Completed	Discharged Rizal Ramli as Company Commissioner and determined that Pradjoto, Vice President Commissioner / Independent Commissioner, be concurrently as Acting President Commissioner / Independent Commissioner until enacting the President Commissioner appointment definitively and stated in notarial deed, which has been notified to the Ministry of Law and Human Rights.
Determine the Enforcement of Minister of State Regulation PER-09 / MBU / 07/2015 dated July 3, 2015 on the Partnership Program and Community Development Program.	Determine the of Minister of State Regulation PER-09 / MBU / 2015 dated July 3, 2015 on the Partnership Program and Community Development Program for the guidance of the Board of Directors in carrying out the program in question, which will come into force in 2016	Completed	The Company has enacted the Minister of State Regulation PER-09 / MBU / 2015 2016

## BOARD OF COMMISSIONERS

The Board of Commissioners is the body in charge of supervising the Company in general and / or special accordance with the Articles of Association as well as giving advice to the Board of Directors. In performing the duties of the Board of Commissioners have the authority to appoint and dismiss the Secretary of the Board of Commissioners, proposals from the Series A Shareholders and establish an Audit Committee, Remuneration and Nomination Committee, Risk Monitoring Committee, and other committees deemed necessary with attention to the capacity of the Company.

## REGULATION REFERENCE

Law No. 40 - 2007 on Limited Liability Companies and Otoritas Jasa Keuangan Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Public Company, requires that all companies who take shelter under Indonesian law have a Board of Commissioners to oversee policy management, process management within the company, as well as supervise and provide advice / counsel to the Board of Directors.



## GCG Structure and Mechanism

### **BOARD OF COMMISSIONERS DUTIES AND RESPONSIBILITIES**

The Board of Commissioners has the duty and responsibility set forth in the Articles of Association. The Board of Commissioners supervises the management policies and the management of Bank BNI's Board of Directors including the supervision of the implementation of the Long-Term Plan of the Company, the Work Plan and Annual Budget of the Company and the Articles of Association and decisions of the GMS, as well as laws and regulations that apply, for the benefit of the company and in accordance with the purposes and objectives of the company, and performs tasks that are specifically given to them according to the Articles of Association, legislation and / or the decisions of the GMS.

In performing its duties, each member of the Board of Commissioners should:

1. Comply with the Articles of Association and legislation as well as the principles of professionalism, efficiency, transparency, independence, accountability, responsibility and fairness.
2. Act in good faith, be prudent and responsible in carrying out the task of monitoring and providing advice to the Board of Directors for the benefit of the Company and in accordance with the aims and objectives of the Company.

To maintain objectivity and independence in performing the functions and duties of supervision, the Board is not involved in the decision-making operations of the Bank, except in matters specified in other applicable laws and regulations, and other matters specified in the Articles of Association of the Bank to carry out oversight functions, such as the provision of funds to related parties.

### **BOARD OF COMMISSIONERS' GUIDELINES AND WORK CONDUCT (BOARD MANUAL)**

The BNI Board of Commissioners' Guidelines and Work Conduct is stipulated in the Board of Commissioners' Decree No. BOC Kep/011/DK/2016 dated May 12, 2016, that includes: Structure, Requirements, Tasks, Powers, Duties and Responsibilities of the Board of Commissioners, Appointment and Dismissal of the Board of Commissioners, Term of Office of the Board of Commissioners and Vacant Positions, Board Meeting and Board Meeting together with the Board of Directors, division of Labor and Working time and Work Ethic.

Some basic Board of Commissioners guidelines set out in the Guidelines and Work Conduct are described as follows.

#### **Board of Commissioners' Authority**

In performing its duties, each member of the Board of Commissioners should:

1. Examine books, letters proof, supplies of goods, examine and match the state of cash (for verification purposes) and other securities, as well as be informed of all actions taken by the Board of Directors.
2. Enter buildings and yards or other places used or owned by the Company.
3. Request information/explanation from the Board of Directors and/or other officials regarding issues related to management of the company and the Board of Directors must submit all information/explanations regarding the company as requested by the Board of Commissioners
4. Knowledge of all policies and actions that have been and will be run by a Board of Directors.
5. Request Board of Directors and / or other officials under the Board of Directors with the knowledge of the Board of Directors to attend the Board of Commissioners meetings.
6. Discharge members of the Board of Directors in accordance with the provisions of the Articles of Association.
7. Appoint and dismiss the Secretary of the Board of Commissioners, on the proposal of the Series A Dwiwarna shareholders.

- 
8. Establish an Audit Committee, Remuneration and Nomination Committee, Risk Monitoring Committee, and other committees necessary by taking into account the ability of the Company.
  9. Using experts for certain things and for a certain period at the expense of the Company, if deemed necessary and with due regard to the applicable provisions.
  10. Perform Company management during certain circumstances for a certain period of time in accordance with the provisions of these Articles of Association.
  11. Participate In Board of Directors meeting and deliver some opinion about meeting subject.
  12. Carry out other surveillance authority not contrary to the legislation, Articles of Association, and / or decisions of the GMS.
  8. Make minutes of Board Meetings and maintain a copy.
  9. Report to the Company regarding any personal and / or family share ownership in the Company and any other company.
  10. Provide a report on supervisory duties that have been made during the past financial year to the AGMS.
  11. Perform other duties within the framework of monitoring and advisory duties, that are not inconsistent with the provisions, regulations, Articles of Association, and resolutions of the GMS.
  12. Under certain conditions, organize the Annual Meeting and other GMS accordance with the authority as stipulated in the legislation and the Articles of Association

### **Board of Commissioners Liabilities**

The Board of Commissioners is obliged to:

1. Provide advice to the Board in carrying out its management.
2. Give opinion and approve the Company's Long Term Plan and Work Plan and Annual Budget, and any other plans, prepared by the Board of Directors, in accordance with the provisions of the Articles of Association.
3. Follow and oversee the Company's development, provide opinions and advice to the AGMS on any matters of importance regarding the management of the Company.
4. Report immediately to the GMS symptoms of declining performance of the Company accompanied by suggestions for corrective measures to be taken.
5. To propose to the AGMS the appointment of a Public Accountant to audit the Company's books.
6. Examine, analyze and provide feedback on periodic reports and annual report prepared by the Board of Directors and sign the Annual Report.
7. Provide explanations, opinions and recommendations to the AGMS regarding the Annual Report, when requested.

### **BOARD OF COMMISSIONERS' CRITERIA**

Based on the Articles of Association persons who can be appointed as a member of the Board of Commissioners are those that meet the requirements upon appointment and during their tenure:

1. Have a good character, morals, and integrity.
2. Be proficient in legal actions.
3. Within five (5) years prior to appointment and during their tenure:
  - a. not been declared bankrupt;
  - b. never a member of a Board of Directors and / or member of a Board of Commissioners found guilty for causing a company to go bankrupt;
  - c. never been sentenced for a criminal offense that was detrimental to the country's financial and / or related to the financial sector; and
  - d. never been a member of a Board of Directors and / or a member of a Board of Commissioners that during their tenure:
    - i. never organized an GMS;
    - ii. were never accountability as a member of a Board of Directors and / or a member of a Board of Commissioners not accepted by the GMS or never given responsibility as a member of a Board of Directors and / or a member of a Board of Commissioners by the GMS; and



## GCG Structure and Mechanism

iii. never caused the company to acquire the license, approval, or registration from Otoritas Jasa Keuangan and never fulfilled the obligation to submit annual reports and / or financial reports to Otoritas Jasa Keuangan.

4. Have the commitment to comply with legislations.
5. Have the knowledge and / or expertise in the required fields of the Company, and any other terms based on applicable legislation.

A full disclosure of the Board of Commissioners' Guidelines and Work Conduct can be viewed on the Company's website at [www.bni.co.id](http://www.bni.co.id) (menu. Investor Governance).

### BOARD OF COMMISSIONERS' APPOINTMENT BASIS

Members of the Board of Commissioners are appointed by approval of the GMS meeting. The appointment basis for each member of the Board of Directors is as follows.

**Appointment Basis for Members of the Board of Commissioners**

Name	Position	Appointment Basis
Hartadi Agus Sarwono*	President Commissioner / Independent Commissioner	EGMS - January 12, 2016
Pradjoto**	Vice President Commissioner / Independent Commissioner	AGMS - March 17, 2015
Daniel Theodore Sparringa***	Commissioner Independent Commissioner	AGMS - April 18, 2012 AGMS - March 17, 2015
Kiagus Ahmad Badaruddin	Commissioner	AGMS - April 1, 2014
Zulkifli Zaini***	Independent Commissioner	AGMS - March 17, 2015
Anny Ratnawati	Independent Commissioner	AGMS - March 17, 2015
Revrisond Baswir****	Commissioner  Independent Commissioner	AGMS - March 17, 2015  AGMS - March 10, 2016 (Transitional tasks from Commissioner to Independent Commissioner)
Pataniari Siahaan****	Commissioner  Independent Commissioner	AGMS - March 17, 2015  AGMS - March 10, 2016 (Transitional tasks from Commissioner to Independent Commissioner)
Joseph F. P. Luhukay***	Independent Commissioner	AGMS - March 17, 2015
Bistik Simbolon****	Commissioner	EGMS dated January 12, 2016
Joni Swastanto	Commissioner	EGMS dated March 10, 2016
Wahyu Kuncoro*****	Commissioner	EGMS dated March 10, 2016

*Information:*

\*Discharge since March 10, 2017

\*\* Effective as President Commissioner / Independent Commissioner since May 4, 2016

\*\*\* Became Acting President Commissioner / Independent Commissioner on May 4, 2016

\*\*\*\* Not yet Independent Commissioner pending approval of Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioner to Independent Commissioner since June 27, 2016

\*\*\*\*\*Effective served as Commissioner of the date January 25, 2017

## FIT AND PROPER TEST

Otoritas Jasa Keuangan regulation No. 27/POJK.03/2016 concerning Fit and Proper Test for the Major Financial Services Institutions states that prospective members of the Board of Commissioners shall obtain approval from OJK before carrying out acts, duties, and functions as the Board of Commissioners. Members of the Board of Commissioners have passed the fit and proper without notes and has received approval from OJK, indicating that each member of the Board of Commissioners has the integrity, competence and adequate financial reputation, as shown in the table below:

**Fit and Proper Test**

Name	Position	Effective date base on OJK decree	Implementer	Result
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	May 4, 2016	Otoritas Jasa Keuangan	Passed
Pradjoto	Vice President Commissioner / Independent Commissioner	May 22, 2015	Otoritas Jasa Keuangan	Passed
Daniel Theodore Sparringa*	Commissioner Independent Commissioner	September 10, 2012 June 25, 2015	Otoritas Jasa Keuangan Otoritas Jasa Keuangan	Passed Passed
Kiagus Ahmad Badaruddin	Commissioner	September 15	Otoritas Jasa Keuangan	Passed
Zulkifli Zaini*	Independent Commissioner	May 22, 2015	Otoritas Jasa Keuangan	Passed
Anny Ratnawati	Independent Commissioner	June 8, 2015	Otoritas Jasa Keuangan	Passed
Revisond Baswir**	Commissioner	June 24, 2015	Otoritas Jasa Keuangan	Passed
	Independent Commissioner	January 25, 2017	Otoritas Jasa Keuangan	Passed
Pataniari Siahaan**	Commissioner	June 25, 2015	Otoritas Jasa Keuangan	Passed
	Independent Commissioner	January 25, 2017	Otoritas Jasa Keuangan	Passed
Joseph F. P. Luhukay	Independent Commissioner	July 27	Otoritas Jasa Keuangan	Passed
Bistik Simbolon	Commissioner	May 10	Otoritas Jasa Keuangan	Passed
Joni Swastanto	Commissioner	April 20, 2016	Otoritas Jasa Keuangan	Passed
Wahyu Kuncoro***	Commissioner	January 25, 2017	Otoritas Jasa Keuangan	Passed

*Information:*

\*Discharge since March 10, 2017

\*\*Not yet Independent Commissioner pending approval of Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioner to Independent Commissioner since January 25, 2017

\*\*\*Effective served as Commissioner of the date January 25, 2017



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### BOARD OF COMMISSIONERS' COMPOSITION DIVERSITY POLICY

In the Otoritas Jasa Keuangan recommendation as outlined in the Appendix to Otoritas Jasa Keuangan Circular No. 32/SEOJK.04/2015 of the Code of Corporate Governance, it states that the composition of the Board of Commissioners must pay attention to the diversity of the composition of the Board of Commissioners. The diversity of the composition of the Board of Commissioners is a combination of characteristics in terms of both the Board of Commissioners and the Board of Commissioners individually, according to the needs of the Public Company. These characteristics are reflected in the expertise, knowledge, and experience needed in the implementation of supervisory and advisory duties by the Board of Commissioners of a Public Company. The composition has been attentive to the needs of the Public Company positively, particularly related to decision making in the implementation of the supervisory function by considering various wider aspects.

In 2016, the Board of Commissioners composition diversity reflected education, work experience, age and gender, as can be seen in the table below:

**Board of Commissioners' Diversity Composition**

Name	Position	Age	Gender	Education	Work Experience	Expertise
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	64 years old	Male	S1 Industrial Engineering S2 Macroeconomics S3 Monetary Theory and Policy	Deputy Director of Economic Research and Monetary Policy BI Chief BI Representative in Tokyo Deputy Governor BI Director of Indonesian Banking Development Institute (LPPI)	Macroeconomics and Finance
Pradjoto	Vice President Commissioner / Independent Commissioner	63 years old	Male	S1 Law S2 Economics	Perbanas Board of Ethics Chairman Legal Counsel to BI Board of Governors Senior Advisor Bank Internasional Indonesia Banking Expert Attorney General RI Independent Commissioner Bank Mandiri Board of Advisor Indonesian Bankers Association (IBI) Supervisor Board for Business Banking Code of Ethic Perbanas	Law
Daniel Theodore Sparringa*	Independent Commissioner	57 years old	Male	S1 Sociology S2 Sociology S3 Sociology	Special staff President Republic Indonesia Political Communication Commissioner Indonesia Power Supervisory Board Perum Perhutani Lecturer in Sociology in the Department of Sociology FISIP Universitas Airlangga	Sociology
Kiagus Ahmad Badaruddin**	Commissioner	59 years old	Male	S1 Economics S2 Economic Policy	Secretary of the Directorate General of Treasury Plt. Secretary General of the Ministry of Finance Staff experts Finance Minister in State Spending Commissioner Perusahaan Gas Negara Secretary General of the Ministry of Finance Inspector General of the Ministry of Finance	Finance

Name	Position	Age	Gender	Education	Work Experience	Expertise
Zulkifli Zaini*	Independent Commissioner	60 years old	Male	S1 Civil Engineering S2 Finance and International	- Managing Director & SEVP Bank Mandiri - Director of Bank Mandiri - Commissioner Triputra Agro Persada - Commissioner of PT Perusahaan Listrik Negara - Chairman of the Indonesian Bankers Association (IBI)	Banking
Anny Ratnawati	Independent Commissioner	54 years old	Female	S1 Agribusiness S2 Agricultural Economics S3 Agricultural Economics	Director General of the Finance Ministry Budget Deputy Chairman of the Supervisory Commission SKK Migas Member of the Board of Commissioner of the Otoritas Jasa Keuangan Ex-Officio of the Ministry of Finance Deputy Minister of Finance of the Finance Ministry Lecturer of Economics and Management Bogor Agricultural University	Finance
Revisond Baswir***	Commissioner Independent Commissioner	58 years old	Male	S1 Accountancy S2 Business Administration S3 Economic Science	Advisor to the Ministry of Human Rights Advisor to DPD Commissioner and Chairman of the Audit Committee of PTPN XIII, Pontianak Commissioner of PTPN VIII, Bandung Commissioner and Chairman of the Audit Committee of PTPN XI, Surabaya Lecturer of Economics and Business Universitas Gadjah Mada Head of the Center for Economic Democracy Universitas Gadjah Mada Members of the Public Policy Committee of the Ministry of SOEs	Economics
Pataniari Siahaan***	Commissioner Independent Commissioner	70 years old	Male	S1 Civil Engineering Transportation S2 Legal Science S3 Legal Science	The Chairman and Member of the Legislative Assembly / Chairman of the House of Representatives Legislation Council Chairman of the MPR Decision Socialization Sector Law of the State of RI Lecturer in Law, University of Trisakti	Law



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Name	Position	Age	Gender	Education	Work Experience	Expertise
Joseph F. P. Luhukay*	Independent Commissioner	70 years old	Male	S1 Electrical Engineering S2 Computer Science S3 Computer Science	Executive Officer of Bank Niaga EVP of Business Development Operation Bahan Indonesia Executive Director of the Capital Society of Indonesia Chief Operations Officer Jakarta Initiative Task Force Executive & Partner at Ernst & Young Director of Bank Lippo Director of Bank Danamon Executive Advisory Board of Directors of Bank Panin Member of National Governance Committee	Economic and Information Technology
Bistik Simbolon	Commissioner	60 years old	Male	S1 Law S2 Economics	Chief Cabinet Secretary Legal Bureau Head of Political and Security Affairs, Defense, ratification and Legal Issues Cabinet Secretariat Deputy Cabinet Secretariat for Political, Legal and Security Commissioner and President Commissioner of PT Industri Kereta Api (Persero) Deputy Chief Cabinet Secretary	Law
Joni Swastanto	Commissioner	60 years old	Male	S1 Economics S2 Economics S3 Ilmu Economics	Director of the Department of Bank Supervision 3, BI Director of the Department of Licensing and Banking Information, BI Chief Representative of Semarang, BI Head of the Department of Licensing and Information Banking, BI Head of the Department of Licensing and Banking Information, OJK Deputy Commissioner Strategic Management IIB, OJK	Banking

Name	Position	Age	Gender	Education	Work Experience	Expertise
Wahyu Kuncoro****	Commissioner	47 years old	Male	S1 Agriculture S1 Economics S2 Master in Management	Head of the Ministry of SOEs Plantation Business IIB Commissioner of PT Perkebunan Nusantara IX (Persero) Head of Primary Industry Ministry of SOEs Head of Infrastructure and Logistics Ministry of SOEs Commissioner of PT Perkebunan Nusantara XIII (Persero) Assistant Deputy for Services III, Ministry of SOEs Assistant Deputy Banking and Insurance, Ministry of SOEs Deputy Business Infrastructure, Ministry of SOEs Commissioner and Chairman of the Audit Committee of PT Angkasa Pura II (Persero) Deputy of Agro and Pharmaceutical Industry, the Ministry of SOEs	Management

*Information:**\*Discharge since March 10, 2016**\*Discharge since October 25, 2016**\*\*\* Not yet Independent Commissioner pending approval of Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioner to Independent Commissioner since June 27, 2016**\*\*\*\*Effective served as Commissioner of the date January 25, 2017*



## GCG Structure and Mechanism

### **BOARD OF COMMISSIONERS' NUMBER AND COMPOSITION**

In 2016, the number and composition of the Board of Commissioners changed several times as the following explains.

For the period January 1, 2016 - January 12, 2016 the Board of Commissioners amounted to 8 (eight) persons consisting of 1 (one) Vice President Commissioner and Independent Commissioner acting as President Commissioner / Independent Commissioner, three (3) Commissioners and four (4) Independent Commissioners. All members of the Board of Commissioners are domiciled within the area of the BNI Head Office.

Board of Commissioners Composition January 1, 2016 - January 12, 2016 was as follows.

**The Composition of the Board of Commissioners**

Name	Position	Domicile	Appointment Date	Effective Date
Pradjoto	Vice President Commissioner / Independent Commissioner and executing the tasks of President Commissioner / Independent Commissioner	Jakarta	March 17, 2015	May 22, 2015
Daniel Theodore Sparringa	Independent Commissioner	Jakarta	March 17, 2015	June 25, 2015
Kiagus Ahmad Badaruddin	Commissioner	Jakarta	April 1, 2014	September 15, 2014
Zulkifli Zaini	Independent Commissioner	Jakarta	March 17, 2015	May 22, 2015
Anny Ratnawati	Independent Commissioner	Jakarta	March 17, 2015	June 8, 2015
Revrisond Baswir	Commissioner	Yogyakarta	March 17, 2015	June 24, 2015
Patanari Siahaan	Commissioner	Jakarta	March 17, 2015	June 25, 2015
Joseph F. P. Luhukay	Independent Commissioner	Jakarta	March 17, 2015	July 27, 2015

On January 12, 2016, BNI implement an EGMS where one agenda was to raise two (2) New Commissioners. Thus, the composition of the Board of Commissioners for the period January 12, 2016 - March 10, 2016 amounted to 10 (ten) persons consisting of 1 (one) President Commissioner and Independent Commissioner, 1 (one) Vice President Commissioner and Independent Commissioner, four (4) Commissioners and four (4) Independent Commissioners. All members of the Board of Commissioners are domiciled within the area of the BNI Head Office.

Board of Commissioners Composition January 12, 2016 - March 10, 2016 was as follows.

**Board of Commissioners Composition**

Name	Position	Domicile	Appointment Date	Effective Date
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	Jakarta	January 12, 2016	May 4, 2016
Pradjoto	Vice President Commissioner / Independent Commissioner	Jakarta	March 17, 2015	May 22, 2015
Daniel Theodore Sparringa	Independent Commissioner	Jakarta	March 17, 2015	June 25, 2015
Kiagus Ahmad Badaruddin	Commissioner	Jakarta	April 1, 2014	September 15, 2014
Zulkifli Zaini	Independent Commissioner	Jakarta	March 17, 2015	May 22, 2015
Anny Ratnawati	Independent Commissioner	Jakarta	March 17, 2015	June 8, 2015
Revrisond Baswir	Commissioner	Yogyakarta	March 17, 2015	June 24, 2015
Patanari Siahaan	Commissioner	Jakarta	March 17, 2015	June 25, 2015
Joseph F. P. Luhukay	Independent Commissioner	Jakarta	March 17, 2015	July 27, 2015
Bistik Simbolon	Commissioner	Jakarta	January 12, 2016	May 10, 2016

On March 10, 2016, at BNI AGMS one of the agenda appointed two (2) members as new Commissioners and discharged 3 (three) Commissioners and transitioned two (2) Commissioners as Independent Commissioners. Thus, the composition of the Board of Commissioners during the period March 10, 2016 - June 27, 2016 amounted to 9 (nine) persons

consisting of 1 (one) President Commissioner and Independent Commissioner, 1 (one) Vice President Commissioner and Independent Commissioner, 4 (four) Commissioners and 3 (three) Independent Commissioners. All members of the Board of Commissioners are domiciled within the area of the BNI Head Office.

**Board of Commissioners Composition March 10, 2016 – October, 2016 was as follows.**

Name	Position	Domicile	Appointment Date	Effective Date
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	Jakarta	January 12, 2016	May 4, 2016
Pradjoto	Vice President Commissioner / Independent Commissioner	Jakarta	March 17, 2015	May 22, 2015
Kiagus Ahmad Badaruddin	Commissioner	Jakarta	April 1, 2014	September 15, 2014
Anny Ratnawati	Independent Commissioner	Jakarta	March 17, 2015	June 8, 2015
Revisond Baswir*	Independent Commissioner	Yogyakarta	March 10, 2016	January 25, 2017
Pataniari Siahaan*	Independent Commissioner	Jakarta	March 10, 2016	January 25, 2017
Bistok Simbolon	Commissioner	Jakarta	January 12, 2016	May 10, 2016
Joni Swastanto	Commissioner	Jakarta	March 10, 2016	April 20, 2016
Wahyu Kuncoro**	Commissioner	Jakarta	March 10, 2016	January 25, 2017

*Information:*

\* Not effectively served as Independent Commissioner pending approval from the Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioners to Independent Commissioner since June 27, 2016

\*\* Not effectively served as a Commissioner pending approval from the Otoritas Jasa Keuangan

Since June 27, 2016, two of Board of Commissioners member runs cooling off to implement the transitional tasks of Commissioner to Independent Commissioner, and in January 25, 2017, Mr Revisond Baswir and Mr. Pataniari Siahaan is effective being an Independent Commissioner.

In October 25, 2016, Mr Kiagus Ahmad Badaruddin served as Head of PPATK. Based on Indonesian Laws No.8 year 2010 about Prevention and Elimination of Money Laundry, Head of PPATK not allowed to have another position. In October 25, 2016 - December 31, 2016 period, Board of Commissioners consist of 8 (eight) member, 1 (one) President Commissioner concurrently as Independent Commissioner, 1 (one) Vice President Commissioner concurrently as Independent Commissioner, 3 (three) Commissioners and 3 (three) Independent Commissioners.

**Board of Commissioners Composition October 25, 2016 – December 31, 2016 was as follows.**

**Board of Commissioners Composition**

Name	Position	Domicile	Appointment Date	Effective Date
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	Jakarta	January 12, 2016	May 4, 2016
Pradjoto	Vice President Commissioner / Independent Commissioner	Jakarta	March 17, 2015	May 5, 2015
Anny Ratnawati	Independent Commissioner	Jakarta	March 17, 2015	June 8, 2015



## GCG Structure and Mechanism

Name	Position	Domicile	Appointment Date	Effective Date
Bistik Simbolon	Commissioner	Jakarta	January 12, 2016	May 10, 2016
Revrisond Baswir*	Independent Commissioner	Yogyakarta	March 10, 2016	January 25, 2017
Pataniari Sahaan*	Independent Commissioner	Jakarta	March 10, 2016	January 25, 2017
Joni Swastanto	Commissioner	Jakarta	March 10, 2016	April 20, 2016
Wahyu Kuncoro**	Commissioner	Jakarta	March 10, 2016	January 25, 2017

**Description**

\*Runs Cooling off to implement transitional task from Commissioner to Independent Commissioner since June 27, 2016 until December 27, 2016. Effective as Independent Commissioners since January 25, 2017.

\*\*\*\*Effective served as Commissioner of the date January 25, 2017

### BOARD OF COMMISSIONERS' INDEPENDENCY

Affiliate relationships between the members of the Board of Directors, Board of Commissioners, and the Controlling Shareholders, include:

1. Relationships between members of the Board of Directors with members of the Board of Directors.
2. Relationships between members of the Board of Directors with members of the Board of Commissioners.

3. Relationships between members of the Board of Directors with Major and / or Controlling Shareholders.
4. Relationships between members of the Board of Commissioners with members of other Commissioners; and
5. Relationships between members of the Board of Commissioners with Major and / or Controlling Shareholders.

Affiliate relationships between members of the Board of Directors, Board of Commissioners, and the Controlling Shareholders, can be seen as the table below:

**Board of Commissioners' Affiliate Relations**

Board of Commissioners' Financial, Family and Supervisory Relations												Exp	
Name	Position	Financial Relations With						Family Relations With				Supervisory Relations	
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No		
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	✓		✓		✓		✓		✓		✓	
Pradjoto	Vice President Commissioner / Independent Commissioner	✓		✓		✓		✓		✓		✓	
Daniel Theodore Sparringa*	Independent Commissioner	✓		✓		✓		✓		✓		✓	
Kiagus Ahmad Badaruddin**	Commissioner	✓		✓		✓		✓		✓		✓	
Zulkifli Zaini*	Independent Commissioner	✓		✓		✓		✓		✓		✓	
Anny Ratnawati	Independent Commissioner	✓		✓		✓		✓		✓		✓	
Revrisond Baswir***	Commissioner Independent Commissioner	✓		✓		✓		✓		✓		✓	

Name	Position	Board of Commissioners' Financial, Family and Supervisory Relations										Exp	
		Financial Relations With				Family Relations With				Supervisory Relations			
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors			
Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Pataniari Siahaan***	Commissioner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
	Independent Commissioner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Joseph F. P. Luhukay*	Independent Commissioner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Bistik Simbolon	Commissioner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Joni Swastanto	Commissioner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Wahyu Kuncoro****	Commissioner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Ministry of SOEs	

*Information:*

\* Effective as President Commissioner / Independent Commissioner since May 4, 2016

\*\* Became Acting President Commissioner / Independent Commissioner on May 4, 2016

\*\*\* Not yet Independent Commissioner pending approval of Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioner to Independent Commissioner since June 27, 2016.

\*\*\*\*Effective served as Commissioner of the date January 25, 2017

## INDEPENDENT COMMISSIONERS

The composition of the Board of Commissioners complies with the provisions of Otoritas Jasa Keuangan No. 33 / POJK.04 / 2014 dated December 8, 2014 regarding the Board of Directors and Board of Commissioners of the Issuer or Public Company which stipulates that at least 50% (fifty percent) of the total number of Commissioners be Independent Commissioners. The composition of the Board of Commissioners as of December 31, 2016 amounted to 6 (six) persons with 3 of them as Independent Commissioners which means 50% of the Commissioners are and have been complied with Bank Indonesia / OJK.

### Independent Commissioner Criteria

As per Article 1 paragraph 4 of OJK Regulation No. 33/POJK.04/2014, an Independent Commissioner is a member of the Board of Commissioners from outside of the Issuer or a Public Company and meets the requirements as an Independent Commissioner as referred to in POJK. Independent Commissioner criteria is set forth in:

1. Article 120 paragraph (1) and (2) Limited Liability Company Act Which states that:
  - a. The Articles of Association of the Company may arrange for 1 (one) or more Independent Commissioner and 1 (one) Delegate Commissioner.
  - b. Independent Commissioners are appointed by decision of the GMS of the parties that are not affiliated with major shareholders, members of the Board of Directors and / or members of the Board of Commissioners.
2. Article 8 of Regulation No. 12/7/PBI/2010 regarding the amendment of PBI NO. 11/19/PBI/ 2009 Concerning Risk Management Certification for Management and Officers of Commercial Banks states that any Independent Commissioner shall have a Risk Management Certificate level 2.
3. Article 21 paragraph (2) letter a POJK No. 33/POJK.04/2014
 

Stating that the Independent Commissioner meeting the requirements should not be a person who has worked or had the authority and responsibility for planning, directing, controlling, or supervising the activities of the Issuer or Public Company within 6 (six) months, except for reappointment as an Independent Commissioner of the Issuer or Public Company for the next period.



## GCG Structure and Mechanism

4. Article 26 paragraph (1) POJK 55/POJK.03/2016 States that independent commissioners who have served for a the second consecutive term may be reappointed for the next period based on Article 26 paragraph (1) POJK 55 / POJK.03

/ 2016 regarding Independent Commissioner who has served for two consecutive terms may be reappointed in the next period as a Independent Commissioner.

### **Independent Commissioner Statement**

Each Bank Independent Commissioner, has made a Statement of Independence and it has been submitted to OJK with the contents, as below:

**STATEMENT LETTER**

I, the undersigned below:

Name : .....  
 ID Number : .....  
 address : .....  
 position : .....

I declare that I am an independent party from the owners of the Bank or the Controlling Shareholder.

I declare that I have no financial, management, share ownership and / or family relationship with members of the Board of Commissioners, Board of Directors and / or the controlling shareholders or other relationship that could affect my ability to act independently.

Jakarta,

(Independent Commissioner)

### **BOARD OF COMMISSIONERS' CONCURRENT POSITIONS**

Board of Commissioners' Concurrent Position Rules are based on Ministry of SOEs Regulation No. PER-03/MBU/02/2015 and Otoritas Jasa Keuangan Regulation No. 55/POJK.03/2016, as follows.

1. The members of the Board of Commissioners

may not hold another position as:

- a. Board of Directors member in State-Owned Enterprises, Regional-Owned Enterprises, Private Owned Enterprises;
- b. Political Party officials and / or members of the legislative and / or candidates for regional head / deputy regional head;

- c. Other positions in accordance with the provisions of the legislation; and / or
  - d. Position that may give rise to a conflict of interest.
2. Members of the Board of Commissioners may serve as:
- a. Member of the Board of Commissioners, Board of Directors, or Executive Officer at 1 (one) institution / company not a financial institution, or
  - b. Member of the Board of Commissioners, Board of Directors or Executive Officers that carry out oversight functions on a 1 (one) Bank Subsidiary Company controlled by BNI.
- 3. Not including Concurrent Positions if:
    - a. Non-Independent Members of the Board of Commissioners handling non functional duties of BNI shareholders who are legal entities in the BNI business group; and / or
    - b. Board of Commissioners members holding positions at organizations or non-profit organizations. Together with the concerned does not ignore the duties and responsibilities as a member of the Board of Commissioners of BNI.

The Board of Commissioners has concurrent positions they hold. Board of Commissioners concurrent positions can be seen in the table below as follows.

**Board of Commissioners' Concurrent Positions**

Name	Position	Position in Other Company / Institution	Name of Other Company / Institution
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	-	-
Pradjoto	Vice President Commissioner / Independent Commissioner	-	-
Daniel Theodore Sparringa*	Independent Commissioner	-	-
Kiagus Ahmad Badaruddin**	Commissioner	-	-
Zulkifli Zaini*	Independent Commissioner	-	-
Anny Ratnawati	Independent Commissioner	-	-
Revrisond Baswir***	Commissioner	-	-
	Independent Commissioner	-	-
Pataniari Siahaan***	Commissioner	-	-
	Independent Commissioner	-	-
Joseph F. P. Luhukay*	Independent Commissioner	-	-
Bistok Simbolon	Commissioner	-	-
Joni Swastanto	Commissioner	-	-
Wahyu Kuncoro****	Commissioner	Deputy of Agro and Pharmaceutical Industries	Ministry of SOEs

*Information:*

\* Effective as President Commissioner / Independent Commissioner since May 4, 2016

\*\* Became Acting President Commissioner / Independent Commissioner on May 4, 2016

\*\*\* Not yet Independent Commissioner pending approval of Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioner to Independent Commissioner since June 27, 2016

\*\*\*\*Effective served as Commissioner of the date January 25, 2017



## GCG Structure and Mechanism

### BOARD OF COMMISSIONERS' CONFLICT OF INTEREST

Management of Board of Commissioners' Conflicts of interest is set down in Handling of Conflict of Interest Manual No. IN/695/KMP/001 dated October 29, 2014. Conflict of Interest is a condition in which the economic interests of the Company's clash with personal economic interests. The Commissioner should continue to:

1. Give priority to the interests of the Company and not impact the Company financially in case of any conflict of interest.
2. Avoid making decisions in circumstances of conflict of interest.
3. Disclose family relationships, financial relationships, management relationships, ownership relationships with the Commissioner Members and / or Director Members and /

or controlling shareholders of the Bank and / or other parties in the framework of the Company's business.

4. Disclose of decisions that may involve conflict of interest.

### BOARD OF COMMISSIONERS' SHAREHOLDINGS

As of December 31, members of the Board of Commissioners' with stake of 5% or more of the paid-up capital, including the type and number of shares at:

1. BNI;
2. Another Bank;
3. Non-Bank Financial Institutions;
4. Other company domiciled inside and outside the country, are shown in the table below

**Board of Commissioners' Shareholdings**

Name	Position	Shareholding			
		BNI	Other Bank	Non-bank Financial Institution	Other Company
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	Nil	Nil	Nil	Nil
Pradjoto	Vice President Commissioner / Independent Commissioner	Nil	Nil	Nil	Nil
Daniel Theodore Sparringa*	Independent Commissioner	Nil	Nil	Nil	Nil
Kiagus Ahmad Badaruddin**	Commissioner	Nil	Nil	Nil	Nil
Zulkifli Zaini*	Independent Commissioner	Nil	Nil	Nil	Nil
Anny Ratnawati	Independent Commissioner	Nil	Nil	Nil	Nil
Revisond Baswir***	Commissioner	Nil	Nil	Nil	Nil
	Independent Commissioner				
Pataniari Siahaan***	Commissioner	Nil	Nil	Nil	Nil
	Independent Commissioner				
Joseph F. P. Luhukay*	Independent Commissioner	Nil	Nil	Nil	Nil
Bistik Simbolon	Commissioner	Nil	Nil	Nil	Nil
Joni Swastanto	Commissioner	Nil	Nil	Nil	Nil
Wahyu Kuncoro****	Commissioner	Nil	Nil	Nil	Nil

*Information:*

\* Effective as President Commissioner / Independent Commissioner since May 4, 2016

\*\* Became Acting President Commissioner / Independent Commissioner on May 4, 2016

\*\*\* Not yet Independent Commissioner pending approval of Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioner to Independent Commissioner since June 27, 2016

\*\*\*\*Effective served as Commissioner of the date January 25, 2017

## BOARD OF COMMISSIONERS RECOMMENDATIONS / ASSIGNMENTS FOR 2016

During 2016 the Board of Commissioners performed its duties, obligations and responsibilities to supervise the management policy and the course of the company's management as specified in the applicable laws and regulations, the Articles of Association and the Work Plan established at the beginning of the year.

These duties, obligations and responsibilities, among others, were conducted through meetings of the Board of Commissioners, Board Meetings together with the Board of Directors, or meetings with inviting sector Director, as well as meetings and joint evaluation committees under the Board of Commissioners.

Board of Commissioners' duties for 2016 in general were as follows:

1. Performed Bank Business Plan (RBB) supervisory function, among others:
  - a. Directed, monitored and evaluated the implementation of the strategic policy of the Bank in 2016, including an evaluation of the 2016 Corporate Plan and Business Plan and financial performance every month.
  - b. Supervised the efforts to achieve the RBB, especially towards the achievement of several important aspects of the business plan such as lending, improving asset quality, third-party funds, productivity and efficiency.
  - c. Reviewed 2016-2018 RBB revision and reviewed 2017-2019 RBB.
  - d. Evaluated the RBB realization reported to Otoritas Jasa Keuangan each semester and submit monitoring reports to the Financial Services Authority RBB.
2. Evaluated BNI Consolidated Financial Performance every month and submit a performance report to the Ministry of SOEs on a quarterly basis
3. Reviewed financial information that has been issued by the Company
4. Reviewed the implementation of the financial audit for fiscal year 2015 from the Public Accounting Firm (KAP) or other external parties.
5. Ensured the implementation of internal control systems and financial reporting were effective
6. Supervision of the Internal Audit Unit (SKAI), namely BNI Internal Audit Unit, among others:
  - a. Conducted an evaluation of internal control or the BNI Internal Audit Unit every year.
  - b. Conducted a review of the plan and the implementation and monitoring of a follow-up audit of the BNI Internal Audit Unit audit results.
  - c. Ensured that the Board of Directors followed up on audit findings and recommendations from the BNI Internal Audit Unit, monitoring the Otoritas Jasa Keuangan and / or supervision of other authorities, the Audit Board findings, the external auditor or the public accountant audit results among others, by asking the Board of Directors to follow up on the audit findings either in writing or orally.
7. Supervised, monitored and evaluated the Bank the second semester of 2015 and the first semester of 2016 to encourage Directors to take the necessary steps to maintain and / or improve in the Bank.
8. Conducted oversight of risk management, among others:
  - a. Ensured the effectiveness of the systems and risk management processes by monitoring the risk management of the Bank, reviews the periodic risk profile and an evaluation of the position and development of BNI risk every year.
  - b. Ensured and evaluated the implementation of the BNI Integrated Risk Management Financial, and reviewed and provided direction on the Integrated Risk Management policy.
  - c. Evaluated and approved the general policy of Risk Management Unit and Integrated Risk Management Public Policy.



## GCG Structure and Mechanism

9. Supervised the compliance function and reviewed the report on the Compliance function implementation and execution of Compliance Director tasks.
10. Ensured the implementation of corporate governance principles and practices at all levels of the organization, monitored the results of GCG self assessment, encouraged the improvement of GCG practices with reference to international best practices and reviewed the implementation of the corporate governance report.
11. Reviewed the Case Material progress report periodically
12. Supervised the Financial Services Governance at each institution in the BNI Financial conglomerate.
13. Monitored and evaluated the policy of the Board of Directors related to the creation of synergies and the strengthening of the company's business and conducted a review of the Subsidiary Companies performance.
14. Supervised the implementation of the precautionary principle in the provision of credit facilities among others provided advice and opinion on the decisions of the Board of Directors for the provision of credit facilities above a certain amount, the approval of credit facilities to related parties that must be approved by the Board of Commissioners by applicable legislation, performed routine and periodic reviews of the development of the credits referred to the Board of Commissioners, evaluated and approved the credit policies and strategies, and reviewed periodically the development of Non Performing Loans (NPL).
15. Monitored and evaluated the development and management of Human Resources (HR) particularly with regard to the strategic functions of human resources in support of the achievement of long-term plans of the Bank.
16. Performed a Self Assessment to assess the effectiveness of the Board of Commissioners GCG implementation including committees under the Board of Commissioners.
17. Evaluated the performance of duties and responsibilities of Sector Directors, supervised the business plan Sector Director, as well as reviewed the Sector Directors' policies, strategies and work programs.
18. Reviewed Financial Institutions Pension Fund Performance.
19. Conducted a review of the remuneration of Directors and the Board of Commissioners as well as monitoring the system of remuneration.
20. Conducted Board of Commissioners' Meeting both internally and meetings with members of the Board of Directors or the relevant Sector Director regularly to discuss specific aspects such as business, organization, human resources, and others, held regularly in 26 (twenty-six meetings).
21. Approved the matters to be approved by the Board of Commissioners following legislation in force and the Articles of Association.
22. Conducted visits to the branches / regions to carry out oversight functions.

### **BOARD OF COMMISSIONERS' MEETINGS**

In accordance with OJK Regulation No. 33/POJK.04/2014 and the Articles of Association, the Board shall hold meetings at least 1 (one) time in 2 (two) months and hold meetings with the Board of Directors periodically at least 1 (one) time in 4 (four months). Board of Commissioners' Meetings can be held at any time if:

1. Considered necessary by 1 (one) or several members of the Board of Commissioners; or
2. At the request in writing of one or more members of the Board of Directors; by mentioning the things that will be discussed.

The Board of Commissioners can also take decisions that are valid and binding without convening a meeting of the Board of Commissioners, with the provision that all the members of the Board of Commissioners have been notified in writing of the proposals concerned and all the members of the Board of Commissioners gave approval on the proposal put forward in writing and signed such consent. Decisions taken in this way have the same strength as a legitimate decision taken by the Board of Commissioners.

### Board of Commissioners' Frequency and Attendance

The frequency and attendance at board meetings and joint meetings of the Board of Commissioners with the Board of Directors were as follows.

**Board of Commissioners' Meetings Frequency and Attendance**

Name	Position	Board of Commissioners' Meetings			Joint Board of Commissioners' Meetings with Board of Directors		
		Number and (%) Attendance			Number and (%) Attendance		
		Number of Meetings	Attendance	%	Number of Meetings	Attendance	%
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	25	22	88%	12	11	91.67%
Pradjoto	Vice President Commissioner / Independent Commissioner	26	21	80.77%	12	9	75%
Daniel Theodore Sparringa*	Independent Commissioner	7	7	100%	2	2	100%
Kiagus Ahmad Badaruddin**	Commissioner	22	17	77.27%	10	6	60%
Zulkifli Zaini*	Independent Commissioner	7	7	100%	2	2	100%
Anny Ratnawati	Independent Commissioner	26	23	88.46%	12	10	83.33%
Revrisond Baswir***	Commissioner	15	13	86.67%	6	6	100%
	Independent Commissioner						
Pataniari Siahaan***	Commissioner	15	14	93.33%	6	6	100%
	Independent Commissioner						
Joseph F. P. Luhukay*	Independent Commissioner	7	6	85.71%	2	2	100%
Bistok Simbolon	Commissioner	25	11	44%	12	7	58.33%
Joni Swastanto	Commissioner	19	19	100%	10	10	100%
Wahyu Kuncoro****	Commissioner	19	8	42.10%	10	4	40%

*Information:*

\* Effective as President Commissioner / Independent Commissioner since May 4, 2016

\*\* Became Acting President Commissioner / Independent Commissioner on May 4, 2016

\*\*\* Not yet Independent Commissioner pending approval of Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioner to Independent Commissioner since June 27, 2016

\*\*\*\*Effective served as Commissioner of the date January 25, 2017

Board of Commissioners Meetings consists of:

1. Board Meeting (Rakom) is an internal meeting of the Board of Commissioners and / or invited Director of related sectors.
2. Meeting of the Board of Directors and the Board of Commissioners (RADIKOM) i.e. Board Meeting together with the Board of Directors.



## GCG Structure and Mechanism

### Board of Commissioners' Agenda, Date and Participant

During 2016, the Board of Commissioners held 26 (twenty-six) meetings and twelve (12) meetings together with the Board of Directors.

#### Board of Commissioners'meetings

In 2016, the Board of Commissioners' Meeting agenda, dates and participants were as follows.

#### Board of Commissioners' Meeting

No.	Date	Meeting Agenda	Participant	Attended	Explanation
1	January 11, 2016	Board of Commissioners' Meeting with Sector Director <ul style="list-style-type: none"> <li>• Approval of loans to related parties.</li> <li>• Credit Consultation</li> <li>• Review credit expansion consultation with the Board of Commissioners - semester II / 2015.</li> <li>• The work program and progress</li> </ul>	Pradjoto Daniel T. Sparringa Kagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond Baswir Pataniari Siahan Joseph F. P. Luhukay	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	
2	January 18, 2016	1. Public accounting firm explanation regarding audit program on the BNI Consolidated Statements for 2015. 2. Other matters	Hartadi Agus Sarwono Pradjoto Daniel T. Sparringa Kagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond Baswir Pataniari Siahan Joseph F. P. Luhukay Bistok Simbolon	✓ ✓ ✓ - ✓ ✓ ✓ ✓ ✓ ✓	permit
3	February 1, 2016	Board of Commissioners' Internal Meeting <ul style="list-style-type: none"> <li>• Discussion of Independent Consultants for Consulting Services Remuneration of the Board of Commissioners, as well as the Annual Progress Report.</li> <li>• Determination of the schedule and mechanism of Board of Commissioners Meeting</li> </ul> Board of Commissioners' Meeting with Sector Director <ul style="list-style-type: none"> <li>• DPLK performance second semester - 2015 and 2016 Strategy.</li> <li>• Subsidiary performance - Semester II / 2015 and 2016 Strategy.</li> <li>• Report on compliance function implementation</li> <li>• Semester II / 2015 (Quarter III and IV).</li> <li>• Material cases report - Semester II / 2015 (Quarter III and IV).</li> </ul>	Hartadi Agus Sarwono Pradjoto Daniel T. Sparringa Kagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond Baswir Pataniari Siahan Joseph F. P. Luhukay Bistok Simbolon	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	
4	February 3, 2016	Independent Consultant presentation on preparation of Board of Directors and Board of Commissioners remuneration	Hartadi Agus Sarwono Pradjoto Daniel T. Sparringa Kagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond Baswir Pataniari Siahan Joseph F. P. Luhukay Bistok Simbolon	- ✓ ✓ - ✓ ✓ - ✓ - -	permit permit permit permit

No.	Date	Meeting Agenda	Participant	Attended	Explanation
5	February 10, 2016	<ul style="list-style-type: none"> <li>Discussion on Independent Consultant presentation on preparation of Board of Directors and Board of Commissioners remuneration progress</li> <li>BNI Talent pool.</li> <li>Audit Committee Report on the BNI internal Supervisory Unit results.</li> <li>Risk Monitoring Committee Report regarding matters that need the attention of the Board of Commissioners in relation to risks.</li> <li>Other matters</li> </ul>	Hartadi Agus Sarwono Pradjoto Daniel T. Sparrinha Kiaagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond Baswir Pataniari Siahaan Joseph F. P. Luhukay Bistok Simbolon	√ √ √ √ √ √ √ - √ - 	permit permit
6	February 17, 2016	<p>Board of Commissioners' Internal Meeting</p> <ul style="list-style-type: none"> <li>Report / Presentation of the Independent Consultant Board of Commissioners Remuneration study results.</li> <li>Discussion on RBB Monitoring Report - Semester II / 2015</li> <li>Discussion on strategic matters</li> </ul> <p>Board of Commissioners' Meeting with Sector Director</p> <ul style="list-style-type: none"> <li>Board of Directors policy related to Human Resources Management</li> <li>Organizational structure.</li> </ul>	Hartadi Agus Sarwono Pradjoto Daniel T. Sparrinha Kiaagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond Baswir Pataniari Siahaan Joseph F. P. Luhukay Bistok Simbolon	√ √ √ √ √ √ √ √ - 	permit
7	March 2, 2016	<p>Board of Commissioners' Internal Meeting</p> <ul style="list-style-type: none"> <li>Response to BNI performance Reports up to the fourth quarter 2015 to the Ministry of SOEs.</li> <li>Proposed BNI Board of Directors and Board of Commissioners remuneration to the Ministry of SOEs</li> <li>Discussion on Revised Board of Commissioners Manual Draft</li> <li>Termination and appointment of Risk Oversight Committee members</li> <li>Approval of Independent Committee members Employment Agreement matter</li> </ul> <p>Board of Commissioners' Meeting with Sector Director</p> <ul style="list-style-type: none"> <li>Credit consultation to the Board of Commissioners</li> <li>Approval for the proposed revision of the Integrated Conglomerate Risk Management Financial General Policy delivered by the Board of Directors</li> </ul>	Hartadi Agus Sarwono Pradjoto Daniel T. Sparrinha Kiaagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond Baswir Pataniari Siahaan Joseph F. P. Luhukay Bistok Simbolon	√ - √ √ √ √ √ √ - 	permit permit
8	March 16, 2016	<ul style="list-style-type: none"> <li>Introduction of a new Commissioner.</li> <li>Determination of Commissioners for the Committees below the Board of Commissioners.</li> <li>Record résumé and review the BNI Audit Committee performance - February 2016.</li> <li>Determination of re-proposal of independent member candidate for the Risk Oversight Committee.</li> <li>Other matters</li> </ul>	Hartadi Agus Sarwono Pradjoto Kiaagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	√ √ √ √ √ √ - √ - 	permit permit
9	March 31, 2016	<ul style="list-style-type: none"> <li>Audit Committee Report concerning a review of the revised Internal Audit Charter, and KAP recommendations for the financial year 2016.</li> <li>Other matters.</li> </ul>	Hartadi Agus Sarwono Pradjoto Kiaagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	√ √ √ √ - √ √ √ √	permit



## GCG Structure and Mechanism

No.	Date	Meeting Agenda	Participant	Attended	Explanation
10	April 14, 2016	Board of Commissioners' Internal Meeting <ul style="list-style-type: none"> <li>• Board of Directors and Board of Commissioners Remuneration</li> <li>• Proposed revision to the Board of Commissioners manual.</li> <li>• Review of BNI Audit Committee Performance - Quarter I / 2016</li> <li>• Additional capital to BNI Multifinance</li> <li>• Audit Committee Charter Changes</li> <li>• Other matters.</li> </ul> Board of Commissioners' Meeting with Sector Director <ul style="list-style-type: none"> <li>• Credit consulting</li> <li>• Planned increase in subsidiary capital.</li> <li>• Internal Audit Charter</li> </ul>	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ - - ✓ ✓ ✓ ✓ ✓ ✓ ✓	permit
11	April 28, 2016	Board of Commissioners' Internal Meeting <ul style="list-style-type: none"> <li>• The development of Fit and Proper Test for Candidates for the BNI Board of Commissioners.</li> <li>• Board of Commissioners Employment Guidelines and Rules of Conduct (Board Manual) Draft.</li> <li>• Membership of committees below the Board of Commissioners.</li> <li>• Board of Directors and Board of Commissioners Remuneration.</li> <li>• Approval of BNI Corporate Secretary</li> </ul> Board of Commissioners' Meeting with Sector Director <ul style="list-style-type: none"> <li>• Credit consulting</li> <li>• Approval of extension and additional credit facilities to related parties.</li> </ul>	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	- ✓ ✓ ✓ ✓ ✓ - ✓ - ✓	permit permit permit
12	May 12, 2016	Board of Commissioners' Internal Meeting <ul style="list-style-type: none"> <li>• Determination of Chairman and Members for Committees below the Board of Commissioners.</li> <li>• Proposed changes to the SK Board of Commissioners materials on General Conditions for members of the Committees below the Board of Commissioners.</li> <li>• The development of the Independent Commissioner fit and proper test</li> <li>• Other matters.</li> </ul> Board of Commissioners' Meeting with Sector Director <ul style="list-style-type: none"> <li>• Institutional relations and transactional banking sector performance</li> </ul>	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ - ✓	permit
13	May 26, 2016	Board of Commissioners' Internal Meeting <ul style="list-style-type: none"> <li>• The development of transitioning Commissioner to Independent Commissioner.</li> <li>• Determination of the committee members below the Board of Commissioners.</li> </ul> Board of Commissioners' Meeting with Sector Director <ul style="list-style-type: none"> <li>• Approval for additional credit facilities to related parties</li> <li>• Credit consulting.</li> <li>• Credit expansion review consultation with the Board of Commissioners - Quarter I / 2016.</li> </ul>	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ - ✓ ✓ - ✓ ✓ ✓	permit permit

No.	Date	Meeting Agenda	Participant	Attended	Explanation
14	June 9, 2016	Board of Commissioners' Internal Meeting <ul style="list-style-type: none"> <li>• Follow transition of the Board of Commissioners members to Independent Commissioner</li> <li>• SK Dekom discussion on general provisions for Committees below the Board of Commissioners</li> <li>• Follow-up proposal on the Board of Directors and Board of Commissioners Remuneration</li> </ul> Communication with President Director and Vice President Director with the Board of Commissioners  Board of Commissioners' Meeting with Sector Director <ul style="list-style-type: none"> <li>• Consumer Banking Sector Performance</li> </ul>	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revrisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	permit  permit  permit
15	June 23, 2016	Board of Commissioners' Internal Meeting <ul style="list-style-type: none"> <li>• Approval of Calculation Price (HPS) the procurement of KAP, 2016.</li> <li>• Approval of Bank BNI Revised Business Plan 2016-2018.</li> <li>• Proposed Directors for DPLK BNI policy changes.</li> <li>• Dekom approval to the Board of Directors regarding the proposal to change the Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism (AML and CFT).</li> <li>• Discussion of the results of the Risk Oversight Committee Review of the credit consultation material</li> </ul> Board of Commissioners' Meeting with Sector Director <ul style="list-style-type: none"> <li>• Credit consulting</li> </ul>	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revrisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	permit  permit
16	July 21, 2016	Board of Commissioners' Internal Meeting <ul style="list-style-type: none"> <li>• Approval of the Public Accounting Firm for Fiscal Year 2016.</li> <li>• Board of Commissioners' working visit plans.</li> </ul> Board of Commissioners' Meeting with Sector Director regarding Network and Service Performance.	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	permit
17	August 4, 2016	Board of Commissioners' Internal Meeting <ul style="list-style-type: none"> <li>• Audit Committee meeting results report during the second quarter 2016.</li> <li>• Audit Committee review results for the application for approval and the approval of the Board of Directors related to the proposal Release of BNI Owned Land Assets partly affected by Government projects.</li> <li>• RBB Monitoring Report First Half 2016.</li> <li>• Feedback on the BNI performance report until the second quarter 2016.</li> <li>• Cooling off prospective independent.</li> <li>• Dismissal and appointment of independent Risk Oversight Committee members.</li> <li>• SK Dekom General provisions changes governing members of Committees below the Board of Commissioners.</li> <li>• Renewed Risk Management Certification to the Board of Commissioners.</li> <li>• Response to the credit consulting petition submitted to the Board of Directors.</li> <li>• Job descriptions and division of Board of Commissioners duties.</li> <li>• Other matters.</li> </ul> Board of Commissioners' Meeting with Sector Director <ul style="list-style-type: none"> <li>• Credit Consulting</li> </ul>	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	



## GCG Structure and Mechanism

No.	Date	Meeting Agenda	Participant	Attended	Explanation
18	August 18, 2016	Audit Committee Report review for the BNI financial performance material position in July 2016  Risk Monitoring Committee Report on the evaluation result of the Subsidiary Development Unit.  Planning Board of Commissioners' working visits.	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ - - - - ✓ ✓	permit permit permit permit
19	September 15, 2016	Request verification and approval of the proposed release of a portion of BNI land affected by Government projects.  Request for BMPK Room for related parties.  Request for Approval in Principle for License Agreement with China Union Pay.	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ ✓ - ✓ -	permit permit
20	22 September 2016	Board of Commissioners' Internal Meeting • Discussion on the Board of Commissioners draft letters to the Board of Directors on material issues. • Review Audit Committee report for August 2016 Financial Performance • Other matters Board of Commissioners' Meeting with Sector Director • Kick off Audit Meeting for Fiscal Year 2016 (Public Accounting Firm Presentation).	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ ✓ - ✓ -	permit permit
21	September 22, 2016	Board of Commissioners' Internal Meeting • Discussion on the Board of Commissioners draft letters to the Board of Directors on material issues. • Review Audit Committee report for August 2016 Financial Performance • Other matters Board of Commissioners' Meeting with Sector Director • Kick off Audit Meeting for Fiscal Year 2016 (Public Accounting Firm Presentation).	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ ✓ ✓ ✓ ✓	
22	October 20, 2016	Board of Commissioners' Internal Meeting	Hartadi Agus Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	- ✓ ✓ ✓ ✓ ✓ ✓	permit
23	November 7, 2016	Board of Commissioners' Internal Meeting • Board of Commissioners' Work Plan and Budget (RKA) - 2017 • Review of the Code Credit Consultation to the Board of Commissioners. • Discussion regarding Board of Commissioners letter to the Ministry of SOEs on the third quarter of 2016 performance • Report the results of BNI Pension Fund performance review by the Risk Oversight Committee, Audit Committee and Integrated Corporate Governance Committee. Board of Commissioners' Meeting with Sector Director • Pension Fund Performance Report - Semester I / 2016. • Request approval for the establishment of proposed increase in pension benefits. • Follow-up on SEOJK No. 40/SEOJK.03/2016 concerning Governance Practices in Providing Remuneration in public banking. • Exposure of Bank management fit and proper tests.	Hartadi Agus Sarwono Pradjoto Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ - ✓ -	permit permit

No.	Date	Meeting Agenda	Participant	Attended	Explanation
24	November 17, 2016	Board of Commissioners' Internal Meeting • Credit policy review consultation by the Board of Commissioners Board of Commissioners' Meeting with Sector Director • Credit consulting	Hartadi Agus Sarwono Pradjoto Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ - ✓ ✓ -	permit
25	November 28, 2016	Board of Commissioners' Internal Meeting • Committee Meeting Recap Report for 2016. • Report on Credit Consultation Guidelines review • Supervisory Board Pension Fund Regulations review. Board of Commissioners' Meeting with Sector Director • Application for Anti-Money Laundering and the Financing of Terrorism Policy approval. - Compliance Director tasks - Quarter I, II and III 2016 - Compliance Report up to Third Quarter / 2016 - Compliance Division Realization Review. - Whistle Blowing System and Anti-Fraud Strategy Program. - Report progress on substantive matters.	Hartadi Agus Sarwono Pradjoto Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ - ✓ -	permit
26	December 15, 2016	Board of Commissioners' Internal Meeting • Risk Monitoring Committee Report related to Meetings and Risk Oversight Committee Evaluation in 2016. • The main points and suggestions on Risk Oversight Committee Opinion report Quarter III and IV • Audit Committee Opinion on Financial performance review November 2016. Board of Commissioners' Meeting with Sector Director • Submission of General Corporate Risk Management Policy and BNI Internal Control System Guidelines (PP) review.	Hartadi Agus Sarwono Pradjoto Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ - ✓ ✓ ✓ -	permit

#### Joint Board of Commissioners and Board of Directors Meetings

In 2016, Joint Meeting of the Board of Commissioners with the Board of Directors agenda, dates and participants are as follows.

#### Joint Meeting Board of Commissioners' meetings

No.	Meeting Date	Meeting Agenda	Board of Commissioners' Meeting Participants	Attended	Exp.	Board of Directors' Meeting Participants	Attended	Exp.
1.	January 18, 2016	• Introduction of Commissioners and Directors • BNI Consolidated Financial Performance per December 2015	Hartadi A. Sarwono Pradjoto Daniel T. Sparringa Kiagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond Baswir Pataniari Siahaan Joseph F. P Luhukay Bistok Simbolon	✓ ✓ ✓ - ✓ ✓ ✓ ✓ ✓ ✓	permit	Achmad Baiquni Suprajarto Sutanto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ -	permit



## GCG Structure and Mechanism

No.	Meeting Date	Meeting Agenda	Board of Commissioners' Meeting Participants	Attended	Exp.	Board of Directors' Meeting Participants	Attended	Exp.
2.	February 17, 2016	<ul style="list-style-type: none"> <li>BNI Consolidated Financial Results per January 2016</li> <li>Board of Directors Policies related to Human Resources Management (among others recruitment, development, career, talent pool) and Organizational Structure.</li> </ul>	Hartadi A. Sarwono Pradjoto Daniel T. Sparringa Kiagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond Baswir Pataniari Siahaan Joseph F. P Luhukay Bistok Simbolon	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ -	permit	Achmad Baiquni Suprajarto Sutanto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan	- ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ -	permit
3.	March 16, 2016	<ul style="list-style-type: none"> <li>BNI consolidated financial performance per February 2016</li> <li>Retail Business development and issues and KUR including Remedial update.</li> <li>Action plan in anticipation of a decrease in net interest margin (NIM) and lending rates, as well as efforts to increase fee based income (FBI).</li> </ul>	Hartadi A. Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ ✓ ✓ ✓ ✓ -	permit permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- - - ✓ - - - ✓ - - -	permit
4.	April 14, 2016	BNI consolidated financial performance per March 2016	Hartadi A. Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ - - - ✓ ✓ ✓ ✓ ✓ ✓	permit permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ - - - - - - - - - -	permit permit permit permit
5.	May 12, 2016	BNI consolidated financial performance per April 2016	Hartadi A. Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ -	permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- - - - - - - - - - -	permit permit permit permit
6.	June 23, 2016	<ul style="list-style-type: none"> <li>BNI consolidated financial performance per May 2016</li> <li>RBB BNI Revision 2016 – 2018</li> </ul>	Hartadi A. Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond Baswir Pataniari Siahaan Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ -  ✓ ✓ ✓ ✓ ✓ -	permit permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ - ✓ ✓ ✓ ✓ ✓ ✓ -	permit

No.	Meeting Date	Meeting Agenda	Board of Commissioners' Meeting Participants	Attended	Exp.	Board of Directors' Meeting Participants	Attended	Exp.
7.	July 21, 2016	<ul style="list-style-type: none"> <li>• BNI consolidated financial performance per June 2016</li> <li>• OJK exit meeting exposure / update material</li> </ul>	Hartadi A. Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ ✓ ✓ - ✓ ✓	permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- - ✓ - ✓ ✓ ✓ - ✓ ✓ ✓ ✓ ✓	permit permit permit permit permit permit permit permit permit permit permit permit
8.	August 18, 2016	BNI consolidated financial performance per July 2016	Hartadi A. Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ - - - - - ✓ ✓	permit permit permit permit permit permit permit permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- - - ✓ - - ✓ ✓ ✓ ✓ ✓ ✓	permit permit permit permit permit permit permit permit
9.	September 22, 2016	BNI consolidated financial performance per August 2016	Hartadi A. Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ ✓ ✓ ✓ - ✓ -	permit permit permit permit permit permit permit permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ - ✓ ✓ - - ✓ ✓ ✓ ✓ ✓ ✓	permit permit permit permit permit permit permit permit
10.	October 20, 2016	<ul style="list-style-type: none"> <li>• Financial Performance Quarter III / 2016</li> <li>• Bank Business Plan (RBB) initial concept</li> </ul>	Hartadi A. Sarwono Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	- ✓ ✓ ✓ ✓ ✓ ✓ ✓	permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- ✓ ✓ ✓ - ✓ - ✓ ✓ ✓ ✓ ✓	permit permit permit permit permit permit permit permit
11.	November 17, 2016	<ul style="list-style-type: none"> <li>• BNI consolidated financial performance per October 2016</li> <li>• Submission of BNI Bank Business Plan (RBB) 2017-2019</li> </ul>	Hartadi A. Sarwono Pradjoto Anny Ratnawati Bistok Simbolon Joni Swastanto Wahyu Kuncoro	✓ ✓ - ✓ ✓ -	permit permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- - ✓ ✓ - - ✓ ✓ - ✓ - ✓	permit permit permit permit permit permit permit permit



## GCG Structure and Mechanism

No.	Meeting Date	Meeting Agenda	Board of Commissioners' Meeting Participants	Attended	Exp.	Board of Directors' Meeting Participants	Attended	Exp.
12.	December 15, 2016	BNI consolidated financial performance per November 2016	Hartadi A. Sarwono Pradjoto Anny Ratnawati Bistik Simbolon Joni Swastanto Wahyu Kuncoro	✓ - ✓ ✓ ✓ -	permit	Achmad Baiquni Suprajarto Rico Rizal Budidarmo Herry Sidharta Adi Sulistyowati Bob Tyasika Ananta Anggoro Eko Cahyo Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- - ✓ ✓ ✓ - - ✓ ✓ - ✓ -	permit permit permit permit permit permit permit permit permit permit permit permit

### BOARD OF COMMISSIONERS' DECISIONS

As part of the implementation of its tasks and responsibilities, the Board of Commissioners continues to encourage the increasingly effective implementation of decisions and advisory oversight. During 2016, the Board of Commissioners issued several decisions, among others:

1. Termination of Appointment of Gatoet Gembiro Noegroho as a Member of Nomination and Remuneration
2. Appointment of Ayu Sari Wulandari as a Member of Nomination and Remuneration
3. Termination of Appointment of Ancella Anitawati Hermawan as an Independent Member of the Risk Oversight Committee
4. Termination of Appointment of Zulkifli Zaini as Chairman of the Risk Oversight Committee
5. Appointment of Daniel Theodore Sparringa as an Integrated Governance Committee Member
6. Termination of Appointment of Joseph F.P. Luhukay as Chairman of Audit Committee
7. Termination of Appointment of the Nomination and Remuneration Committee Member
8. Appointment of Anny Ratnawati as Chairman of Audit Committee
9. Audit Committee Charter and Code of Audit Committee of PT Bank Negara Indonesia (Persero) Tbk
10. Termination of Appointment of Sigid Moerkardjono as an Independent Member of the Audit Committee
11. Board of Commissioners Employment Guidelines and Rules of Conduct of PT Bank Negara Indonesia (Persero) Tbk

12. Appointment of Joni Swastanto as a Member of Nomination and Remuneration
13. Termination of Appointment of Tubagus Chairul Amachi as an Independent Member of the Audit Committee of PT Bank Negara Indonesia (Persero) Tbk
14. Appointment of Joni Swastanto as an Integrated Governance Committee Member
15. Appointment of Hartadi Agus Sarwono as a Member of Nomination and Remuneration Committee
16. Appointment of Hartadi Agus Sarwono as Chairman of the Risk Oversight Committee
17. Appointment of Bistik Simbolon as a Member of Nomination and Remuneration Committee
18. Appointment of Bistik Simbolon as an Integrated Governance Committee Member
19. Appointment of P. Donnaria Silalahi as an Independent Member of the Audit Committee
20. Appointment of Bambang Ratmanto as an Independent Member of the Audit Committee
21. Termination of Appointment of Subarjo Joyosumarto as an Integrated Governance Committee Member
22. Appointment of Hari Dewanto as an Independent Member of the Risk Oversight Committee
23. Determination of Board of Directors Salaries and Board of Commissioners Honorarium for 2016 and Board of Directors Board of Commissioners Tantiem for performance in 2015
24. Risk Monitoring Committee Charter
25. Termination of Appointment of Hari Dewanto as an Independent Member of the Risk Oversight Committee

26. Appointment of Irwan Rinaldi as an Independent Member of the Risk Oversight Committee
27. General Conditions of Member Appointment, Termination, Duties related to Honorarium for Committees Below the Board of Commissioners
28. Appointment of Rizqullah as an Integrated Governance Committee Member
29. Appointment of Rosa Lima Dwi Mutiari as an Integrated Governance Committee Member
30. Termination of Appointment of Kiagus Ahmad Badaruddin as a Member of the Risk Oversight Committee
31. Termination of Appointment of Kiagus Ahmad Badaruddin as a Member of Nomination and Remuneration Committee
32. Consent for Statement of Founder Pension Fund of Bank Negara Indonesia

## ORIENTATION PROGRAM RESULTS FOR NEW COMMISSIONERS

Orientation programs for new Members of the Board of Commissioners were given by the Company based on the background of Board of Commissioners members as a representative of some shareholders. The objective of the orientation program is that the Members of the Board of Commissioners get to know each other and establish cooperation as a solid, comprehensive and effective team.

Given that the Annual General Meeting for financial year 2015 was held on March 10, 2016, and changes in the Board of Commissioners and Board of Directors, included those with a background as members of Boards of Commissioners from various parties, then Bank BNI's orientation program for members of the new board of commissioners took the form of:

1. The distribution of the Annual Report, the Work Plan and Budget (CBP) and the Company's Long-term Plan (RJPP), Board of Commissioners Code of Ethics, Code of Working Conduct, Corporate Governance Handbook, and the Articles of Association.
2. Explanations relating to their delegated authority, internal and external audits, internal control systems and policies as well as the duties and role of the Audit Committee and other committees established by the Board of Commissioners.
3. A description of the duties, powers and responsibilities of the Board of Commissioners and Board of Directors.

The explanation given by way of a presentation by the Unit related to the members of the Board of Commissioners in question as well as a visit to the Regional / Branch Offices.

## BOARD OF COMMISSIONERS' COMPETENCY DEVELOPMENT

In 2016, the Board of Commissioners attended various programs to increase their competence in the form of training, workshops, conferences, seminars, as shown in the following table:

Competency Development Material / Training				
The Development of Competence of the Board of Commissioners				
Name	Position	Competency Development Material / Training	Time and Place	Type of Training and Organizer
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thurs - Fri, March 17-18, 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Pradjoto	Vice President Commissioner / Independent Commissioner	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thurs - Fri, March 17-18, 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)

The Development of Competence of the Board of Commissioners

Name	Position	Competency Development Material / Training	Time and Place	Type of Training and Organizer
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thurs - Fri, March 17-18, 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Pradjoto	Vice President Commissioner / Independent Commissioner	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thurs - Fri, March 17-18, 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)



## GCG Structure and Mechanism

Name	Position	Competency Development Material / Training	Time and Place	Type of Training and Organizer
Daniel Theodore Sparringa*	Independent Commissioner	Seminar and Executive Roundtable, Financial Services Conglomerates in Indonesia	Wed - Thurs, January 13-14, 2016 Shangrila Hotel Jakarta	CRMS Indonesia/ Center for Risk Management Studies and LPPI/Lembaga Pengembangan Perbankan Indonesia
Kiagus Ahmad Badaruddin**	Commissioner	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thurs - Fri, March 17-18, 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Zulkifli Zaini*	Independent Commissioner	Seminar and Executive Roundtable, Financial Services Conglomerates in Indonesia	Wed - Thurs, January 13-14, 2016 Shangrila Hotel Jakarta	CRMS Indonesia/ Center for Risk Management Studies and LPPI/Lembaga Pengembangan Perbankan Indonesia
Anny Ratnawati	Independent Commissioner	Seminar and Executive Roundtable, Financial Services Conglomerates in Indonesia  Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry	Wed - Thurs, January 13-14, 2016 Shangrila Hotel Jakarta  Thurs - Fri, March 17-18, 2016, Intercontinental Bandung Dago Pakar, Bandung	CRMS Indonesia/ Center for Risk Management Studies and LPPI/Lembaga Pengembangan Perbankan Indonesia  Banker Association for Risk Management (BARa)
Revisond Baswir***	Commissioner  Independent Commissioner	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thurs - Fri, March 17-18, 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Pataniari Siahaan***	Commissioner  Independent Commissioner	Seminar and Executive Roundtable, Financial Services Conglomerates in Indonesia  Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry	Wed - Thurs, January 13-14, 2016 Shangrila Hotel Jakarta  Thurs - Fri, March 17-18, 2016, Intercontinental Bandung Dago Pakar, Bandung	CRMS Indonesia/ Center for Risk Management Studies and LPPI/Lembaga Pengembangan Perbankan Indonesia  Banker Association for Risk Management (BARa)

Name	Position	Competency Development Material / Training	Time and Place	Type of Training and Organizer
Joseph F. P. Luhukay*	Independent Commissioner	-	-	-
Bistik Simbolon	Commissioner	-	-	-
Joni Swastanto	Commissioner	Seminar Gratuity Control	Mon, October 17, 2016, BNI Head Office Gedung BNI, Serbaguna Room Lt.25 Jakarta	Corruption Eradication Commission (KPK) with BNI
		Seminar Revisit Enterprise Risk Management and Learning Best Practices of Credit Risk Management	Thurs - Fri, December 1, 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Wahyu Kuncoro***	Commissioner	-	-	-

**Information:**

\* Effective as President Commissioner / Independent Commissioner since May 4, 2016

\*\* Became Acting President Commissioner / Independent Commissioner on May 4, 2016

\*\*\* Not yet Independent Commissioner pending approval of Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioner to Independent Commissioner since June 27, 2016

\*\*\*\*Effective served as Commissioner of the date January 25, 2017

## RISK MANAGEMENT CERTIFICATION

Besides improving the competence of the above program, the Board also follows the Risk Management Certification program. In 2016, the Board of Commissioners who have passed the certification for risk management were as follows.

### Risk Management Certification

Name	Position	Risk Management Certification
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner	Level 2
Revisond Baswir*	Commissioner Independent Commissioner	Level 2
Pataniari Siahaan*	Commissioner Independent Commissioner	Level 2
Bistik Simbolon	Commissioner	Level 1
Joni Swastanto	Commissioner	Level 1
Wahyu Kuncoro**	Commissioner	Level 1

**Note:**

\* Conducting cooling off period during transition from Commissioners to Independent Commissioner since June 27, 2016. Effective served as Commissioner since January 25, 2017

\*\* Effective served as Commissioner since January 25, 2017



## GCG Structure and Mechanism

### **BOARD OF COMMISSIONERS' PERFORMANCE ASSESSMENT**

The Board of Commissioners Performance Assessment is conducted through a variety of procedures or mechanisms as follows.

#### **Board of Commissioners Performance Assessment By GMS**

##### **Board of Commissioners Performance Assessment Procedure By AGMS**

Procedures for assessing the Board of Commissioners performance is conducted by the Shareholders in the AGMS upon submission of the Supervisory Board Report to the AGMS of the annual report of the Company, which fully discharges (acquit et de charge) the Board of Commissioners of supervisory measures made at the end of the Fiscal Year.

#### **Board of Commissioners Performance Evaluation Criteria by the GMS**

The Board of Commissioners performance during 2016 reflected the Board of Commissioners Work Program / Annual Work Plan for 2016 were achieved

#### **Parties Conducting the Assessment**

The Board of Commissioners performance appraisal is carried out by the Shareholders in the General Meeting of Shareholders.

#### **The Board of Commissioners Performance Assessment Results by the AGMS**

The Board of Commissioners Performance during 2016 reflected the Board of Commissioners Work Program / Annual Work Plan for 2016 were achieved, based on the Minister of State Owned Enterprises Regulation No. PER-09 / MBU / 2012 dated July 6, 2012 , amending the Minister of State-Owned Enterprises Regulation No. PER-01 / MBU / 2011 on Good Corporate Governance (GCG) in state-Owned Enterprises, the the Board of Commissioners shall prepare an annual Work Plan and Budget (RKA) which is an inseparable part of the annual Company RKA BNI has also set Board of Commissioners obligations to draw up a work program as an integral part of the Work Plan and Budget prepared by the Company's Board of Directors. The Board of Commissioners Annual Work Plan is established after considering

the duties, powers and duties of the Board of Commissioners as stipulated in the legislation in force. In practice, the Board of Commissioners Annual Work Plan and Budget are used as guidelines for each member of the Board of Commissioners in performing the task of monitoring the company during the year

#### **The Board of Commissioners GCG Performance Assessment Rating**

The Board of Commissioners Performance appraisal is conducted through GCG Self Assessment submitted to Otoritas Jasa Keuangan based on Bank Indonesia Circular Letter No. 15/15 / DPNP dated April 29, 2013 on Implementation of Good Corporate Governance for Banks. The GCG Self Assessment is carried out periodically every semester and reported to BI / OJK for approval

#### **Board of Commissioners GCG Performance Assessment Procedures**

GCG Self Assessment is carried out periodically every semester and reported to BI / OJK for approval.

#### **Board of Commissioners GCG Performance Assessment Criteria**

Board of Commissioners GCG Performance Assessment Criteria is divided into three (3) groups: Governance Structure, Governance Process and Governance Outcome,Governance structure comprises 14 indicators, Governance Process comprises 17 indicators while governance comprises 6 indicators.

#### **Parties Conducting the Assessment**

Bank through the Board of Directors conducting GCG assessment

### **Board of Commissioners GCG Performance Assessment Results**

These three positive factors on The Board of Commissioners GCG Self Assessment for December 31 2016 were as follows.

1. DThe Board of Commissioners and Board of Directors have a strong commitment to implement GCG principles in all business activities of the Bank at all levels of the organization;
2. The Board of Commissioners has been and will continue to ensure the implementation of GCG principles in all business activities of the Bank at all levels of the organization. The Board of Commissioners Supervision has been effective, through Board of Commissioners Meetings or Board of Directors Meetings or joint Board of Commissioners with the Sector Director routinely averaging once a week to ensure that operational activities are going well and according to the GCG principles;
3. The Board of Commissioners delegated the implementation of its duties to shareholders and were accepted by shareholders in the AGMS for fiscal year 2015;
4. Each Committee has been carrying out their functions in accordance with the applicable provisions regularly submitting reports or recommendations resulting from execution of their duties to the Board of Commissioners.

The GCG self assessment up to December 31, 2016 resulting in the bank receiving a composite score of 2 (Good).

### **The Board of Commissioners Performance Assessment through Asean CG Scorecard**

One of the external Board of Commissioners performance assessment mechanisms is through the ASEAN CG Scorecard.

### **The Board of Commissioners Performance Assessment through the Asean CG Scorecard Procedures**

The Board of Commissioners Performance assessment through ASEAN CG Scorecard procedures are based on information or documents available in the public relating to GCG practices related to the performance of The Board of Commissioners.

### **The Board of Commissioners Performance Assessment through the Asean CG Scorecard Criteria**

The parameter determining the Board of Commissioners responsibilities in ASEAN CG Scorecard ratings are as follows.

No	The parameters
1	Duties and Responsibilities the Board of Commissioners.
2	The Structure of the Board of Commissioners.
3	The process of the Board of Commissioners .
4	Individual in the Structure of the Board of Commissioners.
5	The Performance of of the Board of Commissioners.

### **Parties Performing The Assessment**

The party assessing The Board of Commissioners performance through the ASEAN CG Scorecard is IICD as the official organization designated by OJK to conduct Bank assessments.

**The Board of Commissioners Performance Assessment through the Asean CG Scorecard results**  
BNI's Score in 2016 against the five major components, regarding the Board of Commissioners principle responsibility amounted to 30.93 or a good rating. This suggests that the Board of Commissioners has been consistent and continues to ensure the implementation of GCG principles in all Bank business activities.

### **BOARD OF COMMISSIONERS' REMUNERATION POLICY**

The Board of Commissioners' remuneration policy refers to the Ministry for State Owned Enterprises decree No. PER-04/MBU/2014 regarding Guidelines for Determination of Board of Directors, Board of Commissioners and Board of Supervisors of Regional Owned Enterprises.

Based on the BNI AGMS decision for financial year 2015 dated March 10, 2016, the AGMS granted power and authority to the Board of Commissioners with the prior approval of Series A Shareholders to determine the amount of the tantiem for the financial year 2015, and set the salary / honorarium, allowances and facilities for the Board of Directors and members of the Board of Commissioners for 2016.



## GCG Structure and Mechanism

### Procedure For Determination of Remuneration

The Board of Commissioner' remuneration procedures are determined through the following stages.

1. The Nomination and Remuneration Committee evaluates the remuneration policy applicable to the Board of Commissioners.

2. The Nomination and Remuneration Committee provides recommendations to the Board of Commissioners regarding the remuneration policy for the Board of Commissioners.
3. The Board of Commissioners will submit proposals on remuneration in the form of salary / honorarium and tantiem to be approved by the GMS.

### Board of Commissioners' Remuneration Structure

The Board of Commissioners' remuneration structure is based on by SOE Ministryr Regulation No. PER-04/ MBU/2014 as follows.

**Board of Commissioners' Remuneration Structure**

No.	Remuneration / Facility Type	Explanation
1.	Honorarium	<p>President Commissioner – 50% of the President Director.  Vice President Commissioner – 47.5% of the President Director.  Board of Commissioners' Members – 45% of the President Commissioner.</p>
2.	Allowances	<p>Religious Holidays  Transportation  Insurance based on Position</p> <ul style="list-style-type: none"> <li>Granted for term of office</li> <li>The premium is borne by the company up to a maximum 25% of the annual honorarium</li> <li>The program determination for pension insurance will be stipulated by each member of the Board of Commissioners and will be coordinated by the unit managing the facilities and allowances for the members of the Board of Directors and member of the Board of Commissioners</li> <li>Payment of the premiums, fees or other relevant terms for the pension insurance already includes premiums for accident and death insurance.</li> </ul>
3.	Facilities	<p>Health</p> <p>Health facilities provided in the form of health insurance or reimbursement of the cost of drugs. Health facilities granted to members of the Board of Commissioners and the husband / wife and a maximum of 3 (three) children who have not attained the age of 25 (twenty five) years with the rule that if a child under 25 (twenty-five) years is married or is working, then they are not entitled to health facilities.</p> <p>Health facility is provided as follows:</p> <ul style="list-style-type: none"> <li>Outpatient and medicine,</li> <li>Inpatient and medicine,</li> <li>Medical check up with the rule 1 (one) time per year domestically.</li> </ul> <p>If the doctor recommends treatment overseas, health treatment is fully covered or in part based on the Company's ability.</p> <p>Legal Assistance</p> <p>Legal assistance to members of the Board of Commissioners is provided in the case of actions / deeds for and on behalf of members of the Board of Directors with the intent and purpose as well as the company's business activities</p> <p>Legal assistance financing is provided for attorney / consultant office services, which includes the examination process, as witnesses, suspects and defendants during the justice process.</p> <p>Attorney / consultant office services can be charged based on 1 (one) of attorney / consultant office for 1 (one) particular case.</p> <p>The appointment of the attorney / consultant office will be done by the Company in accordance with the Company's procurement provisions.</p>

## Board of Commissioners' Remuneration Determination Indicators

Setting Board of Commissioners and Board of Directors indicators refers to the SOE Ministry Regulation No. PER-04/MBU/2014 regarding guidelines for the determination of the Board of Directors, Board of Commissioners and the Board of Trustees of SOEs remuneration as follows.

1. A business scale factor
2. Business complexity
3. Rate of inflation
4. Company's financial condition and ability
5. Other factors that are relevant, and should not conflict with the legislation.

The nominal / components for the Board of Commissioners' remuneration are as follows.

### Board of Commissioners' Remuneration

Type of Remuneration and other Facilities	Amount Received Board of Commissioners for 1 Year	
	Board of Commissioners	
	Person	(in million Rupiah)
<b>Remuneration</b>		
• Salary	9 Person	9.032,84,-
• Housing Allowance	-	-
• Housing Allowance	9 Person	1.422,62,-
• Holiday Allowance	9 Person	911,63,-
• Tantiem	9 Person	53.153,28,-
<b>Other Natura Facilities</b>		
• Housing (not owned)	-	-
• Transport (not owned)	-	-
• Full Insurance based on Position (can have)	9 Person	1.750,51,-
• Health (not owned)	9 Person	22,85,-

Composition of the Board of Commissioners honorarium set as follows:

- President Commissioner amounting to 50% of President Director salary
- Vice President Commissioner amounting to 47.5% of President Director salary
- Commissioner amounting to 45% of President Director

Remuneration for one year grouped in income level ranges as follows.

### Group Total Remuneration

Total Remuneration	Number of People	Rp millions
Above Rp. 2 billion	5 Person	20.434,00,-
Rp. 1 billion - Rp. 2 billion	4 Person	5.929,45,-
Rp. 500 million - Rp. 1 billion	-	-
Below Rp. 500 million	-	-



## GCG Structure and Mechanism

### Tantiem

Tantiem paid for 2016 amounted to 0.58% of the Company's net profit for the period January 1, 2015 - December 31, 2015 given by the Board of Commissioners with the following proportion of the President Director - President Commissioner 50%, Vice President Commissioner 47.5%, and other Commissioner members 45%.

### BOARD OF COMMISSIONERS' RESIGNATION AND DISMISSAL MECHANISM

The Board of Commissioners' resignation and dismissal mechanisms are set out in the Articles of Association, as follows.

1. Termination from the Board of Commissioners if members of the Board of Commissioners are concerned, among others:
  - a. Cannot do their job properly.
  - b. Not implementing the provisions of the legislations and / or the Articles of Association.
  - c. Engaging in acts that harm the Company and / or the State.
  - d. Found guilty by a court verdict having binding legal force.
2. Members of the Board of Commissioners can be dismissed by the GMS based on other considerations appropriate to the GMS in the interests and objectives of the Company.
3. Dismissal Plan for members of the Board of Commissioners shall be notified to the relevant members of the Board of Commissioners in writing or verbally by the shareholders.
4. The decision shall be taken after the concerned has been given the opportunity to defend themselves.
5. Dismissal for reasons of engaging in actions that harm the Company and / or the State and found guilty by a Court's decision is a dishonorable discharge.
6. Members of the Board of Commissioners and other members of the Board of Commissioners and members of the Board of Directors, should not be any family relationship to the second degree either vertically or horizontally laterally or relationship by marriage (or son-in-law), in such event the GMS is authorized to dismiss one or the other.
7. A member of the Board of Commissioners reserves the right to resign from office before their term expires, by submitting a resignation in writing to the Company.
8. The Company shall organize a GMS to decide on the resignation of members of the Board of Directors and / or members of the Board of Commissioners at the latest within a period of ninety (90) days after receipt of the resignation letter.
9. For Board of Commissioners who resign before or after their term expires, unless due to death, shall still responsible for their actions that have not received accountability by the GMS.

## BOARD OF DIRECTORS

The Company's Board of Directors is authorized, and are fully responsible for management of the Company for the benefit of the Company, in accordance with the purposes and objectives of the Company and represent the Company, both in and out of court in accordance with the provisions of the Articles of Association.

In performing their duties, the Board of Directors shall devote energy, thoughts, attention and devotion in full for the duties, obligations and achievement of objectives of the Company. In addition, members of the Company's Board of Directors must comply with the Articles of Association and regulations and shall implement the principles of professionalism, efficiency, transparency, independence, accountability, responsibility and fairness. Each member of the Board of Directors shall perform their duties and responsibilities in good faith, with responsibility, and prudence, and with due regard for the applicable legislations.

### REGULATION REFERENCE

Based on Law No. 40 of 2007 on Limited Liability Companies and Otoritas Jasa Keuangan Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Public Company, the Board of Directors is authorized, and is fully responsible for the Company and can represent the company, both inside and outside the court in accordance with the provisions of the Articles of Association.

### BOARD OF DIRECTORS' DUTIES AND RESPONSIBILITIES

The Board of Directors is in charge of running all actions relating to the maintenance and responsible for the management of the Company for the benefit of the Company in accordance with the purposes and objectives of the Company and represent the Company both within and outside the Court on all matters and all the events with restrictions as set out in laws and regulations, Statutes and / or decisions of Shareholders.

## BOARD OF DIRECTORS' MANUAL

Similar to the Board of Commissioners' Guidelines and Work Conduct, and to refine the Board of Directors' Guidelines and Work Conduct and as one of the efforts to implement GCG in BNI, we have conducted a revision of the Directors' Guidelines and Work Conduct. The Directors' Guidelines and Work Conduct has been approved by BNI Board of Directors' Decree No. KP/150/DIR/R dated April 11, 2016 stating that the Board of Directors' Decree No. KP/244/DIR/R dated June 29, 2007 is revoked and declared invalid.

The Directors' Guidelines and Work Conduct regulates, among other things, Legal Foundation, Structure, Requirements, Duties, Powers and Responsibilities of Directors, Appointment and Dismissal of Directors, term of office of the Board of Directors, Establishment of Committees below the Board of Directors, Board of Directors' Meeting and Meeting of the Board of Directors with the Board of Commissioners, Directors working time, Company Values, Board of Directors' Code of Ethics, Transparency, and Reporting and Responsibilities.

Related to work rules set forth above, some basic guidelines are set out in the Board of Directors' Board Manual and are described as follows.

### Board of Directors' Authorities

In performing its duties, the Board of Directors is authorized to:

1. Establish policies deemed appropriate in the management of the Company.
2. Deliver power to Directors to represent the Company in and out of court to the one or several members of the Board of Directors specifically appointed, or to one or several employees of the Company either alone or jointly or to any other person or entity.
3. Set the provisions for employment in the Company, including determination of salaries, pensions or retirement pension, other services and income for the Company employees pursuant to legislations in force.



## GCG Structure and Mechanism

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- 4. To appoint, reward or sanction and dismiss Company employees pursuant to the Company's employment regulations and legislation in force.
  - 5. Establish the functions of the Corporate Secretary.
  - 6. Write-off bad debts, which were subsequently reported and accounted for in the Annual Report. Cease collection of some or all receivables beyond the principal restructuring and / or credit settlement, but with the obligation to report to the Board of Commissioners that the procedures of reporting are those established by the Board of Commissioners.
  - 7. Perform all actions and other actions regarding the management and ownership of the Company assets, the Company obligations with other parties and / or other parties with the Company, with restrictions as set out in legislation, the Articles of Association and / or the AGMS.
  - 7. Provide an explanation to the GMS regarding the Annual Report.
  - 8. Deliver the Balance Sheet and Income Statement that was approved by the GMS to the Ministry.
  - 9. Maintain a Register of Shareholders, Special List, GMS Minutes, Minutes of Meetings with the Board of Commissioners, and Board of Directors' Meeting Minutes, Annual Report and financial documents and other company documents.
  - 10. Store at the domicile of the Company: the Register of Shareholders, Special List, GMS Minutes, Minutes of Meetings with the Board of Commissioners, and Board of Directors' Meeting Minutes, Annual Report and financial documents and other company documents.
  - 11. Develop a system of accounting in accordance with Financial Accounting Standards and based on the principles of internal control, especially the maintenance of the separation of functions, recording, storing, and monitoring.
  - 12. Provide regular reports in the manner and time, in accordance with applicable regulations, as well as other reports whenever requested by the Board of Commissioners and / or Series A shareholders, by observing the laws and regulations especially in the capital market.
  - 13. Prepare the Company's organizational structure complete with details and duties.
  - 14. Provide an explanation about all things asked or requested by members of the Board of Commissioners and Series A shareholders, by observing the laws and regulations especially in the capital market.
  - 15. Perform their other obligations in accordance with the provisions set forth in the Articles of Association and set by the GMS based on legislation.

### **Board of Directors' Liabilities**

In addition, the Board of Directors is obliged to:

- 1. Promote and ensure the implementation of the Company's business and activities are in accordance with the purpose and intent, as well as the business activities.
- 2. Establish the Company's Long-Term Plan, the Annual Budget and Work Plan, and other work plans, and amendments and submit them no later than 60 (sixty) days before the new fiscal year begins to the Board of Commissioners for approval.
- 3. Prepare a List of Shareholders, Special List, GMS Minutes, and the Minutes of Board of Directors' Meeting.
- 4. Prepare the Annual Report as a form of management liability of the Company, as well as financial documents referred to in the Company Document Law.
- 5. Prepare Financial Statements based on Financial Accounting Standards and hand over to the Public Accountants for auditing.
- 6. Deliver Annual Report after review by the Board of Commissioners within a maximum period of five (5) months after the fiscal year of the Company ends to the GMS for approval and ratification.

## Board of Directors' Criteria

Those who have been appointed as members of the Board of Directors are individuals who satisfy the following requirements upon appointment and during his tenure:

1. Integrity, which at least includes:
  - a. Proficient in performing legal actions and within 5 (five) years prior to the appointment:
    - i. Not been declared bankrupt or;
    - ii. Never been a member of a Board of Directors and / or member of a Board of Commissioners found guilty for causing a company to go bankrupt by a court decision.
  - b. Have good character and morals.
  - c. Have the commitment to comply with legislations.
  - d. Commit to the development of sound Bank operations.
  - e. Has not been included in a list of those not passing the fit and proper test; and
  - f. Has the commitment not to perform and / or repeat offenses and / or particular actions, both for candidates for the Board
2. Competence, which at least includes:
  - a. Knowledge of banking, adequate and relevant to the position;
  - b. Experience and expertise in banking and / or finance; and
  - c. The ability for strategic management to develop the Main Entity and Subsidiaries.
3. Have a good financial reputation by not having bad credit.
4. Meets the Banking, Capital Markets legislation, other legislation and the Articles of Association.
5. Between the members of the Board of Directors and other members of the Board of Directors, the Board of Commissioners should not have family relationship to the second degree, either vertically or horizontally to the side or relationship by marriage (in law or law), and other conditions based on the applicable legislation.

of Directors or prospective members of the Board of Commissioners, for those who have been included in a list of those not passing the fit and proper test and have undergone sanctions.

## BOARD OF DIRECTORS' MEMBERS APPOINTMENT BASIS

Board of Directors' Members are appointed through AGMS deed approval. The appointment basis for each member of the Board of Directors is as follows.

### Appointment Basis

Name	Position	Appointment Basis
Achmad Baiquni	President Director	AGMS - March 17, 2015
Suprajarto	Vice President Director	AGMS - March 17, 2015
Rico Rizal Budidarmo	Director of Finance and Credit Risk	AGMS - March 17, 2015
Herry Sidharta	Director of Corporate Business	AGMS - March 17, 2015
Sutanto*	Director of Business Banking 2	AGMS - April 1, 2014
Bob Tyasika Ananta	Director of Planning and Operations	AGMS - March 17, 2015
Panji Irawan	Director of Treasury and International	EGMS - January 12, 2016
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	AGMS - March 17, 2015
Anggoro Eko Cahyo	Director of Consumer Banking	AGMS - March 17, 2015
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	AGMS - March 17, 2015
Putrama Wahju Setyawan	Director of Middle Business	AGMS - March 10, 2016

Information:

\*Discharge since March 10, 2016



## GCG Structure and Mechanism

### FIT AND PROPER TEST

Appointment of members of the Board of Directors becomes effective upon approval from Otoritas Jasa Keuangan on passing the Fit and Proper Test in accordance with the Otoritas Jasa Keuangan Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test For The Major Financial Services Institutions as well as meet legislation in force. To be eligible for the Fit and Proper Test, the Company files an application for approval of candidates to the Board of Directors of Otoritas Jasa Keuangan.

#### Fit and Proper Test Results

Name	Position	Effective date base on OJK decree	Implementer	Result
Achmad Baiquni	President Director	April 16, 2015	Otoritas Jasa Keuangan	Passed
Suprajarto	Vice President Director	April 16, 2015	Otoritas Jasa Keuangan	Passed
Rico Rizal Budidarmo	Director of Finance and Credit Risk	April 16, 2015	Otoritas Jasa Keuangan	Passed
Herry Sidharta	Director of Corporate Business	May 22, 2015	Otoritas Jasa Keuangan	Passed
Sutanto	Director of Business Banking 2	July 12, 2010	Otoritas Jasa Keuangan	Passed
Bob Tyasika Ananta	Director of Planning and Operations	April 16, 2015	Otoritas Jasa Keuangan	Passed
Panji Irawan	Director of Treasury and International	April 11, 2016	Otoritas Jasa Keuangan	Passed
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	May 22, 2015	Otoritas Jasa Keuangan	Passed
Anggoro Eko Cahyo	Director of Consumer Banking	May 22, 2015	Otoritas Jasa Keuangan	Passed
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	May 22, 2015	Otoritas Jasa Keuangan	Passed
Putrama Wahju Setyawan	Director of Middle Business	July 15, 2016	Otoritas Jasa Keuangan	Passed

### BOARD OF DIRECTORS' COMPOSITION

#### DIVERSITY POLICY

In the Otoritas Jasa Keuangan recommendation as outlined in the Appendix to Otoritas Jasa Keuangan Circular No. 32/SEOJK.04/2015 of the Code of Corporate Governance, it states that the composition of the Board of Directors must pay attention to the diversity of the composition of the Board of Directors. The diversity of the composition of the Board of Directors is a combination of characteristics in terms of both the Board of Directors and the Board of

Directors individually, according to the needs of the Public Company. These characteristics are reflected in the expertise, knowledge, and experience relevant to the duties and functions of office of Board of Directors in achieving the objectives of the Public Company. Thus, the combination of characteristics mentioned will impact the accuracy of the nomination process and the appointment of individual members of the Board of Directors or collegial Directors.

In 2016, the Board of Directors' composition diversity reflected education, work experience, age and gender, as can be seen in the table below:

**Board of Directors' Diversity Composition**

Name	Position	Age	Gender	Education	Work experience	Expertise
Achmad Baiquni	President Director	60	Male	S1 Economic Development, & S2 Business Management	<ul style="list-style-type: none"> <li>BNI Consumer Director</li> <li>BNI Corporate Director</li> <li>BNI Business Director for Small, Medium and Syariah</li> <li>BRI Finance Director</li> </ul>	Economic
Suprajarto	Vice President Director	61	Male	S1 Ekonomi S2 Marketing Management S3 Business Management	<ul style="list-style-type: none"> <li>BRI Corporate Secretary</li> <li>BRI Regional Head</li> <li>BRI Director of Networks and Services</li> </ul>	Management
Rico Rizal Budidarmo	Director of Finance and Credit Risk	54	Male	S1 Economic Management MBA dan MIS Business and Finance  S3 Management Doctorate	<ul style="list-style-type: none"> <li>BRI GM / EVP Treasury</li> <li>BTN Risk and Compliance Director</li> </ul>	Financial Management
Herry Sidharta	Director of Corporate Business	60	Male	S1 Management S2 Business Administration	<ul style="list-style-type: none"> <li>BNI Corporate Division Head</li> <li>BNI Medium Business Division Head</li> <li>BNI Small Business Division Head</li> <li>Perum Jamkrindo Director of Human Resources and General Affairs</li> <li>Perum Jamkrindo Director of Housing Operations</li> <li>Perum Jamkrindo Finance Director</li> </ul>	Economic
Sutanto*	Director of Business Banking 2	59	Male	S1 Management S2 Economy	<ul style="list-style-type: none"> <li>BNI Education &amp; Training Division Head</li> <li>Policy Division Leader BNI Risk Management</li> </ul>	
Bob Tyasika Ananta	Director of Planning and Operations	54	Male	S1 Accounting S2 Finance	<ul style="list-style-type: none"> <li>Hong BNI Kong Branch General Manager</li> <li>BNI International Division Head</li> <li>BNI Strategic Planning Division Head</li> </ul>	Financial



## GCG Structure and Mechanism

Name	Position	Age	Gender	Education	Work experience	Expertise
Panji Irawan	Director of Treasury and International	52	Male	S1 Agricultural & Resource Economics	<ul style="list-style-type: none"> <li>PT Mandiri Sekuritas Commissioner</li> <li>Bank Mandiri (Persero) Tbk Executive Vice President, Treasury Group</li> <li>Cambiste Internationale (ACI) Indonesia Association Chairman</li> <li>Indonesia Foreign Exchange Market Committee (IFEMC) Chairman</li> </ul>	Management
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	50	Female	S1 Economy	<ul style="list-style-type: none"> <li>BNI Regional Head Jakarta Senayan</li> <li>BNI Network Management Division Head</li> </ul>	Economic
Anggoro Eko Cahyo	Director of Consumer Banking	48	Male	S1 Technical Industry Management S2 Agribusiness	<ul style="list-style-type: none"> <li>BNI Regional Head Jakarta Kota</li> <li>BNI Regional Head Jakarta BSD</li> <li>BNI Network and Services Division Head</li> <li>BNI Human Capital Division Head</li> <li>Supervisory Board Chairman for Bank Negara Indonesia Pension Fund</li> <li>Association of Payment Systems Indonesia (ASPI) Chairman</li> </ul>	Management
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	58	Male	S1 Economic S2 Economic S3 Economic	<ul style="list-style-type: none"> <li>BNI Strategic Planning Division Head</li> <li>BNI Enterprise Risk Management Division Head</li> <li>PT Bank BNI Syariah Commissioner</li> </ul>	Economic
Putrama Wahju Setyawan	Director of Middle Business	47	Male	S1 Forestry S2 Accounting Management	<ul style="list-style-type: none"> <li>BNI rescue and settlement of corporate loans Division Head</li> <li>BNI and government institutions SOEs Division Head</li> <li>BNI rescue and settlement of commercial and small business loans Division Head</li> </ul>	Business Management

\*Discharge since March 10, 2016

## BOARD OF DIRECTORS' NUMBER AND COMPOSITION

In 2016, the number and composition of the Board of Directors changed several times as the following explains.

During the period January 1- 12, 2016 the Board of Directors amounted to 9 (nine) persons consisting of 1 (one) President Director, 1 (one) Vice President Director and seven (four) Directors. All members of the Board of Directors are domiciled within the area of the BNI Head Office.

Board of Directors Composition January 1, 2016 - January 12, 2016 was as follows.

**Board of Directors' Composition**

Name	Position	Domicile	Appointment Date	Effective
Achmad Baiquni	President Director	Jakarta	March 17, 2015	April 16, 2015
Suprajarto	Vice President Director	Jakarta	March 17, 2015	April 16, 2015
Rico Rizal Budidarmo	Director of Finance and Credit Risk	Jakarta	March 17, 2015	April 16, 2015
Herry Sidharta	Director of Corporate Business	Jakarta	March 17, 2015	May 22, 2015
Sutanto	Director of Business Banking 2	Jakarta	April 1, 2014	May 12, 2010
Bob Tyasika Ananta	Director of Planning and Operations	Jakarta	March 17, 2015	April 16, 2015
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	Jakarta	March 17, 2015	May 22, 2015
Anggoro Eko Cahyo	Director of Consumer Banking	Tangerang	March 17, 2015	May 22, 2015
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	Jakarta	March 17, 2015	May 22, 2015

During the period January 12, 2016 – March 10, 2016 the Board of Directors amounted to 9 (nine) persons consisting of 1 (one) President Director, 1 (one) Vice President Director and 7 (seven) Directors. All members of the Board of Directors are domiciled within the area of the BNI Head Office.

Board of Directors Composition January 12, 2016 - March 10, 2016 was as follows.

**Board of Directors' Composition**

Name	Position	Domicile	Appointment Date	Effective
Achmad Baiquni	President Director	Jakarta	March 17, 2015	April 16, 2015
Suprajarto	Vice President Director	Jakarta	March 17, 2015	April 16, 2015
Rico Rizal Budidarmo	Director of Finance and Credit Risk	Jakarta	March 17, 2015	April 16, 2015
Herry Sidharta	Director of Corporate Business	Jakarta	March 17, 2015	May 22, 2015
Sutanto	Director of Business Banking 2	Jakarta	April 1, 2014	May 12, 2010
Bob Tyasika Ananta	Director of Planning and Operations	Jakarta	March 17, 2015	April 16, 2015
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	Jakarta	March 17, 2015	May 22, 2015
Anggoro Eko Cahyo	Director of Consumer Banking	Tangerang	March 17, 2015	May 22, 2015
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	Jakarta	March 17, 2015	May 22, 2015
Panji Irawan	Director of Treasury and International	Jakarta	January 12, 2016	April 11, 2016



## GCG Structure and Mechanism

During the period March 10, 2016 - December 31, 2016 the Board of Directors amounted to 10 (ten) persons consisting of 1 (one) President Director, 1 (one) Vice President Director and 8 (eight) Directors. All members of the Board of Directors are domiciled within the area of the BNI Head Office.

Board of Directors Composition March 10, 2016 - December 31, 2016 was as follows.

**Board of Directors' Composition**

Name	Position	Domicile	Appointment Date	Effective
Achmad Baiquni	President Director	Jakarta	March 17, 2015	April 16, 2015
Suprajarto	Vice President Director	Jakarta	March 17, 2015	April 16, 2015
Rico Rizal Budidarmo	Director of Finance and Credit Risk	Jakarta	March 17, 2015	April 16, 2015
Herry Sidharta	Director of Corporate Business	Jakarta	March 17, 2015	May 22, 2015
Bob Tyasika Ananta	Director of Planning and Operations	Jakarta	March 17, 2015	April 16, 2015
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	Jakarta	March 17, 2015	May 22, 2015
Anggoro Eko Cahyo	Director of Consumer Banking	Tangerang	March 17, 2015	May 22, 2015
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	Jakarta	March 17, 2015	May 22, 2015
Panji Irawan	Director of Treasury and International	Jakarta	January 12, 2016	April 11, 2016
Putrama Wahju Setyawan	Director of Middle Business	Bekasi	March 10, 2016	July 15, 2016

### BOARD OF DIRECTORS' INDEPENDENCY

Directors always act independently, in the sense of not having a conflict of interest that could interfere with their ability to perform tasks independently and critically, both in relation to each other and the relationship with the Board of Commissioners.

Directors do not have a financial relationships, management relationships, share ownership and / or family relationships with members of the Board of Commissioners, Board of Directors and / or Controlling Shareholders or Bank relationships, so as to carry out the duties and responsibilities independently.

Directors do not hold another position as the President Director or Directors in State-Owned Enterprises, Regional and Private, or another position relating to the management of the Company, as well as any structural or functional position in other institutions / agencies of the central government and local governments, as well as other positions in accordance with the Articles of Association and other legislation in force.

Affiliate relationships between the members of the Board of Directors, Board of Commissioners, and the Controlling Shareholders, include:

1. Relationships between members of the Board of Directors with other members of the Board of Directors.
2. Relationships between members of the Board of Directors with members of the Board of Commissioners.
3. Relationships between members of the Board of Directors with Major and / or Controlling Shareholders.
4. Relationships between members of the Board of Commissioners with other members of Board of Commissioners; and
5. Relationships between members of the Board of Commissioners with Major and / or Controlling Shareholders.

The Board of Directors' Independence is shown in the table below:

**Board of Directors' Affiliate Relations**

Name	Position	Board of Directors' Financial, Family and Supervisory Relations									
		Financial Relations With					Family Relations With				Supervisory Relationship with Other Company
		Board of Commissioners		Board of Directors		Controlling Shareholders	Board of Commissioners		Board of Directors		
		Yes	No	Ya	Tdk	Ya	Tdk	Ya	Tdk	Ya	Tdk
Achmad Baiquni	President Director	✓		✓		✓		✓		✓	
Suprajarto	Vice President Director	✓		✓		✓		✓		✓	
Rico Rizal Budidarmo	Director of Finance and Credit Risk	✓		✓		✓		✓		✓	
Herry Sidharta	Director of Corporate Business	✓		✓		✓		✓		✓	
Sutanto	Director of Business Banking 2	✓		✓		✓		✓		✓	
Bob Tyasika Ananta	Director of Planning and Operations	✓		✓		✓		✓		✓	
Panji Irawan	Director of Treasury and International	✓		✓		✓		✓		✓	
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	✓		✓		✓		✓		✓	
Anggoro Eko Cahyo	Director of Consumer Banking	✓		✓		✓		✓		✓	
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	✓		✓		✓		✓		✓	
Putrama Wahju Setyawan	Director of Middle Business	✓		✓		✓		✓		✓	

Information:

\*Discharge since March 10, 2016

## BOARD OF DIRECTORS' SCOPE OF WORK AND RESPONSIBILITIES FOR EACH MEMBER

In facilitate the implementation of the responsibility and his job manage the company, then done division of tasks and authority board of directors.

### Board of Directors' Division of Tasks and Authorities

In performing their duties, the Board of Directors is divided into areas with the following tasks.

**Board of Directors' Tasks Descriptions**

Name	Position	Task Field
Achmad Baiquni	President Director	Acting for and on behalf of the Board of Directors and represent the Company. Coordinating the Company management as set out in the Articles of Association and decisions of the Company GMS and the applicable regulations. Have overall responsibility over the duties and authorities of the Board of Directors. Coordinate, control and evaluate the functions and areas of Internal Audit, Human Capital Management and Organizational Learning Management.



## GCG Structure and Mechanism

Name	Position	Task Field
Suprajarto	Vice President Director	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of Small Business, Corporate Communications and Secretariat which includes areas of the Partnership and Community Development and Network Management.</p>
Rico Rizal Budidarmo	Director of Finance and Credit Risk	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of Budgeting and Financial Control, Corporate Credit Risk, Medium Credit Risk and Small Business, Credit Administration and Subsidiary Development.</p>
Herry Sidharta	Director of Corporate Business	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of Multinational Corporations and Business 1, Multinational Corporations Business 2, SOEs and Government Institutions and syndication business.</p>
Sutanto	Director of Business Banking 2	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of Commercial and Small Business and Market Development and Portfolio Management.</p>
Bob Tyasika Ananta	Director of Planning and Operations	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of Strategic Planning, Operations and Asset Management and Procurement.</p>
Panji Irawan	Director of Treasury and International	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of Treasury, International and Financial Institution Pension Fund.</p>
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of Institutional Relations, Transactional Service Banking and Wealth Management.</p>
Anggoro Eko Cahyo	Director of Consumer Banking	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of consumer product management, consumer sales, business cards, processing and billing of consumer credit and marketing communications.</p>
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of compliance, legal, governance policies, and risk management of the bank.</p>
Putrama Wahju Setyawan	Director of Middle Business	<p>Acting for and on behalf of the Board of Directors and represent the Company, in accordance with the job description of the tasks or sector.</p> <p>Coordinate, control and evaluate the functions and areas of medium to high-end business, medium business, customer analysis and portfolio management and rescue and settlement.</p>

## BOARD OF DIRECTORS' CONCURRENT POSITIONS

Terms Board of Directors' concurrent positions are set out in the regulations as follows.

1. Based on the Ministry of SOEs Regulation No. PER-03/MBU/02/2015, the Directors are prohibited from holding another position as:
  - a. Board of Directors member in State-Owned Enterprises, Regional Owned Enterprises, Private Owned Enterprises; and / or
  - b. Board of Commissioners member in State Owned Enterprises; and / or
  - c. Other structural and functional positions at institutions / agencies and central or regional government;
  - d. Board of political parties and / or candidates / members of the legislature; and / or candidates for regional head / deputy regional head;
  - e. Position which may give rise to a conflict of interest and / or other positions in accordance with the provisions in the legislation;
  - f. Be a legislative candidate for regional head / deputy regional head.
2. Pursuant to the Otoritas Jasa Keuangan No. 55/POJK.03/2016, members of the Board of Directors may not hold another position as a member of the Board of Directors, member of the Board of directors or Executive Officers of banks, companies and / or other institutions. However, excluding concurrent positions, the Board of Directors is responsible for oversight of the Bank's investments in subsidiaries, carry out functional tasks for a member of the Board of Commissioners on bank subsidiary companies controlled by the Bank, provided they do not result in a corresponding neglect the duties and responsibilities as a member of the Board of Directors of the Bank.
3. To have such a position, Directors not included in the above provision require approval from the Board of Commissioners.

**Board of Directors' Concurrent Positions**

Name	Position	Positions in other Companies / Institutions	Name of other Companies / Institutions
Achmad Baiquni	President Director	-	-
Suprajarto	Vice President Director	-	-
Rico Rizal Budidarmo	Director of Finance and Credit Risk	-	-
Herry Sidharta	Director of Corporate Business	-	-
Sutanto*	Director of Business Banking 2	-	-
Bob Tyasika Ananta	Director of Planning and Operations	-	-
Panji Irawan	Director of Treasury and International	-	-
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	-	-
Anggoro Eko Cahyo	Director of Consumer Banking	-	-
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	-	-
Putrama Wahju Setyawan	Director of Middle Business	-	-

*Information:*

\*Discharge since March 10, 2016



## GCG Structure and Mechanism

### BOARD OF DIRECTORS' CONFLICT OF INTEREST

Management of the Board of Directors' conflicts of interest is set down in the Guidelines for Handling Conflict of Interest No. IN/695/KMP/ 001 dated October 29, 2014. Conflict of Interest is a condition in which the economic interests of the Company's clash with personal economic interests. The Board of Directors should always:

1. Give priority to the economic interest of the Company over personal economic interest or family or other parties.
2. Avoid using the office for personal gain or for the benefit of another person or party contrary to the interests of the Company.

3. Record in a Special Register containing personal or shareholdings of 5% (five percent) or more on the Bank or other companies located inside and outside the country.
4. Disclose family relationships and financial relationships with the Board of Commissioner Members and / or Board of Director Members and / or controlling shareholders of the Bank.
5. Avoid taking actions that could harm the Company or reduce the profits of the Company and disclose conflicts of interest in any decision in case of any potential conflict of interest.
6. Not participate in the discussion and decision-making that contains elements of conflict of interest.

### BOARD OF DIRECTORS' SHAREHOLDING

As of December 31, 2016, there were no members of the BNI Board of Directors owning BNI shares of more than 5% or more of the paid-up capital, or in other banks and other companies domiciled inside or outside the country.

**Board of Directors' Shareholding**

Name	Position	Shareholding > 5%			
		BNI	Other Bank	Non Bank Financial Institution	Other Companies
Achmad Baiquni	President Director	Nil	Nil	Nil	Nil
Suprajarto	Vice President Director	Nil	Nil	Nil	Nil
Rico Rizal Budidarmo	Director of Finance and Credit Risk	Nil	Nil	Nil	Nil
Herry Sidharta	Director of Corporate Business	Nil	Nil	Nil	Nil
Sutanto*	Director of Business Banking 2	Nil	Nil	Nil	Nil
Bob Tyasika Ananta	Director of Planning and Operations	Nil	Nil	Nil	Nil
Panji Irawan	Director of Treasury and International	Nil	Nil	Nil	Nil
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	Nil	Nil	Nil	Nil
Anggoro Eko Cahyo	Director of Consumer Banking	Nil	Nil	Nil	Nil
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	Nil	Nil	Nil	Nil
Putrama Wahju Setyawan	Director of Middle Business	Nil	Nil	Nil	Nil

\*Discharge since March 10, 2016

## BOARD OF DIRECTORS' DUTIES AND RESPONSIBILITIES IN 2016

During 2016, the Board of Directors has performed their duties based on appropriate legislation and regulations, and the Articles of Association of the Company, namely:

1. Preparation of Company plans, including a revision of the 2016-2018 Business Plan.
2. Meeting the performance targets of the Company.
3. Management of finance assets, including investments in companies not listed on the exchange.
4. Implementation of Board of Directors' meetings.
5. Attend meetings of the Board of Commissioners.
6. Implementation of the General Meeting of Shareholders.
7. Monitoring and improvement of internal business processes.
8. Implementation of other tasks related to management of the Company.

## BOARD OF DIRECTORS' MEETINGS

In accordance with OJK Regulation No. 33/POJK.04/2014 and the Articles of Association, the Board of Directors shall convene Board of Directors' meetings periodically at least 1 (one) time every month.

Board of Directors' Meetings can be held at any time if:

1. Considered necessary by 1 (one) or several members of the Board of Directors; or
2. At the request in writing of one or more members of the Board of Directors;
3. by mentioning the things that will be discussed.

The Board of Directors' Meeting is valid and may adopt binding resolutions if it is attended by more than 1/2 (one half) of the members of the Board of Directors or their authorized representatives. All decisions taken by the Board of Directors' Meeting are after deliberation and consensus. In case the decision cannot be taken with deliberation and consensus, the decision may be taken based on a vote agreed by more than 1/2 (one half) of the total valid votes passed in the meeting.

Each member of the Board of Directors who personally in any way either directly or indirectly has an interest in a transaction, contract or proposed contract, in which the Company is a party, they must state the nature of the interest in a meeting of the Board of Directors and are not entitled to participate in decision making on matters relating to the transaction or the contract, unless the Meeting of the Board of Directors decides otherwise.

In each Board of Directors' meeting minutes of the Meeting should be kept recording discussed matters (including a statement of disapproval / dissenting member of the Board of Directors, if any) and things decided.

Directors can also take decisions that are valid and binding without convening a meeting of the Board of Directors, provided that all the members of the Board of Directors has been notified in writing of the proposals concerned and all members of the Board of Directors gave approval on the proposal put forward in writing and signed the agreement. Decisions taken in this way have the same strength as a legitimate decision taken by the Board of Directors' Meeting.



## GCG Structure and Mechanism

### Board of Directors' Meeting Frequency and Attendance

During 2016, the Board of Directors held meetings at least 39 (thirty-nine) times. The frequency and level of attendance of each member of the Board of Directors are presented, based on the period of office of the Directors, as follows.

**Board of Directors' Meeting Frequency and Attendance**

Name	Position	Board of Directors' Meetings			Board of Directors' Meetings with Board of Commissioners		
		Number and (%) Attendance			Number and (%) Attendance		
		Number of Meetings	Attendance	%	Number of Meetings	Attendance	%
Achmad Baiquni	President Director	39	27	69.23%	12	4	33.33%
Suprajarto	Vice President Director	39	31	79.49%	12	5	41.67%
Rico Rizal Budidarmo	Director of Finance and Credit Risk	39	31	79.49%	12	8	66.67
Herry Sidharta	Director of Corporate Business	39	31	79.49%	12	8	66.67
Sutanto*	Direktur Business Banking 2	8	8	100%	2	2	100%
Bob Tyasika Ananta	Director of Business Banking 2	39	29	74.36%	12	8	66.67
Panji Irawan	Director of Planning and Operations	37	30	81.08%	12	7	58.33
Adi Sulistyowati	Director of Institutional Relationships and Transactional Banking	39	34	87.18%	12	7	58.33
Anggoro Eko Cahyo	Director of Consumer Banking	39	34	87.18%	12	10	83.33
Imam Budi Sarjito	Director of Compliance and Enterprise Risk	39	34	87.18%	12	11	91.67
Putrama Wahju Setyawan	Director of Middle Business	31	25	80.65	10	10	100%

\*Discharge since March 10, 2016

### Board of Directors' Meeting Agenda, Dates and Participants

During 2016, the Board of Directors' Meeting agenda, dates and participants was as follows.

**Board of Directors' Meetings**

No.	Meeting Date	Meeting Agenda	Director Participants	Attended	Explanation
1	January 5, 2016	<ul style="list-style-type: none"> <li>• Review procurement provisions.</li> <li>• BNI Anniversary</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Sutanto Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	

No.	Meeting Date	Meeting Agenda	Director Participants	Attended	Explanation
2	January 12, 2016	Directors job descriptions	Achmad Baiquni Suprajarto Herry Sidharta Sutanto Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito	✓ ✓ ✓ ✓ ✓ ✓ ✓ - ✓	Service
3	January 13, 2016	Organizational Structure Board of Directors.	Achmad Baiquni Suprajarto Herry Sidharta Sutanto Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan	- ✓ ✓ ✓ - ✓ ✓ ✓ ✓ ✓	Service
4	January 26, 2016	Java Jazz Festival.	Achmad Baiquni Suprajarto Herry Sidharta Sutanto Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ - ✓	Service
5	February 2, 2016	Appointment of Commissioner BNI Syariah.	Achmad Baiquni Suprajarto Herry Sidharta Sutanto Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan	✓ ✓ ✓ ✓ ✓ ✓ - - ✓ ✓	Service Service
6	February 9, 2016	<ul style="list-style-type: none"> <li>• Update BNI Debit Card CO Brand Issuance Plan.</li> <li>• Approval of Garuda BNI Debit Card CO Brand.</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Sutanto Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan	- ✓ - ✓ ✓ ✓ ✓ ✓ ✓ ✓	Service Service
7	February 16, 2016	<ul style="list-style-type: none"> <li>• Presentation Crash Problem Resolution Program Pending Collateral In CLN.</li> <li>• Appointment Division Head and unit change in the Medium High End Business Unit.</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Sutanto Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan	✓ ✓ ✓ ✓ ✓ ✓ - ✓ ✓ - ✓	Service Service



## GCG Structure and Mechanism

No.	Meeting Date	Meeting Agenda	Director Participants	Attended	Explanation
8	March 1, 2016	<ul style="list-style-type: none"> <li>Additional paid up capital BNI multifinance</li> <li>Update java jazz</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Sutanto Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan	✓ - ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	On leave
9	March 10, 2016	<ul style="list-style-type: none"> <li>Design and Build Contractors</li> <li>Procurement Auction Winner BNI Building Project Pejompongan</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ - ✓ ✓ ✓ ✓ ✓	Service
10	March 22, 2016	<ul style="list-style-type: none"> <li>Determination of the organizational structure and supervision of areas by the Board of Directors.</li> <li>Review employee salaries 2016.</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ - ✓ ✓ - ✓ ✓ ✓	Service
11	March 29, 2016	Roadmap regarding declining single digit Interest Rates.	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- ✓ ✓ ✓ ✓ ✓ - ✓ ✓ -	Service
12	April 12, 2016	<ul style="list-style-type: none"> <li>Other matter (Namasindo Plas).</li> <li>Strategy to Increase Employee Productivity.</li> <li>Other decisions (President Director Referral).</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ ✓ - ✓ ✓ ✓ ✓	Service

No.	Meeting Date	Meeting Agenda	Director Participants	Attended	Explanation
13	April 13, 2016	Directors' job descriptions	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ - ✓ - ✓ ✓ ✓ ✓ - ✓	Service
14	April 19, 2016	<ul style="list-style-type: none"> <li>• Determination Mobile Banking Application, ATM Insurance Program, Determination Agent Name Smart Code and Determination Product Name Money Elektronil - Based Server.</li> <li>• Charging INACRAFT position.</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ - ✓	Service
15	April 26, 2016	Organization structure	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	
16	May 3, 2016	MRI BSEM 2015-2016 Survey results presentation	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- - - ✓ - ✓ ✓ ✓ ✓ ✓ ✓	Service On leave Service
17	May 17, 2016	RBB 2016-2018 Revision	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	Service



## GCG Structure and Mechanism

No.	Meeting Date	Meeting Agenda	Director Participants	Attended	Explanation
18	24 May 2016	<ul style="list-style-type: none"> <li>Digital Loan</li> <li>Lucky BNI Taplus</li> <li>Organization</li> <li>Review RBB</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	
19	June 7, 2016	<ul style="list-style-type: none"> <li>Study Buy Back Global BNI 2012</li> <li>2016 ATM procurement</li> <li>Other matters</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	Service
20	June 8, 2016	<ul style="list-style-type: none"> <li>Update BNI Corporate University</li> <li>Update BNI 70th Anniversay and BNI Mudik</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	
21	June 21, 2016	<ul style="list-style-type: none"> <li>Proposed new BNI Emerald Logo, Proposed Re-Layout BNI Emerald Outlets, and Proposed New Design BNI Emerald Card (Priority Banking Card and Private Banking Card)</li> <li>Prognosis June 2016</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ - ✓ ✓ ✓ - - ✓	Service  Service  Service
22	June 28, 2016	<ul style="list-style-type: none"> <li>Right Sizing Organization functional BNI Unit.</li> <li>PMC Review KPI Unit and determination KPI BOD 2016.</li> <li>Macro Outlook Presentation by Head of Research PT Bahana Securities.</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ - ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	Service

No.	Meeting Date	Meeting Agenda	Director Participants	Attended	Explanation
23	July 19, 2016	<ul style="list-style-type: none"> <li>• Update BNI Day</li> <li>• Tax Amnesty Exposure</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	
24	August 2, 2016	Tax Amnesty Implementation Progress	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ - ✓ ✓ ✓ ✓ - - -	Service
25	August 9, 2016	Performance and Development Plan of the International Division for the Foreign Office Network	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- ✓ ✓ ✓ ✓ ✓ - ✓ ✓ ✓ -	Service
26	August 18, 2016	<ul style="list-style-type: none"> <li>• Road Map To Digital Banking</li> <li>• Digital Loan</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ - ✓ ✓ - ✓ - ✓ ✓ ✓ -	Service
27	August 23, 2016	<ul style="list-style-type: none"> <li>• Handling Pre NPL and NPL Consumer Credit (BNI Griya) Plan Update</li> <li>• Digital Banking Roadmap</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ - ✓ ✓ ✓ - - ✓ - -	Service



## GCG Structure and Mechanism

No.	Meeting Date	Meeting Agenda	Director Participants	Attended	Explanation
28	September 6, 2016	<ul style="list-style-type: none"> <li>Action Plan LFR Liquidity and Fulfillment</li> <li>Discussion of the Establishment of Digital Banking Project</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ - ✓ - ✓ - ✓ ✓ ✓	Service
29	September 20, 2016	BNI Aset Management acquisition plan	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- ✓ ✓ ✓ ✓ ✓ - - - ✓	Service  On leave Service Service
30	September 27, 2016	<ul style="list-style-type: none"> <li>SPI Research Organization</li> <li>Initiation Opening Malaysia Branch Offices</li> <li>Audit 2016 KAP EY Implementation Plan</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	
31	October 4, 2016	Total Rewards Improvement	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ - ✓ ✓ ✓ ✓ ✓ ✓ ✓ -	Service  Service
32	October 11, 2016	<ul style="list-style-type: none"> <li>Total Reward</li> <li>Discussion KUD 2017 and RBB 2017-2019</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ - ✓	Service

No.	Meeting Date	Meeting Agenda	Director Participants	Attended	Explanation
33	October 14, 2016	Exposure RBB 2017-2019	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ - ✓ ✓ ✓ - ✓ - ✓	Service
34	October 18, 2016	Total Reward	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ - ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	Service
35	November 1, 2016	• Roadmap Optimizing Assets • Other matters • BUMN Program - Integrated Digital Economy Platform	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ - ✓ - ✓ ✓ ✓ ✓ ✓	Service Service
36	November 8, 2016	• Executive Dashboard • ATM Himbara	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ ✓ - ✓ ✓ ✓ ✓ ✓	Service
37	November 15, 2016	• Discussion of the Establishment Plan Holding • Credit Improvement	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- - ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓	Service Service



## GCG Structure and Mechanism

No.	Meeting Date	Meeting Agenda	Director Participants	Attended	Explanation
38	November 23, 2016	Initiation Business with Iran	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- - ✓ - ✓ - - - ✓ ✓	
39	December 6, 2016	Handling ATM Skimming	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	- ✓ - - ✓ - ✓ ✓ ✓ ✓	Service
40	December 13, 2016	Update Digital Banking 46 Project	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ - - ✓ ✓ ✓ ✓ - ✓	Service
41	December 20, 2016	<ul style="list-style-type: none"> <li>• POJK Governance Remuneration</li> <li>• Administrative Sanctions</li> </ul>	Achmad Baiquni Suprajarto Herry Sidharta Anggoro Eko Cahyo Rico Rizal Budidarmo Adi Sulistyowati Bob Tyasika Ananta Imam Budi Sarjito Panji Irawan Putrama Wahju Setyawan	✓ ✓ ✓ - - - ✓ - ✓ ✓	On leave Service Service Service

While the agenda, date and participants of joint meetings together with the Board of Commissioners can be viewed in the Board of Commissioners' Meeting section.

## NEW DIRECTORS' ORIENTATION PROGRAM

Given that the Annual General Meeting for financial year 2015 was held on January 12, 2016 and March 10, 2016, and changes in the Board of Commissioners and Board of Directors, included those with a background as members of Boards of Commissioners and Boards of Directors from various parties, then Bank BNI's orientation program for members of the new Board of Directors took the form of: include

1. The distribution of the Annual Report, the Work Plan and Budget (CBP) and the Company's Long-term Plan (RJPP), Code of Ethics, Boards of Directors' Code of Working Conduct, Corporate Governance Handbook, and the Articles of Association.
2. Explanations relating to their delegated authority, internal and external audits, internal control systems and policies as well as the duties and role of the Audit Committee and other committees established by the Board of Commissioners.
3. A description of the duties, powers and responsibilities of the Board of Commissioners and Board of Directors.

The explanation given by way of a presentation by the Unit related to the members of the Board of Directors in question as well as a visit to the Regional / Branch Offices.

## BOARD OF DIRECTORS' COMPETENCY DEVELOPMENT

In order to maximize value company and improve the performance so as to have competitiveness strong so development competence important for all the board of directors. The board of directors have the commitment follow the training sustainable to develop insight, professional and the leadership ability of that the board of directors dapat mengikuti current industry development in their respective fields. Hence, they participated in a number of seminar, training executive and conference of the year.

During 2016, the Board of Directors participated in various programs to increase their competence in the form of training, workshops, conferences, and seminars, as shown in the following table:



## GCG Structure and Mechanism

**Board of Directors' Competency Development**

Name	Position	Period	Competency Development Material / Training	Time and Place	Type of Training and Organizer
Achmad Baiquni	President Director	March 17, 2015 – December 31, 2016	Indonesia Leadership Forum (Invitation from Minister of Finance)	01 February 2016, Hotel Borobudur	Workshop
			ASEAN CG Scorecard 2016 Ratings socialization	15 February 2016, Bank Indonesia	Workshop
			Socialization Fast Trains	19 February 2016, Hotel Preanger Bandung	Workshop
			ISEI: Public dialogue "Building a Competitive Indonesian Economy"	30 Mar 2016, Balai Kartini	Seminar
			APPU Seminar	07 April 2016, BNI 25th floor	Seminar
			Sharing Session Geo Politic	13 April 2016, BNI 32nd floor	Seminar
			BI Control Inflation Socialization Program	25 April 2016, Bank Indonesia	Seminar
			Workshop on Enchanting Technical Cooperation among Members Countries through Reverse Linkage	16 May 2016, JCC	Workshop
			1st Annual Islamic Finance Conference of Sukuk for Infrastruktur Development	17 May 2016, JCC	Conference
			Directing OJK Head to Bank CEO	26 June 2016, Bank Indonesia	Workshop
			Talkshow "The role of banks in supporting Tax Amnesty policy"	30 June 2016, Shangrila Hotel	Workshop
			Minister Lecture & International Conference	08 September 2016, JCC	Conference
			FDG Challenges to Global Economyc	22 September 2016, The Ritz Carlton Pacific Place	Workshop
			Interactive discussion OJK in order Enhancing the Role and Contributions of Banking Industry	23 September 2016, Hotel Borobudur	Workshop
			Seminar & Signing of Control Gratification Commitment	17 October 2016, BNI 25th floor	Workshop
			Forum SOE 2 Years realizing Nawa Cita	03 November 2016, Hotel Dharmawangsa	Workshop
			BI 2016 & RI Presidential Directive Meeting	22 November 2016, JCC	Workshop
			FGD Accelerated Properties Certification Program	23 November 2016, The Ministry of Agrarian and Spatial Planning	Workshop
			Kompas 100 CEO Forum	24 November 2016, JCC	Seminar
			National Conference on Eradication of Corruption by KPK	01 December 2016, Balai Kartini	Seminar
			Breakfast Meeting PWI "Indonesia Economic Future"	08 December 2016, Dharmawangsa Hotel	Seminar
			Seminar Economic Outlook 2017	09 December 2016, Plasa Bapindo	Seminar

Name	Position	Period	Competency Development Material / Training	Time and Place	Type of Training and Organizer
Suprajarto	Vice President Director	March 17, 2015 – December 31, 2016	Retail Banking Innovation	23-24 February 2016, London	Conference - FinTech Network
			Anti-Money Laundering Seminar (APU)	7 April 2016, Jakarta	Seminar - PPATK
Rico Rizal Budidarmo	Director of Finance and Credit Risk	March 17, 2015 – December 31, 2016	SOE CFO Forum	25 January 2016, Jakarta	Conference - Bank Mandiri
			UBS Indonesian Conference 2016	7 Mar 2016, Jakarta	Conference - UBS
			Workshop Holding plans SOE Banking sector & KBUMN Financial Services	8 Mar 2016, Bali	Workshop - Ministry of State Owned Enterprise
			Anti-Money Laundering Seminar	7 April 2016, Jakarta	Seminar - BNI & PPATK
			Indonesian Investment Day	10-15 April 2016, Singapore & UK	Danareksa Sekuritas & Goldman Sachs
			Keynote Speech in a public lecture PERBANAS	3 June 2016, Jakarta	Seminar - Perbanas
			Macquarie ASEAN Banks Tour	20 June 2016, Jakarta	Seminar - Macquarie
			Customer Gathering Tax Amnesty HIMBARA	10-11 August 2016, Singapore	Conference - HIMBARA
			The Launch of the National Strategy for Inclusive Finance	18 November 2016, Jakarta	Conference - Istana Negara
			Kompas CEO Forum	24 November 2016, Jakarta	Conference - Kompas
Herry Sidharta	Director of Corporate Business	March 17, 2015 – December 31, 2016	Anti-Money Laundering Seminar	7 April 2016, Jakarta	Seminar - BNI & PPATK
			Kompas CEO Forum	24 November 2016, Jakarta	Conference - Kompas
Bob Tyasika Ananta	Director of Planning and Operations	March 17, 2015 – December 31, 2016	Halfday Seminar LPPI	Monday, 29 February 2016, Jakarta	Seminar - LPPI
			Loan restructure Training	Friday, 11 March 2016, Jakarta	Workshop - BNI
			International OJK Seminar	Wednesday, 16 March 2016, Jakarta	Seminar - OJK
			Anti-Money Laundering Seminar (APU)	Thursday, 7 April 2016, Jakarta	Seminar - PPATK
			Building a prosperous Bangsa Indonesia	Jumat, 29 April 2016, Jakarta	BUMN Marketers Club
			Global and Indonesia Macroeconomics Trend and Forecast	Fri, 29 April 2016, Jakarta	Seminar - BARA
			Improving Banking Competitiveness in support of High Economic Growth	Thurs, 12 May 2016, Jakarta	Halfday Seminar - LPPI
			SOE Commissioners & Directors Refresher	Wed, 26 October 2016, Jakarta	BUMN Executive Club
			International Political Economic Dynamics and Current Issues	Thurs, 3 November 2016, Jakarta	BI Institute Leadership Forum - Seminar
			KOMPAS CEO Forum	Fri, 24 November 2016, Jakarta	Conference - KOMPAS - BNI



## GCG Structure and Mechanism

Name	Position	Period	Competency Development Material / Training	Time and Place	Type of Training and Organizer
			Seminar Oengkajian & Information Centre and Local Budgets, Seminar Evaluation of National Medium Term Development Plan III 2015 - 2019	Wed, 23 November 2016, Jakarta	DPRD RI
			Economic Outlook 2017 "Hope in Year Expansion"	Wed, 7 December 2016	Bisnis Indonesia - Seminar
			Seminar Nasional Indonesia Change Management Forum "Leadership in the transformation of the Organization for Supporting Performance"	Tues, 13 December 2016, Jakarta	Seminar - IBI
Putrama Wahju Setyawan	Director of Middle Business	March 10, 2016 – December 31, 2016	Anti-Money Laundering Seminar (APU) Socialization Tax Amnesty	Fri, 7 April 2016, Jakarta Fri, 02 September 2016, Solo	Seminar - PPATK Seminar - KPPBB
			Fundamental strengthen Indonesian Economy	Thurs, 27 October 2016, Jakarta	Tempo Economic Briefing, PT. Tempo Inti Media, Tbk
			KOMPAS CEO Forum	Thurs, 24 November 2016, Jakarta	Conference - KOMPAS - BNI
Panji Irawan	Director of Treasury & International	January 12, 2016 – December 31, 2016	Risk Management Discussion	Thurs, 21 January 2016	Workshop LSPP
			Anti-Money Laundering Seminar (APU)	Thurs, 7 April 2016, Jakarta	Seminar - PPATK
			Workshop on Enhancing Technical Corporation among Member Countries through Reverse Lingkage: Together We Overcome Our Challenges"	Mon, 16 May 2016	Workshop
			Institutional Investor Day 2016	Thurs, 4 August 2016	Seminar - IDX
			Indonesia Business and Development (IBD) Expo 2016	Thurs, 8 September 2016	Conference and Seminar
			Seminar BI "Development of the Commercial Paper Money Market (Commercial Paper)"	Mon, 24 October 2016	Seminar - Bank Indonesia
			SOEs Commissioners and Directors Refresher	Wed, 26 October 2016, Jakarta	FGD - BUMN Executive Club

Name	Position	Period	Competency Development Material / Training	Time and Place	Type of Training and Organizer
Anggoro Eko Cahyo	Director of Consumer Banking	March 17, 2015 – December 31, 2016	Seminar SOE Synergy Anti-Money Laundering Seminar (APU) Welcomes Implementation of National Standards Technology Chip and PIN 6 Digit to use for ATM card and / or Debit Card Seminar Preparation Indonesia Business and Development EXPO 2016 Challenges To Global Economy Indonesia Human Capital Summit KOMPAS CEO Forum Indonesian National Seminar Change Management Forum "Leadership in the transformation of the Organization to Support Performance"	Mon, 1 February 2016, Jakarta Thurs, 7 April 2016, Jakarta Wed, 31 August 2016, Jakarta & Thurs, 1 September 2016, Jakarta Kamis, 8 September 2016, Jakarta Thurs, 22 September 2016, Jakarta Thurs, 27 October 2016, Jakarta Thurs, 24 November 2016, Jakarta Tues, 13 December 2016, Jakarta	Seminar – BUMN Seminar - PPATK Seminar - Bank Indonesia Conference and Seminar Seminar Seminar - FHCI Conference - KOMPAS - BNI Seminar - IBI
Imam Budi Sarjito	Director of Compliance & Enterprise Risk	March 17, 2015 – December 31, 2016	Halfday Seminar LPPI International Seminar OJK Anti-Money Laundering Seminar (APU) Global and Indonesia Macroeconomics Trend and Fore Cast SOEs Commissioners and Directors Refresher Seminar "2017 NATIONAL ECONOMIC OUTLOOK: BANKING INDUSTRY OPPORTUNITIES AND CHALLENGES" KOMPAS CEO Forum	Mon, 29 February 2016, Jakarta Wed, 16 March 2016, Jakarta Thurs, 7 April 2016, Jakarta Fri, 29 April 2016, Jakarta Wed, 26 October 2016, Jakarta Wed, 03 November 2016, Jakarta Thurs, 24 November 2016, Jakarta	Seminar - LPPI Seminar - OJK Seminar - PPATK Seminar - BARA FGD - MN Executive Club Seminar - FKDKP Conference - KOMPAS - BNI
Adi Sulistyowati	Director of Institutional Relation & Transactional Banking	March 17, 2015 – December 31, 2016	Anti-Money Laundering Seminar Kompas CEO Forum	7 April 2016, Jakarta November 24, 2016, Jakarta	Seminar - BNI and PPATK Conference - Kompas

## RISK MANAGEMENT CERTIFICATION

The entire BNI Board of Directors passed Risk Management Certification Level 5, one of the requirements in the fit and proper test conducted by the Otoritas Jasa Keuangan.



## GCG Structure and Mechanism

### **BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT**

The performance of the Board of Directors and each Member of the Board of Directors will be evaluated by the Board of Commissioners and submitted to shareholders at an AGM.

### **BOARD OF DIRECTORS' CRITERIA OF FIRST CLASS PERFORMANCE ASSESSMENT (KPKU)**

The SOE Ministry has set a performance assessment of SOEs Board of Directors by using KPKU through Letter No. S-153/S-MBU/2012 dated July 19, 2012, concerning Reporting Performance Assessment Criteria Based Approach Superior Performance of SOEs.

### **PROCEDURE FOR IMPLEMENTATION OF KPKU ASSESSMENT**

KPKU Implementation Assessment procedure is as follows

1. SOE Ministry established a SOE excellence Forum (FEB), which served to implement the Assessment.
2. SOE Ministry submitted to the Company FEB team as personnel to perform the Company Assessment.
3. FEB Assessment Team perform and make a conclusion or outcome assessment.
4. FEB Assessment Team convey the results to the minister to be approved.
5. Ministry of SOEs releases Assessment results

#### **KPKU Evaluation Criteria**

KPKU Version Perspective

KPKU Performance Measurement Indicators

LEADERSHIP, MANAGEMENT, AND PUBLIC LIABILITY	1. GCG Implementation quality 2. Compliance rate of SOEs Portals (assets, Partnership and Community Development Program, FIS, Human Resource, Public) 3. Rate of proper Strategy (assessment program of company performance ranking on Environment Management) 4. Accordance Rate of the capital expenditure preparation to the company need and its synchronization with MP3EI
Customer Focus	Measurement reflecting the company's sincerity to reach, maintain, expand and create the market and customer
Manpower Focus	1. GCG Implementation quality 2. Compliance rate of BUMN Portals (assets, Partnership and Community Development Program, FIS, Human Resource, Public)
Product and Process Effectivity	1. Business process correction percentage 2. Production equipment utilization rate 3. Risk management implementation quality 4. Measurement reflecting the company's achievement in the creation of product/service value, in the form of correct operational planning 5. SOEs synergy
Financial and Market	1. Profitability 2. Revenue growth 3. Cost efficiency 4. Market Growth 5. Market control
Others	Other than KPKU version indicators

### **Parties Who Conduct KPKU Assessment**

Parties that conduct the KPKU Assessment are the FEB Team and the Ministry of SOvEs.

### **KPKU Assessment results**

Since implementing the MBCfPE system in 2005, the assessment results indicate a KPKU BNI score which has increased from time to time. The KPKU 2016 Assessment results which takes place in late January 2017 have not been obtained, but in previous Assessment (2015) BNI has reached the Band "Emerging Industry Leader".

### **Board of Directors' GCG Performance Assessment (Self Assessment) In Accordance With BI / OJK**

BI / OJK specifically regulates the performance assessment of Directors based on the parameters of the Duties and Responsibilities of the Board of Directors assessment criteria as regulated in the GCG self-assessment as stipulated in Bank Indonesia Circular Letter No. 15/15/DPNP/ dated April 29, 2013 regarding the implementation of Good Corporate Governance for Banks

### **GCG Self Assessment Implementation Procedure**

The Implementation Procedures related to GCG Self Assessment on the performance of Directors is as follows.

1. The Board of Directors commissioned the Compliance Division (GCG Unit) to implement the Self Assessment.
2. The Compliance Division coordinates all related units including coordination with the Board of Commissioners and the Remuneration and Nomination Committee to implement the Self Assessment.
3. The Compliance Division proposes recommended composite values including positive and negative factors to be submitted to the Board of Directors and then seek approval from the Board of Commissioners.
4. The Board of Directors sets the value of the composites, including positive and negative factors, for the GCG implementation.
5. GCG Self-Assessment is carried out periodically every semester and reported to BI / OJK for approval.

### **Board of Directors' GCG Self Assessment Criteria**

The Board of Directors Self Assessment Criteria related to the GCG implementation is divided into 3 (three) groups: Governance Structure, Governance Process and Governance Outcome. Governance Structure comprises 16 indicators, Governance Process comprises 14 indicators while Governance Outcome comprises 10 indicators.

### **Persons Conducting GCG Self Assessment**

The parties that conduct GCG Self Assessment are the Board of Directors and Board of Commissioners subject to approval and oversight of the BI / OJK.

### **Persons Conducting GCG Self Assessment**

Implementation Results BNI GCG self assessment Results for the Period to December 31, 2016, BNI received a composite score of 2 (good). The positive factors were Governance Structure, Governance Process and Governance Outcome existing in the Board of Directors as set forth in GCG Self Assessment for the Period December 31 2016 as follows.

1. The Board of Directors have a strong commitment to the implementation of GCG principles in all business activities of the Bank at all levels of the organization.
2. The amount and composition of the members of the Board of Directors is in accordance with the size and complexity of the Bank, where the number of Directors numbers 10 (ten) and in carrying out its duties and responsibilities, the Board of Directors has very adequate integrity, competence and knowledge.
3. All members of the Board of Directors hold no concurrent positions as stipulated in Bank Indonesia Regulation and other legislation provisions.
4. All members of the Board of Directors do not have a financial, management, ownership and family relationship with fellow members of the Board of Commissioners, Board of Directors and / or Controlling Shareholders.
5. The Board of Directors has a Working Rules of Conduct Handbook, and it has been reviewed and is in accordance with that applicable laws.



## GCG Structure and Mechanism

6. The Company's Director of Compliance and Risk has met the requirements for independence and holds no concurrent positions as President Director or Vice President Director and is not in charge of business functions and operations, treasury, finance and accounting, logistics and procurement of goods / services, information technology and internal audit.
7. The Board of Directors has established policies and strategic decisions through Board of Directors meetings effectively and every decision of the Board of Directors Meeting are kept in the Minutes of Meetings outlining the reporting obligations with a follow up to the implementation units. The entire Board of Directors is able to act and make decisions independently.
8. The Board of Directors together with SPI seeks to ensure the implementation of internal control at all levels of management through inspection and actively encourages the follow-up of SPI results.
9. The Board of Commissioners and Board of Directors duties and responsibilities relating to Risk Management and Internal Control System have been implemented, among others, through the Risk Oversight Committee Meeting, Joint Directors and Commissioners Meeting, and through Risk Management Committee meetings held periodically.
10. The Board of Directors has communicated and effectively implementing RBB.
11. The Board of Commissioners and Board of Directors are accountable for the implementation of their duties to shareholders and has been accepted by shareholders in the 2015 AGMS.

### Board of Directors Performance Assessment Through Key Performance Indicators (KPI)

The Board of Directors Performance Assessment Through Key Performance Indicators has been conducted with a 100% collegial pattern measured with four (4) factors are as follows.

2016 BOD IBC	METRIC	DESKRIPSI
MARKET CAPITALIZATION - BNI	%	Measures the magnitude of BNI shares capitalization on the stock market
PROFIT - BNI	Rp billion	Measures the BNI Profit net of tax.
MARKET SHARE - BNI	Score	Measures the percentage of market share and DPK compared to total loans and DPK in the banking industry.
LEADERSHIP	Score	Measures the top management's ability to achieve business goals, understand and encourage the creation of a conducive working environment for all members of the organization and promote the development of the organizations work culture.

### BOARD OF DIRECTORS' REMUNERATION POLICY

Board of Directors' Remuneration of Directors is determined with reference to the Minister of State Enterprises No. PER-02/MBU/06/2016 dated June 20, 2016 regarding Amendments to the Regulation of the Minister of State Enterprises No. PER-04/MBU/2014 regarding Guidelines for Determination of Board of Directors, Board of Commissioners and Board of Trustees of State Owned Enterprises.

### Procedure For Determination of Remuneration

The Board of Directors' remuneration procedures are determined through the following stages.

1. The Nomination and Remuneration Committee evaluates the remuneration policy applicable to the Board of Directors.
2. The Nomination and Remuneration Committee provides recommendations to the Board of Commissioners regarding the remuneration policy for the Board of Directors.
3. The Board of Commissioners will submit proposals on remuneration in the form of salary / honorarium and tantiem to be approved by the GMS

## Board of Directors' Remuneration Structure

The remuneration structure for members of the Board of Directors refers to the SOE Ministry Regulation No. PER-02/MBU/06/2016, as follows.

**Board of Directors' Remuneration Structure**

No.	Remuneration / Facility Type	Explanation
1.	Salary	President Director - 100% Vice President Director 95% of the President Director. Board of Directors' Members – 90% of the President Director
2.	Allowances	Religious Holidays Board of Directors' Religious Holiday allowance amounting to 1 (one) times salary each year. Housing Members of the Board of Directors housing allowance amounting to 40% of salary with a maximum of Rp 27.5 million.
	Insurance based on Position	<ul style="list-style-type: none"> <li>• Granted for term of office</li> <li>• The premium is borne by the company up to a maximum 25% of the annual salary</li> <li>• The program determination for pension insurance will be stipulated by each member of the Board of Directors and will be coordinated by the unit managing the facilities and allowances for the members of the Board of Directors and member of the Board of Commissioners</li> <li>• Payment of the premiums, fees or other relevant terms for the pension insurance already includes premiums for accident and death insurance.</li> </ul>
3.	Facilities	Vehicle <ul style="list-style-type: none"> <li>• Members of the Board of Directors are entitled to only one (1) Company vehicle.</li> <li>• Vehicles including the maintenance and operational costs awarded by taking into account the Company's financial condition.</li> <li>• Vehicle specifications and standards set by the Minister.</li> <li>• Board of Directors' Members no longer serving are obliged to return the official vehicles to the Company within a period of at least 30 (thirty) days leaving.</li> </ul> Health <ul style="list-style-type: none"> <li>• Health facilities provided in the form of health insurance or reimbursement of the cost of drugs.</li> <li>• Health facilities granted to members of the Board of Commissioners and the husband / wife and a maximum of 3 (three) children who have not attained the age of 25 (twenty five) years with the rule that if a child under 25 (twenty-five) years is married or is working, then they are not entitled to health facilities.</li> <li>• Health facility is provided as follows:               <ul style="list-style-type: none"> <li>- Outpatient and medicine,</li> <li>- Inpatient and medicine,</li> <li>- Medical check up with the rule 1 (one) time per year domestically.</li> </ul> </li> <li>• If the doctor recommends treatment overseas, health treatment is fully covered or in part based on the Company's ability.</li> </ul> <ul style="list-style-type: none"> <li>• Legal assistance to members of the Board of Commissioners is provided in the case of actions / deeds for and on behalf of members of the Board of Directors with the intent and purpose as well as the company's business activities</li> <li>• Legal assistance financing is provided for attorney / consultant office services, which includes the examination process, as witnesses, suspects and defendants during the justice process.</li> <li>• Attorney / consultant office services can be charged based on 1 (one) of attorney / consultant office for 1 (one) particular case.</li> <li>• The appointment of the attorney / consultant office will be done by the Company in accordance with the Company's procurement provisions.</li> </ul> Housing In the event that the Company provides the Director with a home office, the Director concerned is bound to use the house as a residential facility and the housing allowance is no longer relevant.



## GCG Structure and Mechanism

### Board of Directors Remuneration Determination Indicator

Setting the BNI Directors indicator refers to the SOE Ministry Regulation No. PER-02/MBU/06/2016, as follows.

1. A business scale factor
2. Business complexity
3. Rate of inflation
4. Company's financial condition and ability
5. Other factors that are relevant, and should not conflict with the legislation.

### Board of Directors' Total Nominal / Components of Remuneration

Remuneration components disclosure for the Board of Commissioners and Board of Directors refers to Otoritas Jasa Keuangan Circular No. 40/SEOJK.03/2016 concerning Commercial Bank Governance In Granting Remuneration.

The nominal / components for the Board of Directors' remuneration are as follows..

#### Board of Directors' Remuneration

Type of Remuneration and other Facilities	Amount Received	
	Person	Amount (in million Rupiah)
• (in million Rupiah)	10 Person	23.157,77,-
• Housing Allowance	10 Person	1.999,83,-
• Transport Allowance	10 Person	7.421,47,-
• Holiday Allowance	9 Person	1.823,25,-
• Tantem	10 Person	116.846,72,-
Other Natura Facilities		
• Housing (Not Owned)	-	-
• Transport (Not Owned)	10 Person	6.881,40,-
• Full Position Insurance (can have)	10 Person	5.579,89,-
• Health (Not Owned)	10 Person	212,17,-

Remuneration for one year grouped by range of income is as follows.

#### Total Remuneration by Group

Total Remuneration	Total People	Rp million
Below Rp500 million	-	-
Above Rp1 billion	-	-
Rp. 1 billion - Rp. 2 billion	-	-
Above Rp2 billion	10 Person	124.148,74,-

## Tantiem

Tantiem paid in 2016 amounted to 1.28% of the Company's net profit for the period January 1, 2015 - December 31, 2015 as was granted to the Board of Directors with the proportion - President Director 100%, Vice President Director 95% and members of the Board of Directors 90%.

## BOARD OF DIRECTORS' RESIGNATION AND DISMISSAL MECHANISM

1. The Board of Directors' resignation and dismissal mechanisms are set out in the Articles of Association, 32 and 33, namely:
  - a. The General Meeting may dismiss the members of the Board of Directors at any time by stating the reasons.
2. The reason for dismissal of Directors conducted if based on fact for members of the Board of Directors concerning:
  - a. Cannot do their job properly.
  - b. Not implementing the provisions of the legislations and / or the Articles of Association.
  - c. Engaging in acts that harm the Company and / or the State.
  - d. Found guilty by a court verdict having binding legal force.
3. The Board of Directors can be dismissed by the GMS based on other reasons are considered appropriate by the GMS in the interests and objectives of the Company.
4. The decision shall be taken after the concerned has been given the opportunity to defend themselves.
5. Dismissal for reasons above is a dishonorable discharge.
6. A member of the Board of Directors reserves the right to resign from office before their term ends by submitting a resignation in writing.
7. The Company shall organize a GMS to decide on the resignation of members of the Board of Directors and / or members of the Board of Commissioners at the latest within a period of ninety (90) days after receipt of the resignation letter.
8. For Board of Directors who resign before or after their term expires, unless due to death, shall still responsible for their actions that have not received accountability by the GMS.
9. Directors may be dismissed for a period of time by the Board of Commissioners stating the reasons if they are acting contrary to the budget or there is indication of loss of the Company or neglect in performing their obligations or there are compelling reasons for the Company with the provisions as follows:
  - a. The Board of Commissioners take the dismissal decision, stating the reasons.
  - b. The suspension in question must be notified in writing to the Director concerned with the reasons that led to such action with a copy to the Board of Directors.
  - c. Notice is given within the period of 2 (two) days following the adoption of the temporary dismissal.
  - d. Directors who have been suspended are not authorized to run the Company's management or represent the interests of the Company in accordance with the purposes and objectives of the Company both in and out of court.
  - e. Restrictions applicable to this suspension authority of the Board of Commissioners up to:
    - i. There is a decision by the GMS that cancels the suspension.
    - ii. The period lapses.



## GCG Structure and Mechanism

- f. Within a maximum period of ninety (90) days after the temporary dismissal a GMS must be held by the Board of Commissioners who will decide whether to revoke or strengthen the temporary dismissal decision.
- g. During that period, if the GMS cannot make a decision, or the GMS cancels the temporary dismissal, the temporary dismissal is void.
- h. The Board of Directors' Member concerned is given the opportunity to defend themselves. The Company shall invite the Director to appear and defend themselves.
- i. The GMS will be led by one of the shareholders elected by and from among the shareholders present.
- j. In the case of the GMS confirming the layoffs, then the Director will be subsequently dismissed.
- k. Suspension cannot be extended or set back for the same reason, if the dismissal is declared void.

### BODIES AND COMMITTEES BELOW THE BOARD OF COMMISSIONERS

In performing its duties, the Board is assisted by the Secretary to the Board of Commissioners and Supporting Committees, namely the Audit Committee, Risk Monitoring Committee, and the Remuneration Committee and the Nomination and Integrated Corporate Governance Committee. All committees are chaired by an Independent Commissioner. The description are as follows.

#### **SECRETARY TO THE BOARD OF COMMISSIONERS**

BOC BNI has established the Secretary to the Board of Commissioners in charge of helping and supporting the smooth operation and duties of the Board of Commissioners in monitoring and providing advice to the Directors in the management of the company. The Board of Commissioners' Secretariat is headed by the Secretary to the Board of Commissioners appointed by the Board of Commissioners and directly responsible to the Board of Commissioners.

In performing its duties, the Secretary to the Board of Commissioners is guided by the Minister of State-Owned Enterprises No. PER-12/MBU/2012 dated August 24, 2012 regarding Board of Commissioners and the Board of Trustees of State Owned Enterprises Supporting Bodies, which among other things regulates the Board of Commissioners Secretariat.

#### **Secretary to The Board of Commissioners' Duties and Responsibilities**

The Secretary to the Board of Commissioners has the duty and responsibility to carry out activities to help the smooth discharge of the Board of Commissioners' duties in performing policy oversight and the management of the Company by the Board of Directors in accordance with legislation and regulations, and to ensure the implementation of Good Corporate Governance (GCG) in all bank business activities, such as:

1. Preparation of Board of Commissioners' meetings and meeting materials and taking minutes of board meetings in accordance with the Company's Articles of Association.
2. Administering Board of Commissioners' documents ie incoming mail, outgoing mail, minutes of meetings and other documents.
3. Drafting the Board of Commissioners' Work Plan and Budget.
4. Drafting the Board of Commissioners / Supervisory Board Reports.
5. Ensuring that the Board of Commissioners comply with legislation and implement the principles of corporate governance.
6. Providing the information required by the Board of Commissioners periodically or at any time if requested.

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- 7. Coordinating Committee members when necessary to facilitate the Board of Commissioners' tasks.
  - 8. Acting as Board of Commissioners' a liaison officer with other parties.
  - 9. Carry out other duties for the Board of Commissioners.

### **Secretary To The Board of Commissioners' Profile**

The Secretary to the Board of Commissioners is Endra Gunawan appointed on August 24, 2015 by Board of Commissioners' No. Kep/026/DK/2015 dated August 13, 2015.



**ENDRA GUNAWAN**  
(August 24, 2015 – present)

Born in 1982. Graduate Diploma in Accounting from Sekolah Tinggi Akuntansi Negara in 2003, a Bachelor of Economics (S1) from Universitas Indonesia in 2007, Accountant (Ak.) Professional Accounting Education from Universitas Indonesia in 2011, and Master of Science (S2) from Universitas Indonesia in 2011. He currently serves as Sub Head SOE Restructuring SOE Ministry (2015-present). He previously served as a member of the PT PELNI (Persero) Risk Policy Committee (2009-2011), member of the of PT Sarinah (Persero) Audit Committee (2011-2012), Secretary to the Board of Commissioners of PT Pertamina Drilling Services Indonesia (2012-2013), and Secretary to the Board of Commissioners PT Krakatau Steel (Persero) Tbk (2013-2015).

### **Secretary To The Board of Commissioners' Duties In 2016**

During 2016, the Secretary to the Board of Commissioners carried out the functions and duties to assist and support the implementation the Board of Commissioners' in their supervision tasks and responsibilities of the Board of Directors through the provision of information, reviews, studies, and reports to the Board of Commissioners so that the supervisory function of the Board of Commissioners was effective, generally including the following matters.

- 1. Helping prepare a the Board of Commissioners' 2017 Work Plan and 2016 Work Plan.
- 2. Assisting the preparation Board of Commissioners' draft reports which is the obligation of the Board of Commissioners in accordance with the applicable regulators, among others:
  - a. Reports to the SOE Ministry quarterly
  - b. Reports to Otoritas Jasa Keuangan
  - c. Reports for Board of Commissioners' working visits

- 3. Monitoring, reviewing and informing the development of the latest legislation to be submitted to the Board of Commissioners, including the creation, renewal / adjustment of Board of Commissioners' Decree charters for committees under the Board of Commissioners based on legislation in force.
- 4. Coordinating and organizing board meetings, including preparing meeting schedule, meeting materials, preparing and administering the minutes of board meetings, advices and Board of Commissioners opinions based on meetings of the Board of Commissioners with the Board of Directors and monitor the follow-up of the opinions and recommendations from the Board of Commissioners.
- 5. Assisting and facilitating the tasks of the Committees below the Board of Commissioners as part of the Board of Commissioners' duties based on state laws, among others:
  - a. Coordinating division of the committees below the Board of Commissioners.
  - b. Coordinating and organizing meetings of committees below the Board of Commissioners, including preparing meeting



## GCG Structure and Mechanism

- materials, preparing and administering the minutes of meetings, and to providing suggestions and opinions on the committee meetings to the Board of Commissioners as input.
- c. Monitoring the implementation of the Work Plan committees below the Board of Commissioners.
  - d. Ensuring the completion of reports of committees below the Board of Commissioners.
  - 6. Carrying out administrative tasks related to easing the Board of Commissioners' tasks, namely the management, storage and administration of documents / correspondence including preparing letters for approval and Board of Commissioners' strategic input / suggestions submitted to the Board of Directors.

### AUDIT COMMITTEE

The Audit Committee is a committee established by the Board of Commissioners to assist their examinations or investigations considered necessary to the performance of the Board of Directors in managing the company, which in turn will improve the implementation of Good Corporate Governance.

#### Audit Committee Formation Basis

BNI Audit Committee was formed in 2000 by the Board of Commissioners' Decree No. Kep/05/DK/2000 dated July 28, 2000 on the Establishment of the Audit Committee, which refers to the following regulations.

1. OJK Regulation No. 55 / POJK.04 / 2015 dated December 23, 2015 on the Establishment and Implementation Guidance of the Audit Committee.
2. BAPEPAM Chairman Decree No. KEP-643/BL/2012 dated December 7, 2012 regarding the Audit Committee Task Establishment and Implementation Guidance.
3. Bank Indonesia Regulation Number 8/4/PBI/ 2006 dated January 30, 2006 regarding Implementation of Good Corporate Governance for Commercial Banks, amended by Bank Indonesia Regulation No. 8/14/ PBI/2006 dated October 5, 2006.
4. Bank Indonesia Circular Letter No. 15/15/DPNP/2013 dated April 29, 2013 regarding the implementation of Good Corporate Governance for Banks.

- 5. The Jakarta Stock Exchange (BEI) Directors Decision No. KEP-305/BEJ/07-2004 dated July 19, 2004 regarding the IA Rules on Registration of Shares and Equity Securities other than shares issued by a Listed Company.

#### Audit Committee Charter

The Company has a Working Guidelines and Rules of Conduct in the form of a BNI Audit Committee Charter continuously refined and updated in accordance with developments / changes in applicable laws as well as the current condition. Completion / renewal of the BNI Audit Committee Charter was last done in 2016 through Board of Commissioners' Decree No. Kep/009/DK/2016 for the PT Bank Negara Indonesia (Persero) Tbk. Audit Committee Charter and Code of which contained the structure and membership requirements, term of office, duties and responsibilities, authorities, Audit Committee meetings, as well as the reporting obligations related to the Audit Committee undertakings or activities. The Audit Committee Code of Conduct covers integrity, objectivity and independence, confidentiality, and competence.

#### Audit Committee Duties and Responsibilities

Audit Committee Duties and Responsibilities In carrying out its functions, the Audit Committee has duties and responsibilities as follows:

1. Reviewing the financial information to be published by the Company to the public and / or authorities, among others, financial statements, projections, and other statements relating to the Company's financial information.
2. Reviewing the adherence to laws and regulations relating to the Company's activities.
3. Provide independent opinion in the case of:
  - a. Disagreements between management and the Accountant for services rendered; and / or
  - b. Non-compliance of the public accounting firm's audit with applicable auditing standards.

4. Providing recommendations to the Board of Commissioners on the appointment of a Public Accountant and Public Accountant Office to be submitted to the General Meeting of Shareholders. Recommendations are given on the basis of aspects of independence, the scope of the assignment, and the fee.
5. Reviewing the implementation of audits by internal auditors and external auditors, and oversee the follow-up by the Board of Directors on the results of the auditor's findings, to provide recommendations to the Board of Commissioners.
6. Examining complaints relating to accounting and financial reporting processes in the Company.
7. Examining allegations of error in decisions from Board of Directors' Meeting or irregularities in the implementation of the results of the Board of Directors' Meeting. The examination can be carried out by the Audit Committee or an independent party proposed by the Audit Committee and approved by the Board of Commissioners at the expense of the Company.
8. Reviewing and providing advice to the Board of Commissioners in relation to potential conflict of interests in the Company.
9. Maintain the confidentiality of documents, data and information of the Company.

#### Audit Committee Authorities

In performing their duties, the Audit Committee has the authority as follows.

1. Access documents, data, and information about the Company's employees, funds, assets, and Company's resources as required.
2. Communicate directly with employees, including Directors and those who perform the function of internal audit, risk management, and accounting-related duties and responsibilities of the Audit Committee.

3. Involve independent outside members of the Audit Committee required to assist the implementation of the duties (if required).
4. Perform other powers granted by the Board of Commissioners.

In exercising its authority, the Audit Committee works in cooperation with SPI.

#### Audit Committee Structure, Membership and Expertise

The Audit Committee Structure consists of:

1. The Audit Committee established by and responsible to the Board of Commissioners.
2. The Audit Committee members appointed and dismissed by the Board of Commissioners.
3. The Audit Committee members consist at least:
  - a. An independent commissioner;
  - b. One independent party with expertise in finance or accounting; and
  - c. One independent party with expertise in law or banking.
4. The Audit Committee Chairman may only hold the position of Committee Chairman in no more than 1 (one) other committee.
5. Audit Committee membership comprises an Independent Commissioner as Audit Committee Chairman. In the case of more than one Independent Commissioner being members of the Audit Committee, then one of them will act as Audit Committee Chairman.



## GCG Structure and Mechanism

During 2016, the structure, membership and membership of the Audit Committee experienced several changes as described in the following tables:

The composition of the Audit Committee between January 1, 2016 - March 10, 2016 as follows.

**Audit Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Joseph F.P. Luhukay	Chairman	Independent Commissioner	Economic and Information Technology
Anny Ratnawati	Member	Independent Commissioner	Finance
Tubagus Chairul Amachi	Member	Independent Party	Economic
Sigid Moerkardjono	Member	Independent Party	Economic, Banking

The composition of the Audit Committee between March 10, 2016 - March 24, 2016 as follows.

**Audit Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Anny Ratnawati	Member	Independent Commissioner	Finance
Tubagus Chairul Amachi	Member	Independent Party	Economic
Sigid Moerkardjono	Member	Independent Party	Economic, Banking

The composition of the Audit Committee between March 24, 2016 - May 3, 2016 as follows.

**Audit Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Anny Ratnawati	Chairman	Independent Commissioner	Finance
Tubagus Chairul Amachi	Member	Independent Party	Economic
Sigid Moerkardjono	Member	Independent Party	Economic, Banking

The composition of the Audit Committee between May 3, 2016 - June 1, 2016 as follows.

**Audit Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Anny Ratnawati	Head	Independent Commissioner	Finance
Tubagus Chairul Amachi	Member	Independent Party	Economic

The composition of the Audit Committee between June 1, 2016 - June 12, 2016 as follows.

**Audit Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Anny Ratnawati	Chairman	Independent Commissioner	Finance
Tubagus Chairul Amachi	Member	Independent Party	Economic
Bambang Ratmanto	Member	Independent Party	Economic
Donnaria Silalahi	Member	Independent Party	Banking

The composition of the Audit Committee between June 12, 2016 - December 31, 2016 as follows.

**Audit Committee Structure, Membership and Expertise**

Nama	Jabatan	Keterangan	Keahlian
Anny Ratnawati	Chairman	Independent Commissioner	Finance
Bambang Ratmanto	Member	Independent Party	Economic
Donnaria Silalahi	Member	Independent Party	Banking

## AUDIT COMMITTEE PROFILES

**Chairman of the Audit Committee**

ANNY RATNAWATI

Profile can be viewed in the The Board of Commissioners section

**Audit Committee member**

BAMBANG RATMANTO

Indonesian citizen, domiciled in Jakarta. Born on May 6, 1958, aged 58. Appointed as a member of the Audit Committee on June 2016 by Board of Commissioners Decree No.KEP / 019 / DK / 2016 dated May 26, 2016. He holds a Bachelor Degree in Economics from Universitas Gadjah Mada (1982) and a Master in Management from Prasetya Mulya Business School (2008). He has held various important positions in several companies, including President Commissioner and Chairman of the Audit Committee and Chairman Risk Oversight Committee in PT Bank MNC Internasional Tbk. (2014-2016), Independent Commissioner in PT Bank MNC Internasional Tbk. (2013-2014), various positions with his last position as Credit Operation Policy Head (EVP) PT CIMB Niaga Tbk. (2008-2013), President Commissioner of PT Saseka Gelora Finance (subsidiary PT Bank Niaga Tbk.) (2007-2009), Non Executive Director of Niaga Finance Company-Hongkong (2000-2001), and various positions with his last position as Chief Audit Executive (EVP) at PT Bank Niaga Tbk. (1985-2007).

**Audit Committee members**

DONNARIA SILALAHI

Indonesian citizen, domiciled in Jakarta. Born on 16 September 1952, aged 64. Appointed as a member of the Audit Committee in June 2016 by Board of Commissioners Decree No.KEP / 020 /DK / 2016 dated May 26, 2016. He has held various important positions in several companies, among others, as a QA & HC Operation Division Head (EVP) (2014-2015) and Operational Division Head (EVP) (2012-2013) in PT Bank Tabungan Pension Nasional Tbk. dan PT Bank BTPN Syariah, Operational Risk Division Head (EVP) at PT Bank OCBC NISP Tbk. (2009-2012), various positions with his last position as Operation Risk Management Head (EVP) at PT Bank Danamon Indonesia Tbk. (2001-2009), and other positions with his last as the System and Operation Policy Group Head (VP) at PT Bank Niaga Tbk. (1984-2001).

## Audit Committee Education Qualifications and Work Experience

The requirements of the Audit Committee of the Company, are as follows.

1. Must have high integrity and good moral character, ability, knowledge, experience in accordance with the work, and ability to communicate well;

2. Is not a person who has worked or had the authority and responsibility for planning, directing, controlling, or supervising the activities of the company within 6 (six) months unless as Independent Director;
3. It is not a person from a public accounting firm, law firm, public appraisal services office or any other party that has provided assurance services, non-assurance services, appraisal services and / or other consulting services to the company within 6 (six) months;



## GCG Structure and Mechanism

4. Understands financial statements, the company's business, particularly related to services or business activities of the company, the audit process, risk management, and legislation in the field of capital markets and related legislations;
5. Subject to the code of conduct set by the audit committee of the company;
6. Willing to increase their competence continuously through education and training;
7. Must have at least one member who has an educational background and expertise in accounting and / or finance;
8. Do not have a direct or indirect stake in the company;
9. In the case of audit committee members acquiring company's shares either directly or indirectly as a result of a legal event, then such shares shall be transferred to another party within a maximum period of 6 (six) months after obtaining such shares;
10. Not affiliated with members of the Board of Commissioners, members of the Board of Directors or major shareholders of the Company; and
11. Not having a business relationship, directly or indirectly related to the Company's business activities.

As of December 31, 2016, the Chairman and Member of the Audit Committee educational qualifications and work experience was as follows.

### Audit Committee Education Qualifications and Work Experience

Name	Education	Work Experience
Anny Ratnawati	S1 Agribisnis S2 Agricultural Economy S3 Agricultural Economy	Budget Director General at the RI Ministry of Finance Deputy Chairman of the SKK Migas Supervisory Commission Board of Commissioners Member at Otoritas Jasa Keuangan Ex-Officio from the Ministry of Finance Board of Commissioners Member at Otoritas Jasa Keuangan Ex-Officio from the Ministry of Finance Lecturer of Economics and Management at Institut Pertanian Bogor
Bambang Ratmanto	S1 Economic S2 Management	Independent Commissioner in PT Bank MNC Internasional Tbk. Head of Credit and Operations Policy (EVP) at PT CIMB Niaga Tbk. President Commissioner of PT Saseka Gelora Finance (subsidiary of PT Bank Niaga Tbk.) Non-Executive Director in Niaga Finance Company-Hongkong Chief Audit Executive (EVP) at PT Bank Niaga Tbk
Donnaria Silalahi		QA&HC Operation Division Head (EVP) PT Bank Tabungan Pensiun Nasional Tbk. Operational Division Head (EVP) at PT Bank BTPN Syariah. Operational Risk Division Head (EVP) at PT Bank OCBC NISP Tbk. (2009-2012) Operation Risk Management Head (EVP) at PT Bank Danamon Indonesia Tbk. (2001-2009) System and Operation Policy Group Head (VP) at PT Bank Niaga Tbk. (1984-2001).

## Audit Committee Independence

All Members of the Audit Committee will be independent parties with no financial, management, share ownership and / or family relationship with the Board of Commissioners, Board of Directors

and / or Controlling Shareholders or relationship with the Bank, which could affect their ability to act independently. No Member of the Audit Committee can also be a member of other committees.

### Audit Committee Independence

Independence Aspect	Anny Ratnawati	Bambang Ratmanto	Donnaria Silalahi
Not have financial relationships with the Board of Commissioners and Board of Directors	√	√	√
Not have management relationships in the company, subsidiaries or affiliated companies	√	√	√
Not have stake in the company	√	√	√
Not have any family relationship with the Board of Commissioners, Board of Directors, and / or fellow members of the Audit Committee	√	√	√
Not serving on the boards of political parties, government officials	√	√	√

## Audit Committee Competency Development

Name	Position	Period	Competency Development Material / Training	Time and Place	Type of Training and Organizer
Joseph F.P. Luhukay	Chairman	March 10, 2016	-	-	-
Anny Ratnawati	Chairman	March 24, 2016 - December 31, 2016	Seminar and Executive Roundtable, Conglomerate Financial Services in Indonesia	Wednesday-Thursday January 13-14, 2016 Shangrila Hotel Jakarta	CRMS Indonesia/Center for Risk Management Studies and LPPI/ Lembaga Pengembangan Perbankan Indonesia
			Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry	Thursday-Friday March 17-18, 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)

## Audit Committee Meetings

- The Audit Committee shall hold meetings at least once a month.
- The Audit Committee meeting can take decisions if attended by at least 51% (fifty one percent) of the number of members including an Independent Commissioner and Independent Parties.
- Audit Committee meeting decisions are done by consensus. In the event that does not happen deliberation, decision-making is done by majority vote.
- The meeting will be chaired by the Audit Committee Chairman or a Independent Commissioner member of the Audit Committee if the Audit Committee Chairman is unable to attend.
- All Audit Committee meetings must be keep minutes of the meetings, signed by all members of the Audit Committee present. Dissent in committee meetings shall be clearly stated in the minutes of the meeting and the reasons for these differences.



## GCG Structure and Mechanism

### Audit Committee Meeting Frequency and Attendance

During 2016, the Audit Committee conducted 25 (twenty five) meetings, both internal meetings, meetings with the Sector Directors and Divisions concerned, as well as through Board of Commissioners' Meetings which were attended by Members of the Audit Committee with the goal of keeping things substantive and immediately reported to the Board of Commissioners.

During 2016, the Audit Committee conducted 1 (one) meeting, a meeting that was held for the BNI Fiscal Year 2015 AGMS, held on March 10, 2016 to discharge with respect Jos Luhukay as Independent Commissioner with his position as the Audit Committee Chairman terminated, and to date, the Board of Commissioners has not appointed a replacement Audit Committee Chairman.

Audit Committee meetings frequency and level of attendance.

Period January 1 to March 10, 2016

#### Audit Committee Meeting Frequency and Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Joseph F.P. Luhukay	Chairman	8	8	100%
Anny Ratnawati	Member	8	7	87,50%
Tubagus Chairul Amachi	Member	8	8	100%
Sigid Moerkardjono	Member	8	8	100%

Period March 10 – 24, 2016

#### Audit Committee Meeting Frequency and Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Anny Ratnawati	Member	1	1	100%
Tubagus Chairul Amachi	Member	1	1	100%
Sigid Moerkardjono	Member	1	1	100%

Period March 10 – May 3, 2016

#### Audit Committee Meeting Frequency and Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Anny Ratnawati	Chairwoman	5	5	100%
Tubagus Chairul Amachi	Member	5	5	100%
Sigid Moerkardjono	Member	5	5	100%

Period May 3 – June 1, 2016

#### Audit Committee Meeting Frequency and Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Anny Ratnawati	Chairwoman	-	-	-
Tubagus Chairul Amachi	Member	-	-	-

Period June 1 – 12, 2016

**Audit Committee Meeting Frequency and Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Anny Ratnawati	Chairwoman	-	-	-
Tubagus Chairul Amachi	Member	-	-	-
Bambang Ratmanto	Member	-	-	-
Donnaria Silalahi	Member	-	-	-

Period June 12 – December 31, 2016

**Audit Committee Meeting Frequency and Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Anny Ratnawati	Chairwoman	12	12	100%
Bambang Ratmanto	Member	12	12	100%
Donnaria Silalahi	Member	12	12	100%

**Audit Committee Meeting Agenda**

Throughout 2016, the Audit Committee meeting date of execution, Agenda and Participants were as follows.

**Audit Committee Meeting Agenda**

No.	Meeting Date	Meeting Agenda	Attendees
1	January 4, 2016	<ul style="list-style-type: none"> <li>• 2015 Audit Committee activities Realization and 2016 Audit Committee activities Plan</li> <li>• Audit Committee Report for 2015 Annual Report</li> </ul>	Joseph F. P Luhukay Tubagus Chairul Amachi Sigid Moerkadjono
2	January 11, 2016	Finalization 2016 SPI Audit Plan 2015 Progress Report Audit	Joseph F.P Luhukay Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
3	January 18, 2016	Publication December 31, 2015 Financial report	Joseph F. P Luhukay Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
4	January 25, 2016	<ul style="list-style-type: none"> <li>• Implementation Evaluation SPI RKAT Quarter 4 2015</li> <li>• Principal Audit Results Evaluation Semester 2 2015</li> <li>• SPI Follow-up Inspection</li> </ul>	Joseph F. P Luhukay Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
5	February 10, 2016	Principal Audit Results Evaluation Semester 2 - 2015 SPI Follow-up Inspection	Joseph F.P Luhukay Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
6	February 17, 2016	<ul style="list-style-type: none"> <li>• Review Realization of Facilities for Boards of Directors and Board of Commissioners - 2015</li> <li>• PKBL Realization - 2015</li> </ul>	Joseph F.P Luhukay Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono



## GCG Structure and Mechanism

No.	Meeting Date	Meeting Agenda	Attendees
7	February 24, 2016	<ul style="list-style-type: none"> <li>• Principal Audit Results Evaluation Semester 2 - 2015</li> <li>• SPI Follow-up Inspection</li> <li>• Monitoring Follow-Up Fraud Cases</li> </ul>	Joseph F.P Luhukay Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
8	March 2, 2016	Progress Corporate University formation	Joseph F.P Luhukay Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
9	March 16, 2016	Financial Performance February 2016	Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
10	March 24, 2016	<ul style="list-style-type: none"> <li>• Compliance Division Realization Review up to Quarter 4 2015</li> <li>• Compliance Division Work Plan 2016</li> <li>• Anti Fraud Strategy Program</li> <li>• Program Whistle Blowing System</li> <li>• BNI Subsidiary Companies Performance Review as at February 29, 2016</li> <li>• Review Internal Audit Charter</li> </ul>	Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
11	March 31, 2016	BNI Subsidiary Companies Performance as at February 29, 2016	Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
12	April 14, 2016	<ul style="list-style-type: none"> <li>• Review of Financial Performance and Publications as at March 31, 2016</li> <li>• Audit Committee Work Plan Realization Quarter I 2016</li> <li>• Update Internal Audit Charter</li> </ul>	Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
13	April 21, 2016	<ul style="list-style-type: none"> <li>• Update Progress Corporate University formation</li> <li>• Employee Turn Over U</li> </ul>	Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
14	April 28, 2016	<ul style="list-style-type: none"> <li>• RKAT SPI Implementation Evaluation Quarter 1 2016</li> <li>• SPI Follow-up Inspection</li> <li>• OJK Follow-up Inspection</li> <li>• BPK RI Follow-up Inspection</li> <li>• Monitoring Follow-Up Fraud Cases</li> </ul>	Anny Ratnawati Tubagus Chairul Amachi Sigid Moerkadjono
15	June 16, 2016	<ul style="list-style-type: none"> <li>• KPN Division Realization Review up to Quarter 1 2016</li> <li>• Anti Fraud Program Strategy</li> <li>• Whistle Blowing System Program</li> <li>• Audit Completion Report and Internal Control Report - 2015</li> <li>• Review Proposed HPS Procurement KAP - 2016</li> <li>• Financial Performance May 2016</li> <li>• Review Proposed Revision RBB 2016-2018</li> </ul>	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
16	July 21, 2016	<ul style="list-style-type: none"> <li>• Published Financial report as at June 30, 2016</li> <li>• Review Proposed Procurement Winners KAP - 2016</li> </ul>	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
17	August 4, 2016	<ul style="list-style-type: none"> <li>• RKAT SPI Implementation Evaluation Quarter 2 - 2016</li> <li>• Principal Audit Results Evaluation Semester 1 - 2016</li> <li>• SPI Follow-up Inspection</li> <li>• OJK Follow-up Inspection</li> <li>• BPK RI Follow-up Inspection</li> <li>• Audit Committee Principal Recommendations and Opinions Quarter 2 2016</li> <li>• Review Proposed Disposal of Assets</li> </ul>	Anny Ratnawati Bambang Ratmanto Donaria Silalahi

No.	Meeting Date	Meeting Agenda	Attendees
18	August 25, 2016	<ul style="list-style-type: none"> <li>• Principal Audit Results Evaluation Semester 1 2016</li> <li>• Monitoring Follow-Up Fraud Cases</li> </ul>	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
19	September 15, 2016	<ul style="list-style-type: none"> <li>• KPN Division Realization Review up to Quarter 2 2016</li> <li>• Anti Fraud Program Strategy</li> <li>• Whistle Blowing System Program</li> <li>• Compliance Index, Compliance Committee, and Implementation of Compliance Function</li> <li>• Kick Off Meeting 2016 Audit</li> </ul>	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
20	October 6, 2016	Review Audit Results Report 2016	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
21	October 13, 2016	Published Financial report as at September 30, 2016	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
22	October 20, 2016	<ul style="list-style-type: none"> <li>• Dashboard Risk Profile</li> <li>• Assessment Integrated Governance Rating</li> </ul>	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
23	November 23, 2016	<ul style="list-style-type: none"> <li>• RKAT SPI Implementation Evaluation Quarter 3 2016</li> <li>• SPI Material Findings</li> <li>• SPI Follow-up Inspection</li> <li>• External Auditor (OJK, BPK RI, KAP) Follow-up Inspection</li> <li>• Monitoring Follow-Up Fraud Cases</li> <li>• ORSA SPI Evaluation</li> </ul>	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
24	November 28, 2016	<ul style="list-style-type: none"> <li>• APU PPT Policy Approval</li> <li>• Compliance report up to Quarter 3 - 2016</li> <li>• Compliance Division Realization Review up to Quarter 3 - 2016</li> <li>• Anti Fraud Program Strategy</li> <li>• Whistle Blowing System Program</li> <li>• Case Material Progress Report</li> </ul>	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
25	December 14, 2016	<ul style="list-style-type: none"> <li>• RKAT and SPI Audit Methodology - 2017</li> <li>• Audit Committee Report for 2016 Annual Report</li> <li>• Audit Committee 2017 Work plan</li> </ul>	Anny Ratnawati Bambang Ratmanto Donaria Silalahi
26	December 15, 2016	Progress Report General Audit - 2017	Anny Ratnawati Bambang Ratmanto Donaria Silalahi

### Audit Committee Brief Activities Report For 2016

During 2016, the Audit Committee performed the following duties and.

1. Reviewed the financial information to be published by the Company to the public and / or the Authority.
2. Reviewed the adherence to laws and regulations relating to the Company's activities.

3. Evaluated the effectiveness of the audit / services provided by the Public Accounting Firm (KAP), including the independence and objectivity.
4. Provided recommendations to the Board of Commissioners on the appointment of a Public Accountant and KAP to audit the financial year 2016.
5. Reviewed the implementation of the audit by internal auditors and external auditors, and oversaw the implementation of the follow-up by the Board of Directors on the findings of the auditors.



## GCG Structure and Mechanism

- a. Conducted a review of the planning and execution of SPI audit and consulting, as well as follow-up monitoring of SPI findings.
- b. Conducted a review of the planning and implementation of the of the Compliance Division (KPN) review as well as monitoring the follow-up results of the KPN Division review.
- c. Conducted a review of the implementation of the OJK inspection, follow-up and supervision of the OJK test results.
- d. Conducted a review of the BPK implementation and monitoring follow-up of BPK results.
- e. Conducted a review of the KAP examination, as well as monitoring the follow-up results of the KAP (Management Letter / Internal Control Report).
- f. Monitored the preparation of the Board of Commissioner and Board of Directors report on the audit results.
- g. Monitored progress resolution of employee cases, and follow-up cases relating to fraud.
- 6. Assessed BNI Internal Control System.
  - a. To evaluate Whistle Blowing System (WBS) application.
  - b. To evaluate the Anti Fraud Strategy Program application.
- 7. Provided Credit Discipline development program recommendations to improve the credit quality of the Bank.
- 8. Provided recommended to add a curriculum regarding audit findings as lessons to be learned at BNI Corporate University.
- 9. Reviewed the company's monthly performance reports and RBB 2017-2019 proposals submitted to Management.
- 10. Reviewed the management proposals requiring Board of Commissioners' approval.
- 11. Created a report on the Audit Committee duties implementation.
- 12. Coordination between the Committee.

### Audit Committee Report

The Company's management was good (GCG), the Board of Commissioners has established an Audit Committee with reference to the prevailing regulations. To meet OJK Regulation No. 55 / POJK.04 / 2015 dated December 23, 2015, BNI has established an Audit Committee Charter and other information required under the OJK Regulations on the Company Website.

The Duties and Responsibilities of the Audit Committee, as well as the Code of Ethics are set out in the Audit Committee Charter and Code of Conduct established by the Board of Commissioners. The Audit Committee Duties and Responsibilities and Code of Conduct can be seen in the Corporate Governance Overview section, sub-section Committees Below the Board of Commissioners, sub-sub- section for the Audit Committee.

In fiscal year 2016, the Audit Committee through their meetings held discussions with relevant parties on the following points.

#### a. Management

The Audit Committee reviewed the unaudited financial statements which will be published in 2016, to ensure that the content and disclosure of information is in accordance with accounting standards and applicable regulations. Evaluation of the audit effectiveness, independence, objectivity by the external auditors, and the adequacy of the examination was also carried out by the Audit Committee through discussions with management. In addition, discussions were also conducted in conjunction with the Risk Oversight Committee and Integrated Corporate Governance Committee to ensure the adequacy of the internal control system, risk management system and GCG implementation. The Committee also held discussions and follow-up monitoring regarding the Audit findings, both Internal and External Audit Completion, monitoring follow-up settlement of cases that occurred to accelerate the settlement and actions necessary for any administrative sanctions.

To improve the Bank credit quality, Audit Committee recommended to the Board of Commissioners to implement a Credit Management Discipline Program and add audit findings to the curriculum at BNI Corporate University as lessons to be learned.

b. External auditor

In the framework of the financial statements audit per December 31, 2016 conducted by Public Accounting Firm (KAP), the Audit Committee discussed the audit plan, monitored the audit progress including findings that required adjustments, evaluated internal control, including internal control over Company financial

reporting, as well as the quality of the Company's overall financial reporting.

To monitor the results of audits conducted by external auditors, namely Bank Indonesia (BI) / Otoritas Jasa keuangan (OJK), Badan Pemeriksa Keuangan (BPK), Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK), and KAP, the Audit Committee evaluated the actions taken by the management for the intended results from the external auditors audit. A review and evaluation the external audit results was conducted by the Audit Committee at the end of 2016 as follows.

- Based on the BI / OJK audit results, obtained 1,289 (one thousand two hundred and eighty nine) findings that required follow-up, and 1,250 (one thousand two hundred and fifty) completed actionable findings.
- Based on the BPK audit results, obtained 687 (six hundred eighty-seven) findings that required follow-up, and 634 (six hundred and thirty four) completed actionable findings.
- Based on the PPATK audit results, there were no findings that required follow up.
- Based on the KAP Tanudiredja Wibisana and Partners (PricewaterhouseCoopers) audit results in the form of their Internal Control Report (Management Letter), obtained 19 (nineteen) findings that required follow-up, and all the completed follow-up findings.

c. Internal Audit Unit

The Audit Committee conducted a review of the annual internal audit plan based on risk, monitored the examination implementation and results, and follow-up completion by the Company's management. The Audit Committee also held discussions with the Internal Audit Unit (IAU), to boost their effectiveness and to strengthen the SPI function.

Based on the 2016 SPI RKAT, the activities plan undertaken by SPI was as follows:

No	Activity's kind	Plan	Realization
1	Common Audit	89	85
2	IT Audit	3	10
3	Issue Audit	22	27
4	Deepening Audit	-	31
5	Surprise Audit	-	11
6	Consultation	-	3
Total		114	167

From the review and evaluation results of the SPI follow-up audit until the end of 2016, there were 116 (one hundred and sixteen) follow-ups still in the process of completion, including 26 (twenty-six) follow-ups from the SPI 2015 audit, and 90 (ninety) from the SPI 2016 audit.

Based on the review and evaluation of the process of resolving the employees cases, in 2016 there were 108 (one hundred and eight) cases. A total of 76 (seventy-six) cases have been processed, while 32 (thirty-two) cases are still in the process of completion.

For employees who committed violations and fraud, layoff sanctions (Termination of Employment) for 51 (fifty one) employees, demotion sanctions for ten (10) employees, STK sanctions (Final Warning Letter) to 24 (twenty-four) employees, STE sanctions (Warning Letter) to 26 (twenty-six) employees, and SP sanctioning (Development Letter) to 102 (one hundred and two) employees.



## GCG Structure and Mechanism

With regard to the SPI functions as a third line of defense, the Audit Committee has recommended to SPI to revisit Internal Controls placed in all divisions and operating units, as well as involvement in operational activities.

- d. Director of Compliance & Enterprise Risk  
Director of Compliance and Risk based on the Audit Committee review report for Compliance with Banking and other legislation related provisions, delivered a report to the Director of Compliance. During 2016, the Company routinely submitted the report to OJK in accordance with Bank Indonesia Regulation Number 1/6 / PBI / 1999 dated September 20, 2007. Also, the Audit Committee conducted a review and discussion on the Compliance Division work plan, the employee cases, the Whistle Blowing System (WBS) implementation, and the application of the Anti Fraud Strategy Program..

The Compliance Division work plan discussion is done to encourage effectiveness synergies between the Compliance Division and SPI in conducting internal oversight functions, especially the Company's compliance with applicable regulations.

Based on the WBS reports review and evaluation, during 2016 there were 38 (thirty-eight) reports submitted by WBS, consisting of 7 (seven) reports with insufficient evidence / false, 4 (four) reports related to code of ethics violation proved, 2 (two) reports related to fraud proved, one (1) report related to bribery / gratuity proved, 18 (eighteen) reports related to infringement of rules / laws, and 6 (six) follow-up reports are still in the process of completion.

Anti Fraud Strategy Implementation took place in the second half of 2015 and was reported to OJK in January 2016, and the Anti-Fraud Strategy Implementation in the first half of 2016 was reported to OJK in July 2016. In 2016, there were two (2) cases of fraud reported as incidental reports to OJK. Based on the review and evaluation of the application of the Anti-Fraud Strategy, in 2016 the number of internal fraud that occurred was 70 (seventy) events and the number of external fraud that occurred three (3) events.

- e. The Board of Commissioners duties and responsibilities implementation, as well as the Audit Committee recommendations, have been periodically reported to the Board of Commissioners, as follows:
  - Reviewed the proposed KAP appointment and the Audit Committee recommendation to the Board of Commissioners to appoint KAP Purwantono, Sungkoro & Surja (a member of Ernst & Young) to conduct an audit of the BNI Consolidated Financial Statements ended December 31, 2016, and to review the effectiveness of the Public Accountant Office audit Services including aspects of independence and objectivity.
  - Reviewed the Published Financial Reports.
  - Reviewed the effectiveness of the internal audit function with regard to realization of RKAT, the findings and recommendations included a compliance audit on Internal Control, the risk management and corporate governance (GCG) processes.
  - Reviewed the effectiveness of the follow-up on the completion of Internal Auditor and External Auditor (OJK, CPC, PPATK) findings.
  - Reviewed a review of the Company RBB 2017-2019 monthly performance report and proposal submitted to Management.
  - Reviewed management proposals that required the approval of the Board of Commissioners.

## NOMINATION AND REMUNERATION COMMITTEE

### Nomination and Remuneration Committee Formation Basis

The Nomination and Remuneration Committee was formed in 2002 by virtue of a decision by the Board of Commissioners No. Kep/01/DK/2002 dated December 2, 2002 on the Establishment of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee established by the Board of Commissioners and carries out their duties according to regulations, which are as follows.

1. POJK number 34/POJK.04/2014 regarding the Nomination and Remuneration Committee of Public Company.
2. Bank Indonesia Regulation Number 8/4/PBI/2006 dated January 30, 2006 regarding Implementation of Good Corporate Governance for Commercial Bank, amended by Bank Indonesia Regulation No. 8/14/PBI/2006 dated October 5, 2006.
3. Bank Indonesia Circular Letter No. 15/15/DPNP/ dated 29 April 2013 regarding the implementation of Good Corporate Governance for Banks.
4. Ministry of State Enterprises Regulation No. Per-01/MBU/2011 dated August 1, 2011 regarding Implementation of Good Corporate Governance (GCG) in State-Owned Enterprises (SOEs); jo Ministry of State-Owned Enterprises No. PER-09/MBU/2012 regarding Amendments to the Ministry for State-Owned Enterprises Regulation No. PER-01/MBU/2011 regarding Implementation of Good Corporate Governance (GCG) in State-Owned Enterprises.

### Nomination and Remuneration Committee Charter

The Company has a Nomination and Remuneration Committee Charter that is continually refined and updated, in accordance with the development of laws and regulations, and current conditions. Renewal / improvement of the BNI Remuneration and Nomination Committee Charter was last conducted in 2015 through PT. Bank Negara Indonesia (Persero) Tbk Board of Commissioners' Decree No. 027 KEP/DK/2015 dated September 21, 2015 regarding the

Nomination and Remuneration Committee Charter renewal. The Nomination and Remuneration Committee Charter contains the vision and mission, membership structure, membership requirements, responsibilities, duties, rights and obligations and authority, meetings, and tenure of Nomination and Remuneration Committee members.

### Nomination and Remuneration Committee Duties and Responsibilities

The Nomination and Remuneration Committee Duties and Responsibilities consist of:

1. Related to nomination:
  - a. Provide recommendations to the Board of Commissioners on:
    - i. The tenure of members of the Board of Directors and / or members of the Board of Commissioners;
    - ii. The policies and criteria required in the Nomination process; and
    - iii. Performance evaluation policy for members of the Board of Directors and / or members of the Board of Commissioners.
  - b. Assist the Board to assess the performance of members of the Board of Directors and / or members of the Board of Commissioners based on benchmarks that had been developed as an evaluation.
  - c. Provide recommendations to the Board of Commissioners regarding the capacity building program of the Board of Directors and / or members of the Board of Commissioners.
  - d. Provide proposals / recommendations for candidates who qualify as members of the Board of Directors and / or members of the Board of Commissioners to the Board of Commissioners to be submitted to the General Meeting of Shareholders.
  - e. Develop and provide recommendations to the Board of Commissioners regarding the systems and procedures and / or replacement of members of the Board of Commissioners and Board of Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders.



## GCG Structure and Mechanism

- f. Provide recommendations to the Board of Commissioners for Independent Parties to become a member of the Audit Committee and the Risk Oversight Committee.
- 2. Related to remuneration:
  - a. Evaluate the remuneration system / policy for the Board of Commissioners, Board of Directors and Executive Officers and Employees.
  - b. Develop and provide recommendations to the Board regarding:
    - i. The remuneration structure;
    - ii. The remuneration policy; and
    - iii. The amount of remuneration; for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders; The structures, policies and amount of remuneration for the Board of Commissioners and Board of Directors mentioned above in the evaluation by the Nomination and Remuneration Committee at least once a year.
  - c. Develop and provide recommendations to the Board of Commissioners regarding the remuneration policy for Executive Officers and employees to be submitted to the Board of Directors.
  - d. Assist the Board to assess the performance of the suitability of remuneration received by each member of the Board of Directors and / or members of the Board of Commissioners.
- 3. Carry out other tasks given by the Board of Commissioners.
- 4. Evaluate and develop and provide recommendations to the Board regarding the nomination and remuneration system / policy for the Board of Commissioners, Board of Directors, executive officers and employees.

### Nomination and Remuneration Committee Authority

Members of the Remuneration and Nomination Committee have the authority as follows.

1. Based on a written assignment letter from the Board of Commissioners, the Nomination and Remuneration Committee may access the records or information about employees, funds, assets, and other resources owned by the company relating to the performance of its duties. The Committee shall report in writing the result of the assignment to the Board of Commissioners.
2. To carry out its Nomination and Remuneration Committee duties and cooperate with the Human Capital Division and other relevant Divisions.
3. The Nomination and Remuneration Committee, with the approval of the Board of Commissioners, reserves the right to appoint a third party (person or entity) to assist in carrying out their duties.
4. Members of the Nomination and Remuneration Committee shall perform their duties well and maintain the confidentiality of all documents, data and company information from both internal and external parties and use only for the benefit of the Committee's tasks.
5. The Nomination and Remuneration Committee, in performing its duties and responsibilities related to the remuneration policy, shall take into account at least:
  - a. Financial performance and reserves as set forth in the applicable legislation.
  - b. Individual job performance.
  - c. The reasonableness of peer groups, and
  - d. Consideration of the Bank's long-term goals and strategies.
    - i. Before the end of the current financial year, the Nomination and Remuneration Committee shall prepare and submit a work plan and annual budget to the Board of Commissioners to be set, and a copy of which will be delivered by the Board of Commissioners of the Board of Directors. The implementation of the Nomination and Remuneration Committee work plan and annual budget will be reported to the Board of Commissioners.

- ii. The Nomination and Remuneration Committee shall prepare and submit reports on their tasks, responsibilities and procedures to the Board of Commissioners.

### **Nomination and Remuneration Committee Structure, Membership and Expertise**

The structure and membership of the Nomination and Remuneration Committee is as follows.

1. The Nomination and Remuneration Committee is established by the Board of Commissioners. The Board of Commissioners can form a Nomination and Remuneration Committee individually.
2. The Nomination and Remuneration Committee shall act in an independent and responsible manner directly to the Board of Commissioners.
3. Appointment of Nomination and Remuneration Committee Members for the Board of Directors is based on the decision made by the Board of Commissioners.

4. The Nomination and Remuneration Committee consists of at least three (3) members, namely 1 (one) Independent Commissioner serving as Chairman, 1 (one) Commissioner and 1 (one) company executive officer in charge of human resources ,
5. The Nomination and Remuneration Committee is chaired by an Independent Commissioner. The Chairman of the Nomination and Remuneration is only allowed a concurrent position as Committee Chairman in 1 (one) other committee in the company.
6. Nomination and Remuneration Committee Members must not be from the Board of Directors, both at the same Bank or other banks.
7. Membership of the Nomination and Remuneration Committee with more than three (3) persons, then at least less 2 (two) members of the Committee will be Independent people.
8. If deemed necessary, the Committee may appoint a Secretary to the Committee with the assignment, the rights, powers and responsibilities assigned by the Chairman of the Committee.

In 2016, the structure and membership of the Nomination and Remuneration Committee experienced several changes as described in the tables below:

Period January 1 – 13, 2016

#### **Nomination and Remuneration Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Vice President Commissioner / Independent Commissioner	Law
Daniel Theodore Sparringa	Member	Independent Commissioner	Sociology
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Zulkifli Zaini	Member	Independent Commissioner	Banking
Anny Rathawati	Member	Independent Commissioner	Finance
Revisond baswir	Member	Commissioner	Economy
Pataniari Siahaan	Member	Commissioner	Law
Joseph F.P Luhukay	Member	Independent Commissioner	Economic and Information Technology
Gatoet Gembiro Noegroho	Member	Human Capital Management Division Head	



## GCG Structure and Mechanism

**Period January 13 – 20, 2016**

**Nomination and Remuneration Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Vice President Commissioner / Independent Commissioner	Law
Daniel Theodore Sparringa	Member	Independent Commissioner	Sociology
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Zulkifli Zaini	Member	Independent Commissioner	Banking
Anny Ratnawati	Member	Independent Commissioner	Finance
Revrisond baswir	Member	Commissioner	Economy
Pataniari Siahaan	Member	Commissioner	Law
Joseph F.P Luhukay	Member	Independent Commissioner	Economic and Information Technology

**Period January 20 – March 10, 2016**

**Nomination and Remuneration Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Vice President Commissioner / Independent Commissioner	Law
Daniel Theodore Sparringa	Member	Independent Commissioner	Sociology
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Zulkifli Zaini	Member	Independent Commissioner	Banking
Anny Ratnawati	Member	Independent Commissioner	Finance
Revrisond baswir	Member	Commissioner	Economy
Pataniari Siahaan	Member	Commissioner	Law
Joseph F.P Luhukay	Member	Independent Commissioner	Economic and Information Technology
Ayu Sari Wulandari	Member	Human Capital Management Division Head	

**Period March 10 –April 20, 2016**

**Nomination and Remuneration Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Vice President Commissioner / Independent Commissioner	Law
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Anny Ratnawati	Member	Independent Commissioner	Finance
Revrisond baswir	Member	Commissioner	Economy
Pataniari Siahaan	Member	Commissioner	Law
Ayu Sari Wulandari	Member	Human Capital Management Division Head	

Period April 20 – May 4, 2016

**Nomination and Remuneration Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Vice President Commissioner / Independent Commissioner	Law
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Anny Ratnawati	Member	Independent Commissioner	Finance
Revisond baswir	Member	Commissioner	Economy
Pataniari Siahaan	Member	Commissioner	Law
Joni Swastanto	Member	Commissioner	Banking
Ayu Sari Wulandari	Member	Human Capital Management Division Head	

Period May 4 – 10, 2016

**Nomination and Remuneration Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Vice President Commissioner / Independent Commissioner	Law
Hartadi A. Sarwono	Member	President Commissioner / Independent Commissioner	Macroeconomics and Finance
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Anny Ratnawati	Member	Independent Commissioner	Finance
Revisond baswir	Member	Commissioner	Economy
Pataniari Siahaan	Member	Commissioner	Law
Joni Swastanto	Member	Commissioner	Banking
Ayu Sari Wulandari	Member	Human Capital Management Division Head	

Period May 10 – October 25, 2016

**Nomination and Remuneration Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Vice President Commissioner / Independent Commissioner	Law
Hartadi A. Sarwono	Member	President Commissioner / Independent Commissioner	Macroeconomics and Finance
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Anny Ratnawati	Member	Independent Commissioner	Finance
Revisond baswir*	Member	Commissioner	Economy
Pataniari Siahaan*	Member	Commissioner	Law
Joni Swastanto	Member	Commissioner	Banking
Bistik Simbolon	Member	Commissioner	Law
Ayu Sari Wulandari	Member	Human Capital Management Division Head	

\*Undertaking a cooling off in order transition from Commissioners to Independent Commissioner from June 27, 2016 until December 27, 2016.  
Effectively served as Independent Commissioner since January 25, 2017.



## GCG Structure and Mechanism

**Period June 27 – October 25, 2016**

**Nomination and Remuneration Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Vice President Commissioner / Independent Commissioner	Law
Hartadi A. Sarwono	Member	President Commissioner / Independent Commissioner	Macroeconomics and Finance
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Anny Ratnawati	Member	Independent Commissioner	Finance
Joni Swastanto	Member	Commissioner	Banking
Bistik Simbolon	Member	Commissioner	Law
Ayu Sari Wulandari	Member	Human Capital Management Division Head	

**Period October 25 – December 31, 2016**

**Nomination and Remuneration Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Vice President Commissioner / Independent Commissioner	Law
Hartadi A. Sarwono	Member	President Commissioner / Independent Commissioner	Macroeconomics and Finance
Anny Ratnawati	Member	Independent Commissioner	Finance
Joni Swastanto	Member	Commissioner	Banking
Bistik Simbolon	Member	Commissioner	Law
Ayu Sari Wulandari	Member	Human Capital Management Division Head	

## Nomination and Remuneration Committee Profiles

A brief profile of the Chairman and Members of the Nomination and Remuneration are as follows.

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### Nomination and Remuneration Committee Chairman

PRADJOTO

Profile can be viewed in The Board of Commissioners section

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### Nomination and Remuneration Committee Member

HARTADI A. SARWONO

Profile can be viewed in The Board of Commissioners section

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### Nomination and Remuneration Committee Member

ANNY RATNAWATI

Profile can be viewed in The Board of Commissioners section

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### Nomination and Remuneration Committee Member

BISTOK SIMBOLON

Profile can be viewed in The Board of Commissioners section

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### Nomination and Remuneration Committee Member

JONI SWASTANTO

Profile can be viewed in The Board of Commissioners section

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### Nomination and Remuneration Committee Member

AYU SARI WULANDARI

AYU SARI WULANDARI  
Indonesian citizen, domiciled in Bogor Born on December 1, 1969, aged 47. Appointed as a Company Remuneration and Nomination Committee Member in January 2016 by virtue of of Board of Commissioners decision No.KEP / 002 / DK / 2016 dated February 29, 2016. Holds a Bachelor degree in Industrial Engineering from Institut Pertanian Bogor and Master of Applied Finance from The University of Melbourne. He has held several important positions in various companies, such as Small Business Deputy Division Head at PT Bank Negara Indonesia (Persero) Tbk. (2010-2011), Small Business Division Head at PT Bank Negara Indonesia (Persero) Tbk. (2011- 2012), State Enterprises and Institutions Deputy Division Head PT Bank Negara Indonesia (Persero) Tbk. (2012- 2014), Market & Portfolio Intelligence Deputy Division Head PT Bank Negara Indonesia (Persero) Tbk. (2014-2015) and Market &Portfolio Intelligence Division Head of PT Bank Negara Indonesia (Persero) Tbk. (2015). He currently serves as Human Capital Division Head at PT Bank Negara Indonesia (Persero) Tbk.(January 2016-present).

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## GCG Structure and Mechanism

### Nomination and Remuneration Committee Education Qualifications and Work Experience

As of December 31, 2016, the educational qualifications and work experience of the Head and Members of the Nomination and Remuneration Committee were as follows.

**Nomination and Remuneration Committee Education Qualifications and Work Experience**

Name	Education	Work Experience
Hartadi A. Sarwono	S1 Industrial Engineering S2 Macroeconomics S3 Monetary Theory and Policy	Deputy Director of Economic Research and Monetary Policy BI BI Chief Representative Tokyo BI Deputy Governor Indonesian Banking Development Institute (LPPI) President Director
Pradjoto	S1 Law S2 Economy	Head of the PERBANAS Board of Ethics Chairman Board of Governors BI Legal Counsel Bank Internasional Indonesia Senior Advisor Banking Expert RI Attorney General Bank Mandiri Independent Commissioner Indonesian Bankers Association (IBI) Board Advisor Board for Business Banking Code of Ethic Banks Association Supervisor
Anny Ratnawati	S1 Agrobusiness S2 Agricultural Economy S3 Agricultural Economy	RI Ministry of Finance Director General Budget SKK Migas Supervisory Commission Deputy Chairman Board of Commissioners Member at Otoritas Jasa Keuangan Ex-Officio from the Ministry of Finance Deputy Minister of Finance for the RI Ministry of Finance Lecturer of Economics and Management Institut Pertanian Bogor
Bistik Simbolon	S1 Law S2 Economy	Legal Bureau Chief Cabinet Secretary Head of the Bureau of the ministry, defense, ratification and Legal Issues Cabinet Secretariat Deputy Cabinet Secretary for Political, Legal and Security Commissioner and President Commissioner of PT Industri Kereta Api (Persero) Deputy Chief Cabinet Secretary
Joni Swastanto	S1 Economy S2 Economy S3 Economy Science	Banking Supervision 3 Department Director, BI Licensing and Banking Information Department Director, BI BI Chief Representative, Semarang Licensing and Banking Information Department Head, BI Licensing and Banking Information Department Head, OJK Strategic Management IIB Deputy Commissioner, OJK
Ayu Sari Wulandari	S1 Technique Agricultural Industry S2 Finance	BNI Small Business Deputy Division Head BNI Small Business Division Head BNI State Enterprises and Institutions Deputy BNI Market Intelligence & Portfolio Deputy BNI Market Intelligence & Portfolio Division Head

### Nomination and Remuneration Committee Independence

All independent party members of the Nomination and Remuneration Committee shall have no financial, management, share ownership and / or family relationship with the Board of Commissioners, Board of Directors and / or Controlling Shareholders or relationship with the bank, which could affect their ability to act independently.

#### Nomination and Remuneration Committee Independence

Independence Aspect	Pradjoto	Hartadi A. Sarwono	Anny Ratnawati	Revisond baswir	Pataniari Siahaan	Joni Swastanto	Bistok Simbolon	Ayu Sari Wulandari
Not have financial relationships with the Board of Commissioners and Board of Directors	√	√	√	√	√	√	√	√
Not have management relationships in the company, subsidiaries or affiliated companies	√	√	√	√	√	√	√	√
Not have stake in the company	√	√	√	√	√	√	√	√
Not have any family relationship with the Board of Commissioners, Board of Directors, and / or fellow members of the Nomination and Remuneration Committee	√	√	√	√	√	√	√	√
Not serving on the boards of political parties, government officials	√	√	√	√	√	√	√	√

### Nomination and Remuneration Committee Competency Development

Name	Position	Competency Development / Training material	Time and place	Type of Training and Organizer
Pradjoto	Chairman	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thursday-Friday, March 17 to 18 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Hartadi A. Sarwono	Member	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thursday-Friday, March 17 to 18 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Daniel Theodore Sparringa	Member	Seminar and Executive Roundtable, Conglomerate Financial Services in Indonesia	Wednesday-Thursday January 13-14, 2016, Shangrila Hotel Jakarta	CRMS Indonesia/Center for Risk Management Studies and LPPI
Kiagus Ahmad Badaruddin	Member	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thursday-Friday, March 17 to 18 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)



## GCG Structure and Mechanism

Name	Position	Competency Development / Training material	Time and place	Type of Training and Organizer
Zulkifli Zaini	Member	Seminar and Executive Roundtable, Conglomerate Financial Services in Indonesia	Wednesday-Thursday January 13-14, 2016, Shangrila Hotel Jakarta	CRMS Indonesia/Center for Risk Management Studies and LPPI
Anny Ratnawati	Member	Seminar and Executive Roundtable, Conglomerate Financial Services in Indonesia	Wednesday-Thursday January 13-14, 2016, Shangrila Hotel Jakarta	CRMS Indonesia/Center for Risk Management Studies and LPPI/Lembaga Pengembangan Perbankan Indonesia
		Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry	Thursday-Friday, March 17 to 18 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Revisond Baswir*	Member	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thursday-Friday, March 17 to 18 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Pataniari Siahaan*	Member	Seminar and Executive Roundtable, Conglomerate Financial Services in Indonesia	Wednesday-Thursday January 13-14, 2016, Shangrila Hotel Jakarta	CRMS Indonesia/Center for Risk Management Studies and LPPI/Lembaga Pengembangan Perbankan Indonesia
		Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry	Thursday-Friday, March 17 to 18 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)

\* Undertaking a cooling off in order transition from Commissioners to Independent Commissioner from June 27, 2016 until December 27, 2016.  
Effectively served as Independent Commissioner since January 25, 2017.

### Nomination and Remuneration Committee Meetings

Nomination and Remuneration Committee meetings are held in accordance with the needs of the Company, at least 4 (four) times a year. The Nomination and Remuneration Committee meetings can only be held if attended by a majority of the members of the Nomination and Remuneration Committee where the majority is the Nomination and Remuneration Committee Chairman and Executive Officer in charge of Human Resources.

## Nomination and Remuneration Committee Meeting Frequency and Attendance

During 2016, the Remuneration and Nomination Committee held 15 (fifteen) meetings with the frequency and level of attendance of committee members at the meetings presented, as follows.

Period January 1 – 13, 2016

### Nomination and Remuneration Committee Meeting Frequency and Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	2	2	100%
Daniel Theodore Sparringa	Member	2	1	50%
Kiagus Ahmad Badaruddin	Member	2	1	50%
Zulkifli Zaini	Member	2	1	50%
Anny Ratnawati	Member	2	1	50%
Revisond baswir	Member	2	1	50%
Pataniari Siahaan	Member	2	1	50%
Joseph F.P Luhukay	Member	2	1	50%
Gatoet Gembiro Noegroho	Member	2	1	50%

Period January 14 – March 10, 2016

### Nomination and Remuneration Committee Meeting Frequency and Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	3	3	100%
Daniel Theodore Sparringa	Member	3	2	66,67%
Kiagus Ahmad Badaruddin	Member	3	2	66,67%
Zulkifli Zaini	Member	3	2	66,67%
Anny Ratnawati	Member	3	2	66,67%
Revisond baswir	Member	3	2	66,67%
Pataniari Siahaan	Member	3	2	66,67%
Joseph F.P Luhukay	Member	3	2	66,67%
Ayu Sari Wulandari	Member	3	1	33,33%

Period April 20 – May 4, 2016

### Nomination and Remuneration Committee Meeting Frequency and Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	1	1	100%
Kiagus Ahmad Badaruddin	Member	1	1	100%
Anny Ratnawati	Member	1	1	100%
Revisond baswir	Member	1	1	100%
Pataniari Siahaan	Member	1	1	100%
Joni Swastanto	Member	1	1	100%
Ayu Sari Wulandari	Member	1	1	100%



## GCG Structure and Mechanism

**Period May 5 – June 17, 2016**

**Nomination and Remuneration Committee Meeting Frequency and Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	3	3	100%
Hartadi A. Sarwono	Member	3	3	83,33%
Kiagus Ahmad Badaruddin	Member	3	2	50%
Anny Ratnawati	Member	3	2	50%
Revrisond baswir*	Member	3	3	50%
Pataniari Siahaan*	Member	3	1	16,67%
Joni Swastanto	Member	3	3	100%
Bistik Simbolon	Member	3	1	33,33%
Ayu Sari Wulandari	Member	3	3	100%

\* Cooling off while moving from Commissioner to Independent Commissioner from June 27, 2016 until December 27, 2016. Effective service as an Independent Commissioner from January 25, 2017.

**Period June 28 – October 25, 2016**

**Nomination and Remuneration Committee Meeting Frequency and Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	3	3	100%
Hartadi A. Sarwono	Member	3	2	83,33%
Kiagus Ahmad Badaruddin	Member	3	1	50%
Anny Ratnawati	Member	3	2	50%
Joni Swastanto	Member	3	3	100%
Bistik Simbolon	Member	3	1	33,33%
Ayu Sari Wulandari	Member	3	3	100%

**Period October 25 – December 31, 2016**

**Nomination and Remuneration Committee Meeting Frequency and Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	3	3	100%
Hartadi A. Sarwono	Member	3	3	100%
Anny Ratnawati	Member	3	3	100%
Joni Swastanto	Member	3	3	100%
Bistik Simbolon	Member	3	1	100%
Ayu Sari Wulandari	Member	3	3	33,33%

## Nomination and Remuneration Committee Meeting Agenda

During 2016, the Nomination and Remuneration Committee date of execution, meeting agenda and meeting participants, were as follows.

### Nomination and Remuneration Committee Meeting Agenda

No.	Meeting Date	Meeting Agenda	Attendees
1	January 11, 2016	Mandate and Counsel to the KNR Chairman for: <ul style="list-style-type: none"> <li>• Attendance, voting and recommendations in a meeting with the Evaluation Team for BNI Board of Directors / Board of Commissioners candidate proposed in the BNI EGMS in January 2016</li> <li>• Signing of point 1</li> </ul>	Pradjoto Daniel T. Sparringa Kiagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond baswir Pataniari Siahaan Jos Luhukay Gatoet Gembiro
2	January 11, 2016	Discussion regarding Company Supervisors Candidates in the BNI EGMS.	Pradjoto
3	February 10, 2016	Discussion SOE Ministry letter No. SR-110-MBU/02/2016 date February 5, 2016 regarding the request for SOE talent pool names.	Pradjoto Daniel T. Sparringa Kiagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond baswir Pataniari Siahaan Jos Luhukay
4	March 10, 2016	Mandate and Counsel to the KNR Chairman for: <ul style="list-style-type: none"> <li>• Attendance, voting and recommendations in a meeting with the Evaluation Team for BNI Board of Directors / Board of Commissioners candidate proposed in the BNI AGMS in March 2016.</li> <li>• Signing of point 1.</li> </ul>	Pradjoto Daniel T. Sparringa Kiagus Ahmad Badaruddin Zulkifli Zaini Anny Ratnawati Revisond baswir Pataniari Siahaan Jos Luhukay Ayu Sari Wulandari
5	March 10, 2016	Discussion regarding Company Supervisors Candidates in the BNI AGMS.	Pradjoto
6	April 28, 2016	<ul style="list-style-type: none"> <li>• Corporate Secretary and Secretariat Presentation regarding performance assessment for members of the Board of Directors</li> <li>• Other matters:           <ol style="list-style-type: none"> <li>1. Proposed remuneration for Board of Directors and Board of Commissioners for 2016 and tantem for Board of Directors and Board of Commissioners for 2015.</li> <li>2. Prospective Risk Monitoring Committee candidates from Independent Parties.</li> </ol> </li> </ul>	Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond baswir Pataniari Siahaan Joni Swastanto Ayu Sari Wulandari
7	May 12, 2016	<ul style="list-style-type: none"> <li>• Audit Committee Discussion from independent parties and not commissioners.</li> <li>• Risk Monitoring Committee Discussion from independent parties and not commissioners.</li> </ul>	Hartadi Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Revisond baswir Pataniari Siahaan Bistik Simbolon Joni Swastanto Ayu Sari Wulandari



## GCG Structure and Mechanism

No.	Meeting Date	Meeting Agenda	Attendees
8	May 26, 2016	<ul style="list-style-type: none"> <li>Process for the Board of Commissioners becoming independent commissioner.</li> <li>Membership of committees below the Board of Commissioners.</li> </ul>	Hartadi Pradjoto Kiagus Ahmad Badaruddin Revisond baswir Joni Swastanto Ayu Sari Wulandari
9	June 23, 2016	<ul style="list-style-type: none"> <li>Determination of the cooling off date for prospective Independent Commissioner</li> <li>Remuneration of Board of Directors and Board of Commissioners.</li> </ul>	Hartadi Pradjoto Anny Ratnawati Revisond baswir Joni Swastanto Ayu Sari Wulandari
10	June 30, 2016	Discussion Board of Commissioners and Board of Commissioners Remuneration pursuant to SOE Letter No. S-89/D.5.MBU/06/2016 Dated June 27, 2016.	Hartadi Pradjoto Anny Ratnawati Joni Swastanto Ayu Sari Wulandari
11	August 4, 2016	<ul style="list-style-type: none"> <li>Senior Executive Vice President Human Capital Presentation regarding:           <ol style="list-style-type: none"> <li>Human Capital Architecture</li> <li>Outsourcing Policy and Outsourcing Risk Management Application Draft Material</li> </ol> </li> <li>Independent Party, not Board of Commissioners, Risk Monitoring Committee Membership.</li> </ul>	Hartadi Pradjoto Kiagus Ahmad Badaruddin Anny Ratnawati Bistik Simbolon Joni Swastanto Ayu Sari Wulandari
12	October 6, 2016	Presentation by Corporate Communications and Secretariat regarding the Board of Directors' Key Performance Independence (KPI) in 2016.	Pradjoto Joni Swastanto Ayu Sari Wulandari
13	November 7, 2016	<ul style="list-style-type: none"> <li>Presentation by the Director for Consumer Banking regarding Supplementary Retirement Benefits.</li> <li>Follow-up on Otoritas Jasa Keuangan Decree (SEOJK) No. 40/ SEOJK.03/2016</li> <li>Presentation of the Director for Compliance and Enterprise Risk regarding implementation of the Fit and Proper Test pursuant to Rule Otoritas Jasa Keuangan (POJK) No. 27/03/2016 jo SEOJK No. 39/SEOJK.03/2016.</li> </ul>	Hartadi Pradjoto Anny Ratnawati Joni Swastanto Ayu Sari Wulandari
14	November 17, 2016	Senior Executive Vice President (SEVP) Human Capital Presentation: <ul style="list-style-type: none"> <li>Preparation of the remuneration policy Up date progress SEOJK No. 40/SEOJK.03/2016.</li> <li>Up date implementasi Integrated Human Capital Architecture.</li> </ul>	Hartadi Pradjoto Anny Ratnawati Joni Swastanto Ayu Sari Wulandari
15	November 28, 2016	Discussions on the assessment of candidates to become members of the Board of Directors and Board of Commissioners SEOJK No. 39/ SEOJK.03/2016 dated September 13, 2016.	Hartadi Pradjoto Anny Ratnawati Bistik Simbolon Joni Swastanto Ayu Sari Wulandari

## Nomination and Remuneration Committee Brief Activities Report For 2016

During 2016 the Nomination and Remuneration Committee completed the entire program / work plan set at the beginning of the year including the following.

### Remuneration:

1. Reviewed Board of Commissioners' Remuneration;
2. Made recommendations on the structure of remuneration, the remuneration policy and the remuneration;
3. Conducted performance assessment of remuneration conformity received by each member of the Board of Directors / Board of Commissioners.
4. Reviewed remuneration and remuneration system for Executive Officers and employees in general, as well as other matters related to remuneration;
5. Conducted a collegial and individual performance assessment of the Board of Directors for the financial year 2015;
6. Reviewed the format and Key Performance Indicators (KPI) for collegial and individual Directors Performance Assessment for the financial year 2017

### Nomination

1. Reviewed the nomination of Directors system'
2. Made recommendations regarding the Capabilities Development Program for member of the Board of Directors / Board of Commissioners;
3. Made recommendations for candidate Directors and or Commissioners
4. =Reviewed the nomination system and the management of Human Resources including Man Power Planning and Forecasting, recruitment system, Career Path Management, Human Resource development roadmap, etc., to ensure the human resources management system supports the human resource requirements with adequately competence, in accordance with company requirements so that strategy plans can be executed well.

5. Provided recommendations regarding prospective members of the Committees under the Board of Commissioners from independent parties, namely the Audit Committee, Risk Monitoring and Integrated Governance Committee.
6. Monitored changes in relevant regulations or legislation and made adjustments with new provisions on matters related to the functions and duties of the Nomination and Remuneration Committee.

## Board of Directors Succession Policy

To prepare for future leadership regeneration, the Company's internal programs have been harmonized with SOE Ministry Regulation No. PER-03/MBU/02/2015 dated February 17, 2015 regarding Requirements, Procedure for Appointment and Termination of Directors of SOEs. In this program potential employees who enter the Talent Pool will have the opportunity to attend a training program or activity related to the field of management, business strategy, strategic planning, risk analysis and business potential, analysis of operational and financial performance as well as a variety of other similar programs.

With this program, if the Company requires leadership replacement, the Company will apply for internal candidates from the program participants, facilitated by the Board of Commissioners after considering the Nomination and Remuneration Committee recommendation. Furthermore, the results of the internal candidate selection will be submitted to the Ministry to conduct a fit and proper test.



## GCG Structure and Mechanism

### **RISK MONITORING COMMITTEE**

The Risk Monitoring Committee assists the Board of Commissioners in carrying out the functions and duties of the Board in the application of the principles of good corporate governance, especially with regard to risk management.

#### **Risk Monitoring Committee Appointment Basis**

BNI's Risk Monitoring Committee was formed in 2004 through the Board of Commissioners Decree No. Kep /002/DK/2004 dated March 1, 2004 regarding the Establishment of the Risk Monitoring and Compliance Committee. The Risk Monitoring Committee was established by the Board of Commissioners and carry out their duties according to regulations, as follows.

1. Bank Indonesia Regulation Number 8/4/PB/2006 dated January 30, 2006 regarding Implementation of Good Corporate Governance for Commercial Bank, amended by Bank Indonesia Regulation No. 8/14/PBI/2006 dated October 5, 2006.
2. Bank Indonesia Circular Letter No. 15/15/DPNP/ dated April 29, 2013 regarding the implementation of Good Corporate Governance for Banks.
3. Ministry of State Enterprises Regulation PER-12/ MBU/2012 dated August 24, 2012 regarding Board of Commissioners / Supervisory Board Supporting Bodies of State Owned Enterprises (SOEs).

#### **Risk Monitoring Committee Charter**

The Company Risk Monitoring Committee has Guidelines and Working Rules of Conduct which are continuously refined and updated in accordance with developments / changes in applicable laws as well as the current condition. Renewal / improvement to the BNI Risk Monitoring Committee Guidelines and Working Rules of Conduct was last conducted in 2016, through the Board of Commissioners' Decree No. Kep /024/DK/ 2016 dated July 21, 2016 regarding "Risk Monitoring Committee Charter". The Risk Monitoring Committee Charter includes basic formation and execution of tasks, goals and objectives, formation and structure, membership requirements, duties, powers, rights and obligations, meetings and terms of duty for members of the Risk Monitoring Committee.

#### **Risk Monitoring Committee Duties and Responsibilities**

The Risk Monitoring Committee duties and responsibilities are:

1. Evaluate the conformity of the bank's risk management policies and integrated risk management policies with the implementation of the policy.
2. Provide recommendations to the Board of Commissioners regarding the suitability of risk management policies and integrated risk management to ensure that the bank manages risks adequately.
3. Monitoring and evaluation of:
  - a. The implementation of the Risk Monitoring Committee and Risk Monitoring Unit work plan.
  - b. The implementation of the Integrated Risk Monitoring Committee and Integrated Risk Monitoring Unit work plan
 to further provide recommendations to the Board to improve the effectiveness of risk management at BNI.
4. Evaluate the risk monitoring policy and strategy, integrated risk monitoring and other policies related to Board of Directors' risk periodically, and providing advice and input to the Bank's Board of Commissioners on the policy set forth in the Board of Directors' risk management.
5. Carry out duties in accordance with the Risk Monitoring Committee program / work plan.
6. Provide the evaluation results based on regulator responses related to the Board of Commissioners.
7. Identify and evaluate the adequacy of the Bank's policies in the field of risk management.
8. Conduct a study on the functioning and effectiveness of the Risk Monitoring Committee, Integrated Risk Monitoring Committee, the Risk Monitoring Unit and Integrated Risk Monitoring Unit, as well as coordinating the implementation and monitoring of the effectiveness of each component of the BNI Enterprise Risk Monitoring.

- 
9. Reviewing and advising the Board of Commissioners on the Board of Directors' decisions for granting credit facilities for amounts that must be consulted to the Board of Commissioners.
  10. Reviewing, providing opinions and recommendations to the Board of Commissioners as necessary on the Board of Directors' decisions regarding the provision of credit to related parties based on legislation for Board of Commissioners' approval.
  11. Monitoring and providing opinions to the Board of Commissioners on the lending progress report for amounts that must be consulted to the Board of Commissioners.
  12. Reviewing and advising the Board of Commissioners for Public Policy Credit submitted for approval by the Board of Directors for the Board of Commissioners.
  13. Reviewing and providing an opinion or recommendation to the Board of Commissioners if necessary regarding reports, proposals / requests for approval or other matters related to the risk presented to the Board of Commissioners.
  14. Making visits to the field to carry out the duties and responsibilities of the Risk Monitoring Committee as required.
  15. Carry out other specific tasks given by the Board of Commissioners.
  4. Before the current financial year, the Risk Monitoring Committee shall prepare and submit a Business Plan and Annual Budget to the Board of Commissioners, a copy of which will be delivered by the Board of Commissioners to the Board of Directors for their information. The Work Plan and Annual Budget implementation, by the Risk Monitoring Committee, shall be reported to the Board of Commissioners.
  5. Risk Monitoring Committee Members shall prepare and submit reports to the Board of Commissioners, signed by the Committee Chairman and Members as follows:
    - a. Report on the implementation of each task followed by recommendations if necessary.
    - b. Quarterly reports and annual reports.
  6. Each year the Committee via the Board of Commissioners shall report to the General Meeting of Shareholders regarding their responsibilities and achievements, as well as other information that needs to be delivered.
  7. Risk Monitoring Committee members are prohibited from accepting gifts or rewards of any kind related to their post.
  8. Risk Monitoring Committee members should provide sufficient time to carry out their duties and responsibilities optimally.
  9. Committee Members coming from independent parties must be present on the Company working days and hours with the following conditions:
    - a. at least one (1) day a week corresponding to the day and attendance schedule assigned by the Board of Commissioners and / or the Committee Chairman, including attending Committee meetings and carrying out other assigned tasks, based on their duties and obligations;
    - b. if necessary, at the request of the Board of Commissioners and / or the Committee Chairman, the Committee Members coming from independent parties shall be present in the company, or at the Board of Commissioners' Meetings or Committee Meetings, or for activities that must be attended by the Board of Commissioners, if required outside the routine schedule.

### Risk Monitoring Committee Authorities

1. The Risk Monitoring Committee members shall perform their duties well and be guided by the Risk Monitoring Committee Charter.
2. Risk Monitoring Committee Members coming from independent parties have the right to receive an honorarium from the company, determined by the Board of Commissioners, and based on legislations in force.
3. Risk Monitoring Committee members shall maintain confidentiality for all documents, data, information and everything related to the Risk Monitoring Committee duties.



## GCG Structure and Mechanism

10. To avoid overlapping tasks among the Committees below the Board of Commissioners, and to cooperate in tasks, the Risk Monitoring Committee may coordinate with other Committees below the Board of Commissioners.

### Membership Requirements

Based on the Risk Monitoring Committee Guidelines and Charter:

1. General Requirements
  - a. Have integrity, good character and morals and considerable work experience related to other committees duties.
  - b. No private interest / linkages that may cause a negative impacts and conflict of interest against BNI.
2. Competency Requirements
  - a. Have an educational background, skills, knowledge and sufficient experience in finance and banking.
  - b. Ability to work and communicate well and effectively and provide sufficient time to perform their
  - c. Have sufficient knowledge and understanding of good corporate governance principles and processes and general risk management.
  - d. Have a sufficient knowledge of laws and regulations in banking, capital market, SOE and other laws, especially those relating to BNI's good corporate governance and risk management activities.
3. Independency Requirements
 

Risk Monitoring Committee members come from independent parties:

  - a. A party from outside BNI with no financial, management, share ownership and / or family relationship with the Board of Commissioners, Board of Directors and / or shareholders of Series A Share or other relationships which could affect their ability to act independently, based on the applicable legislations.
  - b. Does not have good business relationships, directly or indirectly related to BNI's business activities.

- c. Within 1 (one) year before being appointed Risk Monitoring Committee member, was not in a public accounting firm or consultant that provides audit services, risk management services and / or non-audit consultancy to BNI.
- d. Does not come from withing the company's employees.

### Risk Monitoring Committee Authorities

Risk Monitoring Committee members have the authority as follows.

1. Based on a written assignment letter from the Board of Commissioners, the Risk Monitoring Committee can access the records or information about employees, funds, assets, and other resources owned by the company relevant to the performance of its duties. The Committee shall report in writing the result of the assignment to the Board of Commissioners.
2. Risk Monitoring Committee is authorized to conduct testing and perform inspections of BNI branches / representatives / regions and business units, if necessary.
3. The members of the Risk Monitoring Committee are authorized to communicate directly with parties related to the duties of the Risk Monitoring Committee, including communicating matters related to financial and management information.
4. To carry out the duties of the Risk Monitoring Committee through cooperation with the Risk Monitoring Committee, Integrated Risk Monitoring Committee, the Risk Monitoring Unit and relevant work units.

## Risk Monitoring Committee Structure, Membership and Expertise

The structure and membership of the Risk Monitoring Committee is as follows.

1. The Risk Monitoring Committee was established by a Board of Commissioners' meeting decision and established in a Board of Commissioners' Decree.
2. The Risk Monitoring Committee is under the coordination of the Board of Commissioners and is directly responsible to the Board of Commissioners.
3. Risk Monitoring Committee at least consists of:
  - a. 1 (one) Independent Commissioner.
  - b. 1 (one) independent party with expertise in the field of risk management.
  - c. 1 (one) independent party with expertise in finance.
4. The number of independent commissioners and independent parties that are members of the Risk Monitoring Committee shall be at least 51% (fifty one percent) of the total members of the Risk Monitoring Committee.
5. The Chairman of the Risk Monitoring Committee is an Independent Commissioner set out in the Board of Commissioners' meeting, and established in a Board of Commissioners' Decree.
6. The Chairman of the Risk Monitoring Committee may only hold a Committee Chairman position in at most 1 (one) other Committee in BNI.
7. Members of the Risk Monitoring Committee from independent parties may not concurrently hold positions as:
  - a. Members of the Board of Commissioners / SOE Board of Trustees / other companies;
  - b. Secretary / Secretary to the Board of Commissioners Staff / SOE Board of Trustees / other companies.
8. The Board of Directors carry out appointment and dismissal of the Risk Monitoring Committee independent parties based on the of the Board of Commissioners' Decree.
9. The Risk Monitoring Committee Chairman reserves the right to propose replacements to members of the Risk Monitoring Committee if a member of the Risk Monitoring Committee ended their term, resigns or is dismissed.
10. The BNI Board of Directors shall not be members of the Risk Monitoring Committee.
11. The Risk Monitoring Committee works collectively in carrying out its duties to assist the Board of Commissioners.
12. The Risk Monitoring Committee is independent both in the execution of its duties and in reporting, and is directly responsible to the Board of Commissioners.
13. In carrying out everyday tasks the Committee may be assisted by staff from outside BNI or the secretary of the Committee. Staff or the Secretary of the Committee is appointed at the Board of Commissioners' meeting and through the Board of Commissioners' Decree.



## GCG Structure and Mechanism

During 2016, the Risk Oversight Committee structure and membership experienced several changes as described in the following table:

Risk Monitoring Committee composition from January 1 – March 10, 2016 was as follows.

**Risk Monitoring Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Zulkifli Zaini	Chairman	Independent Commissioner	Banking
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Revisond Baswir	Member	Commissioner	Economy
Ancella Anitawati Hermawan	Member	Independent Party	Economy
Hemawati	Member	Independent Party	Management

Risk Monitoring Committee composition from March 10 - 31, 2016 was as follows.

**Risk Monitoring Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Zulkifli Zaini	Chairman	Independent Commissioner	Banking
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Revisond Baswir	Member	Commissioner	Economy
Hemawati	Member	Independent Party	Banking

Risk Monitoring Committee composition from March 31 – May 12, 2016 was as follows.

**Risk Monitoring Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Kiagus Ahmad Badaruddin	Member	Komisaris	Finance
Revisond Baswir	Member	Komisaris	Economy
Hemawati	Member	Independent Party	Banking

Risk Monitoring Committee composition from May 12 – June 1, 2016 was as follows.

**Risk Monitoring Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Hartadi A. Sarwono	Chairman	President Commissioner/ Independent Commissioner	Macroeconomics and Finance
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Revisond Baswir	Member	Commissioner	Banking
Hemawati	Member	Independent Party	Management

Risk Monitoring Committee composition from June 1 – August 4, 2016 was as follows.

**Risk Monitoring Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Hartadi A. Sarwono	Chairman	President Commissioner/ Independent Commissioner	Macroeconomics and Finance
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Revisond Baswir*	Member	Commissioner	Banking
Hemawati	Member	Independent Party	Management
Hari Dewanto	Member	Independent Party	Banking

\* Undertaking a cooling off in order transition from Commissioners to Independent Commissioner from June 27, 2016 until December 27, 2016.  
Effectively served as Independent Commissioner since January 25, 2017.

Risk Monitoring Committee composition from June 27, – 16, 2016 was as follows.

**Risk Monitoring Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Hartadi A. Sarwono	Chairman	President Commissioner/ Independent Commissioner	Macroeconomics and Finance
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Hemawati	Member	Independent Party	Banking
Hari Dewanto	Member	Independent Party	Banking

Risk Monitoring Committee composition from August 4 – 16, 2016 was as follows.

**Risk Monitoring Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Hartadi A. Sarwono	Chairman	President Commissioner/ Independent Commissioner	Macroeconomics and Finance
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Hemawati	Member	Independent Party	Banking



## GCG Structure and Mechanism

Risk Monitoring Committee composition from August 16 – October 25, 2016 was as follows.

**Risk Monitoring Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Hartadi A. Sarwono	Chairman	President Commissioner/ Independent Commissioner	Macroeconomics and Finance
Kiagus Ahmad Badaruddin	Member	Commissioner	Finance
Hemawati	Member	Independent Party	Banking
Irwan Rinaldi	Member	Independent Party	Banking

Risk Monitoring Committee composition from October 25 – December 31, 2016 was as follows.

**Risk Monitoring Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Hartadi A. Sarwono	Chairman	President Commissioner/ Independent Commissioner	Macroeconomics and Finance
Hemawati	Member	Independent Party	Banking
Irwan Rinaldi	Member	Independent Party	Banking

## Risk Monitoring Committee Profiles

Risk Oversight Committee was formed in 2004 by Board of Commissioners decree No.Kep / 002 / DK / 2004 dated March 1, 2004 on the Establishment of the Risk and Compliance Committee. A brief profile of the Chairman and Members of the Corporate Risk Monitoring Committee follows.

### Risk Oversight Committee Chairman

HARTADI A. SARWONO

Profile can be viewed in The Board of Commissioners section

### Risk Oversight Committee member

HEMAWATI

Indonesian citizen, domiciled in Jakarta Born on March 9, 1955 aged 61. Appointed as a Company Risk Oversight Committee Member in October 2014 based on the Board of Commissioners decree NoKEP / 009 / DK / 2014 dated October 27, 2014. She holds a Bachelor of Economics in Corporate Management from Universitas Gadjah Mada in 1978 and a Master of Management from Universitas Gadjah Mada in 1996. She has held various important positions in several companies, including Director of Operations at PT Bank QNB Kesawan (2010-2012), BNI Operations Division Head (2006-2010), BNI Operations Division Deputy Head (2004-2006), BNI Region 12 Deputy Head (2003-2004) and various positions at BNI until her retirement in 2010.

### RISK MONITORING COMMITTEE MEMBER

IRWAN RINALDI

Indonesian citizen, domiciled in Jakarta Born on July 6, 1960, aged 56. Appointed as a Company Risk Oversight Committee Member in August 2016 based on the Board of Commissioners decree NoKEP / 026 / DK / 2016 dated August 16, 2016. He holds a Bachelor of Economics in Accounting from Universitas Andalas in 1985 and a Master of Management from Institut Pertanian Bogor in 1999. He has held various important positions in several companies, including Accounting and Financial Management Deputy Division Head at PT Bank Rakyat Indonesia (Persero) Tbk. (2003- 2006), Accounting and Finance Management Division Head at PT Bank Rakyat Indonesia (Persero) Tbk. (2006-2013), Risk Management Division Head at PT Bank Rakyat Indonesia (Persero) Tbk. (2013- 2016) and a variety of training, including the Indonesian Institute of Audit Committee (2015), the Association of Regional Development Banks / Asbanda (2015), BARa Risk Forum (2016).

## Risk Monitoring Committee Education Qualifications and Work Experience

As of December 31, 2016, the educational qualifications and work experience of the Risk Monitoring Committee Chairman and Members were as follows

### Risk Monitoring Committee Education Qualifications and Work Experience

Name	Education	Work Experience
Hartadi A. Sarwono	S1 Industry Technique S2 Macroeconomics S3 Monetary Theory and Policy	Deputy Director of Economic Research and Monetary Policy BI Chief BI Representative in Tokyo BI Deputy Governor Indonesian Banking Development Institute (LPPI) President Director
Hemawati	S1 Economic S2 Management	PT Bank QNB Kesawan Operational Director BNI Operations Division Head BNI Operations Deputy Division Head BNI Region 12 Deputy Head
Irwan Rinaldi	S1 Accountants S2 Management	BRI Management Accounting and Finance Deputy Head BRI Management Accounting and Finance Head BRI Risk Management Division Head



## GCG Structure and Mechanism

### Risk Monitoring Committee Independence

All members of the Risk Monitoring Committee coming from independent parties shall have no financial, management, share ownership and / or family relationship with the Board of Commissioners, Board of Directors and / or Controlling Shareholders or relationship with the Bank, which could affect their ability to act independently.

#### Risk Monitoring Committee Independence

Independence Aspect	Hartadi A. Sarwono	Revisond Baswir	Hemawati	Irwan Rinaldi
Not have financial relationships with the Board of Commissioners and Board of Directors	√	√	√	√
Not have management relationships in the company, subsidiaries or affiliated companies	√	√	√	√
Not have stake in the company	√	√	√	√
Not have any family relationship with the Board of Commissioners, Board of Directors, and / or fellow members of the Risk Monitoring Committee	√	√	√	√
Not serving on the boards of political parties, government officials	√	√	√	√

### Risk Monitoring Committee Competency Development

Name	Position	Period	Competency Development Material / Training	Time and Place	Type of Traing and Organizer
Zulkifli Zaini	Chairman	March 10, 2016	Seminar dan Executive Roundtable, Konglomerasi Jasa Keuangan di Indonesia	Wednesday - Thursday, January 13-14, 2016 Shangrila Hotel Jakarta	CRMS Indonesia/Center for Risk Management Studies and LPPI
Hartadi Agus Sarwono	Chairman	May 12, 2016 - December 31, 2016	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thursday - Friday, March 17 -18, 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Kiagus Ahmad Badaruddin	Member	October 25, 2016	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thursday - Friday, March 17 -18, 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Revisond Baswir*	Member	June 27, 2016	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thursday - Friday, March 17 -18, 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)

\*Undertaking a cooling off in order transition from Commissioners to Independent Commissioner from June 27, 2016 until December 27, 2016. Effectively served as Independent Commissioner since January 25, 2017.

## Risk Monitoring Committee Meetings

Risk Monitoring Committee convenes at least 1 (one) time in 1 (one) month. Risk Monitoring Committee meetings can only be held if attended by at least 51% (fifty one percent) of the number of members, including an independent commissioner and members from Independent Parties. The Risk Monitoring Committee meeting is chaired by the Risk Monitoring Committee Chairman or the Risk Monitoring Committee's most senior risk member if the Chairman is unable to attend

Period January 1 – March 10, 2016

### Risk Monitoring Committee Meeting Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Zulkifli Zaini	Chairman	6	6	100%
Kiagus Ahmad Badaruddin	Member	6	6	100%
Revisond Baswir	Member	6	6	100%
Ancella Anitawati Hermawan	Member	6	6	100%
Hemawati	Member	6	6	100%

Period March 10 - March 31, 2016

### Risk Monitoring Committee Meeting Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Zulkifli Zaini	Chairman	1	1	100%
Kiagus Ahmad Badaruddin	Member	1	1	100%
Revisond Baswir	Member	1	1	100%
Hemawati	Member	1	1	100%

Period April 1 – June 1, 2016

### Risk Monitoring Committee Meeting Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Hartadi A. Sarwono	Chairman	1	1	100%
Kiagus Ahmad Badaruddin	Member	1	1	100%
Revisond Baswir	Member	1	1	100%
Hemawati	Member	1	1	100%

## Risk Monitoring Committee Meeting Frequency and Attendance

During 2016, the Risk Monitoring Committee held 19 (nineteen) Meetings including joint meetings together with the Audit Committee and the Integrated Governance Committee and meetings included discussions, meetings / discussions internally and meeting / discussions with related divisions / units. The frequency and level of attendance of committee members at the meetings is presented based on the members' period of office, as follows.



## GCG Structure and Mechanism

**Period June 1 – June 27, 2016**

**Risk Monitoring Committee Meeting Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Hartadi A. Sarwono	Chairman	1	1	100%
Kiagus Ahmad Badaruddin	Member	1	1	100%
Revrisond Baswir*	Member	1	1	-
Hemawati	Member	1	1	100%
Hari Dewanto	Member	1	1	100%

\*Undertaking a cooling off in order transition from Commissioners to Independent Commissioner from June 27, 2016 until December 27, 2016.  
Effectively served as Independent Commissioner since January 25, 2017.

**Period June 27 – August 4, 2016**

**Risk Monitoring Committee Meeting Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Hartadi A. Sarwono	Chairman	1	1	100%
Kiagus Ahmad Badaruddin	Member	1	1	100%
Hemawati	Member	1	1	100%
Hari Dewanto	Member	1	1	100%

**Period August 4 - 16, 2016**

**Risk Monitoring Committee Meeting Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Hartadi A. Sarwono	Chairman	2	2	100%
Kiagus Ahmad Badaruddin	Member	2	-	-
Hemawati	Member	2	2	100%

**Period August 16 – October 25, 2016**

**Risk Monitoring Committee Meeting Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Hartadi A. Sarwono	Chairman	4	3	75%
Kiagus Ahmad Badaruddin	Member	4	3	75%
Hemawati	Member	4	4	100%
Irwan Rinaldi	Member	4	4	100%

**Period October 25 – December 31, 2016**

**Risk Monitoring Committee Meeting Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Hartadi A. Sarwono	Chairman	3	3	100%
Hemawati	Member	3	3	100%
Irwan Rinaldi	Member	3	3	100%

## Risk Monitoring Committee Meeting Agenda

During 2016, the Risk Monitoring Committee meeting dates, agendas and attendees were as follows.

### Risk Monitoring Committee Meeting Agenda

No.	Date	Agenda	Attendees
1	January 11, 2016	1. Finalization of Risk Monitoring Committee Work Plan 2016. 2. Other matters.	Zulkifli Zaini Kiagus Ahmad Badaruddin Revisond Baswir Ancella Anitawati Hermawan Hemawati
2	January 18, 2016	Bank Soundness Semester II-2015 and Risk Profile Quarter IV-2015 .	Zulkifli Zaini Kiagus Ahmad Badaruddin Revisond Baswir Ancella Anitawati Hermawan Hemawati
3	February 10, 2016	<ul style="list-style-type: none"> <li>• Consumer Center Division Management Work Plan - 2016 in an effort to target achievement and Consumer Credit Quality Improvement.</li> <li>• Internal KPR</li> </ul>	Zulkifli Zaini Kiagus Ahmad Badaruddin Revisond Baswir Ancella Anitawati Hermawan Hemawati
4	February 17, 2016	<ul style="list-style-type: none"> <li>• KPR Meetings and Events Schedule - 2016.</li> <li>• Review BNI Loan Portofolio as at December 31, 2015.</li> </ul>	Zulkifli Zaini Kiagus Ahmad Badaruddin Revisond Baswir Ancella Anitawati Hermawan Hemawati
5	February 25, 2016	Content Updates Risk Monitoring Committee Guidelines and Rules of Conduct (Risk Monitoring Committee Charter).	Zulkifli Zaini Kiagus Ahmad Badaruddin Revisond Baswir Ancella Anitawati Hermawan Hemawati
6	March 02, 2016	ERM Division Plan Realization Report / Work Program Quarter IV-2015 and ERM Division Work Plan, Risk Monitoring Committee and Integrated Risk Management Monitoring - 2016.	Zulkifli Zaini Kiagus Ahmad Badaruddin Revisond Baswir Ancella Anitawati Hermawan Hemawati
7	March 31, 2016	Subsidiary Performance as at February 29, 2016.	Kiagus Ahmad Badaruddin Revisond Baswir Ancella Anitawati Hermawan Hemawati
8	May 26, 2016	<ul style="list-style-type: none"> <li>• Risk Monitoring Committee Work Plan Improvement - 2016.</li> <li>• Other matters</li> </ul>	Hartadi Agus Sarwono Kiagus Ahmad Badaruddin Revisond Baswir Hemawati
9	June 22, 2016	<ul style="list-style-type: none"> <li>• Discussion on the evaluation of the Credit Request material submitted by the Board of Directors for the Board of Commissioners.</li> <li>• Risk Monitoring Committee Charter</li> </ul>	Hartadi Agus Sarwono Kiagus Ahmad Badaruddin Hemawati Hari Dewanto
10	July 21, 2016	Up date BNI Credit Policy Semester I-2016 .	Hartadi Agus Sarwono Kiagus Ahmad Badaruddin Hemawati Hari Dewanto



## GCG Structure and Mechanism

No.	Date	Agenda	Attendees
11	August 25, 2016	Discussion on the evaluation of the Credit Request material submitted by the Board of Directors for the Board of Commissioners.	Hartadi Agus Sarwono Kiagus Ahmad Badaruddin Hemawati Irwan Rinaldi
12	22 September 2016	Review Subsidiary Performance Report and Investment / Additional Capital Realization Report for PT BNI Multi Finance.	Kiagus Ahmad Badaruddin Hemawati Irwan Rinaldi
13	September 29, 2016	Bank Health Report Semester I-2016 and BNI Risk Profile including Integrated Risk Profile Quarter II-2016.	Hartadi Agus Sarwono Kiagus Ahmad Badaruddin Hemawati Irwan Rinaldi
14	October 13, 2016	Review Information Technology Operations Division Operational Risk Self Assessment (ORSA) Quarter III-2016 and Management of Disaster Recovery Center (DRC) and Data Center BNI.	Hartadi Agus Sarwono Hemawati Irwan Rinaldi
15	October 27, 2016	Business Plan Bank Realization up to August 2016	Hartadi Agus Sarwono Hemawati Irwan Rinaldi
16	November 10, 2016	Risk Management General Policy (KUMR).	Hartadi Agus Sarwono Hemawati Irwan Rinaldi
17	December 8, 2016	<ul style="list-style-type: none"> <li>• Risk Monitoring Committee Work Plan Realization Report - 2016.</li> <li>• Risk Monitoring Committee Schedule of Events - 2017</li> <li>• Enterprise Risk Management Division Work Program Realization Quarter III-2016.</li> <li>• Review Common Policy Guidelines for Corporate Risk Management and Internal Control Systems.</li> <li>• Review Bank Credit Policy.</li> <li>• Capital Adequacy Position June 30, 2016.</li> </ul>	Hartadi Agus Sarwono Hemawati Irwan Rinaldi

**\*Discussion**

Date Discussion	Hartadi A. Sarwono	Kiagus Ahmad Badaruddin	Revisond Baswir**	Hemawati	Meeting Agenda
August 4, 2016	V	-	-	V	Credit consultation discussion for the petition submitted to the Board of Commissioners
August 11, 2016	V	-	-	V	Review Performance Report and Consolidated Subsidiaries Investment Realization / additional capital to subsidiaries

## Brief Report on the Risk Oversight Committee

During 2016, the Risk Monitoring Committee implement its entire program / work plan set at the beginning of the year to assist the duties of the Board of Commissioners, among others by monitoring, evaluating / reviewing as well as providing advice on matters related to the functions and duties of the Risk Monitoring Committee including:

1. Holding internal KPR meetings.
2. Meetings and discussion with divisions / units concerned.
3. Reviewing / evaluating / reviewing meetings outside the forum. which include the following.
  - a. Bank Soundness per semester and Quarterly Risk Profile.
  - b. BNI Public Policy and Risk Management Strategies, including Integrated Risk Monitoring Policy and Guidelines for Internal Control Systems.
  - c. BNI Credit Policy.
  - d. Monitoring implementation of Risk Management.
  - e. Credit review / evaluation of the loan portfolio, performance evaluation per credit segment, 16 (sixteen) requests for credit consultation and approval requests or additional credit facilities presented by the Board of Directors to the Board of Commissioners, monitoring the implementation of the results of the credit consultation by the Board of Commissioners, improvement of credit quality.
  - f. Risk Monitoring Unit, Risk Monitoring Committee and Risk Integrated Monitoring Committee work plan or task execution.
  - g. Performance of subsidiaries as well as the realization of investment / equity participation in subsidiaries.
  - h. Information technology issues.
  - i. Determination of Tolerance Risk Policy and Capital Adequacy Ratio (KPPM).
  - j. Bank Business Plan.
  - k. Results of Otoritas Jasa Keuangan exit meeting.

## INTEGRATED CORPORATE GOVERNANCE COMMITTEE

The Integrated Governance Committee in PT Bank Negara Indonesia (Persero) Tbk was formed based on the legislation in force, in particular with reference to Otoritas Jasa Keuangan regulation No. 18/POJK.03/2014 dated November 18, 2014 regarding Integrated Governance for Finance Conglomerates and Ministry of State-Owned Enterprises No. PER-12/MBU/12/2012 dated August 24, 2012 Board of Commissioners' / Supervisory Board of State Owned Enterprises Supporting Bodies.

### Integrated Corporate Governance Committee Appointment Basis

Establishment of the Financial Conglomerate Integrated Governance Committee in BNI is based on of the Board of Commissioners of PT Bank Negara Indonesia (Persero) Tbk Decree No. Kep/006/DK/2015 dated June 22, 2015 regarding the Establishment of Integrated Governance Committee. The Integrated Governance Committee is independent both in the execution of its duties and reporting, and is directly responsible to the Board of Commissioners.

### Integrated Corporate Governance Committee Charter

The Company has Integrated Governance Committee Guidelines and Rules of Work Conduct based on the Board of Commissioners of PT Bank Negara Indonesia (Persero) Tbk Decree No. Kep/006/DK/2015 dated June 22, 2015 regarding the Establishment of Integrated Governance Committee. The Integrated Governance Committee Guidelines and Rules of Work Conduct includes: Committee formation and structure; Committee duties and responsibilities; Committee membership; Committee member appointment, dismissal and future tasks; Committee member requirements; Committee privileges, rights and liabilities; Committee meetings.



## GCG Structure and Mechanism

### **Integrated Corporate Governance Committee Duties and Responsibilities**

Integrated Governance Committee has duties and responsibilities including:

1. Evaluating Integrated Governance implementation through assessment of the adequacy of internal controls, implementation integrated compliance functions and implementation of Integrated Governance Guidelines.  
In conducting the evaluation, the Integrated Governance Committee obtains information from evaluations of the internal audit and compliance functions implementation from the Financial Services Institute, from members of the Board of Commissioners, from each Financial Services Institutions where members are in the Integrated Governance Committee.
2. Providing recommendations to the Board of Commissioners regarding the evaluation of Integrated Governance and improvement of Integrated Governance Guidelines. Integrated Governance Committee work collectively in carrying out their duties to assist the Board of Commissioners.

### **Integrated Corporate Governance Committee Authorities**

The Integrated Governance Committee members have the following authority.

1. Integrated Governance Committee may request an explanation or the necessary information about employees, funds, assets, and other resources related to the performance of its duties of the Institute of Financial Services in the BNI financial conglomerate, with due regard to the prevailing regulations. The Committee shall report in writing the results of the assignment to the Board of Commissioners.
2. Members of the Integrated Governance Committee are authorized to communicate directly with the parties related to the Integrated Governance Committee duties.
3. To carry out its duties, the Integrated Governance Committee can cooperate or coordinate with other Committees below the Board of Commissioners, as well as divisions / units / relevant work units on the Main Entity or others in the Institute of Financial Services in the BNI Financial conglomerate.

4. The Integrated Governance Committee members are independent parties with the right to receive an honorarium from BNI as determined by the Board of Commissioners under the applicable rules.
5. The Main Entity Board of Commissioners Members, Financial Services Institution Board of Commissioners and Supervisory Board Members, Integrated Corporate Governance Committee Chairman / Members do not receive additional income other than income from their office as Board of Commissioners / Supervisory Board Members.
6. Integrated Corporate Governance Committee Members shall perform their duties well and maintain confidentiality for all documents, data, information and everything related to the Integrated Corporate Governance Committee's tasks used only in the performance of their duties.
7. The Integrated Corporate Governance Committee is required to evaluate the Integrated Governance policies compatibility with the implementation of these policies, and provide recommendations to the Main Entity Board of Commissioners regarding the Integrated Governance policies and implementation, to ensure the Integrated Governance management has been conducted adequately.
8. Before the current financial year, Integrated Corporate Governance Committee shall prepare and submit a Business Plan and Annual Budget to the Main Entity Board of Commissioners a copy of which is delivered by the Main Entity Board of Commissioners to the Main Entity Board of Directors for their infomation. The Work Plan and Annual Budget implementation, by the Integrated Corporate Governance Committee, shall be reported to the Main Entity Board of Commissioners.
9. The Integrated Governance Corporate Committee shall prepare and submit reports on the execution of their tasks if necessary, with recommendations to the Main Entity Board of Commissioners signed by Committee Chairman and Members.

## **Integrated Corporate Governance Committee Structure, Membership and Expertise**

1. Integrated Governance Committee consists of at least:
  - a. An independent commissioner who is chairman in one of the main entity committees, as concurrent Chairman and member.
  - b. An Independent Commissioner who represents and is appointed from each of the Institute of Financial Services in the BNI Financial conglomerate, as a member.
  - c. Independent parties as members. Independent parties can be derived from Independent party committee members in the Main Entity.
  - d. Member of the Sharia Supervisory Board from the Institute of Financial Services in the BNI Financial conglomerate, as a member.
2. The number and composition of Independent Commissioners who are members of the Integrated Governance Committee, as referred

to in item a point 2 above, is tailored to the BNI Financial Conglomerate needs, and for the efficiency and effectiveness of the Integrated Governance Committee's tasks, with representation from each financial services sector. Independent Commissioner Members in the Integrated Governance Committee, as referred to in item a point 2 above, may include permanent and non permanent members, in accordance with the BNI Financial Conglomerate needs.

3. Members who are not permanent Independent Commissioners from the Financial Services Institution are not yet Integrated Governance Committee members.
4. Independent Commissioner Members, Independent Parties and Sharia Supervisory Board Members referred to in item a above, in the Integrated Governance Committee of BNI Financial Conglomerate do not count as a concurrent positions

During 2016, the structure and membership of the Integrated Governance Committee changed several times as described in the tables below:

Composition of Integrated Corporate Governance Committee as of January 1, 2016 - February 25, 2016 was as follows.

### **Integrated Corporate Governance Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Independent Commissioner BNI	Law
Daniel Theodore Sparringa	Member	Independent Commissioner BNI	Sociology
Pataniari Siahaan	Member	Commissioner BNI	Law
K.H. Ma'ruf Amin	Member	Supervisory Board Syariah PT BNI Bank BNI Syariah and PT BNI Life Insurance	Economic Syariah
Krisna Wijaya	Member	Independent Commissioner BNI PT BNI Life Insurance	Agribusiness
Fabianus Sudjatmoko	Member	Independent Commissioner PT BNI Securities	Banking & Finance
Subarjo Joyosumarto	Member	Independent Commissioner PT Bank BNI Syariah	Economic
Setyowati	Member	Independent Party	Economic



## GCG Structure and Mechanism

Composition of Integrated Corporate Governance Committee as of February 25 – March 10, 2016 was as follows.

### Integrated Corporate Governance Committee Structure, Membership and Expertise

Name	Position	Description	Expertise
Pradjoto	Chairman	Independent Commissioner BNI	Law
Daniel Theodore Sparringa	Member	Independent Commissioner BNI	Sociology
Pataniari Siahaan	Member	Commissioner BNI	Law
K.H. Ma'ruf Amin	Member	Supervisory Board Syariah PT BNI Bank BNI Syariah and PT BNI Life Insurance	Economic Syariah
Krisna Wijaya	Member	Independent Commissioner PT BNI Life Insurance	Agribusiness
Fabianus Sudjatmoko	Member	Independent Commissioner PT BNI Securities	Banking & Finance
Setyowati	Member	Independent Party	Economic

Composition of Integrated Corporate Governance Committee as of March 10 – April 20, 2016 was as follows.

### Integrated Corporate Governance Committee Structure, Membership and Expertise

Name	Position	Description	Expertise
Pradjoto	Chairman	Independent Commissioner BNI	Law
Pataniari Siahaan	Member	Commissioner BNI	Law
K.H. Ma'ruf Amin	Member	Supervisory Board Syariah PT BNI Bank BNI Syariah and PT BNI Life Insurance	Economic Syariah
Krisna Wijaya	Member	Independent Commissioner PT BNI Life Insurance	Agribusiness
Fabianus Sudjatmoko	Member	Independent Commissioner PT BNI Securities	Banking & Finance
Setyowati	Member	Independent Party	Economic

Composition of Integrated Corporate Governance Committee as of April 20 – May 10, 2016 was as follows.

### Integrated Corporate Governance Committee Structure, Membership and Expertise

Name	Position	Description	Expertise
Pradjoto	Chairman	Independent Commissioner BNI	Law
Pataniari Siahaan	Member	Commissioner BNI	Law
Joni Swastanto	Member	Commissioner BNI	Banking
K.H. Ma'ruf Amin	Member	Supervisory Board Syariah PT BNI Bank BNI Syariah and PT BNI Life Insurance	Economic Syariah
Krisna Wijaya	Member	Independent Commissioner PT BNI Life Insurance	Agribusiness
Fabianus Sudjatmoko	Member	Independent Commissioner PT BNI Securities	Banking & Finance
Setyowati	Member	Independent Party	Economic

Composition of Integrated Corporate Governance Committee as of May 10 – October 20, 2016 was as follows.

**Integrated Corporate Governance Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Independent Commissioner BNI	Law
Patanjari Siahaan*	Member	Commissioner BNI	Law
Joni Swastanto	Member	Commissioner BNI	Banking
Bistik Simbolon	Member	Commissioner BNI	Law
K.H. Ma'ruf Amin	Member	Supervisory Board Syariah PT BNI Bank BNI Syariah and PT BNI Life Insurance	Economic Syariah
Krisna Wijaya	Member	Independent Commissioner PT BNI Life Insurance	Agribusiness
Fabianus Sudjatmoko	Member	Independent Commissioner PT BNI Securities	Banking & Finance
Setyowati	Member	Independent Party	Economic

\*Undertaking a cooling off in order transition from Commissioners to Independent Commissioner from June 27, 2016 until December 27, 2016.  
Effectively served as Independent Commissioner since January 25, 2017.

Composition of Integrated Corporate Governance Committee as of June 27– October 20, 2016 was as follows.

**Integrated Corporate Governance Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Independent Commissioner BNI	Law
Joni Swastanto	Member	Commissioner BNI	Law
Bistik Simbolon	Member	Commissioner BNI	Law
K.H. Ma'ruf Amin	Member	Supervisory Board Syariah PT BNI Bank BNI Syariah and PT BNI Life Insurance	Economic Syariah
Krisna Wijaya	Member	Independent Commissioner PT BNI Life Insurance	Agribusiness
Fabianus Sudjatmoko	Member	Independent Commissioner PT BNI Securities	Banking & Finance
Setyowati	Member	Independent Party	Economic

Composition of Integrated Corporate Governance Committee as of October 20 – December 31, 2016 was as follows.

**Integrated Corporate Governance Committee Structure, Membership and Expertise**

Name	Position	Description	Expertise
Pradjoto	Chairman	Independent Commissioner BNI	Law
Joni Swastanto	Member	Commissioner BNI	Law
Bistik Simbolon	Member	Commissioner BNI	Law
K.H. Ma'ruf Amin	Member	Supervisory Board Syariah PT BNI Bank BNI Syariah and PT BNI Life Insurance	Economic Syariah
Krisna Wijaya	Member	Independent Commissioner PT BNI Life Insurance	Agribusiness
Fabianus Sudjatmoko	Member	Independent Commissioner PT BNI Securities	Banking & Finance
Setyowati	Member	Independent Party	Economic
Rizqullah	Member	Independent Commissioner PT BNI Syariah	Economic
Rosa Lima Dwi Mutiari	Member	Independent Commissioner PT BNI Multifinance	Economic



## GCG Structure and Mechanism

### **Integrated Corporate Governance Committee Profiles**

The Integrated Governance Committee was formed in 2015 by Board of Commissioners decree No. Kep / 006 / DK / 2015 dated June 22, 2015 on the Establishment of Integrated Governance Committee. The brief profiles of the Chairman and Integrated Governance Committee are as follows.

#### **Integrated Corporate Governance Committee member**

**PRADJOTO**

Profile can be viewed in the Board of Commissioners section

#### **Anggota Komite Tata Kelola Terintegrasi**

**PATANIARI SIAHAAN**

Profile can be viewed in the Board of Commissioners section

#### **Alntegrated Governance Committee Member**

**JONI SWASTANTO**

Profile can be viewed in the Board of Commissioners section

#### **Integrated Governance Committee Member**

**BISTOK SIMBOLON**

Profile can be viewed in the Board of Commissioners section

#### **Integrated Governance Committee Member**

**K.H. MARUF AMIN**

(Sharia Supervisory Board Member at PT Bank BNI Syariah and PT BNI Life Insurance)

Indonesian citizen, domiciled in Jakarta Born on March 14, 1943 aged 73. Appointed as Company Integrated Corporate Governance Committee Member in September 2015 based on Board of Commissioners decree.

He holds a Bachelor's degree in Islamic Theology from Universitas Ibnu Chaldun in 1967 and Dr. degree (Honoris Causa) from Universitas Islam Nasional Syarif Hidayatullah in 2012. He has held several important positions, including Chairman of Commission VI in the House of Representatives (1999- 2001 ), DPR / MPR Member (1999-2004), Presidential Advisory Council Member (2007-2014). Currently National Islamic Council MUI Head and Indonesian Ulema Council Chairman.

#### **Integrated Governance Committee Member**

**KRISNA WIJAYA**

(President / Independent Commissioner of PT BNI Life Insurance)

Indonesian citizen, domiciled in Jakarta Born on July 22, 1955 aged 61. Appointed as a Company Integrated Governance Committee Member in November 2015 based on Board of Commissioners decree No.KEP / 032 / DK / 2015 dated 16 November 2015. He holds a Bachelor's degree in Social Economics for Agriculture from Institut Pertanian Bogor in 1980, and S2 in Agribusiness Management from Universitas Gadjah Mada (1990) and S3 Inter- Sector Studies from Universitas Gadjah Mada. He never has held important positions in various companies, among others, Member of the Board of Commissioners / Chief Executive Officer (CEO) for the Deposit Insurance Agency (2005-2007), Commissioner at PT Bank Danamon Indonesia Tbk. (2008-2010), and Independent Commissioner at PT Bank Mandiri Tbk. (2010-2015).

#### **Integrated Governance Committee Member**

**FABIANUS SUDJATMOKO**

(President Commissioner / Independent PT BNI Securities)

Indonesian citizen, domiciled in Jakarta Born on January 15, 1967, aged 59. Appointed as a Company Integrated Governance Committee Member in November 2015 based on a Board of Commissioners decision No.KEP / 031 / DK / 2015 dated 16 November 2015. He holds a Bachelor in Business Economics from Universitas Gadjah Mada in 1982 and obtained a degree in Banking & Finance from Dowling College, New York in 1996. He has held important positions in various companies, among others, Treasury Division Head at PT Bank Negara Indonesia ( Persero ) Tbk. (2004-2010), Risk Management Division at PT Bank Negara Indonesia (Persero) Tbk. (2010-2011), and Treasury Division Head at PT Bank Pembangunan Daerah Jawa Barat dan Banten (2012-2015).

**Integrated Governance Committee Member****RIZQULLAH**

(President / Independent Commissioner PT BNI Syariah)

Indonesian citizen, domiciled in Tangerang Born on February 16, 1957 aged 59 . Appointed as a Company Integrated Governance Committee Member in October 2016 based on a Board of Commissioners decision No.KEP / 028 / DK / 2016 dated October 20, 2016. He holds a Bachelor in Economics from Universitas Islam Indonesia Yogyakarta in 1982 and S2 in International Business from the University of Baldwin Wallace College, Ohio, USA in 1986 and a S3 degree in Economics & Islamic Finance from the Universitas Trisakti in 2013. He has held important positions in various companies, including Director of PT Sarana Multigriya Finansial (2005-2007), Credit Risk Division Head at PT Bank Negara Indonesia (Persero) Tbk. (2007-2008), Project Leader for Establishment of Bank Syariah PT Bank Negara Indonesia (Persero) Tbk. (2008-2010), President Director at PT Bank BNI Syariah (2010-2012), S2 Program Director Islamic Economics & Finance (2013-2015), Independent Commissioner at PT Graha 165 (2015-present).

**Integrated Governance Committee Member****ROSA LIMA DWI MUTIARI**

(President / Independent Commissioner PT BNI Multifinance)

Indonesian citizen, domiciled in Tangerang Born on June 25, 1956 aged 60. Appointed as a Company Integrated Governance Committee Member in October 2016 based on a Board of Commissioners decision No.KEP / 029 / DK / 2016 dated October 20, 2016 He holds a Bachelor in Business Economics from Universitas Diponegoro in 1980 and S2 IPWI Economics in 1995. He has held important positions in various companies, among others, with the last position in 2004 as Division Head for State Enterprises and Institutions Governments at PT Bank Negara Indonesia (Persero) Tbk. (2012- 2014), Badan Nasional Sertifikasi Profesi (Indonesian Professional Certification Authority), Competence Assessor in Banking Profession Certification Institute (LSPP) (2012-Present), Lecturer and Consultant in the Credit Management Division at PT Bank Negara Indonesia (Persero) Tbk. Organizational Learning (2014-present).

**Integrated Governance Committee Member****SETYOWATI**

(Integrated Governance Committee Independent Party)

Indonesian citizen, domiciled in Jakarta Born on October 30 1958 aged 58. Appointed as a Company Integrated Governance Committee Member in November 2015 based on a Board of Commissioners decision No.KEP / 033 / DK / 2015 dated 16 November 2015. He holds a Bachelor in Economics from Universitas Diponegoro in 1982. He has held important positions in various companies,including as Corporate Credit Audit Department Head at PT Bank Mandiri (Persero) Tbk. (2006- 2007), Credit Risk & Policy Group Head at PT Bank Mandiri (Persero) Tbk. (2007-2009), and Policy, System & Procedure Group Head at PT Bank Mandiri (Persero) Tbk. (2010- 2014). He currently serves as an advisor at PT Bank Syariah Mandiri.



## GCG Structure and Mechanism

### **Integrated Corporate Governance Committee Education Qualifications and Work Experience**

As of December 31, 2016, the educational qualifications and work experience of the Integrated Governance Committee Chairman and Members were as follows.

**Integrated Corporate Governance Committee Education Qualifications and Work Experience**

Name	Education	Work Experience
Pradjoto	S1 Law S2 Economy	<ul style="list-style-type: none"> <li>Chairman of PERBANAS Board of Ethics</li> <li>Legal Counsel Board of Governors BI</li> <li>Bank Internasional Indonesia Senior Advisor</li> <li>Attorney General Banking Expert</li> <li>Independent Commissioner at Bank Mandiri</li> <li>Board of Indonesian Bankers Association (IBI) Advisor</li> <li>Supervisor Board for Banks Association Business Banking Code of Ethic Perbanas</li> </ul>
Pataniari Siahaan	S1 Civilian Transport Engineering S2 Law Science S3 Law Science	<ul style="list-style-type: none"> <li>Ketua dan Anggota pada DPR/MPR RI</li> <li>Pimpinan Badan Legislasi DPR RI</li> <li>Ketua Tim Sosialisasi Putusan MPR RI Bidang Undang-undang Dasar Negara RI</li> <li>Dosen Hukum Universitas Trisakti</li> </ul>
Joni Swastanto	S1 Economy S2 Economy S3 Economy Science	<ul style="list-style-type: none"> <li>Chairman and Members of DPR/MPR RI</li> <li>DPR RI Legislation Board Chairman</li> <li>Socialization Team Leader MPR Decision in RI Law</li> <li>Lecturer of Law, Universitas Trisakti</li> </ul>
Bistik Simbolon	S1 Law S2 Economy	<ul style="list-style-type: none"> <li>Cabinet Secretary Legal Bureau Head</li> <li>Bureau Head for the ministry, defense, ratification and Legal Issues Cabinet Secretariat</li> <li>Deputy Cabinet Secretary for Political, Legal and Security</li> <li>President Commissioner and Commissioner of PT Industri Kereta Api (Persero)</li> <li>Deputy Chief Cabinet Secretary</li> </ul>
K.H. Ma'ruf Amin	S1 Ushuluddin Sector Dr (HonorisCausa) from Universitas Islam Nasional Syarif Hidayatullah	<ul style="list-style-type: none"> <li>Commission VI Chairman at the House of Representatives</li> <li>DPR / MPR Member</li> <li>Presidential Advisory Council Member</li> <li>National Islamic Council MUI Chairman</li> <li>Indonesian Ulama Council Chairman</li> </ul>
Krisna Wijaya	S1 Agriculture Economy Social S2 Agribusiness Management S3 Intrasection Study	<ul style="list-style-type: none"> <li>Board of Commissioners Member / Chief</li> <li>Executive Officer (CEO) for the Deposit Insurance Agency</li> <li>Commissioner at PT Bank Danamon Indonesia (Tbk)</li> <li>Independent Commissioner at PT Bank Mandiri (PT)</li> </ul>
Fabianus Sudjatmoko	S1Corporate Economy S2 Banking and Finance	<ul style="list-style-type: none"> <li>PT Bank Negara Indonesia (Persero) Tbk Treasury Division Head</li> <li>PT Bank Negara Indonesia (Persero) Tbk Risk Management Division Head</li> <li>PT Bank Pembangunan Daerah Jawa Barat dan Banten Treasury Division Head</li> </ul>
Setyowati	S1 Economy	<ul style="list-style-type: none"> <li>PT Bank Mandiri (Persero) Tbk Corporate Credit Audit Department Head</li> <li>PT Bank Mandiri (Persero) Tbk Credit Risk &amp; Policy Group Head</li> <li>Policy PT Bank Mandiri (Persero) , System &amp; Procedure Group Head</li> <li>Advisor at PT Bank Syariah Mandiri.</li> </ul>

Name	Education	Work Experience
Rizqullah	S1 Economy S2 International Business S3 Economy and Islamic Financial	<ul style="list-style-type: none"> <li>Financial Director at PT Sarana Multigriya</li> <li>Credit Risk Division Head at PT Bank Negara Indonesia (Persero) Tbk.</li> <li>Establishment Project Leader Bank Syariah PT Bank Negara Indonesia (Persero) Tbk.</li> <li>President Director at PT Bank BNI Syariah</li> <li>Independent Commissioner at PT Graha 165</li> </ul>
Rosa Lima Dwi Mutiari	S1 Corporate Economy S2 Economy Science College IPWI	<ul style="list-style-type: none"> <li>SOEs and Government Institutions Division Head in PT Bank Negara Indonesia (Persero) Tbk.</li> <li>Competence Assessor in Banking Profession Certification Institute (LSPP)</li> <li>Lecturer and Consultant in the Credit Management Division</li> <li>Organizational Learning PT Bank Negara Indonesia (Persero) Tbk.</li> </ul>

### Integrated Corporate Governance Committee Independence

#### Integrated Corporate Governance Committee Independence

Independence Aspect	Pradjoto	Patanjari Siahaan	Joni Swastanto	Bistik Simbolon	K.H. Ma'ruf Amin	Krisna Wijaya	Fabianus Sudjatmoko	Setyowati	Rizqullah	Rosa Lima Dwi Mutiari
Not have financial relationships with the Board of Commissioners and Board of Directors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not have management relationships in the company, subsidiaries or affiliated companies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not have stake in the company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not have any family relationship with the Board of Commissioners, Board of Directors, and / or fellow members of the Integrated Corporate Governance Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not serving on the boards of political parties, government officials	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



## GCG Structure and Mechanism

### Integrated Corporate Governance Committee Competency Development

Name	Position	Period	Competency Development Material / Training	Time and Place	Type of Training and Organizer
Pradjoto	Head	June 25, 2015 – December 31, 2016	Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry.	Thursday-Friday, March 17 to 18 2016, Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Daniel T. Sparringa	Member	June 25, 2015 – December 31, 2016	Seminar and Executive Roundtable, Conglomerate Financial Services in Indonesia	Wednesday-Thursday, January 13 to 14 2016 Shangrila Hotel Jakarta	CRMS Indonesia/Center for Risk Management Studies and LPPI/Lembaga Pengembangan Perbankan Indonesia
Pataniari Siahaan	Member	June 25, 2015 – June 25, 2016	Seminar and Executive Roundtable, Konglomerasi Jasa Keuangan di Indonesia	Wednesday-Thursday, January 13 to 14 2016 Shangrila Hotel Jakarta	CRMS Indonesia/Center for Risk Management Studies and LPPI/Lembaga Pengembangan Perbankan Indonesia
			Implementing Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry	Thursday-Friday, March 17 to 18 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)
Bistik Simbolon	Member	May 10, 2016 – December 31, 2016	-	-	-
Joni Swastanto	Member	April 20, 2016 – December 31, 2016	Seminar Gratuity Control	Monday, October 17 2016, in BNI Head Office, Gedung BNI, Serbaguna Room Lt.25 Jakarta	Corruption Eradication Commission (KPK) with BNI
			Seminar Revisit Enterprise Risk Management and Learning Best Practices of Credit Risk Management	Thursday - Friday, December 1-2, 2016 Intercontinental Bandung Dago Pakar, Bandung	Banker Association for Risk Management (BARa)

### Integrated Corporate Governance Committee Meetings

Integrated Governance Committee meeting is convened at least 1 (one) time each semester. The Integrated Governance Meetings can only be held if attended by at least 51% (fifty one percent) of the total members.

### Integrated Corporate Governance Committee Meeting Frequency and Attendance

During 2016, the Corporate Governance Committee conducted a meeting with the Integrated Sector Director, Audit Committee, Risk Monitoring Committee, related units, and internal Integrated Governance Committee 6 (six) times. The frequency and level of attendance of committee members at the meeting is presented based on the period of office of the Integrated Governance Committee, as follows.

Period January 1 – 10 March 10, 2016

**Integrated Corporate Governance Committee Meeting Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	1	1	100%
Daniel Theodore Sparringa	Member	1	1	100%
Pataniari Siahaan	Member	1	1	100%
K.H. Ma'ruf Amin	Member	1	-	-
Krisna Wijaya	Member	1	1	100%
Fabianus Sudjatmoko	Member	1	1	100%
Subarjo Joyosumarto*	Member	1	1	100%
Setyowati	Member	1	1	100%

\* terminations appointment as a member of a committee per February 25, 2016 accord to SK the Board of Commissioners No.KEP/021/DK/2016 date May 26, 2016

Period March 10 – May 10, 2016

**Integrated Corporate Governance Committee Meeting Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	1	1	100%
Pataniari Siahaan	Member	1	1	100%
Bistok Simbolon*	Member	1	1	100%
Wahyu Kuncoro**	Member	1	1	100%
K.H. Ma'ruf Amin	Member	1	-	-
Krisna Wijaya	Member	1	1	100%
Fabianus Sudjatmoko	Member	1	1	100%
Setyowati	Member	1	1	100%

\* Effective as a member of a committee per May 10, 2016 accord to SK the Board of Commissioners No.KEP/018/DK/2016 date May 12, 2016

\*\*Effective served as Commissioner of the date January 25, 2017

Period May 11 – June 27, 2016

**Integrated Corporate Governance Committee Meeting Attendance**

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	1	1	100%
Pataniari Siahaan*	Member	1	1	100%
Joni Swastanto	Member	1	1	100%
Bistok Simbolon	Member	1	-	-
K.H. Ma'ruf Amin	Member	1	-	-
Krisna Wijaya	Member	1	-	-
Fabianus Sudjatmoko	Member	1	1	100%
Setyowati	Member	1	1	100%

\* Not yet Independent Commissioner pending approval of Otoritas Jasa Keuangan. Cooling off to implement the transitional tasks of Commissioner to Independent Commissioner since January 25, 2017

\*\*Effective served as Commissioner of the date January 25, 2017



## GCG Structure and Mechanism

Period June 28 – December 31, 2016

### Integrated Corporate Governance Committee Meeting Attendance

Name	Position	Number of Meetings	Attendance	Percentage
Pradjoto	Chairman	3	3	100%
Joni Swastanto	Member	3	3	100%
Bistik Simbolon	Member	3	-	-
K.H. Ma'ruf Amin	Member	3	-	-
Krisna Wijaya	Member	3	3	100%
Fabianus Sudjatmoko	Member	3	2	66,67%
Rizqullah*	Member	3	3	100%
Rosa Lima Dwi Mutiari**	Member	3	2	66,67%
Setyowati	Member	3	3	100%

\* Effective as a member of a committee per October 20, 2016 accord to SK the Board of Commissioners No.KEP/028/DK/2016 date October 20, 2016

\*\* Effective as a member of a committee per October 20, 2016 accord to SK the Board of Commissioners No.KEP/029/DK/2016 date October 20, 2016

### Integrated Corporate Governance Committee Meeting Agenda

During 2016, the Integrated Governance Committee Meeting dates, agendas and attendees, were as follows.

#### Integrated Corporate Governance Committee Meeting Agenda

No.	Meeting Date	Meeting Agenda	Attendees
1.	February 1, 2016	Performance of subsidiaries semester II/2015 and Strategy 2016	Pradjoto Daniel T. Sparringa Patanari Siahaan Krisna Wijaya Fabianus Sudjatmoko Subarjo Joyosumarto** Setyowati
2.	March 31, 2016*	Performance of subsidiaries as at February 2016	Pradjoto Patanari Siahaan Bistik Simbolon*** Krisna Wijaya Fabianus Sudjatmoko Setyowati
3.	May 26, 2016	Evaluation of the Corporate Governance PT BNI Asset Management and PT BNI Securities (compliance, risk management, internal control).	Pradjoto Joni Swastanto Patanari Siahaan**** Fabianus Sudjatmoko Setyowati
4.	July 21, 2016	<ul style="list-style-type: none"> <li>• Evaluation of the Corporate Governance PT BNI Life Insurance and PT Bank BNI Syariah (compliance, risk management, internal control).</li> <li>• Implementation and execution:           <ul style="list-style-type: none"> <li>• Integrated Governance Policy</li> <li>• Integrated Risk Management Policy</li> </ul> </li> </ul>	Pradjoto Joni Swastanto Krisna Wijaya Rizqullah***** Setyowati

No.	Meeting Date	Meeting Agenda	Attendees
5.	September 22, 2016*	<ul style="list-style-type: none"> <li>• Dashboard Risk Profile</li> <li>• Assessment Integrated Governance Rating</li> </ul>	Pradjoto Joni Swastanto Krisna Wijaya Fabianus Sudjatmoko Rizqullah Rosa Lima Dwi Mutiari ***** Setyowati
6.	October 13, 2016	<ul style="list-style-type: none"> <li>• Integrated Governance Committee work program Realization - 2016 and Work plan - 2017</li> <li>• Presentation by each Subsidiary Commissioner (Integrated Governance Committee member) regarding: <ul style="list-style-type: none"> <li>• Audit findings and follow-up</li> <li>• Implementation of Anti-Fraud Strategy</li> </ul> </li> </ul>	Pradjoto Joni Swastanto Krisna Wijaya Rizqullah Fabianus Sudjatmoko Rosa Lima Dwi Mutiari Setyowati

\* Joint meetings of the Audit Committee and the Risk Oversight Committee.

\*\* Termination of appointment as a Committee Member on February 25, 2016 according to SK BOC No. KEP / 021 / DK2016 dated May 26, 2016.

\*\*\* Effective as a Committee Member on May 10, 2016 according to SK BOC No. KEP / 018 / DK2016 dated May 12, 2016.

\*\*\*\* Implementing cooling off in order to shift the tasks from Commissioner to Independent Commissioner since June 27, 2016. Effective as Independent Commissioner from January 25, 2017.

\*\*\*\*\* Effective as a Committee Member of on October 20, 2016 according to SK BOC No. KEP / 028 / DK2016 dated October 20, 2016.

\*\*\*\*\* Effective as a Committee Member of on October 20, 2016 according to SK BOC No. KEP / 029 / DK2016 dated October 20, 2016

## Integrated Corporate Governance Committee Activities Brief Report For 2016

In carrying out its duties and responsibilities in 2016, the integrated Corporate Governance Committee conducted the following activities:

1. Reviewed and discussed the subsidiaries' performance following the company's growth strategy in line with the PT Bank Negara Indonesia (Persero) Tbk vision change into a financial institution that excels in service and performance, so that the subsidiaries plans are integrated with the parent company.
2. Provided feedback and suggestions to improve subsidiary synergy as part of the BNI Group, the exploration of new products and optimization of prospective business opportunities from PT Bank Negara Indonesia (Persero) Tbk as the parent company.
3. Evaluated the implementation of Integrated Governance covering the adequacy of integrated internal control; integrated compliance functions; Integrated Governance Guidelines; integrated risk management, and subsidiary performance.
4. Evaluated the implementation the Integrated Governance Policy and the implementation of the Integrated Risk Management Policy.

5. Evaluated the integrated risk profile dashboard, major risk indicators for PT Bank Negara Indonesia (Persero) Tbk and each subsidiary, as well as to evaluate the results of the assessment / evaluation on integrated governance.
6. Ensured integrated audit findings have been followed up by each subsidiary and ensure categorizing findings to anticipate recurring findings.
7. Encouraged enhanced implementation of subsidiary synergies, including synergies in terms of joint branding and segmentation determination to avoid overlapping.
8. Encouraged the acceleration of BNI Incorporated, so the impact on the profitability of each subsidiary is accompanied by risk control, fulfillment with quality human resources, and good governance.
9. Discussed and recommended settlement of the issues raised in the company's subsidiaries.
10. Reviewed and ensured the Integrated Governance Report to Otoritas Jasa Keuangan identified strengths and weaknesses of the implementation of integrated governance and ensured the weaknesses that exist have created an action plan / improvement measures.



## GCG Structure and Mechanism

11. Increased the shared commitment of all subsidiary Commissioners and all members of the Integrated Governance Committee that the supervision must be based on the context of the risks to the main entity.
12. Developed an Integrated Governance Committee work program for 2017 with a focus on: ensuring Integrated Governance structure functions optimally; processes run smoothly; and evaluate the results of the Integrated Governance.
7. BEJ Board of Directors' Decision JSX 339/BEJ/07-2001 dated July 20, 2001 regarding changes to Provisions C.2.e Exchange Listing Rule Number I-A: On the General Provisions on the Registration of Equity Securities Exchange.
8. Regulation No.IX.I.4 Bapepam Chairman Decree No. Kep 63/PM/1996 dated January 17, 1996.

### CORPORATE SECRETARY

The BNI Corporate Secretary is directly responsible to the President Director and in charge of expanding the mission to support the creation of a consistent and continuous good corporate image through an effective management communication program to all stakeholders, including Otoritas Jasa Keuangan, the Indonesia Stock Exchange, and the public at large. The Company Secretary has access to relevant information and material relating to the Company and control of capital market legislation, especially with regard to information disclosure.

### CORPORATE SECRETARY STRUCTURE

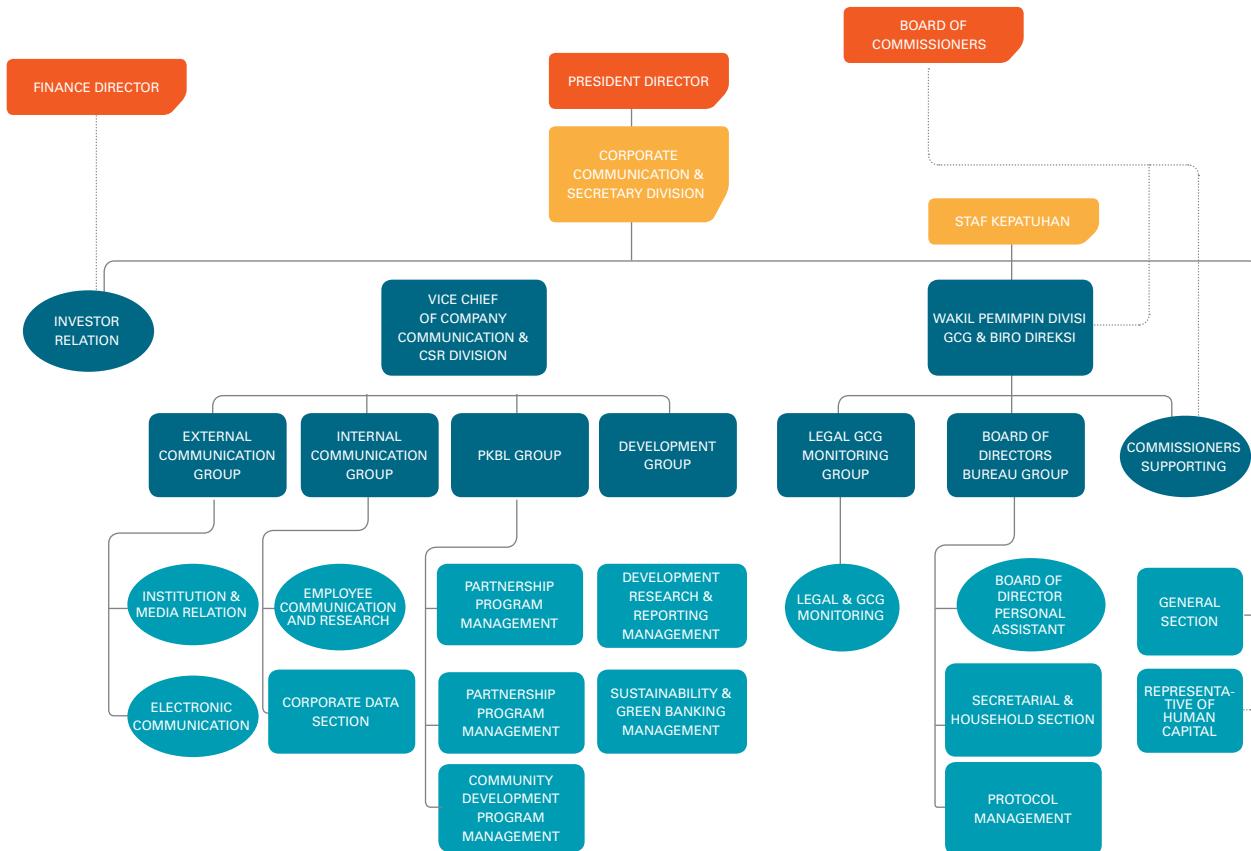
Related to the Company organizational structure, the Company Secretary is responsible directly to the President Director in providing guidance and monitoring the activities of the working units according to their respective sectors, including investor relations, corporate branding, external communications, internal communications, legal and GCG monitoring, as well as protocol, secretarial, and domesticity.

### CORPORATE SECRETARY APPOINTMENT BASIS

Regulations used in the formation, recruitment and implementation of the Corporate Secretary, included:

1. BNI Articles of Association.
2. Otoritas Jasa Keuangan Regulation No. 35/POJK.04/2014 regarding Corporate Secretary of Public Company.
3. PT. Bursa Efek Indonesia Board of Directors Decree No. Kep-00001/BEI/01-2014 regarding Amendments to Law No. I-A: On Registration of Shares and Equity In addition Shares Issued by the Listed Company.
4. Ministry of State Enterprises Regulation No. PER-01/MBU/2011 regarding Implementation of Good Corporate Governance (GCG) in State-Owned Enterprises, as amended by PER-09/MBU/2012.
5. Law No.19 of 2003 on State-Owned Enterprises.
6. Ministry of State Enterprises Regulation KEP117/M-MBU/2002 dated July 31, 2002.

## CORPORATE COMMUNICATION & SECRETARY DIVISION ORGANIZATION STRUCTURE



### INFORMATION:

1. Investor Relations is responsible to the Director of Finance for the functions related to financial aspects, while other functions such as personnel administration remain under the Corporate Communications and Secretariat Division.
2. Supporting and directly responsible to the Board of Commissioners, however, personnel administration is under the Corporate Communications and Secretariat Division.
3. If necessary, Board of Commissioners may direct to coordinate with the GCG Deputy Division Head and Board of Directors Bureau
4. Implementation of General functions follows the Head Office General Affairs central policy The Human Capital function follows the Human Capital central policy
5. Implementation of Human Capital functions follows a policy of centralization of Human Capital representation.



## GCG Structure and Mechanism

### CORPORATE SECRETARY FUNCTION AND DUTIES

In BNI, the Corporate Secretary function is handled by the Communications and Secretariat Division. The BNI Corporate Secretary is directly responsible to the President Director and serves a mission to expand the mission to support the creation of a consistent and continuous good corporate image through an effective management communication program to all stakeholders. Company Secretary have access to relevant information and material relating to the Company and control of legislation in the field of capital markets, especially with regard to disclosure of information.

Referring to the Otoritas Jasa Keuangan Regulation No. 35/POJK/2014 on Corporate Secretary of Public Company, the Corporate Secretary functions include:

1. Following the development of capital markets, especially the legislation in force in the capital market.
2. Providing input to the Board of Directors and Board of Commissioners to comply with the laws and regulations in the capital market.
3. Assisting the Board of Directors and the Board of Commissioners in the implementation of corporate governance including:
  - a. Disclosure of information to the public, including the availability of information on the Company website.
  - b. Submitting timely reports to Otoritas Jasa Keuangan.
  - c. Implementing and documenting the General Meeting of Shareholders.
  - d. Implementing and documenting Board of Directors and / or Board of Commissioners Meetings.
  - e. Implementing the company's orientation program for Board of Directors and / or Board of Commissioners.
4. Acting as a liaison between the Issuer or a Public Company with the shareholders of the Issuer or Public Company, Otoritas Jasa Keuangan, and other stakeholders.

In line with the OJK Regulations mentioned above, and in the achievement and implementation, the Corporate Secretary vision and mission is aligned with BNI vision and mission, and the BNI Corporate Secretary functions and duties as set out in the Corporate Communications and Secretariat Division Guidelines are as follows.

1. The principal Corporate Secretary main functions are as follows.
  - a. Following the development of capital markets. Particularly the regulations prevailing in the Capital Market.
  - b. Providing the public with any information needed by investors (investor relations) with respect to the Bank condition.
  - c. Providing the public with all information needed by stakeholders (public relations) related to the Bank condition.
  - d. Provide input to the Board of Directors to comply with the provisions of Law No. 8 of 1995 Concerning Capital Markets and its regulations.
  - e. As a contact person between the Bank and OJK and the public.
2. In addition to implementing these main functions, the Company Secretary is also performs the following duties.
  - a. Attends Board of Directors meetings and takes the minutes of the meeting.
  - b. Establishes a Special Register related to the Board of Directors, Board of Commissioners and their families both in the Company and its affiliates which include stock ownership, business relations and other roles that may give rise to a conflict of interest with the Company.
  - c. Prepares a List of Shareholders including those with ownership of 5% (five percent) or more.
  - d. Organizes the GMS. Prepares materials required with regard to the reports / routines of the Board of Directors to be submitted to outside parties. Prepares materials needed with regard to Board of Directors's decisions with respect to the Company's management.
  - e. Organizes meetings within the Board of Directors, both routine and non-routine.

## CORPORATE SECRETARY PROFILE

In 2016 BNI changed its Corporate Secretary, as follows

1. Up to April 24, 2016 the Corporate Secretary Duties were held by Suhardi Petrus.
2. Since April 25, 2016 up to date, the execution of Corporate Secretary tasks is held by Kiryanto



### SUHARDI PETRUS

(November 27, 2015 - April 24, 2016)

Indonesian citizen, 47 years. Earned his S1 in Accounting, Universitas Sebelas Maret (1992) and S2 in Financial Management from the Universitas Wijaya Putra (2000).

BNI Corporate Communications and Secretariat Division Head from November 27, 2015 until April 24, 2016.

He previously served as VP Compliance Management & Development Division, Head Compliance Management & Development Division (2013), and Leader Network and Services Region Semarang Regional Office (2014-2015). Currently he serves as the Network and Service Areas Leader, Banjarmasin Regional Office.



### KIRYANTO

(April 25, 2016 – until now)

Indonesian citizen, 49 years. Earned his S1 in FISIP Financial Management from Universitas Gajah Mada (1992) and S2 in Economic Management from Universitas Indonesia (2000).

He previously served as BNI Senior Economist, Strategic Planning Division (2006-2016) and Assistant Vice President of Corporate Communications and Secretariat Division (2004-2006). In addition, he is a professional Indonesian economist whose work has been published in several print media and provides training to bank employees.



## GCG Structure and Mechanism

The replacement of the Corporate Secretary was approved by the Board of Commissioners through its letter No. BOC DK/38 dated April 22, 2016 and became effective on April 25, 2016. The changes were announced by the Company on April 26, 2016 in national newspapers, The Jakarta Post and Investor Daily. The notices in the newspapers as shown below:



### CORPORATE SECRETARY COMPETENCY IMPROVEMENT

To keep abreast of the latest developments regarding effective implementation of Corporate Secretary functions and roles, BNI facilitates the Corporate Secretary's training. In 2015, the Corporate Secretary attended the following the training:

Name	Period	Material	Date and Place	Type of Training and Organizer
Kiryanto	April 25, 2016 - December 31, 2016	Anti Money Laundering Seminar	April 7, 2016 - Jakarta	Seminar by PPATK
		Gratification Control	October 17, 2016 - Jakarta	Seminar by KPK
		CEO Forum	November 24, 2016 - Jakarta	Conference by Kompas and BNI
		Corporate Governance and Integrated Risk towards Regional Champion	December 19, 2016 - Jakarta	Seminar by IICG

## CORPORATE SECRETARY DUTIES IMPLEMENTATION IN 2016

Activities related to the stakeholders conducted by the Corporate Secretary during 2016 included:

1. Organized Corporate Actions, namely:
  - a. Extraordinary General Meeting on January 12, 2016
  - b. Annual General Meeting on March 10, 2016
  - c. Dividend payment on 13 April 2016
2. Followed the development of capital markets in accordance with the applicable provisions of the Capital Market.
3. Created GCG awareness for the BNI Board of Directors and Board of Commissioners including updates on new policies and issues concerning corporate governance.
4. Made disclosures in accordance with applicable regulations.
5. Managed communications with the capital market community, especially investors and analysts to ensure transparency of information, BNI held Analyst Meeting and Public Exposes, received Investors / Analyst Conference Calls and Visits, organized Analyst Gatherings, Economic Outlooks and published BNI Monthly Report ,
6. Followed the Non-Deal Roadshow both at home and abroad,
7. Provided up to date information access to the public at large, such as share databases, website applications, prepared the Annual Report for 2016.
8. Optimized strategy through GCG implementation, GCG Self Assessment and Integrated Governance Self Assessment, as well as GCG socialization in Regional offices and Vendor Gatherings.
9. Submitted regular and incidental reports to regulators, among others, Securities Holders Register statements, Register of Shareholders, Report of Foreign Debt, etc.

10. Arranged Fit and Proper Test for Board of Directors and Board of Commissioners.
11. Documentation of the legality of data, among others GMS Deed, the Deed of Amendment of Managements, etc.
12. Held press conferences and teleconferences with stakeholders.
13. Established communication with the Ministry of State Enterprises, the Ministry of Finance, the State Secretary, Otoritas Jasa Keuangan, Self Regulatory Organizations (Indonesia Stock Exchange, Indonesian Central Securities Depository and Clearing and Guarantee Indonesia), Securities Administration Bureau, and other relevant institutions.
14. Actively participated in hearings and working visits to the House of Representatives.
15. Attended the Board of Commissioners and Board of Directors meetings and took the minutes of the Meetings.

## 2015 Corporate Secretary Reports

Corporate Secretary's reports are covered in Article 11 of Otoritas Jasa Keuangan Regulation No. 35/POJK/2014 which states that:

1. The Corporate Secretary shall make a report at least 1 (one) time in 1 (one) year regarding the Corporate Secretary functions to the Board of Directors and copied to the Board of Commissioners.
2. The Issuer or Public Company must disclose a brief description of the Corporate Secretary functions implementation and information about education and / or training undertaken by the Corporate Secretary in the Public Company annual report.

Guided by the foregoing, the BNI Corporate Secretary has prepared a report regarding the Corporate Secretary to the Board of Directors and Board of Commissioners, which was delivered via Memo No.KMP/7/1292 dated April 22, 2016.



## GCG Structure and Mechanism

This report includes information on:

### Corporate Secretary Function Implementation based POJK No. 35 /POJK.04/2014

No.	OJK Function	Program	Realization
1	Following the development of capital markets in particular legislation applicable to Capital Markets	Following the development of Capital Market legislation and the Capital Markets Division to coordinate with other related fulfillment of the provisions of Capital Market	<p>Analyzed the juridical / study</p> <ul style="list-style-type: none"> <li>Revised BNI Statutes to conform POJK No. No. 32 / POJK.04 / 2014 and No. 32 / POJK.04 / 2014</li> <li>Terminate BNI Directors Authority still in the process of OJK Fit and Proper Test</li> <li>Loan Funding Transactions to the China Development Bank</li> <li>Assets Revaluation related to economic policy package V</li> <li>Resume OJK Regulation No. 6 / POJK.03 / 2015 on Transparency and Publication Bank Reports</li> <li>Purchase BNI Sudirman Building KCU Fatmawati related Affiliate Transactions conducted by the BNI Pension Fund</li> </ul>
		Fulfillment new POJK on Governance Integrated Financial conglomerate	<ul style="list-style-type: none"> <li>Integrated Governance Guidelines approved through Board of Directors Letter No. DIR / 164 dated June 26, 2015 and Board of Commissioners Letter No. DK / 71 dated July 8, 2015 and has been communicated to all LJK in BNI Financial Conglomerate</li> <li>BNI established a Corporate Governance Committee for Integrated Financial Conglomerate based on Board of Commissioners Decree No. Kep / 009 / DK / 2015 dated June 25, 2015</li> </ul>
2	Provide input to the Board of Directors and Board of Commissioners of Public Company to comply with the laws and regulations in the capital market.	GCG Awareness of the BOC and BOD includes new and updated policies regarding corporate governance issues	<p>Has compiled and delivered:</p> <ul style="list-style-type: none"> <li>Juridical Studies for Term of Office of BNI Directors and Commissioners</li> <li>The study of the latest regulations related to AGMS, the Board of Directors and the Board of Commissioners, the Nomination Committee Remuneration, Corporate Secretary and Rights (No. 32 / POJK.04 / 2014, No. 33 / POJK.04/2014, No. 34 / POJK.04 / 2014, No. 35 /POJK.04/2014 No. 38 /POJK.04/2014)</li> <li>Information publishing PBI 17/3 / PBI / 2015 on Liability Use of Rupiah to Board of Directors</li> <li>Analysis of Minister of State Regulation Per-07 / MBU / 05/2015 to the Board of Directors</li> <li>Analysis of Repurchase (Buyback) Shares BNI joint Treasury Division</li> <li>Implementation Analysis Repurchase (Buyback) BNI Shares for Bonus Shares to Directors and Letter No. DIR / 158 / R to the Board of Commissioners for Buyback approval.</li> </ul>
3	Assist the Board of Directors and the Board of Commissioners in the implementation of corporate governance include:	disclosure of information to the public, including the availability of information on the website of Public Company	<p>Guarantee the transparency of corporate information either financial or non-financial, to keep such information conveyed in a reasonable and proper.</p> <p>Composing, performing and delivering:</p> <ul style="list-style-type: none"> <li>Disclosure of Information on any BNI corporate action</li> <li>Information Disclosure Publication in print media, BNI website, Issuer Reporting System (SPE) OJK and e-reporting in the Indonesian Stock Exchange (idx.net)</li> <li>Disclosure Letter to the OJK and / or the Indonesia Stock Exchange</li> </ul>
		Intensification of the publication of the material and information company performance	<ul style="list-style-type: none"> <li>Condensed Financial Statements of the Company in Local Media</li> <li>Drafted Corporate Presentation Material</li> <li>Drafted Smartbook</li> <li>Publication of financial statements highlights in print ad in the foreign media</li> </ul>

No.	OJK Function	Program	Realization
The submission of reports to Otoritas Jasa Keuangan in a timely manner	Provision of information on a regular basis about the company's performance, the performance of shares of BNI and market outlook	<ul style="list-style-type: none"> <li>Provide regular information about company performance, performance of BNI shares and overall market outlook through Weekly, Monthly, Quarterly and Annually Reporting.</li> <li>Submit monthly reports to internal and external parties regarding market developments and the company's stock performance.</li> </ul>	
	Providing access to up to date information on access to widely accessible to the public via the updating of material on digital media in order to provide easier access and spacious.	<ul style="list-style-type: none"> <li>Building database of shares, investors and the data input / feedback as the basis for future improvements</li> <li>Providing up to date information regarding the company's performance and corporate governance through digital media (website)</li> <li>Developing Apps &amp; Content website</li> <li>UPPdating the BNI website materials in accordance with POJK 8 / POJK.04 / 2015 on the aforementioned site</li> </ul>	
	Preparing management reports are summarized in the annual report (Annual Report)	<ul style="list-style-type: none"> <li>Develop Annual Report Team</li> <li>Coordinate with internal and external parties in the context of preparing the 2014 and 2015 TB Annual Report</li> </ul>	
	Optimizing GCG implementation and monitoring strategy	GCG Self Assessment (Semester II position in December 2014) and BNI rated 2	
		Self Assessment (Semester position in June 2015) submitted to the OJK and BNI rated 2	
	Routine delivery report to the FSA	<ul style="list-style-type: none"> <li>Routine reports in the context of compliance with the provisions of OJK delivered by mail and upload SPE OJK include:</li> <li>Securities Registration Statement each month</li> <li>Top 10 List of shareholders Reports every quarter</li> <li>Currency Debt reports every month</li> </ul>	
	Report Submission incidental to the FSA	Reports incidental in the context of compliance with the provisions of the OJK delivered by mail and upload SPE OJK among others, Information Disclosure Statement on corporate action (attached).	
	The Annual General Meeting of Shareholders (AGMS)	<ul style="list-style-type: none"> <li>Held AGMS on March 17, 2015 date set forth in the Deed of Minutes of Annual General Meeting No. 34 th. March 17, 2015 made by Notary Fathiah Helmi, SH</li> <li>Held EGMS on 9 November 2015 set forth in the Deed of Extraordinary General Meeting No. 6 On November 9, 2015 made by Notary Fathiah Helmi</li> </ul>	
	Fit and Proper Test Management For Directors and Commissioners	Coordinated with OJK for the implementation of fit and proper test for 8 candidates for the Board of Directors and 7 candidates for the Board of Commissioners. All candidates for the Board of Directors and the Board of Commissioners who have followed the fit and proper test in 2015 passed the OJK fit and proper test as stated in the Deed of Amendment Member of the Board of Notary Fathiah Helmi, SH	
	Implementation and documentation of Board of Directors and / or Board of Commissioners Meetings	Completed hardcopy and softcopy of the documents AGMS and the Board of Directors meetings	
implementation of orientation programs to the Board of Directors and / or Board of Commissioners	orientation program carried out to increase the competence of the Board of Directors and Board of Commissioners	in the Annual Report 2015	



## GCG Structure and Mechanism

No.	OJK Function	Program	Realization
	Other related GCG implementation	supporting Board of Commissioners	<ul style="list-style-type: none"> <li>Implement a strategic initiative to support the smooth running of the Board of Commissioners in implementing good corporate governance as well as improving the quality of services through implementation support for the implementation of TKT administrative requirements for new Commissioners in ensuring good corporate governance and the AGM, improvement of service quality juridical and strategic as reference material Board in decision-making, improved quality report containing analysis or review in order to comply with the regulator, and the Preparation of reports Results of Commissioners Meetings and Committee Meetings.</li> <li>Conducting supporting the implementation of the program by the Board of Commissioners Work Plan and Budget Board of Commissioners in 2015.</li> </ul>
	Promoting the Principles GCG implementation effectively and efficiently, thus improving the image / image BNI and provide added value for the company (value creation)	stock management	<ul style="list-style-type: none"> <li>Creating GCG commitment signed by all personnel BNI</li> <li>Drafted BNI Integrity Pact signed by all Directors</li> <li>Have publishes Anti Gratification through internal and external media</li> </ul>
		Dividend Payment	Made the payment of dividends the financial year 2014 on 17 April 2015
		Socialization Conflict of Interest and TKT	Submitted material socializing Conflict of Interest to all Division / Unit / Unit
		GCG Campaign	Organized a contest about Conflicts of Interest, which was followed by all employees in March 2015
4	As a liaison between the Issuer or a Public Company by the shareholders of the Issuer or a Public Company, OJK and other stakeholders	Optimize strategies related to capital and rating BNI	<p>Implemented:</p> <ul style="list-style-type: none"> <li>Effective communication with the of Rating Institute</li> <li>Review BNI rating from rating agencies S &amp; P, Moody's, Fitch and PEFINDO</li> </ul>
		Intensification of effective communication with the public / investor so as to improve stakeholder satisfaction	Has been intensifying effective communication with the public / investor through the activity of Investor Relations, among others through activities Analyst Meeting, Public Expose, Non Deal Road Show and Foreign Investor and Analyst Visit, Teleconference, Analyst Gathering, Economic Outlook and BNI Monthly Report to External
		Intensification of effective communication with analysts by holding analyst meetings	Financial analyst meeting as follows: <ul style="list-style-type: none"> <li>FY 2014: January 29, 2015</li> <li>1Q 2015: 23 April 2015</li> <li>2Q 2015: July 30, 2015</li> <li>3Q 2015: October 15, 2015</li> </ul>
		Maintenance of Public Expose	Conducted a Public Expose Financial position September 2015 on 9 November 2015 by the Investor Summit on the Indonesia Stock Exchange
		GCG Implementation Partnership Program with Institutions / Agencies	Has been cooperating with IICG, IICD, NCG and LKDI

No.	OJK Function	Program	Realization
		Being a liaison between the company and stakeholders	<ul style="list-style-type: none"> <li>• Promoting the company and other information publishing</li> <li>• Manage communications with the Ministry of SOEs</li> <li>• Managing communication and correspondence with investors, stock market analysts, fund managers, securities firms, regulators and rating agencies</li> <li>• Updating support systems (Bloomberg, Orient), etc.</li> <li>• Hold shareholder meetings, investor meetings / forums, investor / analyst visits, private meetings with investors ("one-on-one" briefings)</li> <li>• Managing database of investors, the company's performance as well as peers and analyst mailing list</li> <li>• Liaison between the company and the media, for example in the preparation of Press Release</li> <li>• The company spokesperson</li> <li>• Minimize the negative publicity the reputation of BNI</li> </ul>

## INVESTOR RELATIONS FUNCTION

Investor Relations activities are part of the Corporate Secretary function and the main function is to support the Corporate Secretary in their efforts to build relationships and enhance Investor Relations intensive, systematic and well-planned programs, by:

1. Being a liaison between the company and its stakeholders by managing communication and correspondence with investors, stock market analysts, fund managers, securities firms, regulators and rating agencies.
2. Ensuring the transparency of corporate information either financial or non-financial, to convey such information in a reasonable and proper manner.
3. Maintaining confidentiality of information about the company or the customers and not use the confidential information for personal benefit or the advantage of other parties.
4. Holding shareholder meetings, press conferences, conferences, investor meetings / forums, investor / analyst visits, private meetings with investors ("one-on-one" briefings).
5. Preparing company performance publications.
6. Preparing company promotions and other information.

7. Submitting monthly reports (Monthly updates) to internal and external parties regarding market developments and the company's stock performance.
8. Prepare summarized management reports for the Annual Report.
9. Providing information on the company's performance through digital media (website) to provide easier and wider access.
10. Managing the investor database, the company's performance as well as peers and analyst mailing lists.



## GCG Structure and Mechanism

Investor Relations activities together with the Corporate Secretary in the framework of transparency principle implementation during 2016.

Investor Relation Activity	2016
Analyst Meeting	4x
Public Expose	1x
Non Deal Road Show/Conference Dalam Negeri	11x
Non Deal Road Show/Conference Luar Negeri	10x
Investor and Analyst Visit	123x
Teleconference	32x
Analyst Gathering	1x
Economic Outlook	1x

## COMMITTEES BELOW THE BOARD OF DIRECTORS

In carrying out its tasks, the Board of Directors has established committees at the level of the Board of Directors, in accordance with BNI business needs and regulatory provisions, which are expected to assist with operational effectiveness and efficiency, including:

1. Credit Committee
2. Integrated Risk Management Committee
3. Risk and Capital Management Committee
4. Product Committee
5. Performance Management Committee
6. Technology Management Committee
7. Credit Policies and Procedures Committee
8. Human Capital Committee

### CREDIT COMMITTEE

#### Credit Committee Structure and Membership

The Credit Committee comprises 4 (four) levels, each of which has a membership composition and authority limit the of its own, namely:

1. Credit Committee at the Board of Directors level
2. Credit Committee at the Director level:
  - a. Sector Director + Director \*) + Director
  - b. Sector Director + Director \*)
  - c. Sector Director
3. Credit Committee at the Head Office level:
  - a. Head Office 2 (KP-2)
  - b. Head Office 1 (KP-1)
4. Credit Committee at the Regional level:
  - a. Credit Committee Regional Office 2
  - b. Credit Committee Regional Office 1
  - c. Medium Credit Committee
  - d. Small Credit Committee 2
  - e. Small Credit Committee 1
  - f. Credit Committee Branch 2
  - g. Credit Committee Branch 1

*\*) The Director is in accordance with the matching table below.*

Segment	Sector Director	Equivalent Director
<b>Banking Business</b>		
Corporate	Corporate Business Director	Medium Business Director
Medium	Medium Business Director	Corporate Business Director
Small	Vice President Director	Director of Institutional Relations and Transactional Banking
Unorganic Consumer	Consumer Banking Director	Treasury and International Director
Overseas Branches	Treasury and International Director	Consumer Banking Director

### Credit Committee Duties and Responsibilities

Credit Committee Job Description is as follows.

1. Approve or reject proposals in accordance with the credit limit or types of credit authority established by the Board of Directors.
2. Coordinate with the Treasury Division on credit funding aspect.
3. Responsible for credit decisions based financing feasibility, credit safety considerations, compliance with lending policies and procedures as well as the provisions of the credit limit.

4. Reject the request and or influence the parties with an interest in the credit applicants that provides credit that is merely a formality.
5. Carry out their duties, especially in connection with the provision of appropriate credit approval authority based on professional, honest, objective, accurate, and thorough skills.

### Duties Implementation and Meeting Frequency

Throughout 2016, the date of execution, meeting agenda and meeting participants Credit Committee, as follows.

#### Credit Committee Meeting Agenda

No.	Level Authority	Amount Meeting
1	Radisi	4
2	Diu + Dir Dir sector + Matching	62
3	Wadiu + Ts + Dir Dir KU	10
4	Dir sector + Dir Match	8
5	Dir sector	28

### Integrated Management Risk Committee

BNI as part of the financial services sector, owns several subsidiaries incorporated into its financial conglomerate, and has implemented integrated risk management. The Integrated Risk Management Committee (KMRT) is a non-structural Committee established through Directors Decree No. KP/193/DIR/R dated May 26, 2015 and charged with providing recommendations to the Board of Directors through the BNI Director of Compliance and Enterprise Risk acting as the Director appointed to carry out the implementation of Integrated Risk Management.



## GCG Structure and Mechanism

### Integrated Management Risk Committee Structure and Membership

<b>Chairman</b>	Director of Compliance and Enterprise Risk – BNI as Director appointed to carry out the implementation of Integrated Risk Management
<b>Secretary</b>	Risk Management Division Head - BNI
<b>Permanent Members</b>	<ul style="list-style-type: none"> <li>• Director of Finance - BNI</li> <li>• Director of Compliance - BNI</li> <li>• Internal Control Unit Head - BNI</li> <li>• Subsidiary Development Unit Head -BNI</li> <li>• Strategic Planning Division Head - BNI</li> <li>• Legal Division Head – BNI</li> <li>• Corporate Communications and Secretariat Division Head - BNI</li> <li>• Director in charge of Risk Management – BNI Syariah</li> <li>• Director in charge of Risk Management – BNI Securities</li> <li>• Director in charge of Risk Management – BNI Life</li> <li>• Director in charge of Risk Management – BNI Multifinance</li> <li>• Director in charge of Risk Management – BNI Assets Management</li> <li>• Division Head in charge of Risk Management – BNI Syariah</li> <li>• Division Head in charge of Risk Management – BNI Securities</li> <li>• Division Head in charge of Risk Management – BNI Life</li> <li>• Division Head in charge of Risk Management – BNI Multifinance</li> <li>• Division Head in charge of Risk Management – BNI Assets Management</li> </ul>
<b>Non-Permanent Members</b>	BNI or Subsidiary Director and Division /Unit Head associated with the meeting

### Integrated Management Risk Committee Duties and Responsibilities

Duties and Responsibilities of the Integrated Risk Management Committee is to provide recommendations to the Board of Directors including:

1. Preparation of Integrated Risk Management policy
2. Integrated Risk Management policy repairs or improvements based on evaluation results.

3. Establish methodologies and procedures used to identify, measure, monitor, and control the risks arising from all activities of the BNI financial conglomerate.
4. Provide recommendations on the establishment of a methodology and an integrated risk profile assessment for BNI Financial conglomerate.

### Duties Implementation and Meeting Frequency

Throughout 2016, the Integrated Risk Management Committee held two meetings with the following agenda.

#### Integrated Risk Management Meeting Agenda

No.	Meeting Date	Meeting Agenda
1.	February 10, 2016	1.Determination of BNI Financial Conglomerate Integrated Risk Profile as at December 31, 2015 2.Integrated Capital Adequacy (KPMM) as at December 31, 2015
2.	August 4, 2016	1.Determination of BNI Financial Conglomerate Integrated Risk Profile as at June 30, 2016 2.Integrated Capital Adequacy (KPMM) as at June 30, 2016 3.Integrated Risk Management Work Plan - 2016

## RISK AND CAPITAL COMMITTEE

The Risk and Capital Committee (KRK) was established by the Board of Directors Decree, last amended by Board of Directors' Decree No. KP/483/DIR/R dated December 21, 2016.

### Risk and Capital Committee Structure and Membership

<b>Chairman</b>	President Director
<b>Deputy Head</b>	Vice President Director
<b>Risk Management Sub Committee Chairman (RMC)</b>	Director of Compliance and Enterprise Risk
<b>Secretary Accredited Permanent member</b>	Bank Risk Management Division Head
<b>Permanent Members</b>	<ul style="list-style-type: none"><li>• Director of Finance and Credit Risk</li><li>• Director of Consumer Banking</li><li>• Director of Treasury and International</li><li>• Director of Planning and Operational</li><li>• SEVP Rescue and Loan Settlement</li><li>• SEVP Network and Services</li><li>• SEVP Information Technology</li><li>• Division Head Treasury</li><li>• Division Head Corporate Credit Risk</li><li>• Division Head Medium and Small Enterprises Credit Risk</li><li>• Division Head Consumer Credit Processing and Billing</li><li>• Division Head Strategic Planning</li><li>• Division Head Compliance</li><li>• Division Head Budgeting and Financial Control</li><li>• Unit Head Internal Control</li><li>• Division Head Legal</li><li>• Division Head Corporate Communications and Secretariat</li><li>• Division Head Governance Policies</li><li>• Unit Head Customer Analysis and Management Portfolio</li></ul>
<b>Non-Permanent Members</b>	Director / SEVP/ Division / Unit Head, associated with the meeting



## GCG Structure and Mechanism

### Risk and Capital Committee Duties and Responsibilities

Job Description Risk and Capital Committee as follows.

1. Evaluating and providing recommendations related to risk management, which includes:
2. Formulating Policies and Strategies for Risk Management, and amendments thereto.
3. Developing Risk Management framework and contingency plans to anticipate the occurrence of abnormal conditions.
4. Improving Risk Management process regularly or incidental as a result of changes in external and internal conditions affecting the Bank's Capital adequacy, risk profile, and ineffective implementation of Risk Management based on the results of the evaluation.

5. Establishing policies and / or business decisions that deviate from normal procedures, such as significant business expansion compared with the Bank's predefined Business Plan or a position / risk exposure beyond the established limits.
6. Establishing capital adequacy management policies to cover the risks and support the Bank's business strategy, including measurement, structure (tier 1 / tier 2), allocation of capital and contingency plans.

### Duties Implementation and Meeting Frequency

Throughout 2016, the Risk and Capital Committee held 10 meetings with the following agenda.

#### Risk and Capital Meeting Agenda

No.	Meeting Date	Meeting Agenda
1.	January 15, 2016	1.BNI Assessment of Soundness as at December 31, 2015 2.Integrated Minimum Capital Requirement Calculation Method (KPMM)
2.	March 11, 2016	Review Loan Exposure Limit (LEL) Domestic Loans - 2016
3.	March 23, 2016	Industry Risk Rating (IRR) Determination proposal and Standard Financial Ratio - 2016
4.	March 24, 2016	Cash Limit Determination BNI Wide
5.	April 11, 2016	Establish and review market risk limits Treasury dan KCLN Division
6.	April 18, 2016	Individual Risk Profile Assessment as at 31 March 2016
7.	July 25, 2016	1.BNI Assessment of Individual Soundness as at June 30, 2016 2.BNI Individual Risk Profile as at June 30, 2016 3.Review Credit Risk Appetite
8.	September 9, 2016	Establish and review market risk limits Treasury dan KCLN Division
9.	October 17, 2016	1.BNI Individual Risk Profile as at September 30, 2016 2.Review Risk Appetite Statement BNI 2017
10.	November 7, 2016	1.Review limit Secondary Reserve (SR) in of Normal / Tight / Moderate conditions 2.Determination Limit Cash BNI Wide

Risk and Capital Committee has three sub-committees, namely:

1. Sub Risk Management Committee
2. Sub Asset and Liability Committee (ALCO)
3. Sub Committee Anti Fraud

## Sub-Committee on Risk Management

### Structure and Membership Sub-Committee on Risk Management

<b>Chairman</b>	Director of Compliance & Risk
<b>Secretary</b>	Risk Management Division Head (as a permanent member)
<b>Permanent Members:</b>	<ul style="list-style-type: none"> <li>• Director of Finance &amp; Credit Risk</li> <li>• Director of Consumer Banking</li> <li>• Director of Treasury &amp; International</li> <li>• Director of Planning &amp; Operations</li> <li>• SEVP Rescue &amp; Settlement Loan</li> <li>• SEVP Network &amp; Service</li> <li>• SEVP Information Technology</li> <li>• Treasury Division Head</li> <li>• Corporate Credit Risk Division Leader</li> <li>• Division Head of Credit Risk Medium &amp; Small Enterprises</li> <li>• Processing &amp; Billing Division Head Consumer Credit</li> <li>• Strategic Planning Division Leader</li> <li>• Leader Compliance Division</li> <li>• Leaders Division Budgeting and Financial Control</li> <li>• The leader of the IAU</li> <li>• Leaders Legal Division</li> <li>• Leader of Corporate Communications &amp; Secretariat</li> <li>• Division leaders Governance Policies</li> <li>• Unit Leader Customer Analysis &amp; Portfolio Management</li> </ul>
<b>Non-Permanent Members</b>	Director / SEVP / Leader Division / Unit / Units associated with the Meeting materials.

### Duties and Responsibilities of the Sub-Committee

#### Risk management

Sub-Committee / Sector Risk Management evaluate and provide recommendations related to Risk Management, which at least includes:

1. Preparation of Policy and Management Strategy Risks and amendments thereto
2. Develop Risk Management framework contingency plans to anticipate the occurrence of abnormal conditions.
3. Improve the process of Risk Management periodical or incidental as a result of a change in condition external and internal Bank that affect Capital adequacy, risk profile, and ineffective implementation of Risk Management based on the results of the evaluation.

4. Establish policies and / or business decisions that deviate from normal procedures, such as significant business expansion compared with the Bank's Business Plan predefined or retrieval position / risk exposure that exceeds limits has been established.
5. Establish adequacy management policies capital to cover the risks and support The bank's business strategy, including measurement, structure (tier 1 / tier 2), allocation, and plans Contingent capital.



## GCG Structure and Mechanism

### Sub Asset and Liability Committee (Alco)

#### Structure and Membership Sub Asset and Liability Committee (ALCO)

**Chairman** Director of Treasury & International

**Secretary** Treasury Division leader (who is also a permanent member)

- Permanent Members**
- Director of Compliance & Risk
  - Director of Corporate Business
  - Medium Business Director
  - Director of Consumer Banking
  - Director of Planning & Operations
  - Director of Finance & Credit Risk
  - Director of Institutional Relations & Transactional Banking
  - SEVP Information Technology
  - SEVP Network & Service
  - SEVP Rescue & Settlement Loan
  - SEVP Digital Banking
  - Leader Bank Risk Management Division
  - Corporate Credit Risk Division Leader
  - Division Head of Credit Risk Medium & Small Enterprises
  - Processing & Billing Division Head Consumer Credit
  - Strategic Planning Division Leader
  - Leader Compliance Division
  - Leaders Division Budgeting and Financial Control
  - Leader International Division
  - Division leaders Governance Policies
  - Business Leader Corporate & Multinational Division 1
  - Business Leader Corporate & Multinational Division 2
  - Unit leaders Syndication
  - Division leader SOEs and Government Institutions
  - Medium Business Division Head High End
  - Medium Business Division Leader
  - Division Leader for Small Business
  - Unit Leader Customer Analysis & Portfolio Management
  - Division Head of Consumer Product Management
  - Leaders Transactional Banking Services Division
  - The leader of the Institutional Relations Division
  - Network Management Division Leader
  - Leader Wealth Management Division

**Non-Permanent Members** SEVP / Leader Division / Unit / Units associated with the Meeting materials.

#### Duties and Responsibilities of the Sub-Committee on Asset and Liability (ALCO)

The duties and responsibilities of the Sub-Committee /The Assets and Liabilities, namely:

1. Define your goals and objectives ALMA BNI and formulate policies and strategies required.
2. Provide instructions and asset management BNI obligations.
3. Establish and maintain the amount of liquid assets corresponding liquidity needs and conditions Bank Indonesia.

4. Maintain a balance with the use of funds source of funds.
5. Establish a good fund placement policy through the Reserve Primary, Secondary Reserve, Tertiary Reserve and Loan.
6. Analyze the structure of the balance sheet and review all the risks arising from exposure owned by BNI in the form of interest rate risk, foreign exchange risk, and liquidity risk.

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7. Evaluate the progress and prospects economic indicators and analyze the impact on the storage position and loan, the position of foreign exchange, interest rates, foreign exchange and profitability BNI.
  8. Establish lending rate (base rate) and interest rates in deposits (demand deposits, savings and deposit).

### **Anti Fraud Committee**

In accordance with SEBI No. 13/28/DPNP dated December 9, 2011 regarding the Application of Anti-Fraud Strategy for Banks, as a commitment to improve the effectiveness of the Anti Fraud Strategy BNI formed the Anti Fraud Committee to foster a culture of anti-fraud awareness at all levels of the organization.

### **Anti Fraud Committee Structure and Membership**

The Anti-Fraud Committee was established pursuant to Decree No. KP/483/DIR/R dated December 21, 2016 concerning the Establishment of the Anti Fraud Committee (KAF), comprising::

<b>Chairman</b>	Director Compliance and Enterprise Risk
<b>Secretary</b>	Division Head Compliance (Substitute member)
<b>Permanent Members</b>	<ul style="list-style-type: none"> <li>• Director Consumer Banking</li> <li>• SEVP Network &amp; Service</li> <li>• Division Head Bank Management Risk</li> <li>• Division Head Governance Policies</li> <li>• Unit Head Internal Control</li> <li>• Division Head Human Capital Management</li> <li>• Division Head Legal</li> <li>• Division Head Network Management</li> <li>• Division Head Consumer Credit Processing and Billing.</li> </ul>
<b>Non-Permanent Members</b>	Sector Director /SEVP/ Division Head Division /Unit Head associated with the meeting

### **Anti Fraud Committee Duties and Responsibilities**

Duties and responsibilities of the Committee Against Fraud, include:

1. Identify, evaluate and assign follow-up in event of fraud derived from activities in all BNI work units.
2. Develop a culture and a concern for anti-fraud at all levels of the organization.
3. Establish anti-fraud policies and strategy.
4. Monitor the implementation of anti-fraud policy and strategy in BNI and periodically review the impact of policies and strategies.

In carrying out its duties and responsibilities, KAF assisted by the Compliance Division has the following functions:

1. Managing the implementation of policies and SAF coordination with the unit / division concerned;
2. Reviewing SAF SOP;
3. Reporting regularly and incidentally to Internal parties (Managing Director and Board of Commissioners) and external (Otoritas Jasa Keuangan) associated with Anti Fraud Strategy;
4. Acting as reporting and data liaison with the Division / other Units and external interested parties regarding Anti Fraud Strategy and managing database-related fraud in BNI;
5. Monitoring the initiation and implementation of the Anti-Fraud Strategy and improvements.



## GCG Structure and Mechanism

Anti-Fraud Committee Meeting (KAF) in 2016 has been carried out with the results as follows:

1. Strengthening the prevention aspects (fraud prevention), among others:
  - a. Socialization fraud awareness and policy know your employee.
  - b. E-learning Anti Fraud Awareness, Anti Money Laundering and Combating the Financing Terrorism, Good Corporate Governance, and BNI Work Culture.
  - c. Completion of the transaction system (Operational and business cards) in order mitigate the occurrence of internal fraud.
  - d. Completion of the internal policies such as ATM management policy.
2. Strengthening aspects of detection, among others implementation Compliance Index (CIX), the Committee Compliance and Whistleblowing System (WBS).
3. Strengthening aspects of sanctions between the other with improved shape and type administrative sanctions.
4. Strengthening the evaluation of the application of SAF between Another study allowances are not fixed (Performance rewards) associated with employee violations.
5. Strengthening of internal control as branch leadership training implementation.

### **PRODUCT COMMITTEE**

The Product Committee processes and monitors products / activities in BNI to ensure their success in creating maximum profit. The Product Committee was established by Board of Directors Decree No. KP/448/DIR/R dated September 20, 2012 regarding PT Bank Negara Indonesia (Persero) Tbk. Product Committee (PRC).

#### **Product Committee Structure and Membership**

<b>Chairman</b>	President Director
<b>Substitute Concurrent Head</b>	Vice President Director
<b>Permanent Member</b>	<ul style="list-style-type: none"> <li>• Director Planning and Operations</li> <li>• Director Compliance and Enterprise Risk</li> <li>• Director Legal</li> <li>• SEVP Network and Services</li> <li>• Division Head Network Management</li> <li>• Division Head Legal</li> <li>• Division Head Budgeting and Financial Control</li> <li>• Division Head Operational</li> <li>• Division Head Solutions and Information Technology Security</li> <li>• Division Head Bank Risk Management</li> <li>• Division Head Compliance</li> </ul>
<b>Non-Permanent Members</b>	Member of the Board of Directors who act as Sponsor Director, Division / Unit Head and Subsidiary Head related to the topics covered
<b>Secretary</b>	Division Head Strategic Planning
<b>Supporting Staff Group</b>	Related Division

## Product Committee Duties and Responsibilities

The duties and responsibilities of the Product Committee, include:

- Establishing the major strategy and business development for BNI products / activities.
- Conducting comprehensive testing and decided "feasibility" of products / activities especially related to cross-sectoral alliance / segments and strategic alliances with subsidiaries / other companies outside BNI by inviting the relevant Sector Director.

- Monitoring products / activities implemented in BNI and make decisions on the sustainability of products / activities on the recommendation of Supporting Staff Group / product owner.
- Acting as an arbitration institution in issues related to the Performance Management System (PMS) for new product / activities.

## Duties Implementation and Meeting Frequency

During 2016, the Product Committee held two meetings with the following agenda.

### Product Committee Meeting Agenda

No.	Meeting Agenda 2016
1.	The realization of new products and activities for first quarter of 2016 and plans for product / activity development in the revised 2016-2018 Business Plan.
2.	Data Compliance risk mitigation on planned issuance of new products and / or activities in 2017 as well as the issuance of new products and / or activities in the 2016 RBB.

## PERFORMANCE MANAGEMENT COMMITTEE

The Performance Management Committee (PMC) is a permanent committee at BNI as a forum for policy management, budget monitoring and expediting the process of performance management in BNI to ensure alignment of strategic planning, facilitating the process of setting targets and performance assessment. The Performance Management Committee was established by the Board of Directors decree No. KP/466/DIR/R dated October 5, 2012 regarding PT Bank Negara Indonesia (Persero) Tbk Performance Management Committee (PMC).

## Performance Management Committee Structure and Membership

<b>Chairman</b>	President Director
<b>Substitute Concurrent Head Permanent Member</b>	Vice President Director
<b>Permanent Members</b>	<ul style="list-style-type: none"> <li>• All Members of the Board of Directors and SEVP</li> <li>• Division Head Strategic Planning</li> <li>• Division Head Budgeting and Financial Control</li> <li>• Division Head Human Capital Management</li> <li>• Division Head Network Management</li> <li>• Division Head Internal Control</li> </ul>
<b>Non-Permanent Members</b>	Division / Unit Head related to the topics covered
<b>Secretary 1 (Target Setting)</b>	Division Head Budgeting and Financial Control



## GCG Structure and Mechanism

<b>Secretary 2 (Strategic Planning)</b>	Division Head Strategic Planning
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<b>Division Head Strategic Planning</b>	Division Head Strategic Planning
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<b>Supporting Staff Group</b>	Related Divisions
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### Performance Management Committee Duties and Responsibilities

Job Description Performance Management Committee as follows.

#### Target Setting

1. Approve and establish an annual schedule and planning and budgeting responsibilities.
2. Supervise and monitor the planning and budgeting activities development.
3. Decide CAPEX proposals with certain criteria (business cases).

#### Strategic Planning

1. Review and ensure alignment between RBB, Corporate Plan and budgets, and recommend adjustments as needed.
2. Review and approve recommended targets / budget adjustments (forecasting), and recommend RBB / Corporate Plan changes if necessary as arbitrator on issues related to performance measurement.

#### Performance Assessment

1. Review and approve KPI at the sector level.
2. Review and make BNI KPI recommendations

### Duties Implementation and Meeting Frequency

During 2016, the Performance Management Committee held two meetings with the following agenda

#### Performance Management Committee Agenda

No.	Meeting Agenda 2016
1.	Unit and Sub Unit Finalization Score 2015.
2.	Change KPI Unit and Sub Unit and Board of Directors' KPI 2016.

### CREDIT POLICY AND PROCEDURES COMMITTEE

Credit Policy and Procedures Committee is a permanent committee of BNI consists of Sub-Committee on Procedure Credit (KPP) and Committee on Policies and Procedures Credit (CTF) established by the Decree of Board of Directors Number KP/168/DIR/R dated 26 April 2013 and the Committee on Procedures Credit(KPP) established by the Decree of Board of Directors Number KP/169/DIR/R dated 26 April and has been changed in the composition of the Committee into the Committee's Credit Policies and Procedures in which there are Sub-Committee

on Credit Procedure (KPP) which was established by the Decree of Board of Directors Number KP/106/DIR/R dated 3 April 2014. In the year of 2015, the composition of the arrangement was adjusted based on Structuring of the Organization Committee of the Board of Directors of BNI Number KP/117/DIR/R dated 20 March 2015, updated via memo REN No. REN/2/1437 dated October 19, 2016 which was amended by the Directors Organization cfm. SK Directors No. KP/253/DIR/R dated June 1, 2016.

## Credit Policy and Procedures Committee Structure and Membership

### Credit Policy and Procedures Committee of (KPP) Structure and Membership

<b>Chairman</b>	President Director
<b>Deputy Head</b>	Vice President Director
<b>Permanent Members</b>	<ul style="list-style-type: none"> <li>• Director Compliance and Enterprise Risk (Secretary Substitute)</li> <li>• Director Corporate Business</li> <li>• Director Medium Business</li> <li>• Director Consumer Banking</li> <li>• Director Financial and Credit Risk</li> <li>• SEVP Network and Services</li> <li>• Division Head Governance Policies</li> <li>• Division Head Bank Risk Management</li> <li>• Division Head Compliance</li> <li>• Division Head Internal Control</li> </ul>
<b>Non-Permanent Members</b>	Division / Unit Head associated with the Meeting material

### Sub-Committee on Credit Procedure (KPP) Structure and Membership

<b>Head</b>	Director Compliance and Enterprise Risk
<b>Members</b>	<ul style="list-style-type: none"> <li>• Vice President Director (specifically related to Small Segment material)</li> <li>• Director Corporate Business (specifically related to Corporate Segment material)</li> <li>• Director Medium Business (specifically related to Medium Segment material)</li> <li>• Director Consumer Banking (specifically related to Consumer Banking material)</li> <li>• Director Financial and Credit Risk (specifically related to Credit Risk and Credit Administration material)</li> <li>• Director Treasury and International (specifically related to Treasury and International /FI Business material)</li> </ul>
<b>Secretary</b>	Division Head Governance Policies

## Credit Policy and Procedures Committee Duties and Responsibilities

The duties and responsibilities of the Credit Policy and Procedures Committee are as follows.

1. Establish Credit Policy Bank (KPB) particularly with regard to formulation of the precautionary principle in credit subject to the approval of the Board of Commissioners.
2. Establish Treasury and International Business/ Financial Institution Policies, especially with regard to the formulation of the precautionary principle.
3. Supervising so that such KPB can be applied and enforced consistently and consistent and do a review if there are barriers/obstacles in the implementation of KPB.

4. Conduct periodic review on the maximum period of three 3 (three) years of the KPB and if necessary set changes/improvements to KPB.
5. Monitor and evaluate:
  - a. Development and overall quality of the credit portfolio.
  - b. Improve implementation of loan approval authority.
  - c. Improve granting process, development and quality of loans granted to parties related to the Bank and certain large debtors.
  - d. Improve implementation of LLL, Good Corporate Governance and Risk Management.
  - e. Adherence to legislation and other regulations provisions in the implementation of the provision of credit.
  - f. Complete problem loans in accordance with established KPB.
  - g. Bank's efforts in meeting the adequacy of the allowance for credits.



## GCG Structure and Mechanism

6. Deliver periodic written reports to the Board of Commissioners, on the results of monitoring the application and implementation of the KPB and the results of monitoring and evaluation of matters referred to in point 4 above.
7. Formulate and recommend measures to perfect the implementation of Bank Credit activities.
8. Review the Sub Committee credit procedures decision through Credit Policy and Procedures Committee mechanisms and procedures

While the sub Committee duties and responsibilities and procedures are as follows.

1. Establish procedures and operational Credit provisions.
2. Establish Lending Model.  
Lending Model is operating policies and procedures related to specific credit financing schemes with the terms and conditions specially adapted to the market segment, industry or area of interest with regard to prudential banking principles and good corporate governance.
3. Establish Treasury and International Business / Financial Institution procedures and operational provisions
4. Delivering a Credit Procedure Sub-Committee's decision reports periodically to the Credit Policy and Procedures Committee.

### Duties Implementation and Meeting Frequency

During 2016, the Credit Policy and Procedures Committee held 39 meetings with the following agenda.

**Credit Policy and Procedure Committee Meeting Agenda**

No.	Meeting Date	Meeting Agenda
1	January 15, 2016	Special KKLK Pattern revocation procedures as set out in the Channeling Division memo USK No. USK/2/702 dated March 16, 2009.
2	February 1, 2016	Review Self Financing KI Facility for Retail KUR. Review KUR Debtor monitoring
3	February 1, 2016	Review decision authority KUR in UKC
4	February 3, 2016	Review Corporate Bond Buying Limit Determination mechanism
5	February 9, 2016	Review credit authority (Director Substitute) follow-up SK DIR. No. KP / 017 / DIR / R dated January 18, 2016
6	March 7, 2016	Review Organic Consumer credit authority Review Authority Terminate Providing Relief Costs Redemption Prior to Maturity (PSJT) Organic Consumer Credit
7	March 8, 2016	Review Mechanism Repo Transactions Review composition Sekuritas Indonesia Related Assets - Non Indonesia Related in KCLN
8	March 10, 2016	Review Terms of BNI Fleksi Pensioners and Retired Candidate
9	February 19, 2016	Limit non Debtor Customer nwe
10	March 8, 2016	Giving credit authority Partnership Program (PK) To Branch
11	March 16, 2016	Review Conditions Entrepreneurial BNI (BWU)
12	March 24, 2016	Review Process Flow Credit Business Banking
13	March 28, 2016	Executing the terms of the KUR Linkage to Raising Cane
14	March 30, 2016	Review Provisions While Credit Extension
15	March 30, 2016	Review Limit Loans to do through Syndicated Loans / Club Deal
16	April 6, 2016	Review Debtor Management Review Post-Restructuring

No.	Meeting Date	Meeting Agenda
17	April 29, 2016	Conditions of credit authority at the Branch Office
18	May 13, 2016	Review Authority Terminate Level Credit Committee Board of Directors
19	May 20, 2016	Review Terms of BNI Fleksi
20	May 20, 2016	Procedures for Decision Making Credit by Credit Committee and the Credit Decision Pouring in NK-3
21	May 26, 2016	Review Determination Requirements Additional Collateral KUR Retail Determination Authority Making Skim - Skim KUR
22	June 1, 2016	Terminate the authority of Consumer Credit Marketing Program
23	June 7, 2016	Financing Conditions Delivery Order (D / O) Sugar
24	June 20, 2016	Review Authority Rescue and Settlement of Consumer Credit and Credit Cards
25	June 7, 2016	Conditions Criteria For Bank Financing Syndicated Loan by the Debtor Bank
26	June 13, 2016	Switching Facility Line Forex and Derivative Line Review Scope of Business Treasury
27	July 28, 2016	Review Terms of Credit for the Debtor Prima
28	August 4, 2016	Credit Analysis Review Process BNI Business Wira (BWU) Determination Development Authority BWU Product Features
29	August 24, 2016	Determination of Investment Manager Selection Criteria
30	August 31, 2016	Funds Tax Amnesty As Collateral Instant BNI and CCC
31	September 5, 2016	Determination Cessation of Debt Restructuring
32	September 30, 2016	The provisions of Foreclosed Collateral (foreclosed assets) Segment Organic Consumer Credit
33	October 13, 2016	Completion of the loan approval authority to the Leader area Completion of the authority to decide on credit at branch offices
34	October 17, 2016	Provision of Pre Financing jobs funded by the State Budget
35	October 31, 2016	Transaction Mechanism Structured Product
36	November 1, 2016	Fleksi BNI Pension Credit (BKP) for prospective retirees with no salary payment through BNI
37	November 24, 2016	Transactions related provisions OFAC, EU and UN Sanction
38	December 5, 2016	Review Authority Transaction Securities Trading
39	December 5, 2016	Review and Determination of Significance Limit Traffic Light Monitoring AFS Securities Sales

## HUMAN CAPITAL COMMITTEE

Human Capital Committee is a permanent committee at the BNI, which consists of the entire Board of Directors and several Division Heads. The Human Capital Committee was established based on Board of Directors Decree No. KP/235/DIR/R dated July 18, 2011 concerning Amendment to Human Resources Committee. With the issuance of this Decision, the Board of Directors Decree No. KP/078/DIR/R dated February 9, 2004, concerning the Human Resources Committee and the Board of Directors Decree No. KP/637/DIR/R dated October 5, 2004 regarding the Disciplinary Committee were no longer valid.

1. Decide on policies / regulations in the field human resource management related:
  - a. planning Officer
  - b. Recruitment and Selection
  - c. Training and Competence Development
  - d. Employee Performance Assessment
  - e. Career Path and Succession
  - f. Remuneration
  - g. Industrial relations
  - h. Work culture



## GCG Structure and Mechanism

2. Decide on the proposed agreement pelaksanaan mutation program / promotion effort the leadership position of Division Leader and Leader territory
3. Evaluate the energy performance leadership position Leaders Division and Regional Leader
4. Decide on the proposed granting approval administrative sanctions to force the leadership position Leaders Division and Regional Leader
5. To approve the delegation of authority in the field of human resource Management

Human Resources Committee is a permanent committee comprising at BNI the entire Board of Directors and several Division leaders. Human Resources Committee dibentuk berdasarkan Directors Decree No. KP / 235 / DIR / R dated July 18, 2011 concerning Amendment Resources Committee Human. With the issuance of this Decree, then the Board of Directors Decree No. KP / 078 / DIR / R dated February 9, 2004 concerning Resources Committee Humans and Directors Decree No. KP / 637 / DIR / R dated October 5, 2004 regarding the Disciplinary Committee are no longer valid.

### Human Capital Committee Structure and Membership

<b>Chairman</b>	President Director
<b>Head Substitute Also Permanent Members</b>	Vice President Director
<b>Permanent Members</b>	<ul style="list-style-type: none"> <li>• Director who supervise Division Human Capital Division (I *)</li> <li>• Director who supervise Division Compliance *)</li> </ul>
<b>Non-Permanent Members</b>	Sector Director and/or Officials who supervise Division/Unit (if there is no Sector Director) associated with the meeting *)
<b>Secretary</b>	Division Head Human Capital (HCT)

*\*) In the absence of the Director position, then the position is replaced by SEVP or Officer who supervises the Division / Unit associated with the field.*

### Human Capital Committee Duties And Responsibilities

The Human Capital Committee duties and responsibilities are as follows.

1. Ensuring that the human capital policies / regulations are consistent and aligned with the strategic planning policy, these human capital policies / regulations include employee planning, recruitment and selection, training and competence development, employee performance evaluation, career path and succession, remuneration, industrial relations and work culture.

2. Ensuring the availability of qualified human resources and placing them in the right positions to support the leadership positions including Division Head and Regional Head.
3. Evaluating the performance of the labor force Division Head.
4. Ensuring that the delegation of authority in the field of human resource management is in accordance with the needs and purposes.

## Under Team Human Resources Committee

### Team Assessment and Policy Formulation Resource Management System Human Resources

<b>Head</b>	Head of Human Capital Division (HCT)
<b>Permanent Member</b>	<ul style="list-style-type: none"> <li>• Head of the Strategic Planning Division (REN) (Accredited Chairman Substitute)</li> <li>• Compliance Division Head (KPN)</li> </ul>
<b>Members Variable</b>	Division Head / Unit / Units associated with the meeting *)
<b>Secretary</b>	Group Head in Human Capital Division (HCT) related to the agenda (Not Accredited Member)

### Duties and Responsibilities of Team Assessment and Policy Formulation Resource Management System Human Resources

Duties and responsibilities of the Assessment Team and Policy Formulation Resource Management System Human power is as follows.

1. Manage the activities of research, assessment and evaluation of the effectiveness and quality as well as recommend proposed changes / improve policies and mechanisms operationalization of policy implementation human resource management related:
  - a. Planning employee
  - b. Recruitment & selection
  - c. Training and competence development
  - d. Employee performance assessment
  - e. Career paths and succession
  - f. Remuneration
  - g. Industrial relations
  - h. Corporate Culture
2. Managing the proposed delegation of authority in the field of human resource management

### Team Leaders Workers Movements Considerations

<b>Head</b>	Head of Human Capital Division (HCT)
<b>Permanent member</b>	<ul style="list-style-type: none"> <li>• Division Head / Unit / Unit who supervise the relevant units (Accredited Chairman Substitute)</li> <li>• Division Head / Unit / Units associated with the meeting</li> </ul>
<b>Non-Permanent Members</b>	Division Head / Unit / Units associated with the meeting *)
<b>Secretary</b>	Group Head in Human Capital Division (HCT) related to the agenda (Not Accredited Member)



## GCG Structure and Mechanism

### Duties and Responsibilities of Leadership Power

#### Movements Advisory Team

Team Leader Power Considerations Mutations duty and is responsible for managing activities planning

and search for candidates based requirements that have been established and recommended horse candidate for the transferred / promoted as an energy leader.

### Consideration team Administrative Sanctions

#### Headquarters

<b>Head</b>	Head of Human Capital Division (HCT) (and Member)
<b>Member</b>	<ul style="list-style-type: none"> <li>• Compliance Division Head (KPN)</li> <li>• Legal Division Head (HUK)</li> <li>• Division Head / Unit / Units associated with the event / case or their proxies</li> </ul>
<b>Secretary</b>	Internal Audit Unit Head (IAU) (Not Accredited Member)

#### Regional Office

<b>Head</b>	Regional Leader (CEO Region)
<b>Permanent Members</b>	<ul style="list-style-type: none"> <li>• Deputy Regional supervising unit incident / case</li> <li>• One of Deputy another region whose designated by Regional Head (CEO Region)</li> <li>• Division Head / Unit / Units associated with the event / case or their proxies</li> </ul>
<b>Secretary</b>	Internal Control Leader Territory (Not Accredited Member)

### Duties and Responsibilities of Leadership Power

#### Movements Advisory Team

Team Leader Power Considerations Mjtasi duty and is responsible for managing the activities of analysis and assessment on the recommendation of administrative sanctions received from the division processing of cases to then recommend to a breaker or give decisions against the administrative sanctions employee-related cases in accordance with the matrix authorities applicable.

### TECHNOLOGY MANAGEMENT COMMITTEE

Committee on Management of Technology is one of the permanent committees in BNI that has the authority as IT Steering Committee to provide recommendations to the Board of Directors concerning the creation, establishment of policies and strategies for the development of BNI information technology. This committee was formed with the purpose of assisting the Board of Commissioners and Board of Directors in conducting oversight of the activities of the Information Technology (IT).

### Duties and Frequency of Meetings

Throughout 2016, Tim Consideration Mutation Employees (TPMTP) has scheduled meetings Regular two (2) times a week for discussion of energy transfer Branch Manager, Sentra. Furthermore, mutations in the decision as CEO GM and CEO Region has been conducted through meetings The Board of Directors which consists of 4 (four) meetings. Meanwhile, Tim Consideration of Administrative Sanctions has made nine (9) times the discussion meeting.

The Technology Management Committee was established by Board of Directors Decree No. KP/201/DIR/R dated June 14, 2011 regarding the Technology Management Committee structure, and renewed through the Planning Division Memo No. REN/2/234/R dated May 4, 2016 concerning changes to Committee membership.

## Technology Management Committee Structure and Membership

<b>Chairman</b>	Vice President Director
<b>Substitute Head and Permanent Member</b>	Director Planning and Operation
<b>Permanent Members</b>	<ul style="list-style-type: none"> <li>• Director Consumer Banking</li> <li>• Director Financial and Credit Risk</li> <li>• Director Compliance and Enterprise Risk</li> <li>• SEVP Digital Banking</li> <li>• SEVP Information Technology (as the Daily Executive KMT)</li> <li>• Division Head Solutions and Information Technology Security</li> <li>• Division Head Information Technology Operations</li> <li>• Division Head Data Management</li> <li>• Division Head Consumer Product Management</li> <li>• Division Head Card Business</li> <li>• Division Head E-Banking</li> <li>• Division Head International</li> <li>• Division Head Budgeting and Financial Control</li> <li>• Division Head Transactional Banking Services</li> <li>• Division Head E-Channel</li> <li>• Division Head Operations</li> <li>• Division Head Bank Risk Management</li> </ul>
<b>Non-Permanent Members</b>	Director, Division / Unit Head, and Subsidiary Head (related to the topics covered)
<b>Secretary</b>	Division Head Solutions and Information Technology Security
<b>Supporting Staff Group</b>	Related Divisions

## Technology Management Committee Duties and Responsibilities

Duties and responsibilities of the Technology Management Committee consists in various areas, namely:

1. IT Policy Formulation
  - a. Providing recommendations to the Board of Directors regarding the major IT policies and procedures, particularly the related aspects of development and procurement of IT systems, IT operational activities and communication networks, information security, end user computing, e-banking, use of IT service providers, as well as the policies and procedures related to implementation of IT risk management usage in BNI.
  - b. Reviewing and approval of the budget on IT and information security.
  - c. Determining and evaluating IT Governance.
2. Alignment of IT Strategy to the Business Sector
  - a. Providing recommendations to the Board of Directors on the Information Technology Strategic Plan - ITSP in accordance with the BNI business activities strategic plan, taking into account efficiency, effectiveness and implementation plan (roadmap), resources required, and the cost and benefit which will be obtained when the plans are implemented.
  - b. Evaluating and recommending the suitability of the projects approved by the IT Strategic Plan.
  - c. Assigning IT projects priority status that are critical and significantly affect BNI operations.
  - d. Evaluating IT suitability with the needs of the management information system that supports BNI business activities



## GCG Structure and Mechanism

3. IT Risk Management
  - a. Provide recommendations to the Board of Directors regarding the formulation of major IT policies and procedures, in particular related aspects of IT systems development and procurement, IT and communication networks operational activities, information security, end user computing, e-banking activities, the use of IT service providers. As well as the policies and procedures related to implementation of IT risk management usage in BNI.
  - b. Ensuring the effectiveness of risk minimization measures on BNI investment in the IT sector so that these investments contribute to achieving the BNI business objectives.
4. IT Performance Measurement and Evaluation
  - a. Performing analysis and recommendations on the suitability of the IT projects implementation with the agreed project charter service level agreement (SLA).
  - b. Monitoring IT performance and improvement efforts.

### Technology Management Committee Meeting Duties and Frequency

During 2016, the Technology Management Committee held 7 meetings with the following agenda.

#### Technology Management Committee Meeting Agenda

Meeting Date	Meeting Agenda
February 2, 2016	<ul style="list-style-type: none"> <li>• Optimization Program and Realization Improvement 2016 Automation Capex Project.</li> <li>• Follow up status of projects in 2015 and 2016.</li> </ul>
March 8, 2016	Coordination and follow up the status execution of the investment automation procurement project 2016.
April 29, 2016	<ul style="list-style-type: none"> <li>• Investment automation procurement project 2016 all Division/Units.</li> <li>• Utilization and Evaluation product performance user business after implementation.</li> </ul>
June 13, 2016	<ul style="list-style-type: none"> <li>• Update status user project.</li> <li>• Investment automation procurement project 2016.</li> <li>• Utilization business user project.</li> <li>• Update Product Holding Ratio.</li> <li>• Update Dual Data Center project.</li> </ul>
June 23, 2016	<ul style="list-style-type: none"> <li>• Update status user project year 2016</li> <li>• Optimize automated infestation project in 2016</li> <li>• Data Management Project Update:           <ul style="list-style-type: none"> <li>- Project Monitoring Status Update</li> <li>- User Business Product Utilize</li> <li>- Product Holding Ratio</li> </ul> </li> <li>• Dual Data Center Project Update</li> </ul>
September 8, 2016	<ul style="list-style-type: none"> <li>• Follow-up KMT June 23, 2016           <ul style="list-style-type: none"> <li>- Update user project status in 2016, in preparation for project sign-off the 2nd half of 2016</li> <li>- Update the automation investment projects status in 2016</li> </ul> </li> <li>• Update IT roadmap discussions KCLN</li> </ul>
November 17, 2016	<ul style="list-style-type: none"> <li>• Good System Plan through the automated investment project budget 2017</li> <li>• Overseas Branch Office (KCLN) IT Platform</li> </ul>
December 27, 2016	<ul style="list-style-type: none"> <li>• Project 2017 users who need IT support</li> <li>• Automation investment projects in 2017</li> <li>• KCLN IT system development platform</li> <li>• The utilization of product / business user features</li> </ul>

## Internal Audit

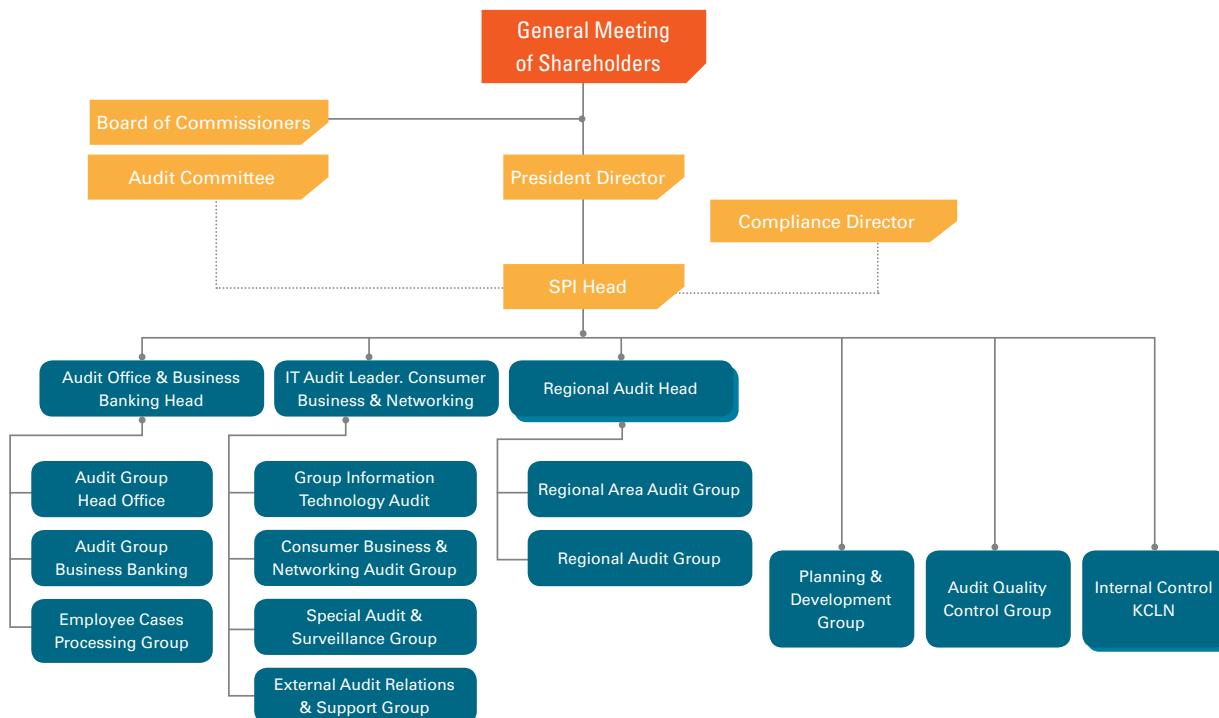
Internal Audit is part of the internal control system (as the Third Line of Defense). The scope of internal audit work includes the examination and assessment of the adequacy and effectiveness of the bank's internal control system as well as the assessment of the quality of performance that aims to provide assurance that the control has been run as specified.

The implementation of reliable and effective internal control systems is not only the responsibility of internal audit, but also the responsibility of all parties involved in the banks organization, the Board of Commissioners, Board of Directors, the Internal Audit Unit, the officers / employees of the bank and external parties (bank supervisory authority, external auditors and customers of the bank).

The Internal Audit Unit (IAU) was formed to provide added value through the execution of the (audit / inspection function and consulting function conducted independently and objectively to provide added value and improvements to the Company's activities.

The audits aim to evaluate the adequacy and effectiveness of internal control, governance process and risk management as well as assessing the quality of the achievement of the performance, while the functions of consultations conducted informally and formally include independent review of new product launches (according to the BI provisions) and special assignments at the request of the auditee , management or on the initiative of the SPI.

### SPI ORGANIZATION STRUCTURE AND HEAD





## SPI POSITION IN THE ORGANIZATION

SPI functions within the organization BNI under and directly responsible to the President Director and can communicate with the Board of Commissioners through the Audit Committee.

In order to improve the oversight function that is expected to oversee the increasingly aggressive business strategy, then the enhancement function has a dedicated compliance officer in the BNI outlets, which was originally under the Compliance Division and internal auditor under the IAU. To that end, the SPI organization changed as follows.

1. Audit Office, Audit Business Banking, Case Processing Officer.
2. Information Technology Audit, Consumer Business and Network Audit, Special Audit & Surveillance.
3. Regional Audit (Region 1 Audit and Region 2 Audit) divided based on the geographical area and ease of access.

## SPI LEADER APPOINTED AND TERMINATED

SPI leader appointed and terminated and responsible directly to Director of the Board of Commissioners and/or Audit Committee, be further reported to Bank Indonesia / Otoritas Jasa Keuangan

### SPI HEAD PROFILE

Since 2014, the Internal Audit Unit (IAU) has been led by Anang Basuki, CIA with the appropriate Executive Vice President Board of Directors Decree No. KP/614/DIR/R dated November 12, 2014.



**Anang Basuki**

has extensive experience in the field of supervision (internal audit) as his early career began as an SPI auditor and increasingly supported by earning a degree certification in internal audit (CIA), in addition to his experience of banking operations, he was also a Branch Manager and CEO Region Manager.

Previously Anang Basuki, was Region CEO Padang, and Branch Manager Malang and Mojokerto.

As of January 4, 2017 has performed handover SPI leader to Anang Basuki from Muhammad Gunawan Putra (previously Chief Risk Division Small and Medium Business).



**Muhammad Gunawan Putra**

Acquire Chartered Accountant (CA) of the Indonesian Institute of Accountants (IAI) in 2015. He served as the Head of Internal Audit Unit since January 4, 2017 by the Decree of Directors No. KP / 482 / DIR / R 2016.

## POWERS, DUTIES AND RESPONSIBILITIES SPI

Activities undertaken SPI aims to promote the improvement of the effectiveness and the efficiency of performance, quality and effectiveness risk management, as well as the adequacy and effectiveness internal control.

To achieve these objectives, the scope SPI activities include conducting assurance and consultation of all activities BNI. Corresponding with the provisions of the Otoritas Jasa Keuangan Integrated Governance, including the scope SPI in subsidiaries / affiliates owned BNI as the main entity.

### SPI AUTHORITY

SPI authority in carrying out its functions based on the internal audit charter, as follows:

1. To access the full, free and not limited to records, information, employees, funds, assets, location / area, and other resources BNI including the subsidiaries / Affiliate / financial services institution owned BNI, relating to the implementation of audit and consulting;
2. To verify, interviews, confirmation, and Other examination techniques to customers or other parties related to the audit and consulting;
3. To communicate directly with Directors, Board of Commissioners and / or the Audit Committee as well as members of the Board of Directors, Board of Commissioners and / or the Audit Committee;
4. Conduct regular meetings and incidental the Board of Directors, Board of Commissioners and/ or Audit Committee;
5. Allocate resources audit, determine the purpose, scope, and plan or schedule audit, as well as establish a methodology, technique, devices, and the audit approach in perform basic tasks that have been assigned;
6. Ask for help from other work units or use the services of external parties in audit if deemed necessary; and
7. To coordinate and build relationships synergistic with the unit / function implementation Other assurance (compliance unit and risk management) in order to obtain audit results comprehensive and optimal.

### SPI DUTIES AND RESPONSIBILITIES

In carrying out its functions, SPI tasks and responsibilities are to:

1. Develop and implement Audit Plan and Annual Consultation.
2. Report realization of Audit Plan and Annual Consultation to the President Director and the Board of Commissioners each semester / quarter or agreed period.
3. Examine and assess efficiency and effectiveness of finance, accounting, operations, human resources, marketing, information technology, and other activities.
4. Test and evaluate the implementation of internal control and risk management system in accordance with the policy of BNI.
5. Provide recommendations for improvements and information on the activities examined at all levels of management.
6. Make the Audit Report and submit the report to the Board of Directors and Board of Commissioners with a copy to the Director of Compliance and Enterprise Risk.
7. Provide consulting services to BNI internal parties to provide added value and improvement of quality control, risk management and corporate governance to the extent it does not affect the independence and objectivity of SPI, and provide adequate resources.
8. Audit requests from the Board of Directors and / or Board of Commissioners, or follow-up results of a general audit of an object or event that is thought to contain indications of irregularities and / or fraud if necessary.
9. Carry out follow-up monitoring of audit results and submit a report on Pending Follow-up Audit to the President Director and the Board of Commissioners periodically.



10. Conduct case processing as well as enhance and develop processes and processing functions in BNI cases.
11. Report immediately any audit findings that could disturb the survival of a bank to the President Director and the Board of Commissioners.
12. Establish written policies and procedures to guide the internal auditor in performing their tasks.
13. Request an annual budget and report to the President Director realization each semester.
14. Establish an Implementation Report and Audit Principles and submit to Otoritas Jasa Keuangan after it is signed by the President Director and the Board of Commissioners.

## DEVELOPMENT OF QUALITY STANDARD

The audit based on the Internal Audit Standard Bank (SPFAIB) and Guidelines for Corporate Internal Audit. In order to improve the quality of audits, audit methodology SPI continues to develop and enhance its program audit to comply with the development of existing business processes and best practices, among others, The Institute of Internal Auditors (IIA) and the Information Systems Audit and Control Association (ISACA).

In accordance SPFAIB, the effectiveness of the implementation of the functions of the IAU and its compliance with the standards of performance applicable, periodically at least once in three (3) years were evaluated by the public accounting firm with an international reputation with the classification of A and is included in the top 10 partners listed BNI.

SPI also has a code of conduct as a guideline for all the auditors in carrying out their duties, including the obligation to always uphold the integrity, objectivity, confidentiality, and continuously improve their competence.

## SPI RELATIONS WITH EXTERNALLY PARTIES

SPI has an Internal Audit Charter determined by the President Director and the Board of Commissioners, with a final revision by the Boardof Directors Decree No. KP / 106 / DIR dated 11-03-2016. The Internal Audit Charter prepared using Internal Audit Bank Standard (SPFAIB) from Bank Indonesia and Otoritas Jasa Keuangan Regulation No. 56 / POJK.04 / 2015 dated 23-12-2015 on the Establishment and Guidelines for Internal Audit Charter as well as the best practices standards.

The Internal Audit Charter contains SPI Vision and Mission, Structure and Position, Duties and Responsibilities, Powers, Code of Ethics, Independence and Objectivity, aim and scope of activities, Auditor Requirements and Development, Audit Risk and Legal Protection for Head and Auditor , Quality Control Audit Program, SPI Function in Integrated Governance and SPI Relations with the external auditor.

## SPI RELATIONS WITH EXTERNALLY PARTIES

SPI can exchange information and coordinate activities with the activities of external auditors which can be done through periodic meetings in order to obtain the results of a comprehensive audit and optimal.

Coordination can be done to talk about things that are important to both parties. SPI form of responsibility towards external parties include the following:

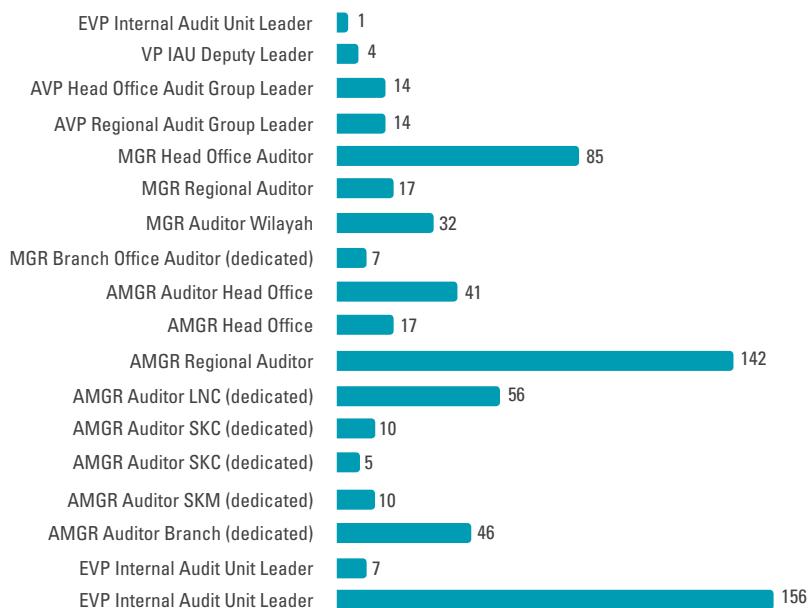
1. Knowledge Transfer related audit SPI actively transfer knowledge related to the methodology / development in the areas of internal audit both the Internal Audit Subsidiary as well as to other organizations, among others: as a guest speaker at the IIA National Conference (Bali), CAE Forum, Speaker "inspiring talk with GM," Resource focusgrup discussion SPI increased capacity for supporting mission BPJS Employment, an invitation to the FSA's discussion of the Bank's Business Plan and invitation CPC in the

- dissemination Follow-Up Monitoring Information System CPC. It also gave a public lecture as a practitioner of the development of internal audit at the Universitas Petra Surabaya.
2. Active in professional organizations, the Association of Auditors Internal Bank (IAIB), IIA Indonesia and Banking Profession Certification Institute (LSPP), SPI Communication Forum among others present in the IIA National Conference 2016 National Conference VIII IAIB, the first National Conference FKSPI SOE.
  3. Application of Anti-Fraud Strategy (SAF) In the application of Anti-Fraud Strategy, as part of the bank's internal control, especially pillar fraud prevention and detection, SPI carry out surprise audits and fraud socialization customer awareness at some auditees results are consolidated by the Compliance Division to be reported to the Financial Services Authority.

## SPI PERSONNEL COMPOSITION

Internal Audit Unit is supported by 664 employees spread across BNI Head Office and operational areas, as illustrated in the following diagram:

**Composition HR SPI**





## SPI PROFESSIONAL CERTIFICATION

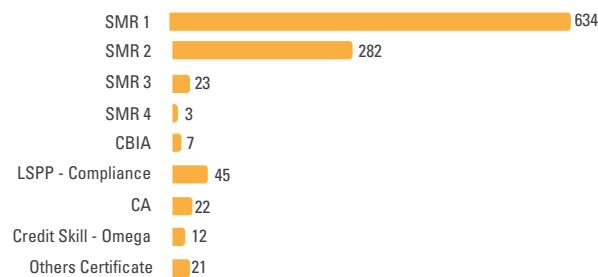
SPI is committed to continuously improving the competence and knowledge of SPI employees, through continuing education and training, including national and international certification programs in internal audit / compliance, through participation in national / international seminars or internal training.

The following data shows certification obtained by SPI employees up to 2016, as follows:

INTERNATIONAL CERTIFICATION



NATIONAL CERTIFICATION



## AUDITOR CODE OF CONDUCT

In the exercise of their functions and duties, the SPI auditors apply and uphold the code of conduct contained in the Internal Audit Charter, as follows.

1. Integrity
  - a. Performing their duties honestly, diligently and responsibly.
  - b. Obeying the law and making disclosures in accordance with legislation and the profession.
  - c. Not intentionally / knowingly engage in prohibited / invalid activities, actions that could undermine the credibility of SPI and the internal audit profession.
  - d. Supporting the BNI and SPI objectives.
2. Objectivity
  - a. Not engage in activities or relationships that would give rise to a conflict of interest.
  - b. Did not receive any impact or expected impact on professional judgment.

- c. Always use professional judgment in the execution of duties in all conditions and circumstances.
- d. Disclose all known facts.
3. Confidentiality
  - a. Take care in using and maintaining the information obtained in the execution of tasks.
  - b. Not use the information for any interest and / or in any way that would be contrary to the law and / or the provisions of the company.
4. Competence
  - a. Carry out duties in accordance with their knowledge, skills, and experience.
  - b. Carry out audits in accordance with Internal Audit Bank Standards (SPFAIB) and / or other applicable audit standards.
  - c. Improve their competence continuously.

## SPI COMPETENCY DEVELOPMENT

In addition to certification, participation in seminars / training / professional conferences both at home and abroad, internships and briefing on the development of BNI organizational and business / product and an aptitude towards the understanding of the industry, is also given annually to the SPI personnel through the auditor refreshing program. During 2016 yr continuing education improvement program has been conducted, as follows.

### SPI Competency Development

No	Material	Date
<b>Domestic Seminar</b>		
1	IT IL Foundation	February 15, 2016
2	Workshop Fraud Prevention in Banking Industries	March 23, 2016
3	Seminar National Internal Audit 2016	April 27, 2016
4	Workshop Audit Methodology and Quality Review	May 31, 2016
5	The IIA National Conference 2016 Nusa Dua Bali	September 7, 2016
6	Workshop Legal for Non Legal	September 22, 2016
7	Workshop Implementation UU Bankruptcy No. 37 2004	September 30, 2016
8	Workshop Audit Methodology: Continuous Auditing	September 29, 2016
9	Conference National IAIB VIII Bali	November 10, 2016
10	Conference National I FKSPI Yogyakarta	November 16, 2016
11	Workshop National Urgency Archives Management in Perspective of Law as a Tool Trial Evidence	November 30, 2016
<b>International Seminar</b>		
1	SOPAC 2016 Conference and Financial Institutions Benchmarking Program	March 5, 2016
<b>On the job training</b>		
1	Global Development Program: Short Overseas Assignment - London	February 5, 2016
<b>BNI – In Class Training</b>		
1	Refreshing Internal Control	January 2016
2	Refreshing Auditor (tentang internal audit dan perkembangan bisnis/organisasi BNI)	January 25 to February 11, 2016
3	Basic Dealer	March 16, 2016
4	Implementation Operational Capital Credit Business Banking	March 29, 2016
5	Fraud Refreshment and Sharing Knowledge FCA	March 29, 2016
6	Awareness Performance Management System (PMS)	March, May and June 2016
7	Operation Policy and Procedure – Process Improvement for Efficiency	May 2016
8	Internal Control Certification	August 8, 2016



## SPI ACTIVITIES BRIEF REPORT FOR 2016

In order to achieve the vision of BNI as a financial institution that excels in service and performance, the BNI policy directions for 2016-2018 is focused on a bank with a superior performance by strengthening the synergies among business units for acceleration supported by improving service levels.

In line with the BNI strategy, SPI implements the internal control function and synergizes with first line and second line units as well as integrates with the SPI Institute of Financial Services (Subsidiary) to raise awareness of appropriate internal control authority.

In order to accelerate business growth, one of BNI strategies is to optimize existing outlets by providing loan approval authority to the branch manager (as stated in KPP No 3/02 / KPP / 2015 dated April 29, 2016). In line with this it is necessary to increase the functions of control and supervision of operational business activities, which on the other hand requires BNI SPI management to safeguard the operational activities at all levels of the work unit both Head Office, Regional, Branch and Credit Center.

SPI guards BNI business acceleration through alignment between SPI strategy and BNI business strategy, by increasing its capability, to provide a value-added contribution.

### SPI WORK PROGRAM

Based on the assessment results and the availability of resources, the audit plan defined in 2016 totaled 114 audits, which included:

1. Thematic Audit for Business Banking, Consumer Banking, Corporate Audit and IT Audit Function activities.
2. Mandatory Audit.
3. The Audit Unit consists of the Audit Division, domestic and overseas branches, regional offices, Small Loan Centres, Medium Loan Centres and Loan Consumer Centres.
4. IT Activities and Audit Application.

The thematic audit results are more comprehensive and are expected to provide strategic recommendations (touching the root cause) to management for BNI business process improvement.

With the merging of Branch Auditor / Centre / Region / Division (Internal Control d.h) functions, the expected SPI audit coverage can cover 100% of the existing auditees through the execution of day to day reviews by Branch / Centre / Region / Division Auditors. But with the movement of SPI risk mapping according to the results of dynamic risk assessment, it is possible the implementation of the unit reviews / audits are at high risk with the Head Office and Branch / Centre / Region / Division Auditors together for the implementation of the on-site audit.

In addition to the above mentioned audit, SPI also provides consulting services in the form of independent reviews and consultations for the improvement of processes / systems and procedures.

### AUDIT METHOD

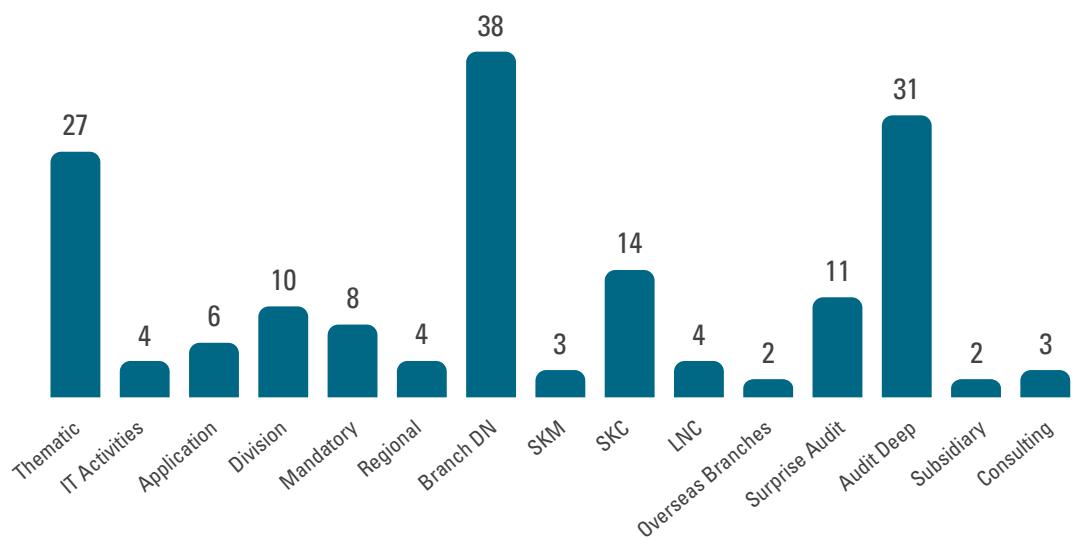
SPI developed an Audit and Consulting Plan for 2016, compiled with the risk-based approach through the stages of macro risk assessment and micro risk assessment. Assessments were carried out through the identification and assessment of 346 BNI events (macro process) with appropriate assessment of operational risk from the Bank Risk Management Division, relevant Board of Directors General Policy (KUD) 2016, BNI Risk Profile in accordance with the Risk Management Committee (RMC), input or concern from the Board of Directors and Senior Management, conditions / issues that occurs in accordance with BNI business development and SPI internal reviews. In addition, an assessment is also carried out on a particular unit that will be the focus of the audit with orientation on compliance and control assurance

## 2016 AUDIT ACTIVITIES

During 2016, several improvement initiatives and enhancements were implemented through SPI audits, including:

1. Completion of the audit tools and methodologies in line with the migration of the Internal Control function to SPI.
2. Development of an exception report that supports checks.
3. Conducting a review / update of the Internal Audit Charter in accordance with POJK No 56 / POJK.04 / 2015 dated December 23, 2015.
4. Improving the Whistle Blowing System handling mechanism with the Compliance Division.
5. Preparation of Internal Audit Integrated Implementation Procedures.
6. Improving the audit program with a video tutorial examination.
7. Completion of Off Site Audit Guidelines.
8. Updating the Guidelines for Company Deep Audit.
9. Enhancing the Company Consulting Implementation Guidelines.
10. Enterprise Audit Management System (eams) Application Development using electronics working papers as tools for Internal Controls examinations.

The audit and consulting realization in 2016 was 164 audits or 144% of the annual audit plan targets (114 audits), with details as follows:





## AUDIT FINDINGS AND CORRECTIVE ACTIONS

Internal audit also includes monitoring activities of the auditee or auditable activities. The monitoring activity is an activity to know and believe the implementation of the follow-up on the results of audits by both the auditee or other related parties. Follow-up results of the audit including the completion of an SPI Recommendation and Board of Directors Disposition.

SPI analysis of data submitted by the auditee determines the status of completion of the follow-up audit results. Follow-up audit results status are grouped into 3 (three), the findings that have not been acted upon, the findings being followed up and the findings followed up. Each quarter, SPI presents the follow-up audit results in a Pending Follow-up Audit Report to the Board of Directors and the Board of Commissioners through the Audit Committee.

The following data is SPI's follow-up audit results, recommendations and disposition from the Board of Directors on December 31, 2016.

### 1. SPI Audit Pending Completion of Follow-Up Progress Results

Findings Year	Total	Completed	Completion Progress
2014	4.118	4.118	100%
2015	3.440	3.370	97,97%
2016	2.963	2.222	74,99%
Total	10.521	9.710	92,29%

### 2. SPI Recommendation Completion Progress

Findings Year	Total	Completed	Completion Progress
2014	398	398	100%
2015	687	661	96,22%
2016	431	341	79,12%
Total	1.516	1.400	92,35%

### 3. Disposition of the Board of Directors Completion Progress

Findings Year	Total	Completed	Completion Progress
2014	174	174	100%
2015	310	302	97,42%
2016	172	127	73,84%
Total	656	603	91,92%

## SPI PROGRAM AND STRATEGY IN 2017

Direction and Strategy BNI 2017 has been defined and set forth in the Public Policy Directors (KUD) and in-breakdown in four perspectives: financial, customer, internal business process and learning and growth. Furthermore, the BNI strategy outlined in the Strategy Map and KPIs BNI 2017.

In order to support the achievement of the strategy of BNI in 2017, SPI menetapkan tujuan audit in 2017 that "Guarding quality business growth, boost efficiency, and reduce the potential for fraud". To achieve the objectives of the audit, it has drawn up a strategy initiatives in the Business Plan SPI Year 2017 as follows.

1. Carry out an audit and consultation in accordance with the current critical issues and risks faced by the customer, to support the BNI strategy to develop and add outlets and adapted to the ATM business potential for market penetration.
2. Carry out an audit and consultation in accordance with the audit coverage and drive efficiencies.
3. To encourage improvement in the quality of credit, to support the strategy of BNI improve credit processes to accelerate growth and maintain credit quality.
4. Optimizing assurance activities to evaluate the quality control and minimize the incidence of fraud.
5. Make risk and fraud awareness program, deterrent effect a program to encourage the creation of a culture of control.
6. Provide audit tools for the business unit as a means of early warning system.
7. Optimize the immediate post a review on the implementation of the provision of credit as well as a review of exception reports for lowering transaction included Redflag category.
8. Encourage ITSP completion of the project, to support the strategy of BNI implements Information Technology Strategic Plan to support the needs of businesses with the development towards the digital banking platform.
9. Improve the competence and capability of personnel, to support the implementation of the training and certification of employees on an ongoing basis according to business needs.
10. Promote the effective functioning of the Internal Audit Unit in its subsidiaries, including through increased coordination Integrated Internal Audit Unit and improvement of audit methodology subsidiaries.
11. Melaksanakan program-program increased competence and capability of personnel SPI ongoing basis according to business needs and to improve employee engagement.
12. Always make improvements methodology / tools audit / inspection in accordance with organizational and business development BNI.



## External Audit Function

The function of independent oversight on the financial aspects of the Bank is conducted through External Audit examinations conducted by a Public Accounting Firm (KAP). The external auditors who examine the fiscal year 2016 BNI financial statements are established by the AGMS on the recommendation of the Board of Commissioners and the Audit Committee. The selection process is conducted in accordance with the procurement mechanism regulations. To guarantee the independence and quality of the examination, the appointed external auditor should not have any conflict of interest with the Bank.

### EXTERNAL AUDIT FUNCTION APPLICATION

When conducting its operational activities, in addition to internal auditors, Bank Negara Indonesia is also monitored by external auditors dhi., Bank Indonesia, the Supreme Audit Agency, Otoritas Jasa Keuangan, and the Office of Public Accountants.

### PUBLIC ACCOUNTANT APPOINTMENT

Following the results of General Meeting of Shareholders ("GMS") for fiscal year 2015, with the Board of Commissioners' letter number DK / 076 dated July 21, 2016, the Board appointed KAP Purwantono, Sungkoro and Surja (a member of Ernst & Young) as the external auditor to perform the Company's 2016 fiscal year Financial Statements and Other Reports examination.

2016 is the first audit year for KAP Purwantono, Sungkoro and Surja (a member of Ernst and Young)

The basis for determining the above was as follows:

1. Based on the Ministry of Finance Regulation No. 17 / PMK.01 / 2008 dated February 5, 2008 on Public Accountant Services in article 3 paragraph 1 regarding services of a general audit of the financial statements of an entity carried out by KAP at most 6 (six) consecutive fiscal years and by a Public Accountant at most three (3) consecutive fiscal years.
2. Under the Otoritas Jasa Keuangan copy of Regulation No. 32 / POJK.03 / 2016 regarding Amendment to the Otoritas Jasa Keuangan Regulation No. 6 / POJK.03 / 2015 regarding Bank report Transparency and Publication in Article 18 paragraph 6, shall include the name of the Bank Public Accounting Firm auditing the annual financial statements and the name of the responsible Public Accountant for the audit (partner in charge), accompanied by the opinions given for the Quarterly Condensed statements for the end of December.
3. The appointment process for KAP Purwantono, Sungkoro and Surja (a member of Ernst & Young) as the external auditor was conducted through an open auctioning method.

## OFFICE OF PUBLIC ACCOUNTANTS, ACCOUNTANT AND FEE FOR THE LAST 5 YEARS

Based on POJK number 6 / POJK.03 / 2015 regarding Transparency and Publication, Article 6 states Bank Reports Financial Statements ending December produced quarterly and annual reports must be audited by a public accountant registered with the Otoritas Jasa Keuangan. Below is a list of public accounting firms, the names of accountants, fees, and permits the firm used during the past 5 years.

**Public Accounting Office, Accountant, Fee and KAP Approval for last 5 Years**

Year	Public Accounting Office	Accountant Name (Partner Responsible)	Period	Fee*	KAP Approval
2016	KAP Purwantono, Sungkoro dan Surja (Ernst and Young)	Yasir	1 year	7.200.000.000,-	603/KM.1/2015
2015	KAP Tanudiredja, Wibisana, Rintis & Rekan (Pricewaterhouse Coopers)	Angelique Daryanto	1 year	8.390.000.000,-	241/KM.1/2015
2014	KAP Tanudiredja, Wibisana & Rekan (Pricewaterhouse Coopers)	Haryanto Sahari	3 year	13.215.125.000,-	151/KM.1/2010
2013	KAP Tanudiredja, Wibisana & Rekan (Pricewaterhouse Coopers)	Haryanto Sahari	3 year	10.953.800.000,-	151/KM.1/2010
2012	KAP Tanudiredja, Wibisana & Rekan (Pricewaterhouse Coopers)	Haryanto Sahari	3 year	9.900.000.000,-	151/KM.1/2010

\* Includes External Auditor Fee for Subsidiaries

## OTHER SERVICES PROVIDED BY THE ACCOUNTANT

The scope of audit work by KAP Purwantono, Sungkoro and Surja (a member of Ernst and Young) for the fiscal year 2016 was:

1. Audit of BNI Consolidated Financial Statements.
2. Audit of Partnership and Community Development Program Financial Statements.
3. Audit of Financial Partnership Institution Pension Fund Financial Statements.
4. Audit of Financial Institution Pension Fund Investment Statements.
5. Audit of Agreed BNI Joint Department Operations Procedures Implementation
6. Audit of PSA 62 Statements.
7. Review of BNI Performance Evaluation Report.
8. Comment Letters / Management Letters.:

## EXAMINATION RESULT

Examination has been conducted by an external auditor with a Opinion delivered for the financial statements. For 2011 to 2016, Consolidated Financial Statements of BNI the Opinion presented Reasonable without Exception.

This shows that BNI has presented the consolidated financial statements accurately and in accordance with the applicable standards and free from material misstatement.

## AUDIT SERVICE FEES

The fee for the annual financial statements audit, and the financial statements of the partnership and community development program (PKBL) Bank Negara Indonesia BNI, and other audit services for the fiscal year 2016 amounted to Rp6.372.714.480,00 for the financial year 2016 (including out of pocket expense (OPE) and value added tax (VAT)).



## External Audit Function

### COMPANY PROFILE

#### PUBLIC ACCOUNTANTS

KAP Purwantono, Sungkoro&Surja  
(member of Ernst and Young)  
Indonesia Stock Exchange Building Tower 2,7thfloor  
Jl. Jend. Sudirman Kav. 52-53  
Jakarta 12190  
INDONESIA  
Telephone: [62] (21) 52895000  
Fax: [62] (21) 52894100

### COORDINATION OF EXTERNAL AUDITOR AND AUDIT COMMITTEE

In order to execute the functions of monitoring the results of audits conducted by external auditors, namely Bank Indonesia (BI) / Authority Financial Services (FSA), the Supreme Audit Agency (BPK), Reporting and Financial Transaction Analysis (PPATK), and KAP, the Audit Committee has conducted an evaluation of the actions taken against the management of external auditors audit the results intended. Coordination can be seen in the Report of the Audit Committee.

### EFFECTIVENESS OF EXTERNAL AUDIT AND COMPLIANCE WITH THE TERMS OF RELATIONSHIP BETWEEN BANK, PUBLIC ACCOUNTANT AND BANK INDONESIA

BNI has organized the implementation of external audit and compliance Bank of the provisions concerning the relationship between the Bank, Public Accountant and Bank Indonesia for the Bank effectively, among others, as follows:

- a. As mentioned in PBI No: 7/50 / PBI / 2005 on the Amendment of PBI No.3 / 22 / PBI / 2001 on Transparency of Financial Condition banks, in providing audits of the financial statements, BNI shall appoint Public Accountant and Public Accountant Office registered at Bank Indonesia. By letter BOC number DK / 076 dated July 21, 2016, the Board set the KAP Purwantono, Sungkoro and Surja (a member of Ernst & Young) as an external auditor to examine the Company's Financial Statements and Other Reports 2016 financial year
- b. Based on the Minister of Finance Regulation No. 17 / PMK.01 / 2008 dated February 5, 2008 on Public Accountant Services in article 3 paragraph 1 disebutkanPemberian services of a general audit of the financial statements of an entity carried out by KAP longest to 6 (six) consecutive fiscal year and by a Public Accountant longest to three (3) consecutive fiscal year.
- c. Appointment of Public Accountant and / or public accounting firm by the same BNI shall be based on the labor agreement.
- d. Public accountants who audit the Annual Financial Report of the Bank shall conduct an audit in accordance with the Public Accountants Professional Standards, and in accordance with the employment agreement and the scope of the audit. Public Accountant and / or the Office of Public Accountant Bank shall observe the secrecy provisions as stipulated in Law No. 7 of 1992 concerning Banking as amended by Act No. 10 of 1998.
- e. In the framework of the preparation and conduct of the audit, Public Accountants may request information to the Bank Indonesia regarding the condition of the Bank will be audited.
- f. Bank Indonesia and / or the OJK may ask for information to the Public Accounting although employment agreement has ended.

## Risk Management Function

To anticipate the domestic and global economic challenges as well as the increased risk exposure faced by the Bank, we need a system of risk management and capital effective and integrated, capable of supporting the achievement of sustainable performance and growth while enhancing the competitiveness of enterprises.

Efforts to improve the quality of risk management is not only intended for the benefit of the Bank but also for the benefit of customers. One important aspect in protecting the interests of customers and in order to control the risk is transparency of information related to products and / or activities of the Bank. Besides improving the quality of risk management are expected to support the effectiveness of risk-based supervision framework of banks conducted by the Regulator.

Implementation of Risk Management BNI is based on regulation of national and international, including the Regulation Otoritas Jasa Keuangan (POJK), Circular of Otoritas Jasa Keuangan (SEOJK), Bank Indonesia Regulation (PBI), a Circular Letter of Bank Indonesia (SEBI), and the document Basel Committee on Banking Supervision (BCBS).

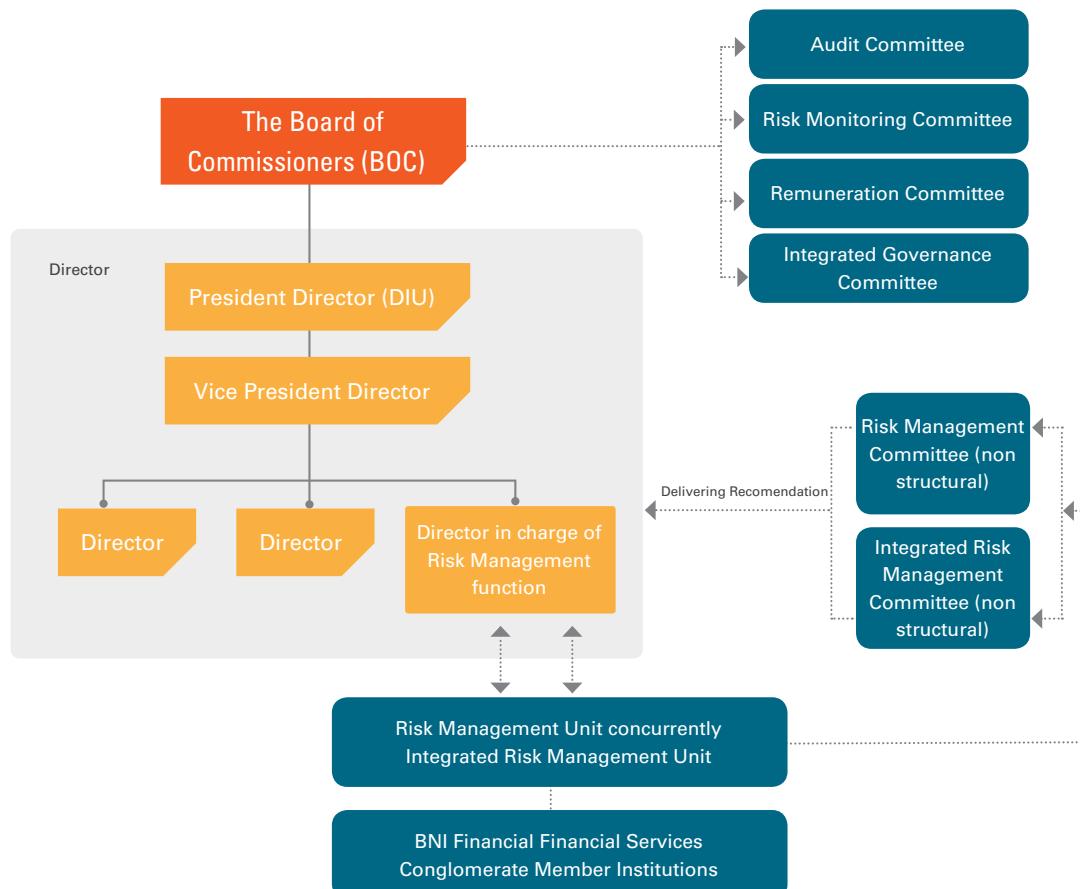
Some of the regulations related to the Bank's Risk Management are as follows:

1. Application of Risk Management
  - a. Regulation of the Otoritas Jasa Keuangan No. 18 / POJK.03 / 2016 dated March 16, 2016 on the Application of Risk Management for Commercial Banks.
  - b. Circular of Otoritas Jasa Keuangan No. 34 / SEOJK.03 / 2016 September 1 2016 on Risk Management for Commercial Banks.
2. Application of Risk Management Consolidated Subsidiary
  - a. Bank Indonesia Regulation No. 8/6 / PBI / 2006 dated January 30, 2006 concerning Implementation of Consolidated Risk Management for Banks Performing Control on Subsidiary Companies.
  - b. Bank Indonesia Circular Letter No. 8/27 / DPNP about the Precautionary Principle and reports in order Implementation of Consolidated Risk Management for Banks Performing Control on Subsidiary Companies.
3. Rating Bank (TKB)
  - a. Regulation of the Otoritas Jasa Keuangan No. 4 / POJK.03 / 2016 dated January 26, 2016 on the Assessment of Commercial Banks.
  - b. Bank Indonesia Circular Letter No. 13/24 / DPNP dated October 25, 2011 concerning Commercial Bank Rating.
4. Internal Control System  
Bank Indonesia Circular Letter No. 5/22 / DPNP dated 29 September 2003 concerning the Internal Control System Standard Guidelines for Commercial Banks.



## RISK MANAGEMENT ORGANIZATION STRUCTURE

The Organization and functions of the BNI Risk Management and Integrated Risk Management for BNI Financial Conglomerate was prepared and determined as follows.



The organizational structure of BNI Risk Management and Integrated Risk Management is as follows.

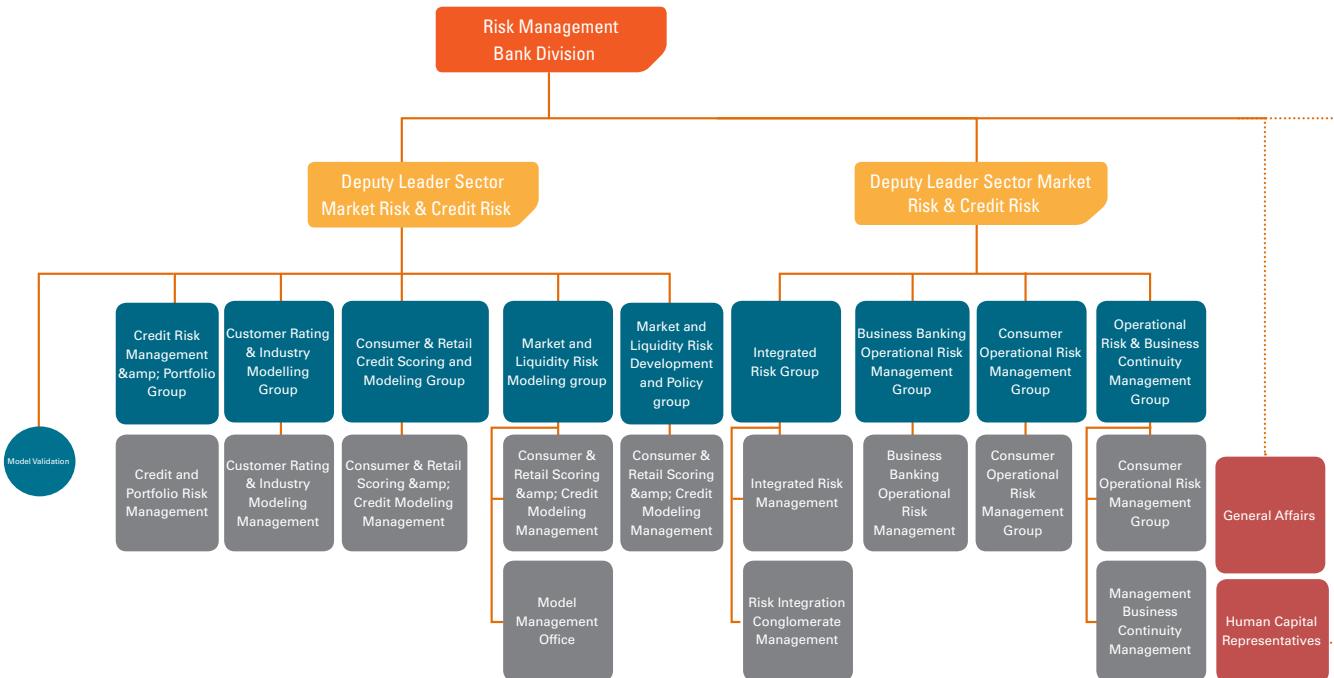
- The BNI Board of Directors and Board of Commissioners are in charge and responsible for ensuring the implementation of BNI Risk Management and Integrated Risk Management.
- In carrying out its functions to supervise implementation of BNI Risk Management and Integrated Risk Management, BNI Board of Commissioners is assisted by the Risk Oversight Committee, Audit Committee, Remuneration Committee and Integrated Corporate Governance Committee.
- The BNI Director who heads the Risk Management function, in addition to the bank Risk Management function, also carries out the Integrated Risk Management for BNI Financial Conglomerate function.
- In exercising its functions to implement effective risk management, the Board of Directors is assisted by the Risk Committee and Capital Risk Management (KRK-RMC), and the Integrated Risk Management Committee (KMRT).

- e. If necessary, the Director in charge of the Risk Management function can discuss issues related to risk management in other committee meetings at Director level or Board of Directors Meeting level.
- f. For the implementation of BNI Risk Management, the Board of Directors is assisted by the Risk Management Unit (SKMR) which also functions as the Integrated Risk Management Unit (SKMRT).
- g. The Risk Management Unit is responsible for facilitating and coordinating the risk management unit in the business and functional units. Coordination of risk management is performed for four (4) major risks including credit risk, market risk, operational risk and liquidity risk as well as four (4) other risks including legal risk, strategic risk, compliance risk and reputation risk.
- h. The Risk Management Unit exercises their functions and responsibilities and authority independently from the Operational Unit (risk-taking units) and does not perform activities related to the Bank's business.
- i. In carrying out its functions, the Risk Management Unit can escalate issues involved to the Risk Management Committee or the Director in charge of Risk Management.

## RISK MANAGEMENT DIVISION

The Hierarchical organization of the Bank Risk Management Division is under and directly responsible to the Director in charge of Risk Management (dhi, Director of Compliance and Enterprise Risk).

### Struktur Divisi Manajemen Risiko



Note:

General Functions followed a policy of centralization of functions of General Affairs (Employee Service) Headquarters

Function of Human Capital (Human Capital) followed a policy of centralization of functions of the Central Office of Human Capital (HC Representative)



## Risk Management Function

### Risk Management Division Head Profile

The Bank's Risk Management Division Head is responsible directly to the Director of Compliance and Enterprise Risk. Since July 2015, the Bank's Risk Management Division has been led by Agus Harinugroho, Ir, MM, FRM, CWM.



#### **AGUS HARINUGROHO,**

Indonesian citizen, 51 years. He earned his S1 in Civil Engineering from Institut Teknologi Bandung (1989) and S2 in Business Management and Administration Technology from Institut Teknologi Bandung (1995).

Agus Harinugroho has more than 15 years experience in Risk Management, supported by gaining several professional titles include Risk Management Certification Level V, Financial Risk Manager (FRM) from the Global Association of Risk Professionals (GARP), Certified Wealth Manager (CWM), Vice Underwriter (WPPE), Investment Manager (WMI) and Chartered Financial Analyst (CFA) Level I from the Association for Investment Management and Research (AIMR).

He previously served as DGM Credit Risk and Market Risk, Risk Management Division, Research Manager Money Market and Foreign Exchange Treasury Division, Equity Analysts Analyst Treasury Division and Asset and Liability Management Division of the Treasury.

### Risk Management Division Duties and Responsibilities

For the Bank's Risk Management implementation individually or integrated in the BNI Financial Conglomerate, the Board of Directors is assisted by the Risk Management Unit that also functions as an Integrated Risk Management Unit.

1. Risk Management Unit
  - a. The Duties and responsibilities of the Risk Management Unit are as follows.
  - b. Monitor the overall risk position (composite), per type of risk, per type of functional activity and perform stress testing.
  - c. Develop and evaluate the accuracy of the models used to measure risk.
  - d. Review proposed new products and activities from the aspect of risk.
  - e. Provide recommendations to the operational unit (risk-taking units) related to authority.
  - f. Evaluate the independence and effectiveness of the bank's risk management infrastructure on a regular basis.
  - g. Oversee the implementation of risk management, among others through the implementation of integrated risk control system and risk exposure limits.

- h. Prepare and submit periodic risk reports to the Board of Directors through the Director in charge of risk management.
- i. Independence from the risk taking unit in the oversight of risk management. The oversight function aims to ensure that the risk and the bank's portfolio have been managed well, among others through establishing risk parameters and limits.
- j. Responsible for the management of four (4) major risks including credit risk, market risk, liquidity risk and operational risk, including the measurement of credit, market and operational risk, through Internal Rating System, Market Risk Management Model and Operational Risk Tool.
2. Integrated Risk Management Unit
  - a. The duties and responsibilities of the Integrated Risk Management Unit are as follows.
  - b. Provide input to the Board of Directors for preparation of the Integrated Risk Management policy.

- c. Monitor the implementation of the Integrated Risk Management policy, including developing procedures and tools for risk identification, measurement, monitoring, and control. Monitor the risk on BNI Financial Conglomerate based on assessment results:
  - i. Risk Profile for each Institute of Financial Services (LJK) in the financial conglomerate.
  - ii. The level of risk for each risk in an integrated manner.
  - iii. Integrated Risk Profile.
- d. Perform stress testing.
- e. Carry out the review on a regular basis to ensure adequate implementation of the Integrated Risk Management and Risk Management implementation in each LJK Financial conglomerate member.
- f. Evaluate proposed new business lines that have a strategic and significant effect on risk exposure for the financial conglomerate.
- g. Provide information to the Integrated Risk Management Committee on matters that need to be followed up based on the results of the Integrated Risk Management evaluation.
- h. Provide input to the Integrated Risk Management Committee in the preparation and refinement of the Integrated Risk Management policy.
- i. Prepare and submit periodic Integrated Risk profile reports to the Director in charge of the Integrated Risk Management function and the Integrated Risk Management Committee.

## RISK MANAGEMENT SYSTEM

### Application of Risk Management

Application of Risk Management BNI has the purpose, among others, as follows:

- a. Manage the risks inherent in the products, activities and operations / business BNI relatively complex.
- b. Provide an overview of the Management regarding the possible losses in the future.
- c. Improve methods and systematic decision-making process based on the availability of information.

- d. Maintaining and increasing assessment Risk Profile BNI individually, consolidated and integrated as a financial conglomerate.
- e. Managing the capital structure is adequate to cover the risks that may arise.
- f. Providing basic performance measurement more accurate.
- g. Creating and maintaining strategic positioning and reputation of BNI.
- h. Creating a competitive advantage and maintain sustainable growth in order to increase the value (shareholder value) BNI.

Implementation of Risk Management BNI conducted in accordance with the provisions of the regulators by implementing the four pillars of the implementation of the Risk Management implementation in BNI is as follows:

1. Active Supervision Board of Commissioners and Board of Directors active supervision of the Board of Commissioners conducted through approval and evaluation of risk management policy drawn up by the Board of Directors. Periodically the Board of Commissioners to evaluate the implementation of risk management policies through forums Meeting of Directors and Commissioners (Radikom), as well as in the meeting of the Risk Oversight Committee (KPR).

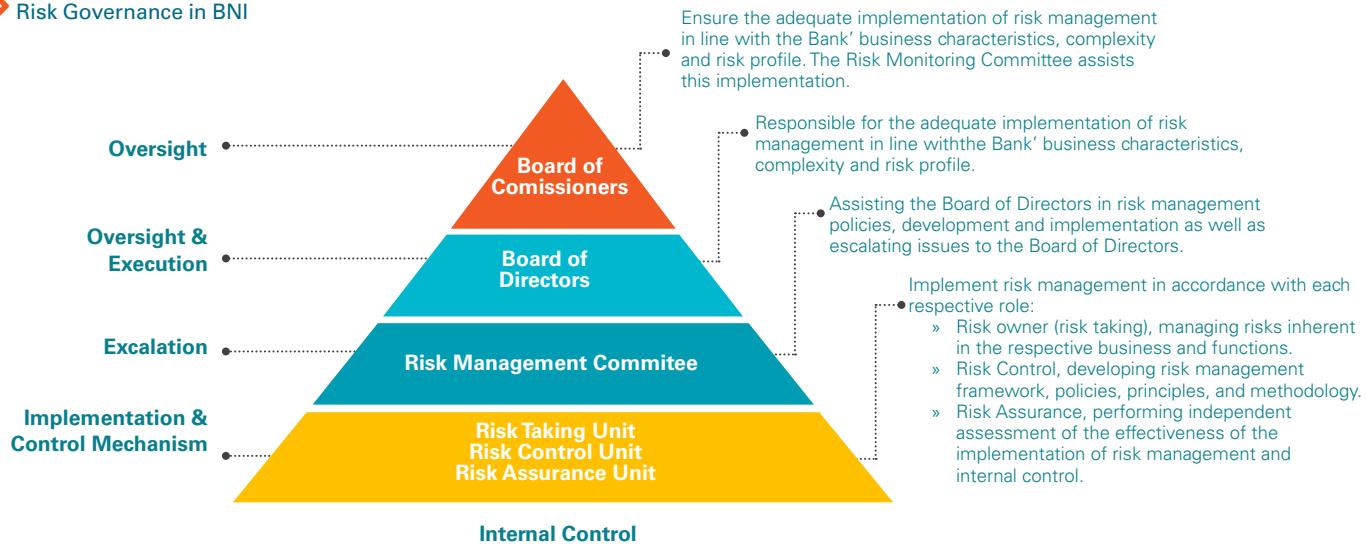
Active supervision of the Board of Directors will be carried out with the preparation, approval, implementation and evaluation of policies and risk management procedures, whether done through forums Directors Meeting (Radisi), Committee Meetings Risk & Capital (KRK) Sub Risk Management Committee (RMC), Sub Assets & Liabilities Committee (ALCO), Anti-Fraud Sub-Committee (KAF), as well as forums Credit Policy Committee Meeting (KKP) and Credit Procedures Committee (KPP).

In order for the implementation of Risk Management works effectively, the implementation is based on Risk Governance has been set. Risk Governance set up with clear roles and responsibilities, decision making process, the relationship between the functions of risk management, and establishing policies to ensure that risks are well managed.



## Risk Management Function

### ❖ Risk Governance in BNI

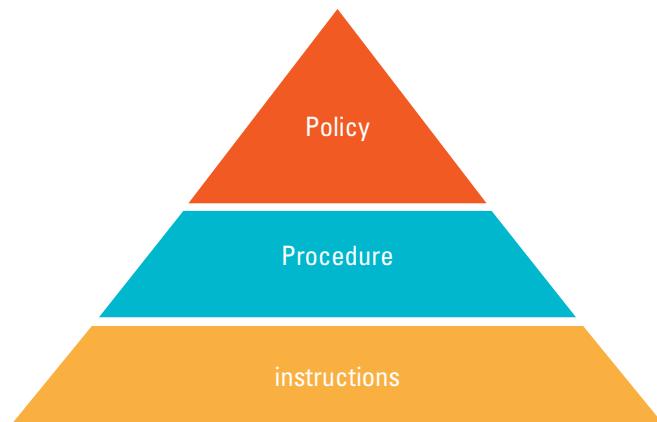


- Policies, Procedures, and Limit To support the implementation of effective risk management, BNI has developed risk management policies and procedures are comprehensive and integrated. BNI has issued Guideline for Application of Risk Management General, as the policy is the reference basis for strategic and comprehensive implementation of Risk Management.

Risk Management Procedures are ordinances to guide the implementation of Risk Management. For guidance in the application of risk management in which the Bank is required to manage eight (8) types of risk, BNI has established policies and procedures as a basis for the management of each risk. Conditions in detail of each procedure stipulated in the technical instructions.

Hierarchy establishing policies, procedures and technical guidelines described in the chart below:

### ❖ Hierarchy Formulation of Policies



As one method of controlling risk, BNI also has a risk limit, either limit per risk (credit risk, market risk, and liquidity risk), limit per functional activity as well as the overall limit. Policies, procedures and risk limits are regularly commissioned to review the agreement up to the level of the Board of Directors through committee meetings or through the circulation to the Directors in accordance with the level of authority.

3. Adequacy of Identification Process, Measurement, Monitoring, and Control of Risks and Risk Management Information System Risk Management Process in BNI includes the identification, measurement, monitoring and controlling risks to eight (8) types of risk supported by the Risk Management Information System.

Risk measurement is done both quantitatively and / or qualitatively appropriate measurement method that has been set by the regulator or by using internal methods to methods that have not been determined specifically by the regulator. To anticipate the conditions are extreme, the measurement of risk in BNI is also equipped with stress testing for credit risk, market risk and liquidity risk.

Risk monitoring is done either by Unit Operations (risk-taking units) as the owner of the risk (risk owner) and by risk control unit, and the monitoring results are presented in the periodic reports include reports Portfolio Loans Monitoring Report Market Risk and Liquidity Risk, Report Charges Operational risk, Report Feedback Operational risk Self Assessment, Internal risk Report, risk profile Report, Report of the Bank, and Capital Adequacy Reports (CAR).

Risk Management information systems must be able to support the implementation of the process of identification, measurement, monitoring, and controlling risks.

Some applications of risk management has been set up to support the implementation of the risk management process in a timely and accurate among others Credit Risk Management System (CRMS), Internal Rating System, Scoring System, Operational RiskTool (PERISKOP), and the application of market risk management.

- BNI has set up a risk management solution that is in line with the IT Strategic Plan, including:
- a. Setting up a front end application for credit risk, market risk and operational risk
  - b. Preparing the data storage and information system
  - c. Capital calculation engine
4. Internal Control System Internal control system in BNI is implemented using a model of Three Lines of Defense consisting of:

**First line of defense** conducted by risk taking unit as risk owner who conduct risk management against the risks inherent in the business and functions (day-to-day risk management and control).

**Second line of defense**, or risk control unit carried by the Bank's Risk Management Division, Division of Policy Governance and Compliance Division is responsible to the Director of Compliance & Risk duty to encourage throughout the organization carry out its functions in accordance with the internal.

As the **Third line of defense** or risk assurance unit, BNI has the Internal Audit Unit is responsible to the Managing Director.

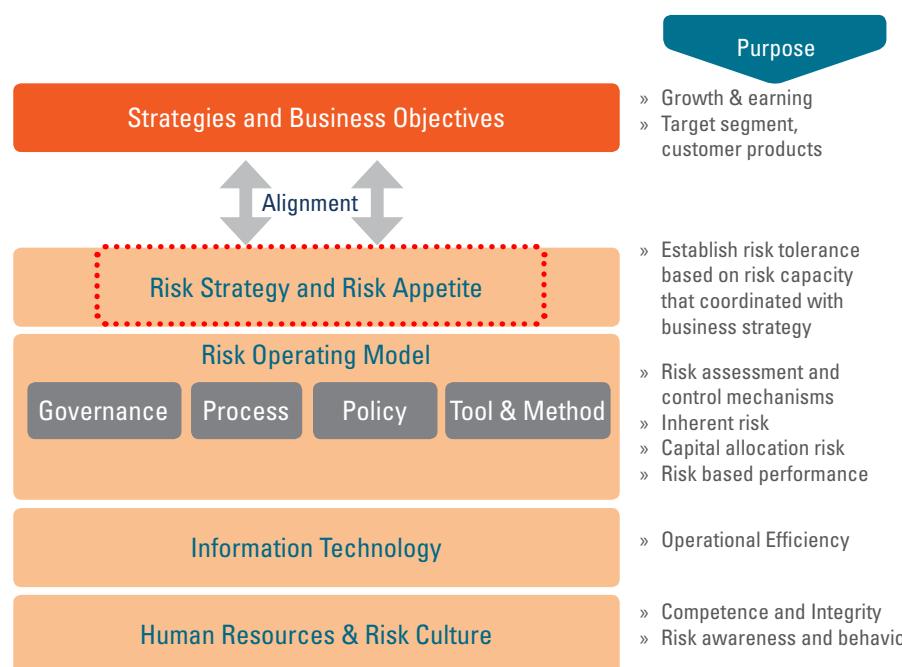
Risk Assurance independently assess the suitability of the process of implementing risk management and internal control systems with the policies and procedures established and regulations of the regulator



## Risk Management Function

### RISK MANAGEMENT STRATEGY

Risk management is the alignment needed between business strategy and objectives with risk strategy and risk appetite. The risk strategy and the risk appetite is translated into governance, processes, policies and tools and methodologies that are supported by information technology, human resources and a strong risk culture.



Risk management strategies are formulated in accordance with the overall business strategy of the level of risk to be taken and risk tolerance. The purpose of establishing a risk management strategy is to ensure that risk exposure is managed in a controlled manner in accordance with internal policies and procedures as well as laws and regulations and other rules.

Structured risk management strategy includes several principles namely:

1. The long-term orientation to ensure BNI business continuity.
2. Comprehensiveness, to control and manage the BNI risks both individually and on a consolidated basis with its subsidiaries and integrated in the BNI Financial Conglomerate.

3. The fulfillment of the required capital adequacy and allocation of adequate resources.

In the preparation of risk management strategies, the following matters should be considered.

1. Economic and industry development and their impact on the BNI risk exposure.
2. The BNI organization including adequacy of human resources and supporting infrastructure.
3. Financial conditions including the ability to generate profits, and BNI's ability to manage the risks arising from changes in external and internal factors.
4. Mix of internal portfolio diversification.

Risk management strategies are formulated in accordance with the business strategy and should be able to provide overall direction in risk management activities. Risk management strategy consists of four (4) main components:

1. The level of risk to be taken and the risk tolerance (risk appetite and risk tolerance)
2. Risk management principles and policies
3. Governance risk
4. Kind of risk exposure and market conditions

The type and magnitude of the risk exposure is measured using risk measurement methodology in accordance with the provisions of Regulators, and must be associated with risk appetite, risk tolerance, established limits based on availability and capital planning.

#### Governance Risk Management Strategy Determination

1. Risk Management Strategy is one of the basic references in setting the business strategy outlined in the BNI Business Plan (RBB) prepared on an annual basis and submitted to the Regulator.
2. Risk management strategies compiled and prepared by the Risk Management Unit, are decided by the Board of Directors through a Risk Management Division Risk and Capital Committee Meeting and requested approval from the Board of Commissioners.

The Risk Management strategy is communicated by the Board of Directors to the Division / Units and reviewed regularly in line with changes in business strategy, taking into account economic conditions, the banking business, changes in the provisions of the Regulators and its impact on the financial performance of banks.

## ASSESSMENT OF RISK PROFILE

Risk Profile Assessment is an assessment of the inherent risks and Quality Risk Management in the operational activities of the Bank. Risks that must be assessed consists of eight (8) types of risk. In assessing the risk profile, the Bank must also pay attention to the scope of application of risk management as regulatory provisions.

### 1. Inherent Risk Assessment

Inherent Risk Assessment is an assessment of the risks inherent in the business activities of the Bank, both of which can be quantified or not, which could potentially affect the financial position of the Bank.

Risks inherent characteristics of the Bank is determined by internal and external factors, including business strategy, business characteristics, complexity of products and activities of the Bank, the industry in which the Bank conducts business activities, as well as macroeconomic conditions.

Assessment of risk inherent conducted with respect to the parameters / indicators that quantitatively and qualitatively. Determination of the level of inherent risk of each type of risk refers to the general principles of the Bank Rating Works. Determination of the level of risk inherent to each type of risk is classified into rank 1 (low), ranked second (low to moderate), No. 3 (moderate), a rating of 4 (moderate to high), and rating 5 (high).

### 2. Assessment of the Quality Risk Management

Quality rating reflects the application of Risk Management assessment of the adequacy of the risk management system that covers all the pillars of the application of risk management as stipulated in Bank Indonesia regarding the implementation of Risk Management for Commercial Banks.

Rate the quality of implementation of Risk Management aims to evaluate the effectiveness of the Bank's Risk Management according to the principles set out in the Bank Indonesia regulations concerning the application of Risk Management for Commercial Banks.

Application of Risk Management Bank varies greatly according to the scale, complexity, and the level of risk that can be tolerated by the Bank. Thus, in assessing the quality of the implementation of Risk Management needs to consider the characteristics and complexity of the Bank.

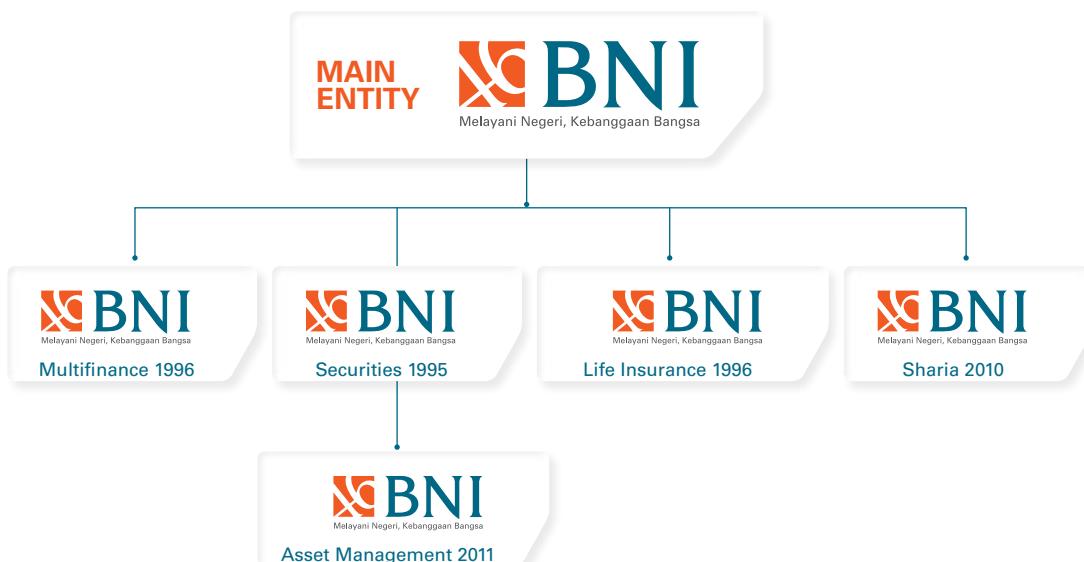


## Risk Management Function

Rate the quality of implementation of Risk Management is the rating of 4 (four) interrelated aspects, namely:

- a. Risk governance;
- b. Risk Management framework;
- c. Risk Management process, the adequacy of human resources, and the adequacy of the management information system; and
- d. The adequacy of risk control systems, taking into account the characteristics and complexity of the Bank.

BNI Finance Conglomerate has established an Integrated Risk Management Organizational Structure, where BNI as the parent company is the main entity and owns five (5) Financial Services Institutes as members of the BNI Finance Conglomerate, BNI Syariah, BNI Multifinance, BNI Life, BNI Securities and BNI Asset Management , with the structure shown in the following chart.



Structure of BNI Financial Conglomerate

In the application of its Integrated Risk Management, BNI as the Main Entity have established the following.

1. Established the Bank's Risk Management Division (ERM) to carry out the duties and responsibilities as an Integrated Risk Management Unit (SKMRT).

2. Appointed a Director of Compliance & Risk (Dir. KN) to be the Director in charge of the Integrated Risk Management function.
3. Established the stand-alone Integrated Risk Management Committee (KMRT) where the duties, responsibilities, membership (number, composition, and the nature of the membership), and procedures for KMRT meeting is regulated in Decree No. KP / 193 / DIR / R dated May 26, 2015, regarding Determination of Membership KMRT.

In order to implement the Integrated Governance, the Compliance Division designated the Integrated Compliance Unit with the task of monitoring and evaluating the implementation of the compliance function at each subsidiary in a BNI Finance Conglomerate.

In the implementation of the tasks mentioned above, the Compliance Division, as the Compliance Unit, formed the Integrated Management Integrated Compliance Governance and performed the following activities.

1. Reviewed the adequacy of policies / procedures in subsidiaries.
2. Impact Analysis of the External Conditions.
3. Sharing / Discussions / Socialization.
4. Coordinated with subsidiaries the relevant Integrated Compliance Governance Implementation.
5. Performed an assessment of the compliance function implementation in the subsidiaries.
6. Developed and submitted a report on the implementation of the Integrated Compliance functions to the Director of Compliance and Enterprise Risk.
7. Provided recommendations and suggested improvements to the compliance function implementation in the subsidiaries.

In order to implement the Integrated Governance, Internal Audit Unit established as Integrated Internal Audit Unit which has a major task:

1. Evaluate the effectiveness of the internal audit function (SKAI) Subsidiary through the evaluation of the adequacy of policies and procedures SKAI subsidiaries, audit planning, audit execution and reporting of the principal subject of audit results and follow-up resolution.
2. Delivering a report on the results of the integrated audit to the Director and the Board of Commissioners as a BNI Main Entities.
3. To monitor the follow-up results in an integrated internal audit and report the results to the Director and the Board of Commissioners of BNI with a copy to the Director of Compliance and Risk.

## RISK PROFILES

### TYPES OF RISKS FACING THE BANK AND MANAGEMENT EFFORTS

#### Types of Risks

There are eight (8) types of risk that must be managed at least in part, that:

1. Credit Risk

To anticipate and control the credit risk posed by the failure of the debtor to meet its obligations, the bank has implemented an early warning system as a monitoring system to identify credit risk early before the credits becomes a non-performing loan. BNI is proactive in its restructuring efforts for future likely problematic credits to reduce the increase in NPLs.

The Enterprise Risk Management Division and the Governance Policy Division act as a second line of defense in charge of preparing the credit infrastructure such as the preparation of credit policies and procedures, credit limit authority, rating and scoring system, along with business units to monitor portfolio credit, as well as preparing other tools needed to support lending activities.

The Internal Audit Unit (IAU), as a third line of defense, actively participates in maintaining the quality of the credit portfolio through immediate review, namely sampling checks on some debtors as soon as the credit is disbursed.



## Risk Management Function

### 2. Market Risk

Most of the Trading Book Market Risk is derived from treasury activities both domestically and in the overseas Branch Offices, while the Banking Book Market Risk, especially Interest Rate Risk in the Banking Book and Net Open Position (NOP) is sourced from all company activities. The Bank constantly monitors and manages market risk on an ongoing and tight basis.

### 3. Liquidity Risk

Liquidity risk is the risk due to the inability of the Bank to meet its maturing obligations of the funding sources of cash flow and / or high-quality liquid assets that can be pledged, without disrupting the activities and financial condition of the bank.

### 4. Operational Risk

Operational risk is the risk due to the inadequacy and / or failed internal processes, human error, system failure, and / or the presence of external events affecting the operations of the bank. Operational risks, among others sourced from internal processes, human resources (HR), information technology systems and infrastructure, as well as external events.

### 5. Legal Risk

Legal risk is the risk due to litigation and / or weakness of the judicial aspect. Legal risk arises partly because the lack of legislation that supports or weakness of such noncompliance with the terms of the engagement contract validity or binding of collateral that is not perfect.

### 6. Reputation Risk

Reputation risk is the risk due to declining level of stakeholder trust (Stakeholders), which comes from the perception adversely Bank. Reputation risk arises partly because their media and / or rumors about Banks that are negative, as well as their strategies Banks are less effective communication.

### 7. Strategic Risk

Strategic risk is the risk due to inaccuracies in the decision and / or implementation a strategic decision as well as failures in anticipating changes in the business environment. Strategic risk arises partly because the Bank set strategy or less in line with its vision and mission, analysis The strategic environment is not comprehensive, and / or there is a mismatch strategic plan (Strategic plan) between the strategic level.

### 8. Compliance Risk

Compliance risk is the risk due to the bank not comply and / or implement legislation and regulations. Compliance risk can be sourced among others of legal behavior that is behavior / activity of banks aberrant or abuse of the provisions of or legislation and behavior namely organization behavior / activity bank deviating or conflicting standards generally.

### Management Efforts

To manage risk effectively and comprehensively necessary risk management infrastructure that includes Governance and Organizational (including human), Policies and Procedures, Risk Management Process, Tools and Methods of Measurement (including quantification Risk Model), and supported by the Information Technology and Culture Risks strong.

Risk Management process for each of the risks that have been developed and implemented BNI is as follows:

#### 1. Credit Risk

Identification of the credit risk in order to analyze the source and possible the onset of the credit risks and their impact, carried out periodically adjusted to product characteristics and type of activity. Credit risk assessment is part and circuit inseparable from credit risk management processes and used as a reference for risk control.

In order to complete the measurement system, do stress testing of credit risk is with estimate potential losses of banks on condition abnormal market by using specific scenarios to see

sensitivity the bank's performance to changes in risk factors and identify factors that impact significantly to the portfolio and the adequacy bank capital.

Stress testing is performed regularly or can also be done at any time adjusted with the need to pay attention economic conditions or as needed / demand regulator.

ERM sets out the methodology / model stress testing credit risk by observing the characteristic products or activities and harmonized with rules / regulatory requirements.

Credit risk monitoring aims to see and ensure the implementation of the whole process credit risk management went well and potential credit risk is still the risk limits are allowed.

Credit Risk Control conducted in order to prevent more losses depth due Supported Credit Risk with some risk management tools good credit at the level of individual exposures and portfolio.

For processing the individual exposure business banking, the bank has had internal rating models in the form of rating system, while for the segment used debtor scoring system to help analyze quality borrowers in the credit process.

To adjust the portfolio composition, BNI have had the Loan Exposure Limit (LEL) which serves to limit concentration risk exposure loan every sector of the economy in each segments, and guide expansion loan. To assess the risk of each type of industry BNI has had Industry Risk Rating (IRR) and Standard Financial Ratios used as one factor in assessing the quality of borrowers from the industrial side.

## 2. Market Risk

Identification, measurement, monitoring, and market risk control carried out by the unit which is independent of the business unit.

Identification Market risk is mainly done for each new product or activity. Interest Market Risk identification include:

- a. Determining the transaction / products exposed Market Risk.
- b. Grouping based Market Risk criteria.
- c. Facilitate Market Risk measurement and its control.

Market Risk Measurement periodically the entire portfolio of trading book and banking book is exposed to market risk.

BNI perform measurements with the Market Risk using Standard Method and Method Internal. The standard method used to calculating the Capital Adequacy Minimum Requirement (CAR) Market Risk, while Market Risk management of daily use Internal method (Value at Risk).

Scope portfolio calculated in CAR using Standard Method is trading book portfolio for interest rate risk and portfolio trading book and the banking book for the exchange rate risk of the Interior and the Office Overseas branches.

Process monitoring and reporting Market Risk carried out periodically, include:

- a. Monitoring and reporting the magnitude of riskThe market on the Bank's entire portfolio Market risk exposure.
- b. Monitoring and reporting of Market Risk limit compliance (realization Market risk exposure compared to its limit).
- c. Recommendations for further action on the overrun limit and / or occurrence of conditions the market is not normal, and / or the Other conditions that lead to increased potential market risk.



## Risk Management Function

Market Risk Control conducted in order to prevent loss deeper due to market risk through determination of limits of market risk in the Treasury Division as well as branch offices of Foreign Affairs, among others as follows:

- a. Value at Risk (VaR), which is the maximum potential loss may occur at a certain time in the future it comes with a certain level of trust
  - b. Stress Value at Risk (VaR), which a measure of market risk adapted to the conditions abnormal in market or maximum potential losses when the market is not normal.
  - c. Budget Loss Limit used for limiting the realization of loss of business activity.
  - d. Management Action Trigger (MAT), which limits for action against the risk of changes in value loss (early warning signal). MAT completes loss limits be a certain percentage of the loss limit.
  - e. Limit the purchase of securities used to limit concentration purchase of corporate securities based on the rating and type of currency securities.
  - f. Limit the asset and liability repricing gap (Interest Rate Risk in the Banking Book) to limit interest rate risk in the banking book.
  - g. Nominal open position limit, which limits nominal maximum open position to do dealers.
  - h. PDN internal limit overall (absolute), ie PDN maximum limit.
3. Risiko Likuiditas
- Liquidity Risk identification is the process obtaining and analyzing sources Liquidity risk inherent in all business activity / transaction / product that can provide financial impact for the Bank. Each activity / product / transaction analyzed and differentiated to ensure that any risk Liquidity has been identified, measured accurately, managed in accordance with appropriate methods, and well controlled.

Liquidity risk management aims to minimize the possibility of incompetence Bank in obtaining funding sources cash flow and build strength structural liquidity for the bank balance support long-term growth sustainable.

Liquidity Risk Measurement Methods include liquidity ratios, maturity profile, cash flow projections, stress testing, and the Liquidity Coverage Ratio (LCR). Process monitoring and / or reporting Risk Liquidity carried out periodically, include:

- a. Monitoring and reporting the magnitude of risk Liquidity for all activities / products Bank exposed to liquidity risk.
- b. Monitoring and reporting of Liquidity Risk limit compliance (realization Liquidity Risk exposure compared limit).
- c. Monitoring indicators (internal and external) early warning to identify potential increase liquidity risk.
- d. Recommendations for further action on the overrun limit and / or occurrence of conditions the market is not normal, and / or the Other conditions that lead to increased potential liquidity risk.

In managing liquidity, in addition to managing primary reserve (cash and GWM), BNI keep and maintain secondary reserve for ensure liquidity at the level of the secure. As a backup secondary reserve, BNI preserve and maintain the tertiary reserve. The setting and monitoring of limits, which limit Capping Cash BNI Wide, limit Ideal Secondary Reserve (SR Ideal), limit the Maturity profile, and restrictions Foreign Currency Loans based on availability of funds conducted periodically by Management Division Risk Bank (ERM). While the availability of overall reserve is monitored daily, weekly, and monthly by the Treasury Division (TRS) and the ERM Division.

#### 4. Operational Risk

BNI operational risk management consists of Five (5) main ongoing process ie the identification, assessment, measurement, monitoring and control.

##### a. Risk identification

The method can be used to identify and measure risk operations, among others: Risk Control Self Assessment (RCSA), risk mapping, Key Risk Indicators (KRI), scorecards, event analysis, frequency matrix, quantitative methodology, and qualitative methodologies. Implementation of methods of identification and measurement operational risk in BNI summarized in an application, the PERISKOP (Operational Risk Tool). PERISKOP is a tool or device used in the management of operational risks, including with make record loss events happens, arrange follow-up and do mitigation.

##### b. Risk assessment

Performed by each unit owner risks through methods of operational risk self assessment, including assessment of impact, frequency and causes of risk as well as the solution.

##### c. Risk measurement

Regulator in accordance with the rules, measurements Operational risk is currently using Basic Indicator Approach method (Basic Indicator Approach).

##### d. Risk monitoring

Performed by the entire unit as a first line of defense against major risks at the moment ongoing activity. While the Bank's Risk Management Division evaluating and reporting / feedback on a risk assessment based on the results of the self assessment as well as the realization of the loss risk operational occur, include:

- Feedback report for all divisions / unit / unit / region / branch
- Monthly report Monitoring Expenses Operational Risk to the Board of Directors
- Operational Risk Profile Report

##### e. Risk control

Operational risk mitigation mechanisms reflected in the control process internally by applying four (4) mitigation strategies, which avoid, reduce, transfer and receive. The fourth strategy The mitigation procedures contained in Operational risk mitigation covering control procedures, procedures completion of transactions, accounting procedures, asset storage and custodial procedures, procedures providing products and procedures fraud prevention.

#### Business Continuity Management

Disruption or disaster caused by factors natural, human actions, and the system can occurred in the functions of business critical BNI and causing disruption of business activity and services BNI.

In anticipation of these events, the BNI has implemented a Sustainability Management Enterprises / Business Continuity Management (BCM) in all units both inside and outside country, which is expected to minimize risk operational at the time of emergency or disaster.

The development of these devices in line with Regulator rules that require banks to implement the risk management process for manage risks that could endanger survival of a bank, and in line with Basel II requirements on documents that require Bank to have continuity management business and emergency plans (business continuity management and contingency plan) in order to ensure the ability of the Bank to be able to remain operations and limit losses in the event disruption to its business activities. apart Regulator regulations and Basel II, to the Office Overseas Branch, BCM implemented BCM to meet the regulations of the country concerned.



## Risk Management Function

### 5. Legal Risk

Legal risk identification process carried out by analyzing all sources of legal risk at least do against risk law of the products and the Bank's business activity as well as the legal risks of products and activities. The new through management control process legal risk were feasible before introduction or run. The process of identification of legal risks inherent the Bank conducted using indicators / parameters:

- a. factors Litigation
- b. Weaknesses Engagements
- c. Factors Absence / Change legislation

Measurement is based on legal risk calculation of the indicators / parameters in identifying legal risks compared the Bank's capital. The results of the risk measurements law reflected in the Legal Risk Profile. Monitoring is done to legal risk evaluate risk exposure law especially those that are attached to material or the impact on the Bank's capital. result monitoring that includes an evaluation of the The legal risk exposure reported including periodic follow-up is needed.

Implementation of the risk management process law used by the Bank to manage risk especially laws that may harm Bank business continuity. process control Legal Risk, among others by:

- a. Conducting evaluation / assessment form juridical studies in the event of a new product or a new activity or there is the addition / changes in the features of the products of the Bank.
- b. Providing legal advice and / or legal representation in the event of Legal Risks in the operational activities.
- c. Conduct periodic reviews of the format standard agreements, particularly agreements credit, in order to ensure compliance with legislation and other rules.

- d. Conduct periodic review of the contracts and agreements between the Bank and others, especially for non agreement standards or agreements that have not been standardized in the Code of Corporate Bank.
- e. Conduct intensive monitoring on legal issues, in particular lawsuit on the basis of Torts involving the Bank as the defendant and Co-Defendants.

### 6. Strategic Risk

Identification of strategic risk is done for identify risk factors strategic attached to each functional activity potentially harmful Bank, for example because a policy that is not correct, responsive to changes happens, the implementation of inappropriate policies plan, or because implementation was not according to a predetermined schedule.

Risk measurement approaches used to measuring the Strategic Risk Profile Bank in order to obtain a picture of the effectiveness of the application risk management. Measurement of strategic risk using four parameters, namely: suitability strategy with the business environment, strategy high-risk and low-risk strategy, position Bank business against competitors and achievement realization of Bank Business Plan (RBB). appraisal strategic risk profile in detail poured the strategic risk profile report with guided by the Policies and Procedures Risk Profile Assessment of BNI.

Implementation of the stress test may be done when significant changes in the macro and may affect the Bank's strategy adjustment. Adjustment strategy performed as one of the mitigation measures to changes in the macro so that the company remains can do business expansion but still promoting the principle of prudence.

Strategic Planning Division (REN) do monitoring the realization of the strategy Business Plan each division / unit so it can be identified problems of implementation of the strategy and a work program to be remedied so that the target finance that have been set can be achieved.

Strategic Risk Management conducted by the Division Strategic Planning, under the supervision of Active Director of Planning and Operations.

#### 7. Compliance Risk

Banks must identify and Analysis of the factors that can improve compliance risk exposure such as the type and complexity of the Bank's business activities, including new products and activities, the number of (Volume) and the materiality of noncompliance Bank the internal policies and procedures, regulations legislation and regulations as well as the standards of practice and business ethics. The purpose of risk identification is to recognize or identify all types of risk inherent in each activity Functional potentially detrimental Bank. Compliance Risk measurement is done by using indicators / parameters such as:

- a. The type and significance of the infringement which is conducted;
- b. The frequency of the violation (track record of compliance Bank);
- c. Violation of the terms of the transaction Certain financial.

As part of the compliance risk assessment, indicators / parameters serta amount of weight and the ratio used to measure profiles compliance risk defined by the Compliance Division with input from the Board of Directors, Bank Risk Management Division (ERM) and Unit More and regulators if any.

Division Compliance monitoring and Compliance Risk report happens to Board of Directors, upon the occurrence incidental Compliance Risk and regularly.

Compliance risk control is done by actions or steps preventive to ensure that policies, regulations, systems and procedures and business activities conducted by the Bank had Regulator in accordance with the provisions and regulations legislation in force, as well as ensure compliance with the Bank's commitment made by the Bank to the Regulator and / or other competent supervisory authority.

Control of compliance risk not only made to the existing organizational unit in domestically but also includes organizational unit who are outside the country.

#### 8. Reputation Risk

To identify and quantify Reputation risks impact, the Bank uses some resources, among others the mass media, and the Bank's website social network analysis, customer complaints through customer service and questionnaire customer satisfaction.

Corporate Communications and Secretariat (NMC) to monitor and report Reputation Risk happened to the Board of Directors, incidentally at the time of the reputation risk and periodically, including follow-up required.

Monitoring of the news (news management) and the management of crisis communications and monitoring of opinions / comments news media or social media is done in coordination with the Division Corporate Communications. while management complaints / grievances of customers conducted in collaboration Unit Customer Service Center.

Bank develop a reliable mechanism in conducting risk control measures Effective reputation. In general, control The reputation risk is done through two (2) things:

- a. Prevention of the occurrence of events pose a reputational risk
- b. Bank reputation recovery following the incident which raises the risk of reputation



## Risk Management Function

### RISK PROFILE RATING

The BNI Risk Profile Self assessment results for the Individual position on December 31, 2016 was ranked 2 (low to moderate) with a low to moderate Inherent Risks rating, and a satisfactory Risk Management Quality Application Rating (KPMR).

### COMPETENCE DEVELOPMENT SECTOR RISK MANAGEMENT

To improve the competence in the areas of Risk Management, BNI has conducted training to support employee competence Risk Management Division of the Bank throughout 2016, as follows.

**Competence Development Risk Management Division**

No	Name Employee Education and Development	Organizer	Date
1	Updating of the Company Code (Credit, International, and Treasury)	BNI	January 11, 2016
2	Credit Scoring Model For Origination Management	BNI	January 18, 2016
3	Program Development of business	BNI	January 25, 2016
4	BNI Economic Outlook	BNI	February 3, 2016
5	Consolidating the values of Nationality	BNI	February 10, 2016
6	Program Development of business	BNI	March 14, 2016
7	Risk Management Certification Maintenance Program level 3	BNI	March 16, 2016
8	Highway 8 Business Profile	BNI	March 17, 2016
9	Test of English For International Communication (TOEIC)	BNI	April 9, 2016
10	Program Pengembangan Pengelola	BNI	April 11, 2016
11	Business Continuity Management	BNI	April 12, 2016
12	Economy and Geopolitics In the Framework of International and Global Markets	BNI	April 13, 2016
13	Business Communication and Presentation Intermediate	BNI	14 April 2016
14	Refreshment Material Risk Management Certification Level 1 Instructor	BNI	14 April 2016 20 April 2016
15	Refreshment Material Risk Management Certification Level 2 Instructor	BNI	14 April 2016 20 April 2016
16	Refreshment Material Risk Management Certification Level 3 Instructor	BNI	14 April 2016 20 April 2016
17	Risk Management Certification Level 1	BNI	28 May 2016
18	Environmental, Social, and Governance (ESG)	BNI	2 June 2016 19 October 2016
19	Risk Management Certification Level 5	BNI	6 August 2016
20	Essential and Strategic Insights For Managing Resiliency and Technology	BNI	25 August 2016
21	Cash Management, ATM, and Safe Deposit Box (SDB)	BNI	27 October 2016
22	Best Practice Credit Risk Analyst and Credit Analyst	BNI	9 November 2016
23	Kondor+	BNI	19 November 2016
24	Auditor Region	BNI	15 December 2016
25	Refreshment 25 KPKU SOE Training For Executive	BNI	16 December 2016
26	Credit Discipline Program	BNI	23 December 2016

## Risk Management Certification

Risk management certification to improve the capability of personnel in the areas of Risk Management which has been implemented by BNI as follows.

### Risk Management Certification

Certification Level	Position	Number of Employees
1	AMGR	339
	MGR	92
2	AMGR	1
	MGR	42
	AVP	2
3	-	-
4	VP	9
	SVP	1
5	VP	1
	SVP	2

## REPAIR AND IMPROVEMENT RISK MANAGEMENT

For future development, the bank has planned several initiatives to improve the capability and quality of risk management, among others :

1. Alignment of Risk Appetite, Capital Allocation, and Risk Adjusted Performance Measurement  
Alignment between risk appetite, capital allocation (Capital allocation) until the process risk-based performance assessment (risk adjusted performance measurement), starting from determination of risk appetite, followed by Risk Weighted Assets calculation of the target businesses that will be used as the basis to allocate capital to the respective Risk Taking Unit. The amount of total capital must be allocated according to ability capital (risk capacity) BNI overall set at the time of the preparation of the strategic plan outlined in the bank and Business Bank (RBB) BNI for the coming year. Furthermore, the capital used Risk Taking The unit is used as a basis for risk assessment Adjusted Performance Measurement (RAPM) each Risk Taking Unit.

## 2. Increasing the capabilities of credit risk

In order to meet the requirements of the regulator regarding the implementation of Basel II is currently Division Risk Management The Bank has applications Credit Risk Management Solution Risk-Weighted Asset (CRMS-RWA), which serves to perform calculations Weighted Assets Risk (RWA) automated credit risk. Credit Risk RWA calculation method Internal Rating Based today still continues was developed in order to perform calculations more comprehensively.

## 3. Increased operational risk capabilities

Operational risk management application currently owned BNI (periscope) yet capabilities include operational risk capital calculator. Currently, the bank is in the process renew the application owned includes additions and extensions application capability so that a solution to improve risk management operational for the better. Besides BNI also plans to complete the application Business Continuity Management (BCM) branch overseas.

## 4. Strengthening the Culture of Risk

In addition to the above initiatives, BNI will also be continue to raise awareness of risk at all unit, through increased cultural socialization of risk to all employees, who do good in a top down and bottom up so as to create a strong risk culture. On June 15, s / d July 1, 2016 has been risk culture survey conducted followed by 15 822 employees ( $\pm$  61% of the total employees BNI), with the risk culture survey results BNI 4.98 (Moderate to Strong). Risk culture is also a one of the e-learning material which is mandatory by all employees of BNI.

## IMPLEMENTATION OF BASEL

In December 2010 the Basel Committee published the document "Basel III: A global regulatory framework for more resilient banks and banking systems" to strengthen global capital and liquidity arrangements in order to encourage increase the resilience of the banking system.



## Risk Management Function

Provisions on the Basel III Capital has arranged in POJK No. 11 / POJK.03 / 2016 on Liability Minimum Capital Requirement for Commercial Banks, namely other than the appropriate minimum capital adequacy the risk profile, the Bank is also required to establish additional capital as a buffer (buffer), which includes the Capital Conservation Buffer, Countercyclical Buffer and Capital Surcharge for Domestic Systematically Important Banks (D-SIB).

In anticipation of regulatory compliance the buffer when implemented (Beginning from January 1, 2016), BNI has conducted simulation to ensure that the capital BNI still meet the requirements. The simulation results show that based on the Bank Business Plan Year 2016-2018, capital BNI still meet the requirements appropriate capital adequacy and risk profile of the buffer.

In addition, in anticipation of the implementation of Basel Related III liquidity BNI has also done improvement of liquidity risk management in the form of application of the Liquidity Coverage Ratio calculation (LCR), which aims to strengthen and improve the quality of liquidity risk management.

### **TARGET AND IMPLEMENTATION OF RISK MANAGEMENT STRATEGIC INITIATIVES IN 2016**

Throughout 2016 the Bank's Risk Management Division in the implementation of risk management set targets and undertake strategic initiatives as follows:

#### 1. Credit Risk

- a. To review or develop Industry Risk Rating (IRR) national and regional as well as standard financial ratios for 2016.
- b. Establish Loan Exposure Limit (LEL) of loans in the country in 2016.
- c. Develop study loan portfolio, Non Performing Loan (NPL) analysis, and space loans available periodically.
- d. Perform stress testing of credit risk.
- e. To review or enhance the system ranking borrowers in all segments.
- f. Developing RWA calculations with method Internal Rating Based (IRB).

- g. Developing credit risk measurement sustainably.
- h. Develop methodologies and conduct review the calculation of Credit Risk Premium (CRP) periodically.
- i. Take measurements of credit risk profile. To review and develop guidelines Company (PP) Credit Risk Management.
- j. Perform credit risk model validation segment
- k. Business Banking (Small and Medium) and Consumer Banking segment.
- l. Validate the application scoring model credit card (behavior).
- m. Reviewing and developing scoring and modeling and mass retail consumer loans (a.l BWU and KUR).

#### 2. Market Risk

- a. Develop, review, and develop risk management policies and procedures markets, to its portfolio of Treasury Division and Foreign Branch Office (Global Treasury).
- b. Develop, review, and develop market risk management methodologies.
- c. Take measurements, monitoring, and analysis and control in order market risk management as follows:
  - Doing valuation / market rate
  - Establish and review the basis
  - periodic market risk limits are Limit Value at Risk, Loss Budget Limit and Limit repricing Gap
  - Measure, monitor, and analyze Value at Risk, Loss Budget, authority transactions, open position, and profit / loss trading book and the Treasury Division KCLN
  - Monitor and analyze the Budget Loss, Net Open Position / NOP and repricing Gap (Interest Risk in the Banking Book) on Banking Book portfolio BNI
  - Evaluating the measurement NOP and repricing gap made Treasury Division
  - Monitor Counterparty Limit on business treasury
  - Measure and monitor risk the concentration of the portfolio securities

- Manage the fairness of the income statement treasury business
  - Manage and verify reasonableness price / market rate
  - d. Perform stress testing and the exchange rate flowers, regularly.
  - e. Perform back testing.
  - f. Doing the calculation of market risk RWA.
  - g. Updating and uploading policy and procedures for market risk to BNI e-PP.
  - h. Conducting market risk model validation.
  - i. Conduct a review of risk appetite risk market, ie NOP, Value at Risk, and Budget Loss Limit.
  - j. Conducting evaluation / assessment of market risk on products, activities and new transactions.
  - k. Take measurements of market risk profile.
3. Liquidity Risk
- a. Develop, review, and develop risk management policies and procedures domestic liquidity and Branch Offices Overseas.
  - b. Develop, review and develop liquidity risk management methodology.
  - c. Take measurements, monitoring, and analysis and control in order liquidity risk management as follows. :
    - Establish and review the basis Periodic limits liquidity risk, ie Capping Cash BNI Wide, Secondary Reserve (SR) Ideal, Limit Maturity profile, and Onshore Loan Limit
    - Monitor and analyze the realization Wide BNI cash ceiling.
    - Monitor and analyze the realization of the Secondary and Tertiary Reserve Liquid Reserve.
    - Monitor and analyze the realization maturity profile
    - Establish normal liquidity conditions, moderate or strict with indicator early warning and contingency liquidity plan
  - d. Develop policies, procedures, and methodology LCR (Liquidity Coverage Ratio) in order to implement Basel III.
- e. Conduct appropriate stress testing liquidity risk schedule (business as usual), and perform monitoring and analysis of developments liquidity risk stress testing parameters in Rapid Response Team (ad-hoc).
  - f. Updating and uploading policy and liquidity risk procedures to BNI e-PP.
  - g. Doing liquidity risk model validation.
  - h. Conduct a review of risk appetite risk liquidity, ie LDR / LFR, concentration 50 Core Depositors and Currency Assets Earning Ratio.
  - i. Conduct an assessment / risk assessment liquidity on the product, activity and The new transaction.
  - j. Take measurements of liquidity risk profile.
4. Operational Risk
- a. Evaluating / updating of policies and operational risk management procedures.
  - b. Evaluating / updating of policies and procedures Business Continuity Management (BCM).
  - c. To identify operational risk by evaluating / updating risk issues in all organizational units.
  - d. Prepare reports related to operational risk for internal and external needs.
  - e. Calculating RWA with using the Standardized approach Approach (SA).
  - f. Calculating RWA with using the BIA approach.
  - g. Take measurements profile operational risks..
  - h. Monitoring the operational risk all organizational units.
  - i. Conduct an assessment / risk assessment operational related products, activities, and The new transaction.
  - j. Making application development Self Assessment and implementation of branch / unit / region and abroad as well as centers and division in BNI.
  - k. Making application development Loss Event Database (LED) and implementation in branches / unit / region and abroad as well as centers and divisions in BNI.



## Risk Management Function

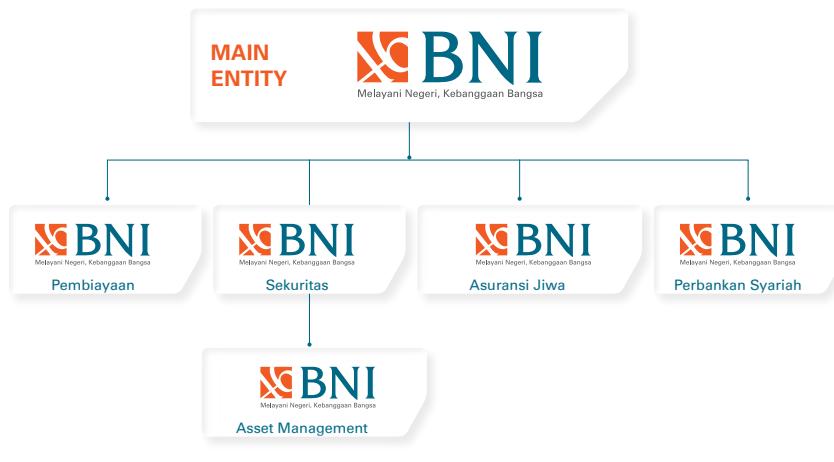
- I. Making application development Key Risk Indicator (KRI) and implementation in branches / unit / region and abroad as well as centers and divisions in BNI.
  - m. Availability of Operational Risk Management Solution (ORMS).
  - n. Manage and evaluate documents Business Continuity Management (BCM), Risk and Threat Analysis (RTA) and Business Impact Analysis (BIA).
  - o. Monitoring and evaluation of BCM implementation disegenap organizational unit.
  - p. To evaluate the optimization of Dual Data Centre (DDC), Disaster Recovery Center (DRC) and Command Centre (CC) and determination alternate site in the entire organizational unit.
  - 5. Legal Risk
    - a. Developing and reviewing legal policy.
    - b. Perform analysis / study of law in the form of written and verbal advice.
    - c. Conduct analysis / assessment of the law against products / activities of banks.
    - d. Implement education / training in the law.
    - e. Legal review of the agreement non standard using calculation scoring system.
    - f. Assistance to units Business related to business activity.
    - g. Address and resolve lawsuit.
    - h. Supervise the handling of cases.
    - i. Take measurements legal risk profile.
  - 6. Reputation Risk
    - a. Submit a letter of response / feedback the mass media about the complaint / customer complaints against the BNI.
    - b. BNI maintain the reputation and image of the all stakeholders.
    - c. Take measurements of reputation risk profile.
  - 7. Strategic Risk
    - a. Strategic planning with sharpening strategy and targets in Directors of Public Policy (KUD) and Plan Business Bank (RBB). This was carried out taking into account external conditions which includes macro-economic conditions, technological developments,
- and the level of competition, as well as internal conditions covering risk appetite, the technological capabilities, organizational culture, performance, and excellence BNI competitive.
- b. Improving the quality management implementation strategic risk by evaluating the level of risk business activities, risk appetite, and risk tolerance.
  - c. Conduct a review of the Corporate Plan 2014-2018 as BNI's Long Term Plan determine the direction and policies of BNI will be used as reference in the preparation short-term plan.
  - d. To disseminate strategies and targets already defined in KUD and RBB to all division / unit / unit / region.
  - e. Strengthen alignment strategy unit in efforts to achieve the strategy and corporate targets.
  - f. Perfecting organization sustainable, effective and efficient for BNI supports optimal performance.
  - g. Sharpen information and reviews regarding economic conditions and the business world, national, region, and the company's business potential Current children to broaden their horizons and assist in decision strategic decisions.
  - h. The evaluation and monitoring of the realization of the strategy and the achievement of targets already defined in KUD, RBB, and Business Plan Unit.
  - i. Conduct self-assessment profile assessment strategic risk.
8. Compliance Risk
  - a. Optimize system development identification of Suspicious Transactions:
    - Development through Enterprise system Fraud Management (EFM), which includes Transaction Monitoring Identification System, Risk Based Approach (RBA), Sanction & PEP Screening
    - Cash Reporting System Enhancement Transaction Report (CTR)
    - Optimization of data information system customer Walk In Customer (WIC) that trades above 100 million.

- b. Monitor the implementation of updating profiles customers throughout the unit.
- c. Monitor policy implementation APU & PPT in the entire unit including the supervision to Branch LN.
- d. Conducting Transactions Reports Analysis Suspicious (LTKM) and report it to the Reporting and Transaction Analysis (PPATK).
- e. Doing Transaction Reports Analysis Reports Cash Financial (LTKT) corresponding laws or criteria set and report to the INTRAC.
- f. Conducting Transactions Reports Analysis Financial and Abroad (LTKL) in accordance with the laws or criteria set and report to INTRAC.
- g. Conduct a review of SOP APU & PPT and Completion of Custody SOP.
- h. Conduct training and socialization APU & PPT and liabilities of the Bank by legislation Money Laundering (AML) to new and existing employees.

- i. Assist implementation of the inspection or Special audit PPATK and BI or OJK.
- j. Carry out supervision Implementation of APU & PPT at branch offices and LN DN.

## IMPLEMENTATION OF INTEGRATED RISK MANAGEMENT

Under the Rules of the Financial Services Authority (POJK) No. 17 / POJK.03 / 2014 every conglomeration Financial Management shall apply Integrated Risk (MRT) and has Entities Main. Financial conglomerate includes types Financial Services Institutions (LJK) Banks, Companies Insurance / Reinsurance, Corporate and Securities Financing Company. BNI has formed a conglomerate structure Finance, where BNI as a company Top is the parent entity and has 5 (Five) as a member of the Institute of Financial Services Financial conglomerate BNI, BNI Syariah, BNI Finance, BNI Life, BNI Securities and BNI Asset Management, with the structure as a chart following:



BNI Financial Conglomerate Structure



## Risk Management Function

In the implementation of Integrated Risk Management, BNI as Top Entities have done the following things:

- a. Establish Risk Management Division Bank (ERM) to carry out the task and responsibilities as Unit Integrated Risk Management (SKMRT).
- b. Appoint the Director of Compliance & Risk Companies (Dir. KN) as Director who heads a management function Integrated risk.
- c. Establish a Risk Management Committee Integrated (KMRT) where the duties, responsibilities, membership (number, composition, and the nature of the membership), and procedures for meeting KMRT regulated in Decree No. KP / 193 / DIR / R dated May 26, 2015 concerning Resolution Membership KMRT.
- d. Develop Public Policy Implementation Integrated Risk Management as BNI as a guideline for Main Entities manage the entire risk arising either directly or indirectly of business activity in the BNI and LJK Financial conglomerate BNI.
- e. Develop Risk Profile Assessment Procedures integrated
- f. Develop Risk Management Pact Integrated signed by Chairman and Managing Director of all LJK member conglomeration of Finance.
- g. Applying early warning for risk integrated with assessing Leading Risk Indicator each month for LJK all members conglomeration Financial BNI.
- h. Conducting assessment Risk Profile Integrated each semester.
- i. Establish Integrated Risk Limit among others
  - Minimum Capital Requirement (CAR)
  - Integrated Lending Limit (LLL) Integrated
  - Liquidity Coverage Ratio (LCR) Integrated.

In the application of Integrated Governance, Division Bank Risk Management function as the Integrated Risk Management Unit based on the provisions regarding implementation of integrated risk management for financial conglomerates.

Duties and responsibilities of the Management Unit Integrated risk in order to implement Integrated management is at least:

1. Advise the Board of Directors of Entity The main among others in policy formulation Integrated Risk Management.
2. Monitor the implementation of management policies Including developing the Integrated Risk procedures and tools for the identification, measurement, monitoring, and controlling risks.
3. To monitor the risk on a conglomeration Financial BNI based on the results of the assessment:
  - a. The risk profile of each LJK in Financial conglomerate.
  - b. The risk level of each risk integrated manner.
  - c. Integrated Risk Profile.
4. Perform stress testing.
5. Implement a regular basis to review the ensure adequate implementation of Management Integrated Risk Management and implementation Risks in each LJK member Financial conglomerate.
6. Assess the proposed new business lines that are strategic and significant effect on Risk exposure Financial conglomerate.
7. Provide information to the Committee Integrated Risk Management on matters the need to follow up on the results of the evaluation implementation of Integrated Risk Management.
8. Provide feedback to the Management Committee Risk Integrated, in the preparation and Management policy refinement Integrated risk.
9. Develop and submit a report profiles Integrated Risk periodically to the Director Top entities are in charge of the function Integrated Risk Management and to the Committee Integrated Risk Management.

In order to implement the Integrated Governance, Compliance Division designated as Integrated Compliance Unit which has the task monitor and evaluate the implementation of the function compliance with their respective subsidiaries BNI in financial conglomerates. As the implementation of the tasks mentioned above, Compliance Division as the Compliance Unit Integrated Management formed Governance Integrated Compliance and activities as follows :

1. Reviewing the adequacy of policies / procedures in subsidiaries
2. Impact Analysis of External Conditions
3. Sharing / Discussions / Socialization
4. Coordinate with related subsidiaries Implementation of Integrated Governance Compliance
5. assessment of the implementation compliance functions in subsidiaries
6. Develop and submit related report implementation of the Integrated Compliance function Director of Compliance and Risk
7. Provide recommendations improvement suggestions the implementation of the compliance function in subsidiary

In order to implement the Integrated Governance, The IAU defined as Integrated Internal Audit Unit which has main task :

1. Evaluate the effectiveness of the performance internal audit (SKAI) Subsidiary through evaluation of the adequacy of policies and procedures SKAI Subsidiary, audit planning, execution auditing and reporting audit results as well as the principal subject follow-up resolution.
2. Delivering a report on the results of audit integrated to the Managing Director and Board Commissioner BNI as the Main Entities.
3. To monitor the follow-up results of an internal audit by integrated and report the results to Managing Director and Board of Commissioners of BNI copy to the Director of Compliance and Company risk.

## INTERNAL CONTROL SYSTEMS

BNI Internal Control System include:

1. Control of strategic Aiming to ensure that every strategy or policy set has in accordance with the objectives, vision and mission of BNI.
2. Operational control Aiming to achieve efficiency and operational effectiveness.
3. Control reporting Aims to ensure the quality of any information / reporting generated and used in decision making both internal and externally.
4. Control observance Aiming to ensure the level of compliance to the laws, rules and regulations associated with the operation.



## Internal Control System

Basically, the Bank's internal control a mechanism that aims to reduce fraud, abuse and errors in Bank's operational processes. There are five (5) elements internal control related in Bank Internal Control System and in line with COSO framework and Basel Committee - Internal Control, namely:

1. Supervision of Management and Culture Control,
2. Identification and Risk Assessment,
3. Control Activities and Separation of Functions,
4. Accounting Systems, Information and Communication
5. Monitor and Corrective Action Irregularities / weakness. PT Bank Negara Indonesia (Persero) Tbk Internal Control System referring to Bank Indonesia Circular Letter No. 5/22 / DPNP dated 29-09-2003 on Standard Guidelines for Internal Control System for Commercial Banks, in which internal control is an oversight mechanism established by the bank's management on an on going basis which aims to ensure:
6. Compliance with regulations and legislation in force To ensure all the bank's business activities have been conducted in accordance with provisions and legislation in force, whether the provisions are issued by the government, bank supervisory authorities as well as internal policies, rules and procedures specific to the bank.
7. The availability of correct, complete and timely financial and management information to provide correct, complete, timely and relevant reports necessary for correct decision making and accountability.
8. Efficiency and effectiveness of banking operations to increase effectiveness and efficiency in the use of assets and other resources to protect banks from losses.
9. To improve the effectiveness of risk culture in the organization Comprehensive to identify weaknesses and assess deviations early

### INTERNAL CONTROL SYSTEM SCOPE

#### **BNI Internal Control System, includes:**

1. Strategic Control

To ensure that any strategy or policy has been established in accordance with the objectives, vision and mission of BNI.

- a. BNI has implemented financial control processes as set forth in the BNI strategy map (the financial perspective) for business expansion in selective markets for quality growth, maintaining asset quality, improving FBI, maximizing profits and increasing shareholder value.
- b. To determine that the BNI strategy has considered the impact on BNI capital through assessment and measurement for the calculation of market risk for calculation of Minimum Capital Adequacy Ratio (CAR) and the calculation of market risk in day to day activities and the determination of market risk limits.

- c. To assess / measure strategic risk using indicators / parameters in conformity to the strategy of the business environment conditions, high risk strategy and low-risk strategy, the bank's business position against competitors, and the realization of the Bank's Business Plan.
- 2. Operational Control
  - To achieve operational efficiency and effectiveness.
    - a. BNI has completed the policy / standard operating procedures / implementation instructions / technical manual containing the work procedures for each BNI transaction including new product / activity and managing change and mitigation of associated operational risk.
    - b. To manage and control operational risk in BNI is conducted through coordination between business units by support units in stages, ie
      - 1. Submission of periodic / incidental risk exposure reports to the Bank's Risk Management Division (Lost Event reports monthly and quarterly and Self Assessment reports).
      - 2. Ensure that risk management is in each business unit (risk taking units / risk owners), so they should be responsible for managing the inherent risks in the transaction / activity on a daily basis.
    - c. BNI operational risk control also include Business Continuity Plan (BCP) procedures, a formal mechanism / plan that is a combination of strategies, policies, procedures and organization developed to ensure operational continuity of the critical business functions for particular service levels in the event of disruption or disaster.
    - d. BNI organizational structure has been equipped with supervision / control, namely:
      - 1. Segregation of duties to avoid giving authority and responsibility that may pose a conflict of interest.
      - 2. Supervisor responsible for performing internal control supervision in all work units (branches, centers, regions, divisions / head office units).
  - 3. Bank's Risk Management Division and Compliance Division.
  - 4. The Internal Audit Unit is independent of risk taking units and assesses the adequacy and effectiveness of risk management, internal control and governance process through audits / consultations.
  - 3. Control Reporting
    - To ensure the quality of any information / reports generated and used in decision making both internally and externally, through the availability of reliable accounting systems, information systems, communication channels and risk reporting mechanisms.
  - 4. Controlling Obedience
    - To ensure compliance levels for laws, rules and regulations related to the operation.
      - a. Compliance risk control measures are carried out ex ante (preventive) to ensure that the policies, regulations, systems and procedures, as well as business activities, are in accordance with the provisions of the regulator (Bank Indonesia / Otoritas Jasa Keuangan) and regulations.
      - b. To ensure execution of the duties, authorities and responsibilities in monitoring the compliance levels for policies, procedures and established limits, have been conducted by the Compliance Division as a unit independent of the operational unit.

## INTERNAL CONTROL STRUCTURE

Three Lines of Defense are contained in the internal control structure and they are divided into 3 (three) separate functions inherent to each unit independently, as well as play a role in the Enterprise Risk Management platform to create Good Corporate Governance in BNI.



## Internal Control System

Monitoring the bank's activities in the business units and functional units in BNI is conducted through three lines of defense, namely:

1. Day to day control (first line of defense), as Risk Taking Unit Owner, to manage the inherent risks in the business and their respective functions (day to day risk management and control).
2. Permanent Control (second line of defense), a functional unit that is responsible and ensure that the frameworks, policies and limits are in order to support the business units, as well as monitoring and managing the risks that arise in the Risk Taking Unit. Risk Control Unit compiled framework, the policy principles and methodology of risk management. The Enterprise Risk Management Division (ERM) monitors established risk limits and compares with the realization, monitoring risks that have significantly increased are included in the Internal Risk Report and Risk Profile. The Second line of defense in BNI is conducted by the Policy Governance Division, Enterprise Risk Management Division, Budgeting and Financial Control Division and Compliance Division.
3. Periodic Control (third line of defense) by the Risk Assurance Unit independently assesses the effectiveness of risk management processes and internal control regulations with reference to both external and internal conditions and in accordance with the principles of corporate governance..

This function is carried out by the Internal Audit Unit and external auditors periodically where SPI submits audit reports directly to the Presidnet Director and the Audit Committee. In addition, the audit report is submitted to the Compliance Director, Sector Director as well as line management periodically.

Implementation of Internal Control System is the responsibility of all parties involved in the Internal Control Structure, as outlined in the duties and responsibilities of each party.

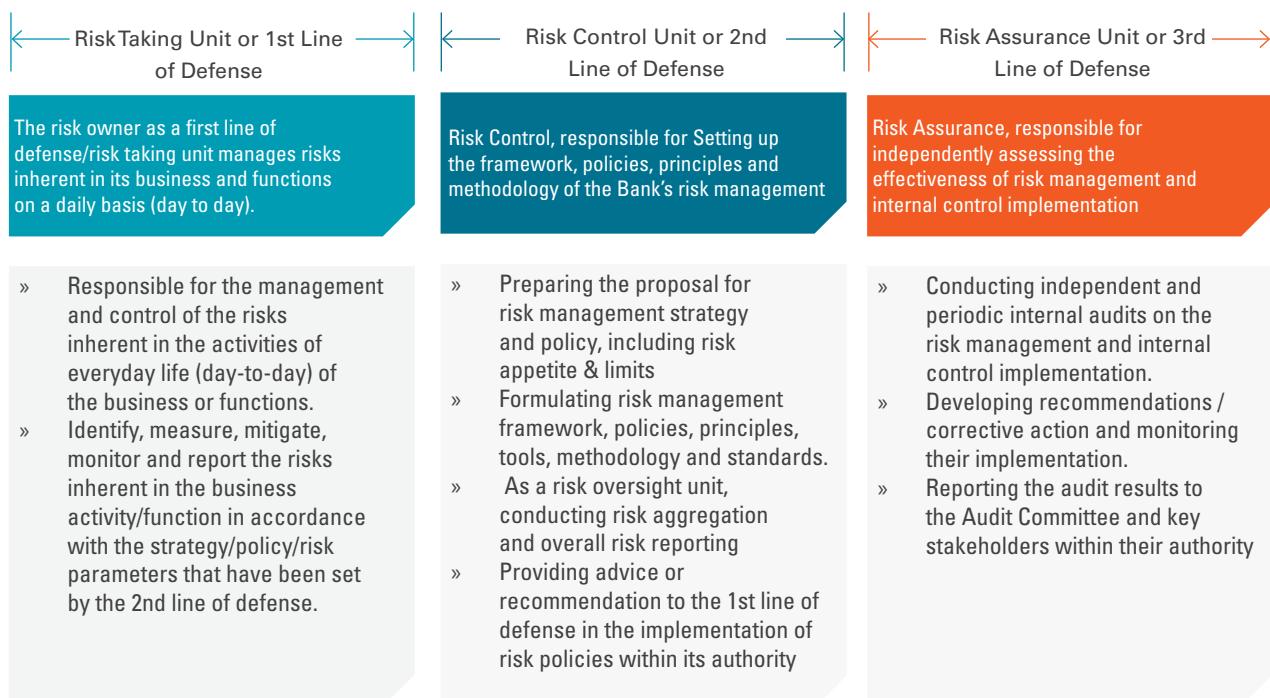
Determination of powers, functions, duties and responsibilities of each party are set out in the policies and procedures of each party involved, starting from the highest level to the lowest level and describes the implementation of control inherent in each Division / Unit.

- a. Board of Commissioners  
The Board of Commissioners' supervisory function is run through the Audit Committee and Risk Monitoring Committee coordinated by Risk Control Unit and Risk Assurance Unit
- b. Board of Directors  
In carrying out their duties, powers and responsibilities, the Board of Directors is assisted by the Risk & Capital Committee, Technology Management Committee, Human Capital Committee and the Performance Management Committee. The Board of Directors have direct accountability to the Risk Assurance Unit (Internal Audit Unit).
- c. Duties, powers and responsibilities of the Division / Unit is assigned in the organization's policies and procedures for each Division / Unit.

BNI has implemented effective Internal Control System in accordance with banks objectives, policies, size and complexity of the bank's business activities based on Bank Indonesia Regulation and referring to existing best practice.

## RISK MANAGEMENT SYSTEM EVALUATION

BNI's internal control systems are implemented using the Three Lines of Defense model consisting of:



The risk owner as a first line of defense/risk taking unit manages risks inherent in its business and functions on a daily basis (day to day).

Enterprsie Risk Management Division, Policy Governance Division and Compliance Division acts as a second line of defense/Risk Control Unit that is responsible to the Director of Compliance and Enterprise Risk.

Internal Control acts as the third line of defense as Risk Assurance Unit, which is responsible to the President Director and in charge of assesing risk management and internal control systems with defined policies and procedures within regulations .



## Internal Control System

### INTERNAL CONTROL CONFORMITY WITH COSO FRAMEWORK

Developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. The purpose of internal control in accordance with COSO includes operational objectives, goals reporting and compliance purposes.

Operational objectives with regard to the effectiveness of operating efficiency. Reporting purposes in the interests of financial reporting that meets the criteria of reliable, timely, transparent and other requirements set by the regulator and the Bank. While the purpose of compliance relates to the Bank's compliance with laws and regulations.

According to COSO, the elements of internal control includes the following components.

1. Control environment;
2. Assessment of risk;
3. Activity of control;
4. Information and Communication;
5. Monitoring activities.

The five elements of internal control, in line with the COSO, together with Bank Internal Control System Elements are in accordance with Bank Indonesia Circular Letter No.5 / 22 / DPNP regarding Standard Guidelines for Internal Control System for Commercial Banks dated 29 September 2003.

Bank BNI's internal control implementation includes the main elements in accordance with the Internal Control Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as follows.

1. Control Environment  
Demonstrated in Bank BNI by the management oversight and control culture, where the scope of control is carried out at all levels, ie controlling the activity level and entity level controls.

#### 2. Identification and Risk Assessment

Material risks and influences that are not profitable to the achievement of the Bank's objectives are identified and measured on an ongoing basis by all units.

Risk identification process identified 8 (eight) risk, namely:

- a. Credit Risk
- b. Market Risk
- c. Operational Risk
- d. Liquidity Risk
- e. Reputation Risk
- f. Legal Risk
- g. Strategic Risk
- h. Compliance Risk

The risk assessment determines how risks should be managed and implemented at all levels of the operational units, including the identification, analysis and assessment of the risks faced in achieving the Bank's objectives.

The mechanism for the risk profile report policies and procedures is set forth in the risk profile, and also in the risk assessment of all products / new activities through the approval of new products and activities mechanism.

#### 3. Control Activities

Control activities include:

- a. Control activities involve all employees, including the Board of Directors, which is structured to ensure management directives have been implemented and actions to address identified risks have been carried out.
- b. Corresponding control functions include:
  - i. Top Management Reviews  
The Board of Directors actively requests presentations and performance reports on a regular basis, to evaluate the bank's development towards its set goals. Goal setting should be in accordance with the established risk management policies based on risk appetite, maximum risk tolerance and limits.

- 
- ii. Functional Reviews  
The reviews are carried out by the Internal Audit Unit periodically
  - iii. Information Control System  
The accuracy and completeness verification of transactions and authorizations, general controls and application controls.
  - iv. Physical Assets Control  
Control activities including asset security, restricting access to computers and data files.
  - v. Documentation related to policies, procedures, systems and accounting standards as well as the audit process
- c. Control activities according to risk type  
Control activities have been outlined in the risks identification policies and procedures document for (dhi, market, liquidity, credit, operational, legal, compliance, reputation and strategic risk).
4. Information and Communication  
Accounting, information and communication systems aim to identify the problems that may arise and be used as a means of information exchange in the tasks implementation, in accordance with their respective responsibilities, including:
- a. Accounting System  
Includes methods, records and accounting data reconciliation process with the information system.
  - b. Information System  
BNI has to control the risks associated with the use of information technology to prevent disruption to the business and potential losses, including:
    - i. Controls related to computers such as mainframe, client server, workstation to ensure they are running properly and cover the backing up and saving of data (data recovery) procedure, acquisition and development of software policy, maintenance procedures and security access control (physical / logical).
    - ii. Controlling applications includes conforming to the provisions and the accuracy of data processing, validation procedures for data recording, access control procedures and authorizations as well as security matters for excluded or distorted matters.
5. BNI has a communication channel to ensure all employees understand, comply with the policies and procedures in carrying out their duties and responsibilities, namely:
- a. For employees to report, through the Whistle Blowing System.
  - b. For employees to improve productivity, quality and refinement, through employee surveys and employee engagement surveys.
  - c. Communication across the units is carried out effectively.
  - d. Open and effective communication lines with customers and other external parties.
  - e. Timely management follow-up on customers, vendors, regulators and other external parties communications.
6. BNI already has reliable, timely and accessible risk reporting mechanisms, including: periodic explanations to analysts and rating agencies; reports to the Board of Commissioners or Risk Monitoring Committee per quarter; delivery of information to the Board of Directors regarding the total risk and concentration of each type of risk, stress test results, risks description and relevant economic and market development on a monthly basis; position monitoring report and line management risk concentration, and risk positions to risk owner reports



## Internal Control System

### 7. Monitoring Activity

Monitoring activities are carried out to monitor the effectiveness of internal control including:

- Monitoring and aberration correction action by internal audit.

Activity monitoring (evaluation) the adequacy of the Internal Control System performed with regard to internal and external conditions so as to improve the capacity and effectiveness of the internal control system. Activity monitoring (evaluation) of the Internal Control System is conducted periodically or incidentally by SPI.

The SPI function is independent from daily activities and has access to all operational activities. As part of the Internal Control System, SPI conducts independent assessments on the adequacy of and compliance with bank policies and procedures and reports directly to the President Director, Director of Compliance and Enterprise Risk, the Board of Commissioners through the Audit Committee.

- Monitoring of external (OJK, BPK and Public Accountant).

Operations supervision is carried out in stages, and includes oversight by external parties comprising Otoritas Jasa Keuangan, Bank Indonesia as the Regulators and the External Auditor (Public Accounting Firm and NPK).

Bank Indonesia / Otoritas Jasa Keuangan authority includes:

- Authority to license
- Authority to regulate
- Authority to control
- Authority to impose sanctions

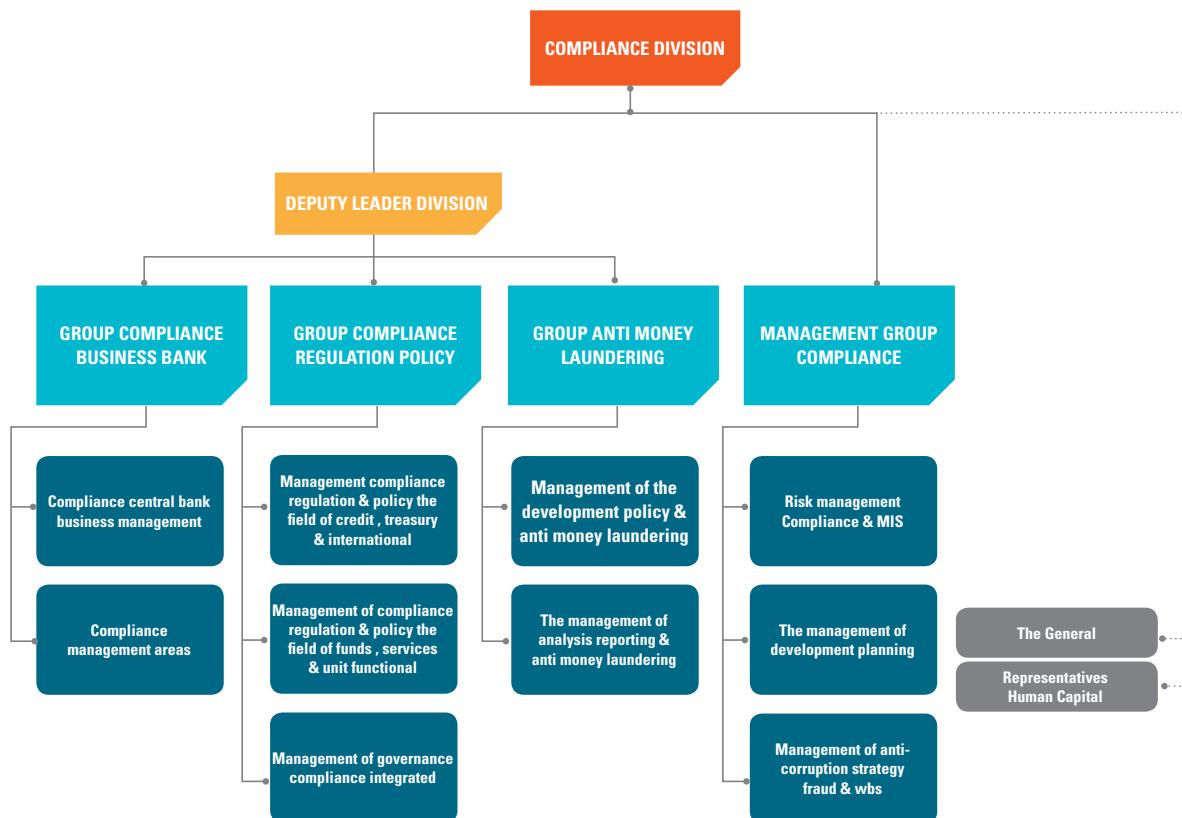
On the other hand, BNI is also obliged to submit financial statements audited by a public accounting firm periodically and submit to Bapepam. The effectiveness of the audit of the external auditor is evaluated by the Audit Committee. The Audit Committee also reviews the independence and objectivity of the external auditors as well as the adequacy of audit performed to ensure that all significant risks have been considered.

## Compliance Function

For BNI, as the financial institution conducting activities based on the trust principle that enables it to grow healthily and sustainably, there must be good strong corporate governance and consistent prudential banking principles, one of which is through bank compliance implementation.

BNI has targeted this in the company's fifth mission of the company, which is "To be a reference of compliance implementation and good corporate governance to the industry". Pursuant to that mission, the company realizes that compliance implementation is not just compliance to regulations, but also addresses the needs of the company. Therefore, compliance must be developed as part of an internalized and organized culture.

**Compliance Function Organizational Structure**



For compliance, BNI has a director who heads the compliance function and has formed the Compliance Division, as the executor of the compliance function. In addition to this, the BNI Board of Commissioners is also involved in active monitoring of the Bank's compliance implementation.



## BOARD OF COMMISSIONERS' ACTIVE SUPERVISION OF COMPLIANCE FUNCTION

The Board of Commissioners is actively involved in the compliance function implementation as well as the fulfillment of PBI Compliance Function Implementation of General Bank, which is carried out by:

1. Evaluating the bank compliance function implementation at least twice a year
2. Provide suggestions to improve the quality of the bank compliance function implementation

The BNI Board of Commissioners directly, or through the Committee under the Board of Commissioners, actively supervises and provide corrective suggestions through meetings or through periodic reports, such as:

1. Periodical Board of Commissioners meeting with the Director supervising Compliance function.
2. Periodical meeting of the Committee below the Board of Commissioners (Audit Committee, Risk Monitoring Committee, and/or Integrated GCG Committee) with the Director supervising compliance function and/or Compliance Division.
3. The reports submitted periodically included the Compliance Report, Integrated GCG Implementation report, Anti Money Laundering implementation program and Prevention of Terrorism Fund (APU-PPT) Report, new external provisions affecting the business Report, compliance test Report on Board of Directors Meeting resolutions, and Anti-Fraud Strategy implementation Report.

## DIRECTOR HEADING COMPLIANCE FUNCTION

The Director supervising compliance at BNI currently is Imam Budi Sarjito as Director of Compliance and Enterprise Risk. The appointment and the implementation of Director's task supervising such compliance function is conducted pursuant to the prevailing regulation, especially the regulation regarding the Compliance Function Implementation, General Bank provisions, Fit and Proper Test provisions, and the provision of Recruitment of Foreign Manpower in the Banking Sector, which includes:

1. Must obtain the approval from Otoritas Jasa Keuangan (OJK) prior to the implementation of their duties and functions in this position. Through OJK's Letter No. SR-98/D.03/2015 dated May 22, 2015, OJK approving the appointment of Imam Budi Sardjito as the Compliance and Enterprise Risk Director of BNI.
2. Must comply with the independency requirement, which is not having financial relationships, management relationships, share ownership relationships, and/or family relationships up to the second degree with members of the Board of Commissioners, Board of Directors, and/or the controlling shareholders or relationships with the Bank which may affect their ability to act independently.
3. Must have the integrity and sufficient knowledge regarding the banking provision and the prevailing law and regulation.
4. Prohibited to be take or utilize a foreign employee.
5. Has no concurrent position as President Director and/or Vice President Director.
6. Shall not supervise the following functions: operational business, risk management which takes decisions on the bank's activities, treasury, financial, accounting, logistics, procurement, information technology and internal audit. Pursuant to BNI's prevailing organizational structure, the BNI Compliance Director and Enterprise Risk Director supervises following:
  - a. Compliance Division;
  - b. Legal Division;
  - c. Enterprise Risk Management Division; and
  - d. of Policy Governance Division.

The duties and responsibilities of the Director supervising the compliance function are:

1. Formulating the strategy to push for the creation of a Bank Compliance Culture;
2. Proposing the compliance policy or the compliance principles that will be stipulated by the Board of Directors.
3. Implementing the compliance system and procedures that will be used in drafting the Bank's internal provisions and guidelines.
4. Ensuring that all the policies, provisions, systems, procedures, and the business conducted by the Bank is in accordance with OJK regulations, Bank Indonesia (BI) regulations and other prevailing regulations.

5. Minimalizing Bank Compliance Risk.
6. Conducting preventive action so that the policies and/or decisions taken by Bank's Board of Directors do not violate OJK regulations, Bank Indonesia (BI) regulations and other prevailing regulations.
7. Implementing other duties related to the Compliance Function, including monitoring and maintaining the Bank's compliance to the commitment which has been made by the Bank to OJK, BI, or other supervisory authorities.
8. In addition to the above duties and responsibilities, and to implement the integrated compliance function, the Director supervising the compliance function has the duty to direct, monitor, and evaluate the implementation of integrated compliance functions and respond to directives or advice from the Board of Commissioners of the Main Entity, and to perfect the Integrated Compliance Function.



**HERY WIBOWO**  
(November 03, 2014 until now)

Indonesian citizen, 48 years. Earned S1 Degree in Civil Law from Faculty of Law, Universitas Gajah Mada (1992). Compliance Division Head since November 3, 2014 until present. He previously served as Network Services Head at the Jakarta BSD Regional Office from January 31, 2013 to 02 November 2014.

## COMPLIANCE FUNCTION DUTIES AND RESPONSIBILITIES

Based on SK DIR No. KP / 431 / DIR / R dated September 28, 2015, the duties and responsibilities of the Compliance Division are broadly divided into the following functions.

1. Compliance Function Implementation;
2. Executive Function responsible for the APU and PPT Program Implementation;
3. Executive Function responsible for the Anti Fraud Strategy implementation and Whistleblowing System (WBS);
4. Integrated Compliance Function Implementation.

## COMPLIANCE WORKING UNIT

The working units implementing the compliance function is the Compliance Division. The Compliance Division is an independent working unit and is directly responsible to the Director supervising the compliance function.

## COMPLIANCE FUNCTION HEAD PROFILE

The Compliance Division Head currently is Br. Hery Wibowo. In determining and establishing the Compliance Management Division Head the following minimum requirements are observed.

1. Meets the independence requirements;
2. Has mastered banking regulations and legislation in force;
3. Does not undertake other duties outside the compliance function; and
4. Has a high commitment to implement and develop the compliance culture

## COMPLIANCE FUNCTION COMPETENCY DEVELOPMENT

In order to make the Compliance Division a strategic partner for each line of the organization, then Compliance staff need improvement through certification / seminars / training both domestically and abroad, such as:

1. "Implementing an Integrated Governance, Risk Management and Compliance (GRC) Framework for Financial Services Industry" Seminar;
2. Company Anti Fraud Management Seminar at the 2016 Central Weakening Economy.
3. Anti-Financial Crime Digitization Compliance Seminar.



## Compliance Function

4. ASEAN and South Asia Correspondent Banking Regional (Workshop - Financial Crime Compliance Academy).
5. National Seminar on Tax Amnesty Law.
6. 2nd Counter-Terrorism Financing Summit.
7. Revisit Enterprise Risk Management and Learning Best practices of Credit Risk Management;
8. Certification of Compliance and Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT);
9. Risk Management Certification;
10. Certified Fraud Examiner (CFE) Certification;
11. Testing of Goods and / or Services (Association of Procurement Indonesia - Certified) Training and Certification;

### **COMPLIANCE FUNCTION WORK PROGRAM FOR 2016**

In carrying out the compliance function, the Compliance Division perform their duties and responsibilities as follows

1. Realizing the implementation of a compliance culture at all levels of the organization and the business activities of the bank;

In order to promote the establishment of a compliance culture in all organizational units, BNI has compiled a Compliance Awareness program, Compliance Training and Test on understanding the internal provisions, so that all employees have the awareness, understanding and concern for the application of compliance culture in all aspects of operational activities.

To measure compliance culture, the Compliance Division has developed the Compliance Index (CIX) and implemented the Compliance Committee

- a. Compliance Awareness Program

The Compliance Awareness aims to increase employee understanding of the importance of compliance, understanding of banking regulations, application of the APU-PPT program, the compliance risks, anti-fraud strategy as well as fraud prevention. The Media for compliance awareness includes socialization / classical training, e-learning,

video conferencing and internal media (BNI Forum and Portal KnowMe).

In 2016 the Compliance Division socialization included: Fraud Awareness, Credit Compliance Review, Compliance Index (CIX), Enterprise Fraud Management (EFM), Compliance Culture Awareness, Authorities Rules / Regulations (POJK and SEOJK), and Anti Money laundering and Combating the Financing of Terrorism. Socialization was communicated to all concerned employees and organizational units

- b. SOP Comprehension Test
- SOPs and employees will be determined through risk based testing, based on the Compliance Division review, or the types of irregularities / frauds found by SPI.
- c. Compliance Index (CIX) is a value reflecting the level of compliance of a unit and measured based on parameters and criteria relating to compliance, such as the frequency of fraud and cases involving nominal losses, frequency of external sanctions involving nominal fines imposed, as well as the commitment settlement rate with the supervisory body and regulator.
2. Managing the compliance risks faced by the Bank; The compliance risk is the risk caused by the non-compliance act of the bank and/or non-compliance to prevailing laws and regulations. Pursuant to such matter, the Compliance Division shall be active in the minimalizing of compliance risk rates.

The assessment of compliance risk profile compositely is including the assessment of inherent risk and the assessment of Risk Management implementation quality so that it reflects the risk control compliance.

Compositely, BNI Compliance Risk Profile in 2016 was in level 2 (low to moderate), as detailed below:

- a. The Inherent BNI risk in 2016 is at level 2 (low to moderate).
  - b. Quality Risk Management Implementation (KPMR) is at level 2 (satisfactory).
  - c. Improvement efforts are always made by the Compliance Division to minimize compliance risk, including:
  - d. Periodically identifying, monitoring, and socializing the fulfillment of the obligations and prohibited matters by the regulations as a preventive step.
  - e. Remind the organizational units that become the units in charge of the obligation fulfillment periodically / regularly.
  - f. Create corrective actions based on the compliance risk database.
  - g. Add sanctions from regulators / supervisors which is one source of compliance risk to the compliance index, and add compliance index to the Key Performance Indicators (KPI) of the Compliance Division.
3. Ensuring that the policies, regulations, systems and procedures as well as business activities conducted by the Bank are in accordance with OJK / BI provisions as well as prevailing laws and regulations. As one of the preventive steps to prevent compliance risk and to support the healthy and sustainable growth, the Compliance Division undertakes preventive measures (ex-ante) by conducting compliance tests to ensure that all internal provisions and banking activity has complied with the prevailing banking principles.

The compliance includes:

- a. Compliance test to the draft policies, new systems and procedures, and updating the review of the policies, systems and existing procedures (updating).
- b. Compliance test / review of the policies, systems and procedures (existing).
- c. Compliance test to the Board of Directors meeting's resolutions.
- d. Compliance test to the draft of issuance or development of new products / activities

- e. Compliance checklist for the fit and proper test for prospective controlling shareholders, members of the Board of Directors and / or Board of Commissioners.
  - f. Compliance checklist on the planned implementation of new activities such as bancassurance.
  - g. Compliance Test / Credit Compliance Review (C2R) on the proposed Credit Application Toolkit (PAK).
  - h. Compliance Test / Procurement Compliance Review (PCR) on the proposed Goods and Services Procurement Documents.
  - i. Compliance test / review on the planned opening and relocation of bank offices (regional offices, branch offices, service offices and functional offices)
4. Ensuring the bank's compliance to commitments made to OJK / BI and other competent supervisory authorities. The monitoring commitment to the supervisory authority is conducted jointly with the Internal Supervision Unit (SPI).

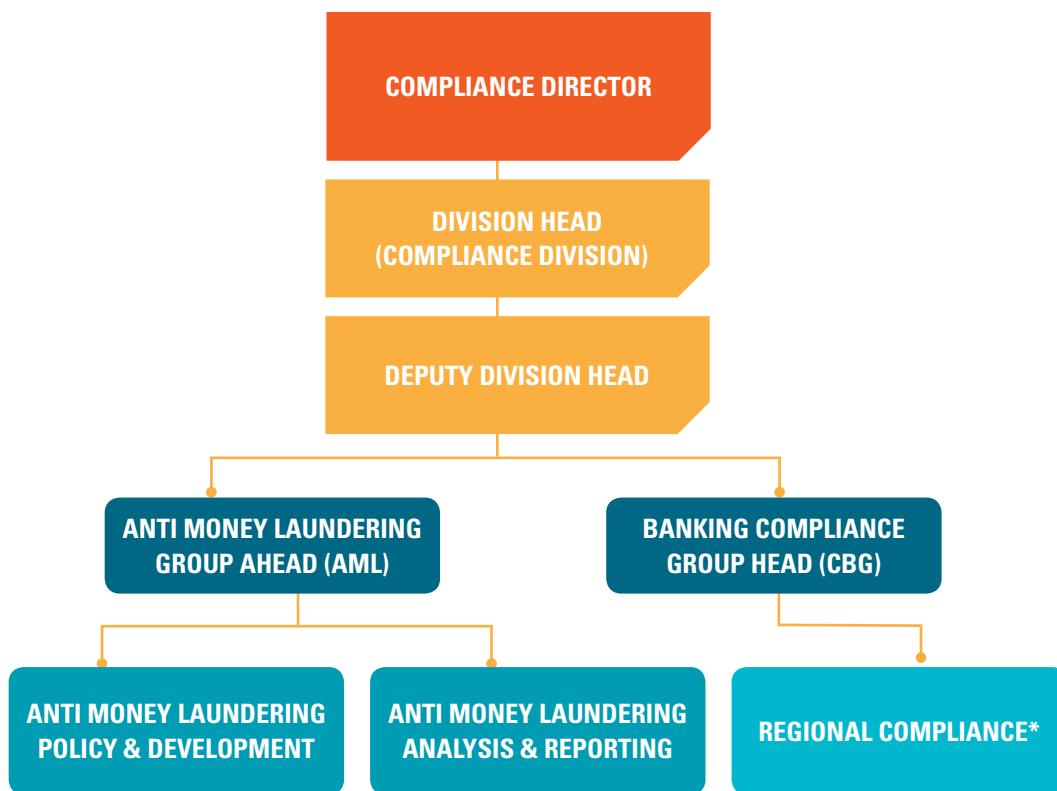


# Anti Money Laundering (APU) and Combating The Financing of Terrorism (PPT)

To prevent using the banking system as a means to commit money laundering and terrorism financing, the Bank in carrying out its activities is obligated to apply the precautionary principle, where one of the efforts to implement this principle is the Bank is obligated to sufficiently implement the Anti-Money Laundering and Combating the Financing of Terrorism Program Function (APU-PPT).

## APU AND PPT APPLICATION PROGRAM ORGANIZATION

In order to support the implementation of APU and PPT, the Compliance Division is stipulated as Special Working Unit (UKK) for APU and PPT implementation. The Compliance Division report to and be responsible directly to the Director supervising BNI compliance (Director of Compliance and Enterprise Risk).



Regional Compliance has the function to ensure the APU and PPT implementation in the Regional Offices, Branches and Centers

## APU AND PPT PROGRAM IMPLEMENTATION

In an effort to prevent and minimize the use of the Bank as a means of money laundering and terrorism funding, BNI implemented the APU and PPT program through:

1. Active supervision of the Board of Directors and Board of Commissioners. The active role of the Board of Directors and Board of Commissioners is required in creating effective implementation of the APU and PPT Program, given the Board of Directors and Board of Commissioners role will influence the achievement of organizational targets in implementing the APU and PPT Program. The form of active supervisory management is as follows.
  - a. Board of Directors Approval regarding the stipulation of a special task unit responsible for the implementation of the APU and PPT program;
  - b. Board of Directors and Board of Commissioners Approval regarding the AML and CFT Policy;
  - c. Periodic reports (monthly, quarterly and half-yearly) related to the reporting obligations and of APU PPT program implementation to the Board of Directors and the Board of Commissioners;
  - d. Board of Directors Approval regarding plans and the realization of customer data updating;
  - e. Board of Directors and Board of Commissioners Meetings to discuss the APU and PPT program implementation.
2. Sufficiency and effectiveness of the policies and procedures. The Compliance Division has developed policies and procedures for APU and PPT that shall be periodically reviewed / up-dated / perfected according to applicable regulations. To strengthen the implementation of APU and PPT, in every product procedures and banking activity, APU-PPT implementation procedures are also regulated, such as the due diligence procedures for every product or activity. To ensure the APU and PPT program implementation has been running as it should supervision is performed by the Compliance Division. Implementation of internal control. Implementation of an effective internal control system in the APU and PPT implementation includes:
  - a. APU-PPT policies and procedures and sufficient internal monitoring;
  - b. Clear limits and responsibilities to the related units by the APU and PPT program implementation, either through first line (risk-taking units), second line or third line of defense; and
  - c. Conducting audits to ensure effective APU and PPT program implementation by the internal audit unit.
3. Information management system. To optimize transaction monitoring in the of APU and PPT program implementation, BNI has the Enterprise Fraud Management (EFM) information technology system that consists of: Anti-Money Laundering Detection, Sanction list, Filtering & Screening Terrorist, PEP Screening Detection and Customer Due Diligence (CDD) Risk Scoring, Suspect Accounts to Verify (SAV) and in addition, BNI has developed a Walk In Customer (WIC) Application System.

The EFM System is used to support the optimized implementation of Know Your Customer principal, particularly in terms of detection / monitoring of customer transactions that have a pattern of behavior and patterns of money laundering transactions, the SAV system detects customer transactions with fraud patterns, while the WIC application system is used to maintain WIC profiles.



## Anti Money Laundering (APU) and Combating The Financing of Terrorism (PPT)

4. Human Resources and Training. BNI conducts training on the APU and PPT program implementation to all employees on an ongoing basis

The training method is as follows:

- The training can be conducted by electronic / online basis, or through physical meeting;
- The physical meeting is conducted with the following approach:
  - Performed interactively (eg workshop), for employees who get priority on a regular basis, with topics tailored to the needs of participants;
  - By one-way communication (eg seminars) for employees who are not given priority, and shall be conduct if there is any significant changes in regulations, with topics such as general overview of the APU and PPT Program implementation.

### **APU AND PPT PROGRAM IMPLEMENTATION IN SUBSIDIARIES AND OVERSEAS BRANCHES**

As a form of responsibility for the Bank that has a network of international offices, to ensure the APU and PPT implementation is effective across the office network, the Compliance Division also monitors and analyzes the APU and PPT implementation in:

- Offshore Subsidiary Companies;
- Offshore Branch Office.

### **EXTERNAL APPRECIATION FOR BNI APU-PPT PROGRAM**

As the previous years, on 2016 BNI receive the appreciation of Report Center and Analysis Financial Transactions ( PPATK ).The appreciation is given for active participation BNI in delivered the Report Financial Transactions Suspicious ( LTKM ) and efforts BNI in supporting in full regime anti money laundering and related to active participation BNI in supporting survey National Risk Assessment ( NRA ) conducted by PPATK.

## Code of Conduct

BNI always conducts its business in accordance with the GCG principles. To achieve this, BNI already has a Code of Conduct called the BNI Code of Conduct. BNI's Code of Conduct contains ethical guidelines which become the basic principles and guide the relationship between BNI with stakeholders in the business. The Code of Conduct is a value system for business ethics, work ethics, commitment, and company regulation enforcement to BNI officials in their business and other activities, as well as their interaction with stakeholders. BNI's Code of Conduct came into effect on December 1, 2010, the result of the revitalization of the Code of Conduct (2001 edition). BNI's Code of Conduct is mandatory and implemented by all BNI officials (Board of Commissioners, Board of Directors, Employees) and is symbolized by the signature by all officials in BNI in the Official Behavior Statement letter as the realization of their commitment to implement BNI's Code of Conduct.

### CODE OF CONDUCT CONTENTS

BNI's Code of Conduct consists of 14 points which in principle obliges all BNI officials to:

1. Act professionally, by prioritizing the work culture values of 46 Principles
2. Become a role model and reminding each other to subordinates, superiors, colleagues and partners to implement the BNI Code of Conduct.
3. Maintain good relationships between fellow BNI officials.
4. Maintain bank secrecy and confidentiality positions.
5. Maintain job safety.
6. Protect health, natural resources and the environment.
7. Maintain recording, reporting and administration work well, honestly and accurately.
8. Prevent conflicts of interest that may harm the interests of BNI.
9. Do not give or accept gifts of any kind, directly or indirectly, from any party, relating to the duties and responsibilities.
10. Acts as a resource person, for the benefit of BNI.
11. Do not become a member of or donor to a Political Party.
12. Do not disclose misleading information about BNI.
13. Do not use BNI assets for personal gain.
14. Do not abuse BNI's Corporate Identity, for personal gain.

To date, the Code of Conduct material is still sufficiently relevant to BNI's development of banking regulations in Indonesia.

### COMPLIANCE WITH CODE OF CONDUCT

The code of conduct is one of BNI's commitments to abide by the provisions of law and the highest ethical standards throughout BNI business activities / operations. The company's management must also abide by the applicable legislation rules and uphold the norms and ethical values.



The code of conduct applies to all company officials, the Board of Commissioners, Board of Directors, and all officials. Because the company officials running the business have good ethics, the Company will improve and strengthen its reputation

## DESSEMINATION OF CODE OF CONDUCT

In order to socialize and internalize the values of the BNI Code of Conduct, pocket books of BNI Code of Conduct have been issued and have been distributed to all of BNI officials. In addition, periodically the Code of Conduct socialization through BNI internal seminar, BNI internal media (Sinergi magazine and BNI Forum website) which can be accessed by all BNI officials, in the sharing session in the quality month in each of BNI organization unit, GCG Code of Conduct training for BNI officials either both new and existing officials and also coaching which is conducted by the officials supervisor. Breaches to BNI Code of Conduct will be subject to strict sanctions in accordance with the prevailing regulations and company policy.

## CODE OF CONDUCT IMPLEMENTATION MEASURES AND ENFORCEMENT

The Code of Conduct Implementation and enforcement is part of GCG implementation conducted through awareness programs and internalization. BNI is committed to developing and applying the principle of good corporate governance in all activities of the Company at all levels or organizational structures ranging from basic to top-level management. Therefore, the existence of a Code of conduct for the Board of Commissioners, Board of Directors and Officials forms part of the efforts to achieving the Company's vision and mission. Code of Conduct enforcement is carried out by regular monitoring efforts towards Code of Conduct compliance, and by providing facilities to record Code of Conduct violations separately from the violation reporting mechanism (Whistleblowing System). Every BNI official can report Code of Conduct irregularities and the reporter's identity will be protected. All reports must be accompanied by data and / or accurate evidence so that violations can

be processed further. Any Code of Conduct violation will be penalized in accordance with applicable regulations and the imposition of sanctions is not discriminatory.

## BNI CODE OF CONDUCT IMPLEMENTATION MONITORING

Overseeing BNI's Code of Conduct implementation is the Communications and Secretariat Division, in the GCG Monitoring Group, where one of its functions is to monitor the Code of Conduct implementation. Also, Code of Conduct implementation monitoring is carried out by the Compliance Division to ensure compliance and fulfillment of BNI's Code of Conduct obligations, as well as the enforcement of compliance for BNI's Code of Conduct violation cases.

## CODE OF CONDUCT TYPES OF VIOLATIONS AND SANCTIONS

BNI officials at all levels, if clearly proven to have violated BNI's Code of Conduct, will be penalized in accordance with the rules set out in policies and regulations.

The sanctions are as follows

#### **Types of Sanctions and Violations**

Basic Sanctions	Type of Violation
Warning Letter	Code and Work Environment Orders Violations
Reprimand Letter	Code and Work Environment Orders Violations Systems Procedure / Liability Violation
Final Warning Letter	Systems Procedure / Liability Violation Severe violations that do not involve elements of fraud / cheating / fictitious / engineering and / or gratuities
Demotion	Systems Procedure / Liability Violation that contain the element of intent Severe violations that do not involve elements of fraud / cheating / fictitious / engineering and / or gratuities
Termination of Employment	Systems Procedure / Liability Violation that contain the element of intent and cause harm Severe violations that do not involve elements of fraud / cheating / fictitious / engineering and / or gratuities

#### **NUMBER OF CODE OF CONDUCT VIOLATIONS**

The number of code violations can be seen in the number of complaints and follow-up in the Whistleblowing System

#### **CORPORATE CULTURE**

BNI's Corporate culture is identified by "Principle 46" which is a requirement for all BNI Personnel Behavior, consisting of:

##### **4 Work Culture Values:**

- Professionalism
- Integrity
- Customer Oriented
- Continuous Improvement

##### **6 BNI Personnel Work Behavioral Values:**

- Improving the competence and giving the best result
- Honest, sincere, genuine
- Discipline, Consistent and Responsible
- Giving the Best Service Through Synergistic Partnerships
- Always perfecting
- Creative and Innovative

Each value has a BNI Work Culture Top Behaviour which is a reference for all BNI personnel, the 6 main BNI's personnel behaviors are:

4 Work Culture Values	6 BNI Personnel Work Behavioral Values
Professionalism	Improving the competence and giving the best result
Integrity	Honest, sincere, genuine Discipline, Consistent and Responsible
Customer Oriented	Giving the Best Service Through Synergistic Partnerships
Continuous Improvement	Always perfecting Creative and Innovative



## Gratification

In the Good Corporate Governance and Code of Conduct implementation in BNI, one application applies to Gratuity Control. The initial step in the Gratuity Control application program, has been the "Commitment Control Gratification" signing by the President Director, witnessed by the Chairman of the Corruption Eradication Commission (KPK chairman) on October 17, 2016, and attended by BNI Senior Managers and the Board of Commissioners, as well as customers, debtors, and the Notary.

In order to follow "Commitment Control Gratification", Company Gratification guidelines Control have been drafted and Gratification Control Unit / UPG has been established to identify activities indicated gratification in the work environment, both in terms of receiving gratification and giving gratification.

### GRATIFICATION SOCIALIZATION

Gratuities related socialization has been accomplished through articles and other information related to Gratuities on the Website [bni.co.id](http://bni.co.id), print media (Kompas), as well as the internal BNI media. BNI Forum (Reporting Acceptance of Gratuities), Circular Letter to all Divisions / Units, Leaflet regarding gratuities, as well as through e-learning (in the form of case studies).

### 2016 GRATIFICATION REPORT

In 2016, there have been two (2) gratification reports submitted by BNI officials to the Compliance Division, which in turn forwarded them to the KPK Commission. The gratification reports submitted by BNI officials were forwarded to the KPK Commission within 30 working days.

## Whistleblowing System (WBS)

To increase GCG effectiveness, the Company's management is committed to running the company in a professional manner based on corporate conduct in accordance with the Code of Conduct and the work culture, to achieve good corporate governance. Therefore, the Company has built WBS.

### WBS EXISTENCE AND OBJECTIVES

The Whistle Blowing System (WBS) is known as "WBS to CEO" and is an early violation detection mechanism for occurrences in BNI that may cause financial losses, including actions that may damage BNI's image. WBS management is conducted in collaboration with an external party, namely Deloitte.

Thus, WBS is a commitment to achieve a clean with integrity working environment through the active participation of BNI officials to report violations that occur in BNI.

### WHISTLE BLOWING SYSTEM MANAGEMENT

WBS responsibility in BNI lies with the President Director assisted by the Director of Compliance and Enterprise Risk. To perform the duties as WBS responder, the President Director assigned the Compliance and Enterprise Risk Division Head to manage the WBS.

The WBS manager is responsible for WBS implementation in BNI, and is responsible to the President Director through the Director of Compliance and Enterprise Risk. In carrying out their functions, the WBS manager is assisted by BNI WBS officers who have the competence and integrity to perform daily WBS activities. The appointment / removal of WBS BNI officers is conducted by President Director and / or Director of Compliance and Enterprise Risk based on proposals from the WBS manager.

The WBS management duties and authorities include

1. WBS management duties
  - a. Manage the implementation of WBS.
  - b. Coordinate the handling of follow-up reports that go through WBS
  - c. Coordinate the provision of protection against the reporter with relevant units both inside and outside Head Office.
  - d. Conduct monitoring of incoming report handling by WBS.
  - e. Evaluating the BNI WBS effectiveness and corrective actions
2. WBS authorities are:
  - a. Provide recommendations to WBS associated with report follow-ups.
  - b. Establish follow-up reports for follow-up decisions within the WBS managers' authority
  - c. Provide recommendations WBS responder related to protection requests from the reporter.
  - d. Perform other actions necessary to implement WBS



## VIOLATIONS REPORTING FLOW-CHART

No	WORK STEPS	Reporter	WBS Consulting Team	KPN	SPI
1.	Reporter reports alleged violations by means of the WBS.				
2.	Reports received by the WBS consulting team				
3.	The WBS Consulting team analyzes whether the reports include the WBS object or not (if not, the report will be forwarded to the BNI WBS officer then forwarded to the concerned units).				
4	If an object WBS, the WBS consulting team will then enter into an e-room.				
5	the WBS consulting team will send email notification to WBS manager and WBS Officer regarding the new report in the e-room.				
6	BNI WBS officers will conduct a study / initial analysis of the reports received and can also contact the relevant units, WBS Consulting Team, and Reporting (full disclosure) to collect information and additional supporting data (if applicable and appropriate).				
7	BNI WBS officers will request a decision from the authorities for WBS follow-up reports.				
8	The authorities decision through the WBS officer to follow up / do not follow up on the report.				
9	WBS officers will update the e-room of the decision of the authorities on the report.				
10	When the decision is in order and authorized, the WBS officer will conduct SPI for research.				
11	SPI report the development of the research conducted to WBS officer.				
12	WBS officers update research developments from SPI in the e-room.				

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graph TD
    Reporter[Reporter] --> WBS[WBS Consulting Team]
    WBS --> Decision{Decision}
    Decision -- No --> Forward[Forward]
    Forward --> Units[Concerned Units]
    Decision -- Yes --> ERoom[E-Room]
    ERoom --> Notifications[Email Notifications]
    Notifications --> Officers[BNI WBS Officers]
    Officers --> Study[Study / Initial Analysis]
    Study --> Contact[Contact]
    Contact --> Reporting[Reporting]
    Reporting --> Data[Collect Information]
    Data --> Decision
    Decision --> FollowUp[Follow Up / Do Not Follow Up]
    FollowUp --> Update[Update E-Room]
    Update --> SPI[SPI Research]
    SPI --> WBSOfficer[WBS Officer]
    WBSOfficer --> Developments[Research Developments]
    Developments --> ERoom
  
```

## REPORTING MEDIA

Violations can be reported in the WBS through :  
Telephone : 021-57853377  
Email : bni-transparan@tipoffs.com.sg  
Letter : BNITransparan PO BOX 2646/JKP 10026  
Website : <http://bni-transparan.tipoffs.com.sg>  
SMS : Nomor (081-1970-1946)

## COMPLAINT HANDLING

For the handling of complaints reporting through the WBS:

1. The WBS consulting team prepares a report on the follow-up recommendations based on the violations reports received, then uploaded into e-room at the latest one working day after the report is received. The WBS consulting team will send you an e-mail to the WBS BNI manager and / or appointed WBS officer as well as other e-room members, disclosing that a report has been entered into e-room. WBS BNI officers are expected to provide feedback on the follow-up within the allotted time.
2. Period of time to provide feedback on the follow-up report disclosure is as follows:
  - a. The first response: no later than 15 working days after the disclosure of the report in the e-room.
  - b. Follow-up response: every end of the month following the first response.
3. To maintain independence, when reports of violations are mentioned or involve one member of the e-room, the other members of the e-room are not able to access the e-room.

## WHISTLEBLOWER PROTECTION

The main protection to the reporter is their identity and the protection of the confidentiality of the report submitted by the reporter. Protection can be adapted to protect against threats / actions. Such protection is carried out with due regard to the principle of confidentiality and related provisions applicable in BNI. Protection also applies to the parties conducting the investigation, among others, Internal Controls / SPI and parties providing information related to reports of mistreatment.

## WHISTLEBLOWING SYSTEM SOCIALIZATION

WBS Dissemination is conducted continuously through of training for new employees, socialization through videos, posters, sms blast to all employees, as well as through the Trade Unions (SP) Center to help disseminate to all employees in the Branches / Centers.

BNI will continue its efforts to increase understanding and awareness of employees to report violations through WBS so as to realize a clean with integrity working environment. Related to this, the following steps have been taken.

1. Submitted the progress of the WBS completion through the BNI forum;
2. Communicated WBS material through in-class training to prospective employees in the Officer Development Program (ODP) and Assistant Development Program (ADP);
3. Put up WBS posters in each unit;
4. Socialize WBS through BBM blast to all employees, media / internal magazines, WBS video;
5. Expanded reporting by involving external parties;
6. Conducted additional reporting through media channels;
7. Disseminated to external parties via socialization in units, BNI website, regarding WBS agreements with third-parties;
8. Coordinate with the WBS Consultant Team on an ongoing basis.



## Whistleblowing System (WBS)

### TYPES OF VIOLATIONS REPORTED

Violation reports submitted through the WBS included:

1. Cheating;  
Cheating, dishonest acts or guile including, fraud, extortion, forgery, concealment or destruction of documents / reports or using false documents, conducted by a person / group of people who pose a potential loss or real loss to the company.
2. Violation of the rules / laws  
Actions / deeds taken that carries a sanction under applicable law both internally and externally.
3. Conflicts of interest  
A situation where members of the Board of Directors, Board of Commissioners, committee members, permanent / temporary / outsourcing employee in the position, office or authority in BNI have a personal interest that could affect the tasks mandated by BNI objectively, causing a conflict between personal and / or group interests and / or families with interests.

#### 4. Bribery / gratuities

Receiving anything in any form, and regardless of the number / value from other parties related to the position / authority / responsibility in BNI.

#### 5. Unethical behavior

Act or acts committed by BNI personnel that cannot be justified or ethically accepted and in violation of BNI's Code of Conduct.

### WHISTLEBLOWING SYSTEM REPORT

Up to December 2016, there were 38 (thirty-eight) violation reports received via WBS. The violation reports were followed up by investigations conducted by Internal Control (KI) in unit the offense took place. Based on the investigations conducted, WBS follow-up reports were as follows.

### Number of Complaints and Follow-Up

**Number of Complaints and Follow-up**

No.	Type of Violation	Number of Reports	In Progress	Status					
				Completed					Insufficient evidence / Incorrect evidence
				Proven					
Further Review	Sanction Process	Warning	Counselling	Administrative Sanction					
1. Conflict of Interest	0	0	0	0	0	0	0	0	0
2. Unethical conduct	8	3	0	0	1	2	1	1	1
3. Fraud	3	0	0	1	0	0	1	1	1
4. Bribery / Gratification	2	0	1	0	1	0	0	0	0
5. Violation of rules/law	25	3	0	0	2	12	3	5	
Total	38	6	1	1	4	14	5	7	
*others	13								

Explanation : Others (\*) Outside WBS scope

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Means of reporting used in reporting the WBS were as follows.

- Email 13 (thirteen) or 34.21% of the total WBS reports.
- Website 21 (twenty-one) or 55.26% of the total WBS reports.
- Hot Line 1 (one) or 2.63% of the total WBS reports.
- Letter (PO BOX) 3 (three) or 7.90% of the total WBS reports.



## Legal Issues

### LEGAL ISSUES

In 2016, the number of civil and criminal law issues that have been completed (already have permanent legal force) and which are still in the process of settlement are as follows.

Legal Issue	Number		
	Civil	Criminal	Claim
Case Carry Over from Previous Year	463	63	35
New Cases this Year	159	25	26
Case completed this Year	83	38	29
Resolution Process	539	50	32

1. In 2016, the number of civil and criminal law issues that have been completed (already have permanent legal force) and which are still in the process of settlement are as follows.
  - a. 507 civil cases that are still in the settlement process, consisting of: 485 civil cases filed by civil suit against BNI including, the appeal / sue of the execution debtor / auction of collateral, third party claim on the credit guarantee, tenure guarantees by third parties, claims for the imposition of interest and principal.
  - b. 13 Industrial Relations Dispute cases (PHI).
  - c. 9 State Administrative cases (TUN).
2. 219 criminal cases that are still in the settlement process, consisting of:
  - a. 180 criminal cases (57 direct criminal cases and 123 indirect criminal cases).
  - b. 39 claims (14 credit claims and 25 non-credit claims).
3. Two cases in the tax sector that are still in the settlement process, namely:
  - a. case related to receivables, which is non payable, there has been a Tax Court decision dated April 16, 2016 which granted BNI appeals verdict. Up to now, there has been no official notification from the Tax Court if the Director General of Taxation filed a legal action or not.
  - b. 1 appeal proceedings in respect of corporate income tax (PP 77/2013), the bank has filed an appeal dated June 3, 2016. Currently, the case is still in the process of examination in the Tax Court and will be monitored until the Tax Court Decisions.

From (seventy one) civil cases settled in 2016, there were 65 (sixty-five) cases successfully resolved in favor of BNI and only six (6) cases against BNI but not material. While 107 (one hundred and seven) criminal Cases cases have been completed.

## IMPACT OF LEGAL ISSUES ON THE COMPANY

The BNI Policies and SOP are adequate and prudent in protecting the BNI's business interests. Therefore, all legal case mentioned above, both civil and criminal, impose no significant financial impact on BNI. This is reflected in the Legal Risk Profile during 2016 that remained in the Low To Moderate rank.

## EFFORTS TO MINIMIZE LEGAL RISKS

BNI is always working on an ongoing basis to minimize legal risk to the Bank in the course of its business, including:

1. As one of its efforts to prevent legal risks, BNI is consistently improving the quality of understanding of legal aspects in banking transactions for all employees and prospective employees in stages and in accordance with BNI business needs through its Legal Risk Awareness program.
2. In line with efforts to minimize legal risks when conducting business activities, BNI also strives to improve the quality of legal advice which has been given by the Legal Unit to facilitate transactions. This has been achieved through the supervision of legal advice to all work units in all legal areas as well as coordinating a weekly routine where all Division's Legal Representatives discuss material legal issues and developments. The implementation of this routine supervision and coordination is also intended to ensure that the legal advice given is always oriented to the expectations and needs of the operational units with regard to the provisions of applicable law, so as to meet the needs of the operational units as well as to protect properly the interests of BNI.
3. Optimization of legal risk management through risk identification, risk analysis, risk evaluation and monitoring to measure the legal risks that would arise in a treaty through the Program Legal Review Agreement is conducted routinely every 3 (three) months.
4. Efforts to improve the understanding and legal competence of employees to create professional and competent corporate lawyers is a continuous effort involving employees in the Legal Division to undertake certification or training in collaboration with BNI Corporate University and other external training institutes.
5. Training for each employee in the Legal Division with Individual Development Plans which aim to improve the competence, including Analytical Thinking, Consulting Skills and Legal Knowledge for BNI employees to support the business.
6. Involve Legal Division employees in certification or training in collaboration with the BNI Corporate University (BNV) and other external training. The form of training or certifications given, includes, Special Profession Advocate (PKPA), Professional Capital Market Legal Consultant, Legal Auditor, English For Law, a Active Group Participant discussion program as well as other Legal training law to create professional and competent corporate lawyers.
7. Organize Sharing Sessions or Workshops about the law by inviting legal experts, law enforcement agencies and relevant institutions, including Police Criminal Investigation, Supreme Court, Attorney General, Corruption Eradication Commission (KPK), Supreme Audit Agency (BPK), Reporting Centre and the Financial Transaction Analysis Center (PPATK).

## MATERIAL LEGAL CASES FACING THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

During 2016, no serving members of the Board of Directors and the Board of Commissioners were facing important legal cases related to civil or criminal actions related to the business of BNI.



## Legal Issues

## LEGAL ISSUES CURRENTLY FACED BY THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS WHICH WAS SERVED AND SUBSIDIARIES

## Important matter faced by Subsidiaries

No	Principal Case / Lawsuit	Influence on Company Condition	Settlement Status	Administrative sanctions (imposed to the Company, by the relevant authorities, in fiscal year 2016. If no, give a statement that it is not subject to administrative sanctions)
1	<p><b>Plaintiff:</b> Kang Mui Gek;Vince Ria;Jansen;Pek Yin Ing;Kristian S.;Willem S.;Anthony;Wydaveti;Yong Lai Tjie;Eric;Mangerbang TampubolonNorma T;Lily Jungto;Henny Arlis.</p> <p><b>Defendant:</b> PT BNI Life Insurance</p> <p><b>Jurisdiction:</b> Pengadilan Negeri Jakarta Pusat Case number No.342/Pdt.G/2012/PN.Jkt. Pst</p>	<p><b>POTENTIAL RISK :</b> Noted on February 29, 2016, the estimated value of the lawsuit is as follows:</p> <p><b>Material Claim:</b> Rp 29,126,533,019 Immaterial Claim: Rp 6,125,306,604</p>	<p>COURT LEVEL Central Jakarta District Court pursuant to Decision 342 / Pdt.G / 2012 / PN.Jkt.Pst, dated July 24, 2013 stating REJECT CLAIMS OF THE PLAINTIFF (BNI LIFE WIN).</p> <p>LEVEL OF APPEAL Upper District Court Central Jakarta, the plaintiff (Kang Mui Gek CS) has filed appeal to the Jakarta High Court and the case is already decided by the Jakarta High Court judges by STRENGTHENING THE DECISIONS OF COURT JAKARTA (WIN BNI LIFE)</p>	NIL
2	<p><b>Submitted by :</b> PT BNI Life Insurance</p> <p><b>To :</b> Jiwasraya</p> <p><b>Jurisdiction :</b> Jakarta</p> <p><b>Estimated loss :</b> Material : Rp 1.292.275.825,-</p>	<p>POTENTIAL RISK Rp 1.292.275.825</p>	<p>In connection with this, BNI Life has filed a request for the settlement of expired claims and AJK premiums for Jiwasraya, but based on information from the Bancassurance team there is no substitute for person in charge who handle this, so there has been no further response to BNI coordination letter by unit Bancass to remind Jiwasraya to respond to the letter.</p>	NIL

## Important Disclosure

In line with the principles of good corporate governance, the Company deems it necessary to express the following follows.

### FINANCIAL AND NON BANK FINANCIAL CONDITION TRANSPARENCY

Banks have transparency for financial and non-financial services to stakeholders through Quarterly Financial Reports and reports to Bank Indonesia or stakeholders in accordance with applicable regulations.

The preparation and presentation of financial reports by procedure, type and scope are stipulated in Bank Indonesia regulation concerning Transparency of Financial Condition. Prepared in a timely, complete, whole, and accurate manner based on Bank Indonesia Regulation and Circular Letter regarding Product Information Transparency

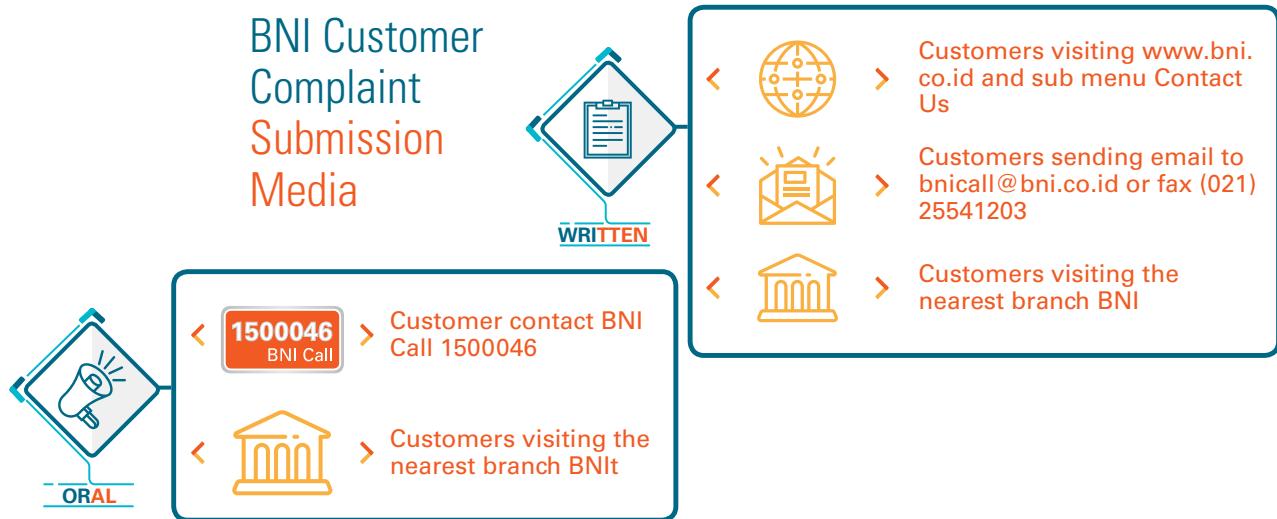
1. In connection with the transparency of Bank product information:
  - a. Banks should have transparency in their Bank product information according to Bank Indonesia Regulation concerning transparency Bank Product Information and Use of Customer Personal Data.
  - b. Application of transparency of Bank product information covers information in writing through the User Guide Service / starterkit, brochures / leaflets, Conditions of Account opening that must be read and signed by the customer at the time of opening an account, or through other means such as BNI website, as well as announcements posted / distributed in BNI branch offices. In addition to written information, Bank Officers will explain the product information to customers at the time of offering the products / services of the Bank.
  - c. In addition, the consumer banking information products will be delivered transparently through print media, electronic media and billboards including internet media.
  - d. Through various means which are easily accessible by customers, the Bank submits information in the event of any changes in the terms and conditions of use of bank products to customers. The Bank also has a 24-hour products information service via BNI Call.
2. Related to the use of customers' personal data by the Bank, this set forth in the Terms and Conditions of Account Opening form given by the Bank to customers at the time of account opening.



## TRANSPARENCY CUSTOMER COMPLAINT PROCEDURES AND DISPUTE SETTLEMENT TO CUSTOMERS

With regard to transparency and customer complaints as well as the procedures for dispute settlement for the client:

1. The Bank has made the transparency of the procedures for customer complaints and dispute settlement to customers in accordance by Bank Indonesia Regulation on the Protection of Customers.
2. The Bank has a system that is used by the Call Center and Customer Service Branch clerk to record requests for information, transactions and customer complaints received through BNI Call 500 046 or branches. Every complaint received will be acted upon and resolved according to applicable Service Level Agreement (SLA). Customer complaints are an input for the bank to improve its service to customers.



## REMUNERATION

The preparation process follows POJK No. 45 of 2015 and OJK No. SE 20 th 2016 on the remuneration for risk and performance have been followed by BNI and several other relevant agencies, given that it is a mandatory disclosure. The relevant provisions for the Bank Book IV will be made in the annual report 2018 (in this case the policy determinations for 2016 and 2017 so that the disclosure policy implementation will be carried out in the Governance Report 2018).

## EMPLOYEE SALARY RATIO HIGHEST AND LOWEST

Employee salary is received and expressed in terms of money as a reward from the company and reflects on the employees' assigned work and paid by an employment agreement, contract, or by legislation.

The ratio of Employee's salaries for highest and lowest	: 46:1
The ratio of Director's salaries for highest and lowest	: 1.1:1
The ratio of Commissioners' salaries for highest and lowest	: 1.1:1
The ratio of Director's and employee's highest salaries	: 1.5:1

## PROVISION OF FUNDS TO RELATED PARTIES AND FUNDS PROVIDED

BNI has established policies and procedures regarding Lending Limit (LLL), loans to Related Parties to the Bank and has policies that govern the credit limit per industry sector, with the following monitoring and completion.

1. Periodical BNI Credit Procedures Committee and Credit Policy Committee meetings and Board of Directors meetings to discuss matters relating to the credit policies, procedures and operational implementation.

2. To ensure the provision of funds to related parties and large amounts are in accordance by the precautionary principle, the bank has an adequate system of internal control as follows.
  - a. Have policies and procedures in the credit approval process.
  - b. A review of ex-ante in the process of granting new loans as well as additional nominal > Rp5 M such as the Credit Compliance Review (C2R) on the proposed Credit Application Tools (PAK) conducted by the Compliance Unit and the procurement of goods and services with nominal ≥ Rp1M Procurement Compliance Review (PCR)
  - c. Have ex-post review conducted by the Compliance Unit and the Internal Audit Unit.
  - d. Provision of funds to related parties must seek approval from the Board of Commissioners.
  - e. Large exposures require approval from the management and over a certain amount should be consulted to the Board of Commissioners.
  - f. SPI conduct an examination of credit centers based on a risk assessment to ensure adequate management of risk management and internal control is included in the credit approval process.

In the application of the provision of funds by the Bank to related parties or large exposures::

1. Management pays attention to the provision of large credit, concerning the provision of funds to borrowers through Internal Rating System (corporate, commercial, and small business), Loan Portfolio Management, Loan Exposure Limit (per segment, per economic sector and per region ), LLL (for internal BNI through the internal House Limit), and Country Exposure Limit.
2. The amount of capital and the CAR are reported to Management and all units to be followed in implementing the bank's business activities, especially concerning the provision of funds.



## Important Disclosure

### Provision of Funds To Related Parties and Provision of Large Funds.

#### Providing funds to the associated and provision of large fund

Funds Provided	Total	
	Debtors	Nominal Rp million
Related Parties	115 Related Parties 47 Related parties are excluded in the calculation of LLL	4.880.921 320.387
Debtor Core a. Individual b. Group	5 Large Individual Debtors 15 Large Group Debtor s	23.604.554 89.016.000

## EMPLOYEE AND / OR MANAGEMENT SHARE OWNERSHIP PROGRAM

Referring to the Otoritas Jasa Keuangan Regulation (OJK) No. 02 / POJK.04 / 2013 dated August 23, 2013 on Buyback of Shares Issued by the Issuer or Public Company in a Significant Fluctuating Market Condition and Circular No. 22 / SEOJK.04 / 2015 dated August 21, 2015 on Market Conditions which Fluctuate Significantly in Implementing Repurchase of Shares Issued By Issuer or Public Company, then BNI repurchased Company issued shares listed on the Indonesia Stock Exchange (Buy Back). BNI appointed PT BNI Securities as the institution to repurchase shares of the Company by purchase shares in the market over less than three months, starting from November 2, 2015 through by December 28, 2015.

The number of shares bought back was 0.807% of the issued and fully paid up capital or 150,537,500 shares. The value of the Company repurchase shares amounted to Rp749,979,275,500 (maximum of 750 billion rupiah) at an average price of Rp4,982.00 per share.

Regarding the repurchase of shares of the Company, the Company conducted the Disclosure of Information on October 30, 2015.

Based on point 4, number 3 of Regulation No. XI.B.2 jo. Article 9 of OJK Regulation No. 2 / POJK.04 / 2013, the share buyback can be diverted / used for the implementation of an Employee Stock Option Plan or employee Stock Purchase Plan, and in relation thereto, the Company conducted a Disclosure of Information on May 12, 2016 saying that the Company will carry out the transfer of Series C shares through the buyback Shareholding Program for Management and Employees of the Company in the form of Bonus shares (hereinafter referred to as " Share Bonus Program ").

The Share Bonus Program is organized as part of the remuneration and refers to the Minister for State Owned Enterprises No. Per-04 / MBU / 2014 on Guidelines for Determination of Directors, Board of Commissioners and the Board of Trustees of State Owned Enterprises, in the form of long-term rewards where the shares repurchased were allocated to:

- Work as a bonus on achievement of company performance, and
- Member of the Board of Directors, and the Board of Commissioners as part of the bonus for the fiscal year concerned..

Share Bonus Program Supervision will be carried out by the Board of Directors and will be reported to the General Meeting of Shareholders of the Company nearest to the implementation of the program.

The allocation of bonus shares to members of the Board of Directors and the Board of Commissioners is in accordance with the Minister of State-Owned Enterprises Regulation No. Per-04 / MBU / 2014 on Guidelines for Determination of Directors, Board of Commissioners and the Board of Trustees of State Owned Enterprises conducted after the Company obtained the approval of the General Meeting of Shareholders / Minister of SOEs.

Based on the Minutes of the Annual General Meeting of the Company No. 8 dated March 10, 2016, the allocation of bonus shares to members of the Board of Directors and Board of Commissioners was carried out after obtaining the approval of the Minister of SOEs.

#### **EMPLOYEE SHARE BONUS PROGRAM**

The Share Bonus Program is a program of employees in the form of Bank shares granted to employees who meet certain criteria and requirements as set out in the Implementation Guidelines Program. The purpose of the employee Share Bonus Program are:

1. to retain employees in the long term.
2. to motivate employees to provide the best performance.
3. to improve the sense of belonging to employees
4. Bank.

Allocation of the first phase was completed in 2016 and employees entitled to be participants in the Stock Bonus Program were permanent employees as at October 30, 2015 (Disclosure date).

The phase I vesting period differentiated based on the following level.

1. ASST and below vesting period ends on January 31, 2017
2. AMGR vesting period ends on 30 April 2017
3. MGR and above vesting period ends on July 31, 2017.

The hierarchy for vesting period of Phase I is the hierarchy of employees as at December 31, 2015.

Employees declared eligible for vesting will be notified via email or other communication media which will contain confirmation of bonus shares which they are entitled to on the vesting date. The vesting conditions determined as follows.

1. Not being subject to any case and / or the impact of sanctions based in regulations
2. Existing Bank Personnel;
3. Have not ended their employment relationship of their own accord; or
4. Have not had their employment relationship ended for low performance.

#### **CONFLICT OF INTEREST TRANSACTIONS AND / OR AFFILIATED TRANSACTIONS**

In 2016, BNI did not conduct Conflict of Interest Transactions and / or Affiliated Transactions.

#### **PROCUREMENT OF GOODS AND / OR SERVICES**

Policies and procedures for procurement of goods and / or services as one of the GCG commitments in BNI is conducted in a transparent, equal and responsible manner.

#### **PROCUREMENT METHODS**

Methods for procurement of goods and / or services are as follows.

1. Open auction / General Selection, namely procurement widely announced through mass media with at least three (3) prospective participants.
2. Direct Selection, namely the procurement of goods and / or services offered by multiple parties is limited to at least 2 (two) participants prospective participants.
3. Direct Appointment, namely the procurement of goods and / or services performed directly by appointing one provider of goods and / or services with the terms and conditions of direct appointment.



## Important Disclosure

### PROCUREMENT OF GOODS AND / OR SERVICES PROCEDURES

#### Procurement Process Stages

BNI has implemented a staged procurement of goods or services as follows.

##### Staged procurement process

PREPARATION	PROCUREMENT	IMPLEMENTATION
Initial Needs and Budget	Procurement Method	Performance
Principle Licence	Method of Bidding Opening	Monitoring
Determining Procurement Committee	Method of Bidding Winner	Examination and Handover
Procurement Documents	Determining Winner	Payment
	Compliance Test	

#### Goods and / or Services Procurement Process

Procurement of goods and / or services consists of:

Auction, for the procurement of goods and / or services with a value above Rp 1 billion.

Bidding Process Flow.

##### Bidding Process Flow



Direct selection, for the procurement of goods and / or services with a value above Rp 100 million to Rp 1 billion.

#### Direct Selection Process Flow



Direct Appointment, for the procurement of goods and / or services with a value of up to Rp 100 million, or by certain criteria.

#### Direct Selection Process Flow



### BNI GOODS AND / OR SERVICES MANAGEMENT VENDOR PROCUREMENT

BNI Partner as a provider of BNI goods and / or services are required to register in a system manually or via e-Procurement Application Systems.

Goods and / or services providers entered into the list to be BNI partners must be qualified and classification as determined by an association or an authorized agency and BNI internally, specifically for the procurement of qualifications determined by each unit of service users.

The BNI Partner Admission Process Policy is contained in the Corporate Partner Guidelines.

### BNI Partners Registration Acceptance

The BNI partners registration admission process is conducted using e-Procurement system applications. By using this application, the BNI partner registration process can take place effectively and efficiently. In carrying out the registration partners, among others, complete forms through a system of e-procurement applications, bio completeness company checks, on the spot and prospective partner interviewing. Prospective partners who qualify may be granted Client Registration Certificates.

Partner Registration Certificates issued by a BNI unit applies to all BNI units in the classification and qualification of partners which are listed according to the type of procurement of goods and / or services to be implemented.



## Important Disclosure

### INFORMATION RELATED TO THE PROCUREMENT OF GOODS AND SERVICES IN 2016

To support the banking operations of BNI in 2016, was conducted at the BNI office building Jl. Pejompongan Raya V 24, Bendungan Hilir - Jakarta on floor 30 floor tower, 6th floor podium with a total building area of ± 75,028 m<sup>2</sup>.

### FUNDING ACTIVITIES FOR POLITICAL ACTIVITIES

During 2016, the Bank did not provide funds for political activities.

### FUNDING FOR SOCIAL ACTIVITIES

Throughout 2016, giving funds for BNI social activities packed to carry out various Corporate Social Responsibility (CSR) activities. The costs incurred in implementing CSR activities, were as follows.

No.	Activity	Total Expenditure (Rp)	Receiving Party
1.	Natural Disaster	1,733,496,903	<ul style="list-style-type: none"> <li>• Flooding in Cisalak Subang</li> <li>• Flooding &amp; landslide in Garut</li> <li>• Flooding in Cianjur</li> <li>• Flooding in Sumedang</li> <li>• Flooding in Purworejo</li> <li>• Flooding in Banjarnegara &amp; Banyumas</li> <li>• Flooding in Pekalongan</li> <li>• Flooding in Kabupaten Kampar</li> <li>• Flooding in Kab Solok and Kab 50 towns</li> <li>• Flooding in Sukabumi</li> <li>• Flooding in Surakarta</li> <li>• Flooding &amp; landslide in Sukabumi</li> <li>• Flooding in Wonosobo</li> <li>• Flooding in Kebumen</li> <li>• Flooding in Purworejo</li> <li>• Earthquake emergency relief in Pidiejaya</li> </ul>

No.	Activity	Total Expenditure (Rp)	Receiving Party
2.	Education and / or training	21,295,928,910	<ul style="list-style-type: none"> <li>• Boarding School Darul Falah</li> <li>• UMKM in Makassar, Bandung, Yogyakarta, Denpasar, Jakarta</li> <li>• 9 Student Scholarship in Jogjakarta</li> <li>• STIKES &amp; STMK Jenderal Ahmad Yani, Yogyakarta</li> <li>• Foundations Al Qur'an Center Az Zahra in Kalibata Jakarta Selatan</li> <li>• UMKM di Kediri</li> <li>• Guru &amp; tenaga pendidik</li> <li>• SLB Bagian B &amp; C (Foundations Abdi Gumelar) in Jakarta Timur</li> <li>• Tunas Harapan Swadharma School in Jakarta Barat</li> <li>• SMP Duta Mas in Jakarta Barat</li> <li>• 2 SMK in Bandung</li> <li>• Boarding School in Kabupaten Sumedang</li> <li>• Boarding School Salafiyah Insitsiyatul Ulum in Garut</li> <li>• Mahasiswa Ikopin in Bandung</li> <li>• MTS Muhammadiyah in Jasinga Bogor</li> <li>• Farmers flowers in Pengalengan dan Sukabumi</li> <li>• Padjajaran University</li> <li>• SD Islam As-Syai'iyah, Foundations inspirasi anak bangsa</li> <li>• SMK Kudus</li> <li>• Boarding School Nurulumah in Purwokerto</li> <li>• SMK Bhineka Karya 1 di Boyolali</li> <li>• SMPN 1 Magelang</li> <li>• Madrasah Diniyah Al Hidayah in Kudus</li> <li>• Madrasah Diniyah Awwaliyah Adz Dzikiriyah in Jepara</li> <li>• Boarding School Al Huda</li> <li>• Boarding School Ainul Burham in Jepara</li> <li>• Miftahul Huda Sinanggul in Jepara</li> <li>• Diponegoro University</li> <li>• PKBM Masa Depan in Banyumas</li> <li>• PAUD, TK, SD Angkasa TK Kartika III – 51 Asmil Kadipiro in Surakarta</li> <li>• Airlangga University</li> <li>• Boarding School Tebu Ireng</li> <li>• Madrasah Diniyah Nurul Huda in Lamongan</li> <li>• MI Bahrul Ulum in Jombang</li> <li>• Class room in Treanggalek</li> <li>• SMP and Madrasah in Madura</li> <li>• Foundations Aba Muchsin in Surabaya</li> <li>• Muhammadiyah University in Malang</li> <li>• Foundations Darul Falah in Jember</li> <li>• Madrasah and Boarding School Putri Sekar Anom in Pamekasan, Madura</li> <li>• MD Wustha Hidayatut Thullab in Sampang</li> <li>• SMK Raudlatul Jannah in Probolinggo</li> <li>• SDN 24 Sungai Kakap in Pontianak</li> <li>• TK Baitur Rahman in Kalimantan Timur</li> <li>• Tanjung Pinang</li> <li>• Natuna</li> <li>• East Indonesia Scholarship</li> <li>• Boarding School Darul Munawarah in Aceh</li> <li>• SMKN 2 Langsa in Aceh</li> <li>• Dayah Bustanul Huda in Aceh</li> <li>• Lombok</li> <li>• Ende</li> <li>• Papua</li> <li>• SDN Mangga Dua Marauke</li> <li>• UGM</li> <li>• Manokwari</li> <li>• Malino, Sulawesi selatan</li> <li>• UMKM Makassar</li> <li>• Toraja</li> </ul>



## Important Disclosure

No.	Activity	Total Expenditure (Rp)	Receiving Party
			<ul style="list-style-type: none"> <li>• Wakatobi</li> <li>• Kendari</li> <li>• Sawahlunto</li> <li>• Padang</li> <li>• Solok</li> <li>• SDIT Al Madaniy in Bukittinggi</li> <li>• Madrasah Diniyah Takmiliyah Al Hijrah in Banyuasin</li> <li>• Langkat</li> <li>• Jakarta Selatan</li> <li>• Tafiz Al Ikhlas in Ogan Ilir</li> <li>• Tanjung Pinang</li> <li>• Mentawai</li> <li>• Banyuasin</li> <li>• Manokwari</li> <li>• Pontianak</li> <li>• Kudus</li> <li>• Bogor</li> <li>• Bali</li> <li>• Pekalongan</li> <li>• Sidoarjo</li> <li>• Indramayu</li> <li>• Bandung</li> <li>• Tanjung Pinang</li> <li>• Yogyakarta</li> <li>• Pamekasan</li> <li>• Bali</li> <li>• MTS Al Karimiyah at Sumenep</li> <li>• SMA Efarina at Simalungun</li> <li>• Tanjung Pinang</li> <li>• Sumbawa University of Technology (UTS) at Sumbawa</li> <li>• Boarding School Albarkah &amp; Raudlatut Thalibin at Rembang</li> <li>• Palu</li> <li>• Tangerang</li> <li>• Tambora</li> <li>• UNSEOD Scholarship at Purwokerto</li> <li>• Gunung Puntang, Bandung</li> <li>• Prembun</li> <li>• Pontianak</li> <li>• Malang</li> <li>• Bolaang Mangondo</li> <li>• Lasem, Rembang</li> <li>• KEMENDIKBUD Scholarship at Jakarta</li> <li>• PAUD Aliza at Banyuwangi</li> <li>• Kebumen</li> </ul>

No.	Activity	Total Expenditure (Rp)	Receiving Party
3.	Health Improvement	3,110,612,908	<ul style="list-style-type: none"> <li>• Mass circumcision Bapekis in Jakarta Pusat</li> <li>• Mass circumcision YYS Persaudaraan Bersama in Jakarta Utara</li> <li>• Blood doning in kementerian BUMN Jakarta Pusat</li> <li>• Jakarta Utara</li> <li>• Jambi</li> <li>• RS PKU Muhammadiyah Mayong in Jepara</li> <li>• Banjarbaru</li> <li>• Lombok Utara</li> <li>• Mataram</li> <li>• Cleft lip surgery FKG UI 2016 in Kab Pasaman</li> <li>• Mataram</li> <li>• Wonosobo</li> <li>• Cilacap</li> <li>• Jakarta Barat</li> <li>• HealthProgram Aisyiyah in Yogyakarta</li> <li>• Depkes Health workers in Jakarta Pusat</li> <li>• Health Polyclinic Semarang</li> </ul>
4.	Infrastructure development and / or Public Facilities	21,494,026,279	<ul style="list-style-type: none"> <li>• Road construction Sampang, Jatim</li> <li>• Clean Water supply systems Serang</li> <li>• Boarding School Almuwi R Yogyakarta</li> <li>• Clean Water supply systems Gorontalo</li> <li>• Clean Water supply systems Sukaraja Sukabumi</li> <li>• Clean Water supply systems Garut</li> <li>• Signage Imogiri</li> <li>• Magelang</li> <li>• Motorized garbage collector Sikunir, Wonosobo</li> <li>• Construction of the bridge in Desa Limbasari Purworejo</li> <li>• Construction of the bridge in Dukuh Wlahar Brebes</li> <li>• Cemetery fence construction in Tegal</li> <li>• Construction of embankments and roads in desa wlaha in Brebes</li> <li>• Tambalang – Semarang</li> <li>• Sarana Pujon</li> <li>• Sinoman warehouse in Kab Lamongan</li> <li>• Road construction desa balik terus in Gresik</li> <li>• irrigation channels in Trenggalek</li> <li>• Jalan gabion wall construction in Banyuwangi</li> <li>• Repair lights and city parks trenggalek</li> <li>• Clean water facilities in Bojonegoro, Jember, Madiun, Madura, Situbondo, Trenggalek</li> <li>• Banyuwangi</li> <li>• Sasirangan, Banjarmasin</li> <li>• Tanjung Pinang</li> <li>• Bantuan sarana air bersih in Pringsewu, Lampung</li> <li>• Clean water facilities in Ternate, Ambon, dan Meulaboh</li> <li>• YAPIT (Foundations Puteri Indonesia Timur) Ende</li> <li>• Pulau Komodo</li> <li>• Clean water facilities in Merauke, Makassar, Sengkang, Bau-Bau, Bangko, Lubuklinggau, Musi</li> <li>• Palembang, Balige, Tolitoli, Parepare, Tanjungpinang, Bintan, Batola, Sampit, Sintang, Berau,</li> <li>• Nunukan, Merauke, Bulukumba, Tasikmalaya, Lampung, Cirebon</li> <li>• Ponpes Foundations Hasanah point in Jakarta Pusat</li> <li>• Rubber boats in Majalaya – Subang</li> <li>• MCK di Bintan</li> <li>• Garbage Motor in Bantul</li> <li>• Labuan Bajo</li> <li>• Pemkab Toba Samosir</li> <li>• Palangkaraya</li> <li>• Pulau Komodo</li> <li>• Karanganyar</li> <li>• Bekasi</li> <li>• MCK di Banyuasin</li> <li>• Garbage Motor in Banjarmasin</li> </ul>



## Important Disclosure

No.	Activity	Total Expenditure (Rp)	Receiving Party
5.	Places of worship	7,462,815,913	<ul style="list-style-type: none"> <li>• Temple Dadia Sekar Anom in Bali</li> <li>• Place of worship in BSD, Tangerang</li> <li>• Mosque Al Huda in Samigaluh, Kulonprogo</li> <li>• GP Ansor Jakarta Timur</li> <li>• GKJ Church Nehemia Jakarta Selatan</li> <li>• Mosque Al Huda in Pisangan Timur, Jakarta Timur</li> <li>• Mosque Jami At – taqwa in kebayoran lama, Jakarta selatan</li> <li>• Mosque Roudhotussyifa in Cilandak, Jakarta Selatan</li> <li>• Mushola Detasemen matra 1 Paskhas in Halim</li> <li>• Mosque majelis taklim &amp; dzikir hidayaturrohman in Jakarta Barat</li> <li>• Mosque Nurul Amal in Jakarta Selatan</li> <li>• Christmas celebration</li> <li>• Mosque Baitul Rahmat in Jakarta Barat</li> <li>• Mosque Al Huda in Kab Babelan Bekasi</li> <li>• Mosque Al ikhlas in Depok</li> <li>• Mosque Al Muhajirin in Bekasi</li> <li>• Mosque Baabul Jannah in Cimanggis</li> <li>• Mosque Nurul Hakim in Kab Garut</li> <li>• Mosque Nurui Qolbi in Kab Garut</li> <li>• Mosque Nurul Huda in Depok</li> <li>• Place of worship in Margonda</li> <li>• Mosque Al Ihya in Surakarta</li> <li>• Mosque Jami Al BAROKAH Desa Pelang in Jepara</li> <li>• Mosque Jami Al Muttaqin in Mijen, Semarang</li> <li>• Mosque Nurul Huda Dawuhan in Purwokerto</li> <li>• Mosque Al Ikhlas Desa Wlahar in Brebes</li> <li>• Mosque Baitul Muttaqien in Jepara</li> <li>• Charity in Gresik</li> <li>• Mushola in Sampang</li> <li>• Baitul Muttaqin in Probolinggo</li> <li>• Mosque Al Wardah &amp; Baitul Mumin in Kab Lamongan</li> <li>• Mosque in Banyuwangi</li> <li>• Mosque Muftahul Jannah, Baitul Musthofa &amp; Nurul Islam in Lamongan</li> <li>• Mosque Nurrahman in Sidoarjo</li> <li>• Mosque Nurul Falah in Madura</li> <li>• Mosque Potana Mopena in Kab Tuban</li> <li>• Mosque Tsanawiyah in Gresik</li> <li>• Mosque Nurul Huda in Banyuwangi</li> <li>• Mosque Al Kalami in Trenggalek</li> <li>• Mosque Riyadus Sholihin in Magetan</li> <li>• Place of worship in Pontianak</li> <li>• Place of worship in Banjarmasin</li> <li>• Facility pengajian majelis Ta'lim Imam</li> <li>• Mosque Al Fatah</li> <li>• Place of worship in Tarakan</li> <li>• Mosque in Pulau Penyengat, Tanjung Pinang</li> <li>• Mosque Al Hikmah in Tanjung Karang Barat</li> <li>• Mosque Khalid Bin Walid in Pringsewu</li> <li>• Balai Al Quran TPQ BTM Nur Fajar in Langsa</li> <li>• Mosque Babut Taqwa in Langsa</li> <li>• Muenasah Reje Bukit in Aceh</li> <li>• Church St. Petrus Pada in Lembata, NTT</li> <li>• Mosque Al Iman in Samata, Goa</li> <li>• Mosque Ash Shobirin, in Kab.Moutong, Parigi</li> <li>• Mosque Nurul Huda Kendari</li> <li>• Sarana Ibadah Palembang</li> <li>• Mosque Babus Salam in Cilincing, Jakarta Utara</li> </ul>

No.	Activity	Total Expenditure (Rp)	Receiving Party
			<ul style="list-style-type: none"> <li>• Sarana Ibadah in Demak</li> <li>• Mosque AL Muttaqin in Karanganyar</li> <li>• Mushola Mardhatillah in Pancoran Mas Depok</li> <li>• Mosque At Taqwa in Ungaran</li> <li>• Mosque Nurul Iman in Batu Bara</li> <li>• Mosque Miftahuljannah in Bekasi</li> <li>• Majelis Talim Al Faqih in Tanjung Karang</li> <li>• Mosque Al Chidmah in Batang</li> <li>• Sarana Ibadah in Pacitan</li> <li>• Mosque Nurul Ummah in Sukoharjo</li> </ul>
6.	Nature Conservation	9,877,557,545	<ul style="list-style-type: none"> <li>• Sebelas Maret University in Surakarta</li> <li>• Planting tamarind in Yogyakarta</li> <li>• Foundations Nara Kreatif</li> <li>• Earth Hour 2016</li> <li>• Foundations Pelita Cakrawala</li> <li>• Bandung</li> <li>• Green Indonesia for the world in Jakarta Timur</li> <li>• Coral reef conservation</li> <li>• Coral reef conservation in 1,000 Islands</li> <li>• Smart Park in BNI DKI Jakarta</li> <li>• Green action Nusantara in Bogor</li> <li>• 10,000 tree planting in Ruas Tol Cikampek</li> <li>• Training Program in Alam Bebas for Wanadri in Bandung</li> <li>• Program planting 1.5 million trees in Sentul</li> <li>• Program Greening Park in Garut</li> <li>• Program Reusable Bag Earth Day 2016</li> <li>• Program Garbage Bank in Solo</li> <li>• Program Greening Pola Padat Karya KODAM IV Diponegoro in Surakarta</li> <li>• Construction of Forest Park Kota Keputhi in Surabaya</li> <li>• Planting 1000 trees Lembaga Intelektual Muda Kalimantan</li> <li>• Vertical greening Garden in Banjarbaru</li> <li>• Site restoration Gambut</li> <li>• Program afforestation Samboja Lestari in Samarinda</li> <li>• Program Planting Trees with KODAM Patimura in Maluku</li> <li>• Program Forest Care Kota BNI Aceh</li> <li>• Motor Garbage Collection</li> <li>• Coral planting Karang</li> <li>• Greening program Pemerintah Kota Palembang</li> <li>• Help Greening Median Jalan in Aceh</li> <li>• Help tree planting in Balikpapan</li> <li>• Help tree planting in Yogyakarta</li> </ul>



## Important Disclosure

No.	Activity	Total Expenditure (Rp)	Receiving Party
7.	Poverty alleviation	16,655,764,070	<ul style="list-style-type: none"> <li>• Cheap market HUT BNI in Denpasar</li> <li>• Cheap market HUT BNI in Jakarta BSD</li> <li>• UNI Syarif Hidayatullah, Ciputat</li> <li>• Cheap market BUMN Hadir for Negeri in Sleman</li> <li>• Empowerment of women friends merapi in Yogyakarta</li> <li>• Charity Bhakti Yagor Pancra in Cilincing, Jakarta Utara</li> <li>• Charity Hari Kesetiakawanan Nasional 2016 in Jakarta Utara</li> <li>• Charity HUT Lemhanas ke 50, tahun 2015</li> <li>• Charity Idul Adha in Jakarta Pusat</li> <li>• Charity Majelis Talim Bhakti Khoirunnisa in Pejaten</li> <li>• Charity NU during idul adha in Tebet</li> <li>• Charity Polda in Jakarta Pusat</li> <li>• Charity Ramadhan Korps Dai Istiqal in Jakarta Pusat</li> <li>• Cheap market TNI AU in Jakarta Timur</li> <li>• Benefit 500 orphans in Jakarta Pusat</li> <li>• Cheap market HUT BNI ke 70 in Wilayah Jakarta Kemayoran</li> <li>• Cheap market HUT BNI ke 70 in wilayah Jakarta Kota</li> <li>• Cheap market HUT BNI ke 70 in wilayah Jakarta Senayan</li> <li>• Distribution 1.000 staple food in Kalimalang Jakarta Timur</li> <li>• Distribution 3.000 Fast-breaking in masjid Istiqlal, Jakarta pusat</li> <li>• Benefit 100 orphans in Jakarta pusat</li> <li>• Benefit 500 orphans bulan Dzulhijah 1437 H in Jakarta Selatan</li> <li>• Cheap market BUMN in Merangin, Jambi</li> <li>• Cheap market Ramadhan in Garut 2015</li> <li>• Cheap market HUT BNI ke 70 in Wilayah Bandung</li> <li>• Development of paddy drying machine</li> <li>• Charity staple food in telaga menjer, wonosobo</li> <li>• Cheap market BNI Hadir untuk negeri</li> <li>• Cheap market in Kabupaten Sukoharjo &amp; Klaten</li> <li>• Cheap staple food in Semarang</li> <li>• Fishing nets in Demak</li> <li>• Charity in Malang</li> <li>• Charity TNP2K SETNEG in Malang</li> <li>• Cheap market HUT BNI ke 70 in Surabaya</li> <li>• Charity JIMKA in Kab Banjarbaru</li> <li>• Cheap market BUMN Hadir for Negeri in Wilayah Banjarmasin</li> <li>• Cheap market BUMN Hadir untuk Negeri</li> <li>• Surgery veteran in Tanjung Pinang</li> <li>• Surgery, MCK and clean water in Tanjung Pinang</li> <li>• Development wells and fishermen houses coastal village in lampung selatan</li> <li>• Charity PMK 2016 in Ambon</li> <li>• Cheap Market BUMN in Naganraya</li> <li>• Charity in Kupang</li> <li>• Cheap Market in Sumba Barat</li> <li>• Cheap Market in Teluk Wondama</li> <li>• Cheap Market in wilayah Papua</li> <li>• Cheap Market in Kuantan Singgingi</li> <li>• Cheap Market di wilayah Makassar</li> <li>• Cheap Market untuk keluarga pejuang in Sigi</li> <li>• Cheap Market HUT BNI in wilayah Manado</li> <li>• Cheap Market BNI in wilayah Padang</li> <li>• Charity in Palembang</li> <li>• Cheap Market in Palembang</li> <li>• Cheap Market in Musi Rawas</li> <li>• Cheap Market in wilayah medan</li> <li>• Help family in jaktim</li> <li>• Coaching village in kepulauan Riau</li> </ul>

No.	Activity	Total Expenditure (Rp)	Receiving Party
8	Help Education, Training, Internship, Marketing for Capacity Development Partnership Program	2,566,315,928	<ul style="list-style-type: none"> <li>• Tanjung Pinang</li> <li>• Surgery veteran in Bintan</li> <li>• Cheap Market HUT BNI in Wilayah Jakarta Kota</li> <li>• Cheap Market HUT BNI in Wilayah Semarang</li> <li>• Cheap Market HUT BNI in Wilayah Medan</li> <li>• Bukber HIMBARA anak yatim in Mataram</li> <li>• Staple food for Foundations juang anak bangsa in Jakarta Utara</li> <li>• Surgery in Medan</li> <li>• Surgery in Jombang</li> <li>• Alumni resimen mahasiswa in Jakarta Selatan</li> <li>• DKM Al Hikmah in Sukabumi</li> <li>• Cheap Market in Klaten</li> <li>• Cheap Market in Boyolali</li> <li>• Surgery veteran in Tanjung Pinang</li> <li>• Chaity in Sidoarjo</li> <li>• Surgery in Gayungan, Kebumen, Gresik, Banjarmasin, Padang, dan Bandung</li> <li>• Coaching village in Anambas and in Pulau Penyengat</li> <li>• Program Gapok Tani di Boyolali</li> </ul>
<b>Total Expenditure</b>			<b>85,034,493,726</b>

A detailed explanation of the activities surrounding the Company's CSR programs related to:

- Living environment.
- Employment, health, and safety.
- Social and community development.
- Responsibility to consumers

is presented in the CSR Report in conjunction with the Annual Report.



## Important Disclosure

## INFORMATION TECHNOLOGY GOVERNANCE

IT Governance is management leadership, organizational structure and ongoing processes, to ensure that the IT organization is aligned to the organization business strategy and objectives. A good IT governance framework requires a balance between the aspects of People, Processes and Technology. To implement IT governance BNI adopted the appropriate framework by IT services area in BNI.

## CONTROL OBJECTIVES FOR INFORMATION AND RELATED TECHNOLOGIES (COBIT)

Control Objectives for Information and Related Technologies (COBIT) is widely recognized as a framework for IT management and IT governance. COBIT helps regulate IT in meeting the needs of BNI stakeholders through the group management process and its enabler, which is mapped into the IT destination business goals, as well as measurement of achievement and maturity. BNI IT uses the COBIT framework as a reference for its governance, because of the synergy between business goals with IT goals, focusing on data and information, which can be flexible to follow the direction of the company's work, and can be used in conjunction with other standard frameworks.

## INFORMATION TECHNOLOGY INFORMATION LIBRARY (ITIL)

Information Technology Information Library (ITIL) is a standard framework for IT Service Management (ITSM), used in aligning IT to business support services. ITIL focuses on IT processes, procedures, tasks and service levels to support company strategy, provide value-added, as well as maintain the level of IT competence. With ITIL, BNI IT operations set the baseline as the service benchmark, as the basis for planning, implementation and measurement of achievement.

## ISO 27000

ISO 27000 is a part of the work in the area of Information Security Management Systems (ISMS) standards used to manage information security risks within an organization. ISO 27000 standards are used as reference benchmarks by BNI to establish IT security solutions in the company, both in terms of IT architecture, policies, solutions development, as well as IT operations. Implementation of these standards is applied end-to-end, from the core system, surrounding, communication networks, applications, and access devices such as ATM and EDC

## ISO 9001

ISO 9001 is a Quality Management Systems standard designed to ensure that the company can meet the demands of stakeholders while complying with regulatory requirements related to the product or activity. BNI IT has implemented ISO 9001: 2008 (international standard for quality management systems) with a scope that IT Operations and IT Security Management and has re-certification of ISO 9001: 2008 on July 26 – 27, 2016. Based on the external audit summary report towards the achievement of quality targets by the IT unit, it was concluded that the management system in the IT units met the standards that have been set so that the status of the certification of ISO 9001: 2008 was extended for the next 3 years until August 2019. Furthermore, in accordance with the IT unit action plan, 2017 will be the ISO 9001: 2008 upgrade process, to the latest version ISO 9001: 2015, because according to the rules of international standards ISO 9001: 2008 will end its use in 2018. The certification of ISO 9001: 2008 in IT units will provide benefits for all employees in the IT unit along with the stipulation that the management mechanism and quality standards keep the business IT processes always running in accordance with the established quality management system standards, where quality control is done in a systematic way for better consistency of quality and increased customer confidence.

## Disclosure and Access Information

### PRESS RELEASES

BNI Disclosure of a press releases is the one of implementation GCG principle of transparency and accountability for the general public.

BNI Press Releases in 2016 were as follows.

#### Press Releases

Date	Press Releases
January 11, 2016	BNI Sole Bank Investment Permit Service 3 Hours at BKPM
January 26, 2016	BNI Collaborates with AgungPodomoro to Distribute Kiosk Financing
January 27, 2016	BNI Absorb Oil Deposit export levy
January 28, 2016	BNI do Signing of Memorandum of Understanding (MoU) with the Association of Village People (Parade) archipelago in Bogor to provide full banking services.
January 31, 2016	Named BNI Syndicated Loan in Indonesia for Its Active Provision of Syndicated Loan
February 01, 2016	Ministry ATR / BPN Takes a Chance to Serve BNI Transactions in 450 BPN
February 02, 2016	Alpha Southeast Asia again awarded the title as The Best Remittance Provider in Southeast Asia in 2015 to BNI.
February 04, 2016	BNI and Angkasa Pura Cooperation Integrated Cash Management Services
February 10, 2016	BNI and Pharmacy K24 synergy to facilitate the payment of dues BPJS Health and BPJS Employment in more than 350 outlets throughout Indonesia Pharmacy K24.
February 11, 2016	BNI and PT Pos Indonesia (Persero) to work together to complement the services provided to the public.
February 16, 2016	In order to celebrate the 70th Anniversary-BNI Holds CSR for Migrant Workers in Singapore BNI Seoul, Offer Featured Product Remittance MANTAP
February 17, 2016	BNI Extend Remittance Service to City Plaza Singapore
March 06, 2016	BNI & Garuda Launched Debit Card Co. Brand BNI and Garuda and TapCash Debit Function in One Card
March 10, 2016	BNI Annual General Meeting 2015 BNI To Pay 25% dividend of Net Profit
March 13, 2016	Cooperate BNI Sisfo Distributed Micro KUR Fishermen's Security Business
March 18, 2016	Synergies realized SOE Surabaya Mojokerto toll road, toll road users can directly transact with BNI TapCash
March 21, 2016	Synergies four state-owned banks through the launching of e-Payment Toll PT Jakarta Outer Ring Motorway (PT JLJ) which manages the Toll Jakarta Outer Ring Road (JORR)
April 19, 2016	Kemendesa and BNI Synergy Develop Rural Economy Through Access Integrated Cash Management facilities for storing and managing funds such as BNI Direct, Virtual Account, and BNI e-tax, Payroll, employee performance benefits, as well as the Employee Retirement Payments.
April 20, 2016	70th Anniversary of BNI in 2016 INACRAFT Explore Heritage Nations Children Karya Nusantara. BNI Inacraft again become the main partner for 12 years since 2005
April 22, 2016	Semen Indonesia Obtain Working Capital Credit Facility Rp 1 trillion from BNI
April 28, 2016	BNI established as a retail dealer in bonds perform best in 2015 by the Ministry of Finance of the Republic of Indonesia.
May 01, 2016	70th Anniversary of BNI, the Ministry of Foreign Affairs, and BNP2TKI Train 150 TKI Economic Independence
May 12, 2016	BNI Widen Financial Inclusion to Northern Coast Central Java BNI 7.630 Generated Code Smart Agents



Date	Press Releases
May 28, 2016	Hosted BNI and Local Government Investment Day 2016
June 01, 2016	Welcomes 70 Year BNI Build Regional Sanitation Lack of Clean Water Facility
June, 02 2016	BNI Reward RS Bhayangkara Batam with Hearse
June 27, 2016	Terbitkan Kartu Masyarakat Indonesia SejahteraBNIDorong Warung Kube Menjadi Agen Laku Pandai
June 29, 2016	BNI Promotes Benefits of Tax Amnesty in Singapore
July 01, 2016	Transported 5,000 BNI Homecoming Travelers More than 700 Toll Gates in Homecoming Routes Are Ready To Accept BNI TapCash
July 22 , 2016	BNI Achieves Net Profit of Rp 4.37 trillion
July 28, 2016	GO-JEK & BNI Cooperation GO-PAY Top Up Now Available Through BNI
August 22, 2016	HIMBARA Promotes Benefits of Tax Amnesty in Hong Kong
August 28, 2016	Consumers BNI & General Property Sedaya Consulting Group Rate Tax Amnesty
August 29, 2016	PT Indonesia Infrastructure Finance (IIF), PT Bank Negara Indonesia (Persero) Tbk (BNI), and PT Sarana Multi Infrastructure (SMI) Syndicated Financing Agreement signed Palapa Ring Project Central Package worth Rp 975 billion.
August 30, 2016	Push the Movement of Non Cash, Card Issuing BNI Tani started from Jombang Visited the Queen Maxima, BNI Show Program is simple and e-Warong KUBE
September 01, 2016	BNI earn honors at the service of Trade Finance and Cash Management awarded by Alpha South East Asia magazine in the category of Best Trade Finance Bank in Indonesia and Best Cash Management Bank in Indonesia for the 6th time in a row. The signing of the Memorandum of Understanding (MoU) Provision Related Products and Services Banking Services between BP Batam with BNI in Batam, Riau Islands.
September 05, 2016	BNI and the Embassy Issue Card Co-branding Workers Indonesia - Singapore (KPIs)
September 07, 2016	BNI in collaboration with Blue Bird launches Non-cash payment system (Cashless) in applications My Blue Bird. Open Agen46 in Telang, BNI Strengthen Banking Services in Transmigration Area
September 14, 2016	HIS Indonesia Gandeng Cooperates with BNI Presents at Japan Travel Fair
September 15, 2016	BNI Strengthens Lombok Island Tourism by holding a Training and Development of Tourism Products at Creative Home BNI Geopark Rinjani.
September 21, 2016	BNI breaks record MURI Open Simple Savings Most embracing 100,000 students.
September 22, 2016	BNI and Lazada Digital Cooperate Introduces Loans for SMEs
September 23, 2016	BNI Tokopedia through Cooperative Agreement to Distribute KUR to the Partners Toppers from the Micro, Small and Medium Enterprises (SMEs).
September 27, 2016	Synergy BNI and IPB launch online sites to market innovative products manufactured by IPB (serambibotani.com and ipbsciencepark.com)
September 29, 2016	BNI and Bank Victoria Sign Memorandum of Cooperation Extension Capacity Building Assistance as a Foreign Exchange Bank.
September 30, 2016	BNI (as one of the six members of the syndication) syndicated financing channeled to Waskita to wake up Light Rail (LRT) Palembang. BNI along with two other state-owned bank providing financial services to Pelindo III to Improve Port Services.
October 03, 2016	BNI gather funds repatriation program Rp7.6 trillion Tax Amnesty
October 08, 2016	BNI for the 6th time, again became the Official Bank in the event the largest property exhibition in Indonesia organized by the Real Estate Indonesia (REI), the Real Estate Expo 2016.Pada exhibition which took place on October 8 to 16, 2016.

Date	Press Releases
October 13, 2016	BNI, BNN and Otoritas Jasa Keuangan (FSA) in collaboration with the Foundation Alumni SMAN 1 Jambi implement the program socialization Stop Drugs with Edutainment. In the third quarter of 2016, BNI recorded a profit of Rp 7.72 trillion, up 28.7%.
October 17, 2016	BNI committed to Gratification control through BNI cooperation with the Republic of Indonesia Corruption Eradication Commission (KPK).
October 18, 2016	BNI cooperates with village-owned enterprises (BUMDes) and private companies to develop the economy of the shrimp farmers in Lampung Province
October 19, 2016	BNI and the Government of Bojonegoro, East Java Agreement signed Memorandum of Understanding on the Provision and Use of Banking Services as a first step towards smart city. BNI bank officially became the channeling of aid for school students in Indonesia Pintar Program (PIP) using Indonesia Smart Card (KIP). BNI extension services directed to Eastern Indonesia in this regard by opening a new outlet in the capital of Raja Ampat, West Papua, namely Waisai
October 20, 2016	BNI SOE Teaching degree in Malang to increase Inclusion and Financial Literacy.
October 21, 2016	Inauguration of the installation of electronic parking terminal (TPE) in Jalan Ir. H Juanda, Central Jakarta. A total of 41 TPE ready for curbside parking payment (on-street parking) along the path Juanda, Taft roads, and road Pinangsia
October 24, 2016	BNI share in BSD motors in order Rejeki BNI Tapplus program.
October 28, 2016	BNI and the FSA did the Declaration of Student Savings Deposits (simple) in the form of signing the Agreement of Cooperation (MCC) Savings Simple simultaneously with more than 300 schools ranging from elementary, middle and high school are scattered in various areas BNI branch office services
November 03, 2016	BNI lending to finance the bailout fund needed Pandaan Malang toll road project worth Rp450 billion
November 09, 2016	BNI Invite 250 Teacher and Student Natuna Joy of Saving the Border Area Development Program
November 14, 2016	Simplifies KUR and BNI Wirausaha, BNI engineering services loan application online through <a href="https://eform.bni.co.id">https://eform.bni.co.id</a>
December 02, 2016	BNI together with the Embassy of the Republic of Indonesia (Embassy) in Singapore launched Worker Card Indonesia - Singapore (KPIs), namely the Multi Card-based benefits for Indonesian Workers Debit Card BNI.
December 05, 2016	BNI issued a new product that can be used to facilitate urban transactions, namely BNI UnikQu products.
December 06, 2016	BNI Deposit Revenue Rp250 trillion
December 10, 2016	BNI builds Creative Home SOEs and invite Partners Ecosystem enter the Digital Economy.
December 16, 2016	Signing of Credit Agreement between the syndicate of Bank Mandiri, BNI, and SMI with PT Trans Earth Serbaraja for Serpong toll road project Balaraja.
December 19, 2016	BNI and PT KAI published TapCash card RailPay
December 29, 2016	BNI develops Rural Entrepreneurship By Encouraging BUMDes Workshops to Strengthen Business



## Disclosure and Access Information

## TRANSPARENCY REPORT SUBMISSION

BNI Disclosure of transparency and reporting is one of implementation GCG principle of transparency and accountability to all stakeholders whether it is shareholders , regulator or public. Following the report in the form of transparency report delivery conducted by BNI for years 2016 whether done through website , the reporting system electronic and the letter for regulator.

Transparency Annual Report Submission 2016

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
1	Report on Securities Buyback PT Bank Negara Indonesia (Persero)	January 6, 2016	✓		OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company			✓	
2	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, December 2015	January 6, 2016	cc	✓	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	✓	✓		
3	Submission Debt/Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, December 2015	January 6, 2016	-	✓	Bapepam Regulation S-30/ PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company			✓	
4	List of 10 Largest Shareholders (Local and Foreign), December 2015	January 7, 2016	-	✓	Indonesia Regulation No. 12/23/PBI/2010 dated 29 December 2010 on Test Fit and Proper Test				

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
5	Published Summary of the Minutes of the Extraordinary General Meeting PT Bank Negara Indonesia (Persero) Tbk	January 14, 2016	cc	√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√	√	
6	Summary Minutes of the Extraordinary General Meeting PT Bank Negara Indonesia (Persero) Tbk	January 14, 2016	cc	√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company				
7	Reports information or material facts: Changes in Board of Directors and the Board of Commissioners Results at the Extraordinary General Meeting of the Company dated January 12, 2016	January 14, 2016		√	OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
8	Submission of the Minutes of the Extraordinary General Meeting of PT Bank Negara Indonesia (Persero) Tbk - OJK Banking Supervision 1 Department Head	January 20, 2016		√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company				
9	Submission of the Minutes of the Extraordinary General Meeting of PT Bank Negara Indonesia (Persero) Tbk - OJK Capital Market Supervisory Department Head	January 21, 2016		√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company				



## Disclosure and Access Information

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
10	Reports information or material facts: The Company Performance Analyst Meeting on December 2015 (audited)	January 25, 2016	cc	√	OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
11	Plan for Fiscal Year 2015 Annual General Meeting PT Bank Negara Indonesia (Persero) Tbk	January 26, 2016		√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company				
12	Consolidated Financial Statements Position December 2015 PT Bank Negara Indonesia (Persero) Tbk	January 26, 2016		√	OJK Regulation No. 6/POJK.03/2015 tentang Transparansi dan Publikasi Laporan Bank				
13	Consolidated Financial Statements Position December 2015 (audited) PT Bank Negara Indonesia (Persero) Tbk	January 26, 2016		√	OJK Regulation No. 6/POJK.03/2015 on transparency and publication of the Bank Reports	√	√		
14	Publication Announcement of Annual General Meeting PT Bank Negara Indonesia (Persero) TBk	February 2, 2016	cc	√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
15	Announcement of Annual General Meeting PT Bank Negara Indonesia (Persero) Tbk	February 2, 2016	cc	√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company				

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
16	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, January 2016	February 9, 2016	cc	√	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
17	Submission Debt/Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, January 2016	February 9, 2016		√	Bapepam Regulation S-30/ PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company		√		
18	Publication Calling of Annual General Meeting for financial year 2015 PT Bank Negara Indonesia (Persero) Tbk	February 17, 2016	cc	√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
19	Calling of Annual General Meeting for financial year 2015 PT Bank Negara Indonesia (Persero) Tbk	February 17, 2016	cc	√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company				



## Disclosure and Access Information

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
20	Annual Report 2015 PT Bank Negara Indonesia (Persero) Tbk	February 17, 2016	cc	✓	The Chairman of the Capital Market Supervisory Agency and Financial Institution No. KEP-431/BL/2012 dated August 1, 2012 Submission of Annual Report of Public Company. Bapepam Regulation No. X.K.6 on Obligation to Submit Annual Report for Issuers or Public Companies	✓	✓		
21	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, February 2016	March 7, 2016	cc	✓	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company		✓		
22	Submission Debt/Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, February 2016	March 7, 2016		✓	Bapepam Regulation S-30/PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company		✓		
23	Schedule Final Cash Dividend PT Bank Negara Indonesia (Persero) Tbk	March 14, 2016	✓	cc	OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company		✓		
24	Publication Summary of Minutes of Annual General Meeting 2015 PT Bank Negara Indonesia (Persero) Tbk	March 14, 2016	cc	✓	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	✓	✓		

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
25	Summary of Minutes of Annual General Meeting 2015 PT Bank Negara Indonesia (Persero) Tbk	March 14, 2016	cc	√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company				
26	Submission of the Minutes of the Annual General Meeting for financial year 2015 PT Bank Negara Indonesia (Persero) Tbk, Chief Executive of the Capital Market Supervisory	March 17, 2016		√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company		√		
27	Submission of the Minutes of the Annual General Meeting for financial year 2015 PT Bank Negara Indonesia (Persero) Tbk - Banking Supervision 1 Department Head	March 17, 2016		√	OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of the General Meeting of Shareholders of Public Company OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company				
28	Annual Report 2015 PT Bank Negara Indonesia (Persero) Tbk to institutions and OJK	March 28, 2016		√	Item III.2 Provisions of the annual report that stated in the decision the directors of PT BEI No. Kep-306/BEJ/07-20 dated July 19, 2004 on regulation No. I-E challenge obligation to submit information. Bapepam Regulation No. X.K.6 on Obligation to Submit Annual Report for Issuers or Public Companies				



## Disclosure and Access Information

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
29	Submission Debt/ Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, March 2016	April 6, 2016		✓	Bapepam Regulation S-30/ PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company			✓	
30	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, March 2016	April 6, 2016	cc	✓	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company			✓	
31	List of 10 Largest Shareholders (Local and Foreign) March 2016	April 6, 2016		✓	OJK Regulation No. 12/23/ PBI/2010 dated December 29, 2010 on Test Fit and Proper Test				
32	Reports information or material facts: Performance Analyst Meeting March 2016 (unaudited)	April 12, 2016	cc	✓	OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	✓		✓	
33	Consolidated Financial Statements Position March 2016 (unaudited) PT Bank Negara Indonesia (Persero) Tbk	April 13, 2016	✓	cc	OJK Regulation No. 6/POJK.03/2015 on transparency and publication of the Bank Reports OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	✓		✓	
34	Condensed Financial Statements Position March 2016 (unaudited) PT Bank Negara Indonesia (Persero) Tbk	April 13, 2016	✓	cc	OJK Regulation No. 6/POJK.03/2015 on transparency and publication of the Bank Reports OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	✓		✓	

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
35	Disclosure Replacement Corporate Secretary PT Bank Negara Indonesia (Persero) Tbk	April 26, 2016	cc	√	OJK Regulation No. 35/ POJK.04/2014 on Corporate Secretary of Public Company OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√	√	
36	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, April 2016	May 9, 2016	cc	√	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
37	Reports information or material facts: The implementation plan Transfer of Shares Repurchase Through Stock Ownership Program for Management and Employees of the Company in the Form of Shares	May 12, 2016	cc	√	OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√	√	
38	Changes Audit Committee	June 6, 2016		√	OJK Regulation No. 55/POJK.04/2015 on Establishment and Implementation Guidance of the Audit Committee Bank Indonesia Regulation No. 8/4/PBI/2006 as amended by Regulation No. 08/14/2006 Board of Directors of Indonesia Stock Exchange Decree No. Kep-00001/ BEI/01-2014.	√	√		
39	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, May 2016	June 7, 2016	cc	√	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		



## Disclosure and Access Information

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
40	Share Transfer Reports Results of the Company Treasury Stock Buyback to Escrow Account	June 7, 2016		✓	OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company				
41	Submission Debt/ Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk	June 7, 2016		✓	Bapepam Regulation S-30/ PM.2/2013 dated February 7, 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company		✓		
42	Commitment Implementation of Good Corporate Governance	June 21, 2016			OJK Regulation No. 21/ POJK.04/2015 Guidelines on the Application of Open Corporate Governance OJK Circular No. OJK 32/ SEOJK.04/2015 on the Code of Open Corporate Governance			✓	
43	Report material facts and information: Additional plans equity investment in subsidiaries, PT BNI Multifinance of Rp203,000,000,000	June 23, 2016				✓	✓	✓	
44	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, June 2016	July 11, 2016	cc	✓	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	✓	✓		

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
45	Submission Debt/ Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, June 2016	July 11, 2016		√	Bapepam Regulation S-30/ PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company			√	
46	List of 10 Largest Shareholders (Local and Foreign) Position June 2016	July 11, 2016		√	OJK Regulation No. 12/23/ PBI/2010 dated December 29, 2010 on Test Fit and Proper Test				
47	Information Plan for Public Expose (Investor Day 2016 and Investor Summit and Capital Market Expo 2016) PT Bank Negara Indonesia (Persero) Tbk	July 20, 2016	√		Regulation No. I-E Appendix Board of Directors the Jakarta Stock Exchange Decision No. Kep-306/ BEJ/07-2004 on Information Submission Obligation		√		
48	Consolidated Financial Statements Position June 2016 (unaudited) PT Bank Negara Indonesia (Persero) Tbk	July 25, 2016	cc	√	OJK Regulation No. 6/POJK.03/2015 on transparency and publication of the Bank Reports OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
49	Consolidated Financial Statements Position June 2016 (unaudited) PT Bank Negara Indonesia (Persero) Tbk	July 25, 2016	cc	√	OJK Regulation No. 6/POJK.03/2015 on transparency and publication of the Bank Reports OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
50	Report material facts and information: The Company has a Performance Analyst Meeting in June 2016 (unaudited)	July 25, 2016		√				√	



## Disclosure and Access Information

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
51	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, July 2016	August 8, 2016	cc	✓	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	✓	✓		
52	Submission Debt/Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, July 2016	August 8, 2016		✓	Bapepam Regulation S-30/ PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company			✓	
53	Submission of Reports Public Expose 2016 PT Bank Negara Indonesia (Persero) Tbk	August 9, 2016		✓	Regulation No. I-E Appendix Board of Directors the Jakarta Stock Exchange Decision No. Kep-306/ BEJ/07-2004 on Information Submission Obligation		✓		
54	Submission Debt/Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, August 2016	September 5, 2016		✓	Bapepam Regulation S-30/ PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company			✓	
55	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, August 2016	September 5, 2016	cc	✓	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	✓	✓		

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
56	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, September 2016	October 6, 2016	cc	√	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
57	Submission Debt/Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, September 2016	October 6, 2016		√	Bapepam Regulation S-30/ PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company		√		
58	List of 10 Largest Shareholders (Local and Foreign) Position September 2016	October 6, 2016		√	OJK Regulation No. 27/ POJK.3/2016 on the Fit and Proper Test For The Top Financial Services Institutes				
59	Reports information or material facts: Implementation Performance Analyst Meeting September 2016 (unaudited)	October 13, 2016	cc	√	OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company		√		
60	Condensed Financial Statements Position September 2016 (unaudited) PT Bank Negara Indonesia (Persero) Tbk	October 14, 2016	√	cc	OJK Regulation No. 6/POJK.03/2015 on transparency and publication of the Bank Reports	√	√		
61	Condensed Financial Statements Position September 2016 (unaudited) PT Bank Negara Indonesia (Persero) Tbk	October 14, 2016	√	cc	OJK Regulation No. 6/POJK.03/2015 on transparency and publication of the Bank Reports	√	√		



## Disclosure and Access Information

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
62	Reports information or material facts: Inaugural members of the Board of Commissioners becomes Head of the Financial Transaction Reports and Analysis Center (INTRAC)	October 26, 2016	cc	√	OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
63	Submission Debt/Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, October 2016	November 7, 2016		√	Bapepam Regulation S-30/ PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company			√	
64	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, October 2016	November 7, 2016	cc	√	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
65	Submission Debt/Liability in Foreign Currencies Data PT Bank Negara Indonesia (Persero) Tbk, November 2016	December 6, 2016		√	Bapepam Regulation S-30/ PM.2/2013 dated 7 February 2013 on the request of the data of loan/liability in foreign currency OJK Regulation No. 31/ POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company			√	

No.	Description	Date	To		Reference	Website Access			Exp.
			IDX	OJK		IDX	SPE	BNI	
66	Monthly Registration of Securities Holders of PT Bank Negara Indonesia (Persero) Tbk, November 2016	December 6, 2016	cc	√	Schedule No. I-E of Decision of Board of Director of PT Bursa Efek Indonesia No. Kep-306/BEJ/07-2004 on the Obligation of Information Submission OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√		
67	Reports information or material facts: The signing of loan facility agreement for US\$ 750 million by BNI	December 20, 2016	cc	√	OJK Regulation No. 31/POJK.04/2015 on Disclosure of information or material facts by the Issuer or a Public Company	√	√	√	

## INFORMATION ACCESS

Corporate Information and data access related to corporate actions can be accessed through the official Company website at <http://bni.co.id/>. Parties requiring further information regarding the Company's corporate actions and data can contact via phone at 021-5728387, or Fax at 6221-5728053 or email to: [investor.relations@bni.co.id](mailto:investor.relations@bni.co.id).



## Major and Controlling Shareholder Information

BNI is a State-Owned Enterprises where the largest shareholder is the Republic of Indonesia. It Republic of Indonesia owns Seri A Dwiwarna shares, which gives the holder privileges that are not owned by the other shareholders, to approve the appointment and dismiss the Board of Commissioners and Board of Directors, approve amendments to the Articles of Association including changes in capital, approve mergers, consolidation takeovers and Bank disbursement, submission of application for Bank to file for bankruptcy and dissolution and request reports and explanations of certain matters from the Board of Directors and Board of Commissioners whilst observing laws and regulations especially in the capital market.

On December 31, 2016t, Composition of Shareholders as follows.

**Composition of Shareholders**

Concerning	Total Number	Nominal Value	
		Value	In words
<b>Authorized Capital</b>			
Series A Dwiwarna	1	Rp7500,00	seven thousand five hundred rupiah
Series B	289.341.866	Rp2.170.063.995.000,00	two billion one hundred seventy billion sixty three million nine hundred and ninety-five thousand rupiah
Series C	34.213.162.660	Rp12.829.935.997.500,00	twelve trillion eight hundred and twenty-nine billion, nine hundred and thirty five million nine hundred ninety seven thousand five hundred rupiah
Authorized Capital	34.502.504.527	Rp15.000.000.000.000,00	fifteen trillion rupiah
<b>Issued and Fully Paid</b>			
Series A Dwiwarna	1	Rp7500,00	seven thousand five hundred rupiah
Series B	289.341.866	Rp2.170.063.995.000,00	two billion one hundred seventy billion sixty three million nine hundred and ninety-five thousand rupiah
Series C	18.359.314.591	Rp6.884.742.971.625,00	six trillion eight hundred and eighty-four billion, seven hundred and forty-two million nine hundred seventy one thousand six hundred and twenty-five
Authorized Capital	18.648.656.458	Rp9.054.806.974.125,00	Nine trillion fifty-four billion, eight hundred and six million, nine hundred and seventy-four thousand one hundred and twenty five rupiah

Detailed information regarding the major and controlling shareholders can be seen in the shareholder composition section in this annual report.

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## EQUAL TREATMENT TO ALL SHAREHOLDERS

All Shareholders, including Minority Shareholders and foreign shareholders, should be treated equally and given the same opportunity to obtain information about the Company. The Company actively discloses timely and accurate information on all material aspects of the Company, including financial situation, performance, ownership and Company governance (Disclosure List 2016 has been disclosed in the previous table). The shareholder rights are protected as stipulated in the Capital Market. The rights of stakeholders should be recognized in accordance with prevailing regulations, and active cooperation between the company and the stakeholders should be developed in a joint effort of creating wealth, jobs, and Company sustainability.



## Integrated Governance

As a form of Governance transparency and accountability BNI Integrated Financial Conglomerate, follows provisions contained in the Otoritas Jasa Keuangan Regulation No.18/POJK.03/2014 dated November 18, 2014 on Integrated Governance for Financial Conglomerate juncto Otoritas Jasa Keuangan Circular No.15/SEOJK.03/2015 dated May 25, 2015 on Integrated Governance for Financial conglomerate, as implemented by BNI Integrated Financial Conglomerate Governance 2016 consisting of:

1. Report of Integrated Governance Self Assessment for 2016
2. BNI Integrated Financial Conglomerate structure
3. BNI Integrated Financial Conglomerate structure of share ownership position until December 2016.
4. BNI Integrated Financial Conglomerate Structure of Management
5. BNI Integrated Financial Conglomerate Basic Principles of Governance
6. BNI Integrated Financial Conglomerate Intra-Group Transactions Policy
7. Report on the Implementation of Good Corporate Governance for BNI Main Entities in BNI Integrated Financial Conglomerate.

The following is the implementation of Good Corporate Governance for BNI Main Entities in BNI Integrated Financial Conglomerate.

### SELF ASSESSMENT REPORT ON INTEGRATED GOVERNANCE IMPLEMENTATION FOR 2016

In accordance with Otoritas Jasa Keuangan Regulation No.18/POJK.03/2014 dated November 18, 2014 on Integrated Governance Share Financial conglomerate jo. Otoritas Jasa Keuangan Circular Letter No.15/SEOJK.03/2015 dated May 25, 2015 on Integrated Governance Share Financial conglomeration among others requires Finance conglomerates to prepare an Integrated Governance Self Assessment periodically (June and December) to the Otoritas Jasa Keuangan and delivered no later than the 15th of the second month after the end of the reporting month (August 15 and February 15). The Self Assessment implementation of the principles of Integrated Governance in BNI Integrated Financial Conglomerate, was realized and is focused in the seven (7) assessment factors for Integrated Governance implementation consisting of:

**Factor Rating**

No	Factor Rating
1	Main Entity Board of Directors
2	Main Entity Board of Commissioners
3	Integrated Governance Committee
4	Integrated Compliance Unit
5	Integrated Internal Audit Unit
6	Implementation of Integrated Risk Management
7	Integrated Governance Guidelines

Rating categorized into 5 (five) with an explanation of each as follows.

Rating		Rating Definition
Rating		
1		Financial conglomerates committed to the application of very good Integrated Governance. This is reflected in the adequate fulfillment of the application of the principles of Integrated Governance. If there are weaknesses in the implementation of Integrated Governance, in general, these weaknesses are not significant and can immediately be repaired by the Main Entity and / or LJK.
2		Financial conglomerates committed to the application of good Integrated Governance. This is reflected in the adequate fulfillment of the application of the principles of Integrated Governance. If there are weaknesses in the implementation of Integrated Governance, in general, these weaknesses are less significant and can be solved by normal action by the Main Entity and / or LJK
3		Financial conglomerates committed to the application of generally quite good Integrated Governance. This is reflected in the adequate fulfillment of the application of the principles of Integrated Governance. If there are weaknesses in the implementation of Integrated Governance, in general, these weaknesses are quite significant and require considerable attention by the Main Entity and / or LJK
4		Financial conglomerates committed to the application of generally less well Integrated Governance. This is reflected in the inadequate fulfillment of the application of the principles of Integrated Governance. If there are weaknesses in the implementation of Integrated Governance, in general, the vulnerability is significant and require thorough repairs by the Main Entity and / or LJK.
5		Financial conglomerates committed to the application of not good Integrated Governance generally. This is reflected in inadequate fulfillment of the application of the principles of Integrated Governance. There are weaknesses in the implementation of Integrated Governance, in general the weakness are very significant and difficult to fix by the Main Entity and / or LJK.

For the 2016 BNI Integrated Financial Conglomerate developed its own assessment related to the implementation of Corporate Governance as follows.

Integrated Governance Implementation Self Assessment Results			
Rating		Rating Definition	
June 2016	Dec 2016		
2	2	The Financial Conglomerate commitment to the implementation of Integrated Governance was generally good. This was reflected in an adequate fulfillment of Integrated Governance principles. If there are weaknesses in the implementation of Integrated Governance, the general weaknesses are less significant and can be solved by normal action by the Main Entity and / or LJK.	



## Integrated Governance

**BASED ON AN ANALYSIS OF INDICATORS IN ALL THE ASSESSMENT FACTORS THE IMPLEMENTATION OF INTEGRATED GOVERNANCE CONCLUDED THAT:**

**1. Integrated Governance Structure**

The values reflect the strength of structural aspects BNI Integrated Financial Conglomerate follows:

- a. BNI Integrated Financial Conglomerate has adequate structure, demonstrated through:
  - the Board of Directors and Board of Commissioners have met the requirements and competencies established by the applicable regulations.
  - Have Integrated Governance Committee and Integrated Risk Management Committee
  - Have Integrated Compliance Unit, Integrated Internal Audit Unit, Integrated Risk Management Unit independent from the Operational Units.
  - Have Integrated Governance Guidelines and Integrated Risk Management Public Policy.
- b. To improve coordination and monitoring of the BNI subsidiaries (LJK) performance as the Main Entity a special unit manages its subsidiaries (UPPA).
- c. The BNI Board of Directors and Board of Commissioners have a strong commitment to the implementation of the Integrated Good Governance.

There are values that reflect weaknesses in the Integrated Financial Conglomerate Governance structural aspects.

**2. Integrated Governance Process**

The values that reflect the strength aspect of the BNI Integrated Financial Conglomerate process are as follows.

- a. Integrated Governance Committee regularly provides input to the Board of Directors to increase Implementation of Good Governance in BNI Integrated Financial Conglomerate.
- b. Each working unit in the main entity actively coordinates with LJK work units to ensure the implementation of the Compliance, Internal Audit and Risk Management functions in accordance with prevailing regulations.

There are no values that reflect weakness aspects in the Integrated Financial Conglomerate Governance.

**3. Integrated Governance Results**

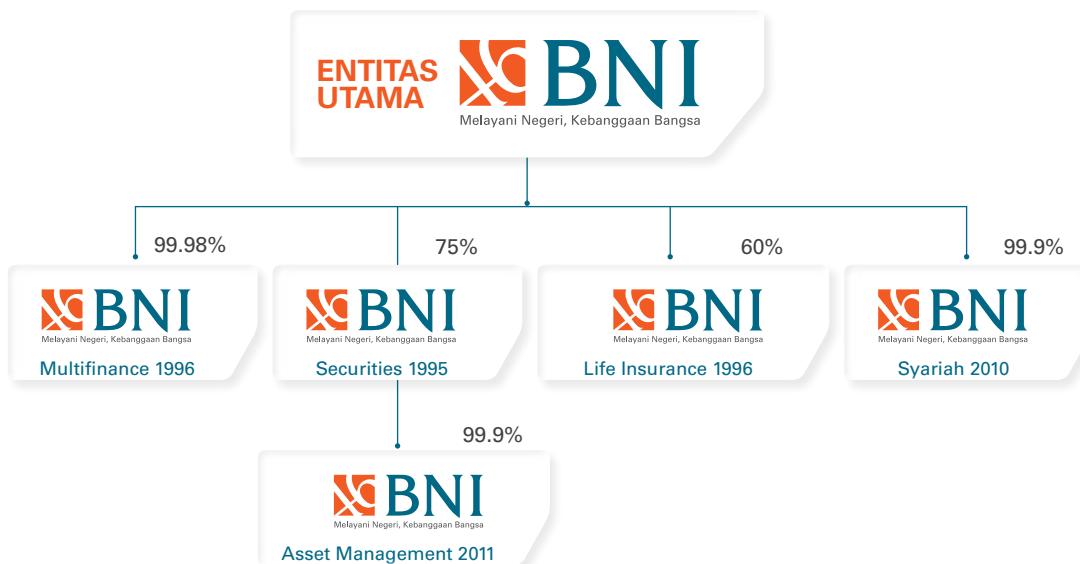
The values that reflect the Integrated Financial Governance strength aspect results are as follows.

- a. The Financial Conglomerate has applied the standard implementation of the Compliance, Internal Audit and Integrated Risk Management throughout all work units in the Financial Conglomerate.
- b. To improve Governance in the Integrated Financial Conglomerate, each work unit has made improvements to Governance authorities.

There are no values that reflect weakness aspects Integrated Financial Conglomerate Governance results.

## BNI INTEGRATED FINANCIAL CONGLOMERATE STRUCTURE

Through Board of Directors Letter Number: DIR / 102 dated March 13, 2015 the BNI Integrated Financial Conglomerate has reported its structure as follows.



BNI Integrated Financial Conglomerate has met the administrative requirements and has been recorded in the administrative supervision of Otoritas Jasa Keuangan cfm. OJK Letter No. S-48 / PB.313 / 2015 April 15, 2015, BNI Integrated Financial Conglomerate also has an Integrated Governance Committee (TKT) as follows.

Chairman : Mr. Pradjoto (BNI)

Members :

- Mr. Joni Swastanto (BNI)
- Mr. Bistok Simbolon (BNI)
- Mr. KH. Ma'ruf Amin (Supervisory Board of BNI Syariah)
- Mr. Krisna Wijaya (BNI Life)
- Mr. Fabianus Sudjatmoko (BNI Securities)
- Mr. Rizqullah (BNI Syariah)
- Mrs. Rosa Lima Dwi Mutiara (BNI Multi Finance)
- Mrs. Setyowati (Independent Member of Integrated Corporate Governance Committee)

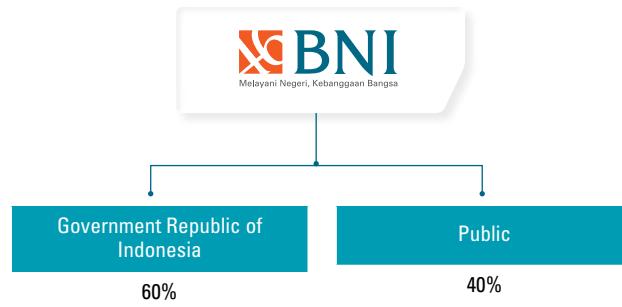
As a guideline BNI also has Integrated Governance Guidelines, prepared and reviewed in accordance with the provisions of the laws in force, these guidelines may be accessed via [www.bni.co.id](http://www.bni.co.id)



## Integrated Governance

### BNI INTEGRATED FINANCIAL CONGLOMERATE SHAREHOLDING STRUCTURE AS AT DECEMBER 2016

PT Bank Negara Indonesia (Persero) Tbk, is the Main Entity of BNI Integrated Financial Conglomerate..

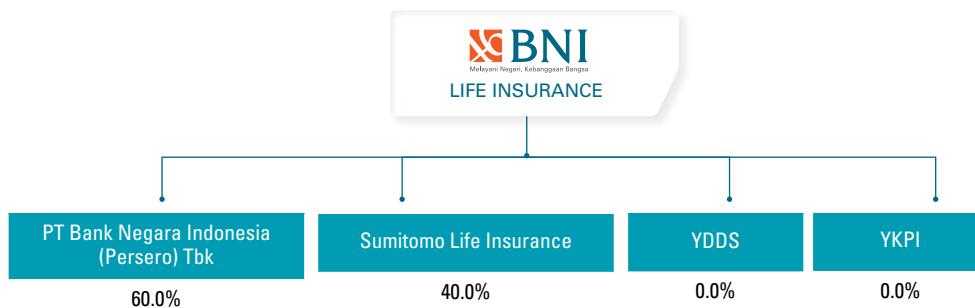


Shareholding Structure of Financial Services Institutions in BNI Integrated Financial Conglomerate, namely:

#### 1. PT BNI Syariah



#### 2. PT BNI Life Insurance



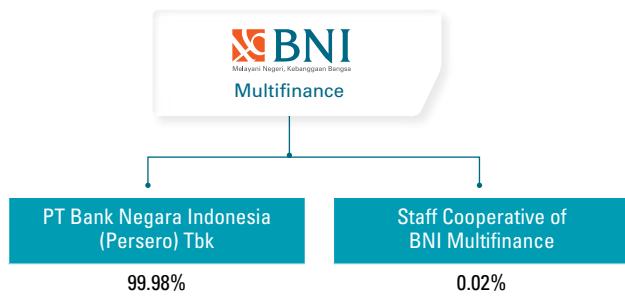
*Information:*

- \* Danar Dhana Swadharma Foundation
- \*\* BNI Employee Welfare Foundation

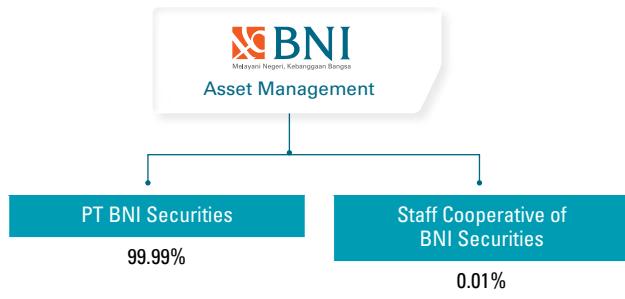
### 3. PT BNI Securities



### 4. PT BNI Multifinance



### 5. PT BNI Asset Management





## Integrated Governance

### BNI INTEGRATED FINANCIAL CONGLOMERATE MANAGEMENT STRUCTURE

PT Bank Negara Indonesia (Persero) Tbk

#### Structure of the Board of Commissioners

Name	Position
Hartadi Agus Sarwono	President Commissioner / Independent Commissioner
Pradjoto	Vice President Commissioner
Anny Ratnawati	Independent Commissioner
Pataniari Siahaan*)	Independent Commissioner
Revisond Baswir*)	Independent Commissioner
Bistik Simbolon	Commissioner
Joni Swastanto	Independent Commissioner
Wahyu Kuncoro*)	Commissioner

\*) Effective after Fit and Proper Test Decision of OJK

#### Board of Directors structure

Name	Position
Achmad Baiquni	President Director
Suprajarto	Vice President Director
Herry Sidharta	Director
Putrama Wahju Setyawan	Director
Rico Rizal Budidarmo	Director
Anggoro Eko Cahyo	Director
Panji Irawan	Director
Adi Sulistyowati	Director
Bob Tyasika Ananta	Director
Imam Budi Sarjito	Director

#### a. PT BNI Syariah

##### Board of Commissioners Structure

Name	Position
Fero Poerbonegoro	President Commissioner
Rizqullah	Independent Commissioner

**Board of Directors structure**

Name	Position
Imam Teguh Saptono	President Director
Junaidi Hisom	Director
Kukuh Rahardjo	Director

**b. PT BNI Life Insurance****Board of Commissioners Structure**

Name	Position
Krisna Wijaya	President Commissioner / Independent Commissioner
Darwin Suzandi	Commissioner
Shinzo Kono	Commissioner
Mauli Adiwarman Idris	Independent Commissioner
Wiridi Saputra	Independent Commissioner

**Board of Directors structure**

Name	Position
Budi T.A. Tampubolon	President Director
Geger N. Maulana	Director
Kazuhiko Arai	Director
Hirokazu Todaka	Director
Intan Sari Abdams Katoppo	Director

**c. PT BNI Securities****Board of Commissioners Structure**

Name	Position
Fabianus Sudjatmoko	President Commissioner / Independent Commissioner
Ryosuke Hayashi	Commissioner
Suhendry Hafni	Commissioner

**Board of Directors structure**

Name	Position
Adiyasa Suhadibroto	President Director
Reza Benito Zahar	Director
Aswardin	Director
Kenichiro Matsuhisa	Director



## Integrated Governance

### d. PT BNI Multifinance

#### **Board of Commissioners Structure**

Name	Position
Rosa Lima Dwi Mutiari	President Commissioner / Independent
Muhammad Gunawan Putra	Commissioner

#### **Board of Directors structure**

Name	Position
Suwaluyo	President Director
Rana Ranadi	Director

### e. PT BNI Aset Manajemen

#### **Board of Commissioners Structure**

Name	Position
Evi Firmansyah	President Commissioner
Anung F Nugroho	Commissioner

#### **Board of Directors structure**

Name	Position
Reita Farianti	President Director
Isbono Mi Putro	Director

## BNI INTEGRATED FINANCIAL CONGLOMERATE BASIC GOVERNANCE PRINCIPLES

To support BNI Integrated Financial Conglomerate operational business, the basic principles of Integrated Governance refer to the GCG Roadmap published by OJK as well as the ASEAN Corporate Governance Scorecard as the reference implementation of GCG implementation.

The BNI Integrated Financial Conglomerate basic principles are as follows.

1. BNI Integrated Financial Conglomerate aim to create superior performance and add economic value for shareholders and other stakeholders, and ensure BNI Integrated Financial Conglomerate operates in accordance with the laws and regulations in force, business ethics, as well as the principles of good Corporate governance.

2. Refer to the Regulation provisions that apply to a Subsidiary as a legal entity separate from BNI that has its own duties and responsibilities in the management of the company
3. A subsidiary is an independent legal entity in accordance with the provisions of existing law, which in its management, BNI is the controlling shareholder in the BNI Integrated Financial Conglomerate
4. Subsidiary Corporate Governance Principles in these guidelines apply to subsidiaries to the extent they are not regulated differently by laws that apply. If Subsidiary Articles of Association are not in accordance with this Code it shall be adjusted.

## BNI INTEGRATED FINANCIAL CONGLOMERATE INTRA-GROUP TRANSACTIONS POLICIES

Intra-group financial transactions in the BNI Integrated Financial Conglomerate should be based on sufficient cost and benefit analysis, have a clear underlying, meet the applicable accounting standards and not contrary to legislation in force.

## GOOD CORPORATE GOVERNANCE REPORT OF BNI AS THE MAIN ENTITY IN BNI INTEGRATED FINANCIAL CONGLOMERATE.

In accordance with Bank Indonesia Regulation No.8/4/PBI/2006 on Implementation of Good Corporate Governance for Banks as amended by Bank Indonesia Regulation No. 8/14 / PBI / 2006 and Bank Indonesia Circular Letter No.15/15/DPNP dated April 29, 2013 jo. Bank Indonesia Regulation No.13/1/PBI/2011 on the assessment of the Bank, that require each bank to conduct self assessment on the implementation of the principles of Good Corporate Governance at least every semester in June and December.

The assessment of corporate governance principles, at least should realize and be focused on 11 (eleven) GCG implementation assessment factors consisting of:

No	Factor Rating
1.	The implementation of Board of Commissioners tasks and responsibilities
2.	Implementation of Board of Directors duties and responsibilities
3.	Completion and implementation of Committee's tasks
4.	Handling conflicts of interest
5.	Implementation of Bank compliance
6.	Application of the internal audit function
7.	Implementation of external audit function
8.	Implementation of risk management, including internal control system
9.	Provision of funds to related parties and large exposures to debtors
10.	Transparency of financial and non financial condition, GCG implementation report and internal reporting
11.	Bank's strategic plan



## Integrated Governance

Ratings are categorized into 5 (five) with an explanation of each rating as follows.

Rating	Definition
1	Reflects the Bank Management has implemented generally very good corporate governance. This is reflected in a very adequate fulfillment of good corporate governance principles. If there are weaknesses in the good corporate governance principles implementation, generally these weaknesses are not significant and can immediately be repaired by the Bank's management.
2	Reflects the Bank Management has implemented generally good corporate governance. This is reflected in a very adequate fulfillment of good corporate governance principles. If there are weaknesses in the good corporate governance principles implementation, generally these weaknesses are less significant and can be solved by normal action by the Bank's management.
3	Reflects the Bank Management has implemented generally quite good corporate governance. This is reflected in a very adequate fulfillment of good corporate governance principles. If there are weaknesses in the good corporate governance principles implementation, generally these weaknesses are quite significant and require considerable attention from Bank's management.
4	Reflects the Bank Management has implemented corporate governance that are generally less well. This is reflected in an inadequate fulfillment of good corporate governance principles. If there are weaknesses in the good corporate governance principles implementation, generally these weaknesses are significant and require thorough repairs by Bank's management.
5	Reflects the Bank Management has generally not implemented good corporate governance. This is reflected in an inadequate fulfillment of good corporate governance principles. If there are weaknesses in the good corporate governance principles implementation, generally these weaknesses are very significant and difficult to be fixed by Bank's management.

Self Assessment Report (Self Assessment) GCG PT Bank  
Main entity: PT Bank Negara Indonesia (Persero) Tbk

### Position Reports: 2016

Results of Self Assessment		Definitions Rating
Integrated Governance		
Rating		
June 2016	Dec 2016	
2	2	Reflects that the Bank Management has implemented Good Corporate Governance rating - good. This is reflected in an adequate fulfillment of the principles of good corporate governance. If there are weaknesses in the application of the principles of Good Corporate Governance, the general weakness is less significant and can be solved by normal action by the Bank's management.

Based on an analysis of indicators on all factors of GCG implementation the assessment concluded that:

#### A. Governance Structure

1. The positive factors aspects of the governance structure Bank are:
  - a. The Board of Commissioners and the Board of Directors have a strong commitment to the implementation of corporate governance principles in all business activities of the Bank at all levels of the organization.
  - b. The Bank has a corporate governance structure and adequate infrastructure. The GCG Structure and Infrastructure can always be reviewed by all stakeholders by access through the website [www.bni.co.id](http://www.bni.co.id)
  - c. The Board of Commissioners Structure is in accordance with applicable regulations where 50% came from independent parties. Members of the Board of Commissioners have the competence and knowledge that facilitates the bank supervision task.
  - d. The amount and composition of the members of the Board of Directors is in accordance with the size and complexity of the Bank, where the number the Board of Directors includes 10 (ten) Directors to carry out the duties and responsibilities, the Board of Directors has very adequate integrity, competence and knowledge.
  - e. All members of the Board of Commissioners and the Board of Directors hold no concurrent positions as stipulated in Bank Indonesia Regulations and the provisions of other legislation.
  - f. All members of the Board of Commissioners and the Board of Directors have no one financial, management, ownership and family relationship with fellow members of the Board of Commissioners, the Board of Directors and / or Controlling Shareholders.
  - g. The Board of Commissioners and Directors have a Working Rules of Conduct Manual, and has been reviewed in accordance with applicable laws.
  - h. In order to improve the BNI learning culture has established a BNI Corporate University, whose tasks, include improving the culture of learning and improvement of knowledge to all BNI employees.
  - i. The Bank has an Audit Committee, Risk Monitoring Committee, Nomination and Remuneration Committee and Integrated Corporate Governance Committee with the structure and independence of membership in accordance with the applicable provisions to assist the implementation of the duties of the Board of Commissioners. The Committee has Charters as guidelines in carrying out duties and responsibilities.
  - j. The Bank has complete policies, systems and procedures regarding conflict of interest, as contained in the Conflict of Interest Guidelines, BNI Code of Ethics Books, '46' Principles Work Culture Books, BNI Company Statutes and Guidelines. In addition, the Bank has provisions on the granting of credit to prospective borrowers who have a family relationship or conflict of interest by a processor and / or terminating the credit, and the BNI Company Guidelines also contain provisions to prevent conflicts of interest in the process of goods and services procurement. The Bank has prepared the Conflict of Interest Guidelines as umbrella policies that set definitions, forms, causes, preventive measures following the violation of sanctions.
  - k. The Compliance Risk Director has met the requirements for independence, not holding concurrent positions as President Director or Vice President Director, does not supervise business functions and operations, treasury, finance and accounting, logistics and procurement of goods / services, information technology and internal audit. The Compliance Unit in this case the Compliance Division is independent of the operational units and is directly responsible to the Compliance Risk Director.



## Integrated Governance

- I. Adequacy of Governance Structure aspects related to the implementation of the internal audit function is adequate, reflected by:
- BNI has an Internal Audit Unit (IAU or SPI) responsible directly to the President Director (solid line) and is able to communicate directly to the Board of Commissioners and or the Audit Committee (dotted line).
  - BNI has also established the Internal Audit Charter, Code of Corporate Internal Audit, SPI Organizational Structure and its duties and functions.
- m. Compliance and improving the quality of SPI staff continues to be done in coordination with the Human Capital Management Division (HCT), while improving the quality through the implementation of training and certification in coordination with the BNI Corporate University (BNV).
- n. The KAP Audit is very effective and has met the established criteria in accordance with applicable regulations.
- o. The Bank has the organizational structure and infrastructure (policies, procedures, and limits) for the implementation of Risk Management.
- p. The Bank has up to date and complete policies, systems and procedures for the provision of funds to related parties and large exposures. The Bank also conducts periodic reviews of the Internal Rating System (corporate, commercial, and small business), Loan Portfolio Management, Loan Exposure Limit (per segment, per economic sector and per region), LLL (for internal BNI through the Internal House Limit), Country Exposure Limit, Market Risk Limit, Liquidity Risk Limit, and Operational Risk Limit.
- q. Bank Management Information Systems in particular related to Internal Reporting System of the Bank is able to provide data and information in a timely, accurate, complete and reliable and effective manner for management decision making, supported by the Bank's IT security system, related asset maintenance and sufficient information (ISO information implemented by the STI Division)
- r. BNI has internal policies regarding the procedures for the implementation of transparency in financial and non-financial conditions, and completes a Disclosure Policy which regulates, among others:
- What information can be published
  - Objectives and Principles of openness (why such information should be disclosed)
  - When to be announced
  - Which company officials will announce
  - To whom information will be announced
  - How it will be announced
- The purpose of disclosure is to provide information to shareholders and other interested parties to assist the parties in making decisions or taking action.
- s. The Bank's strategic plan has been arranged within the Corporate Plan, the Bank Business Plan (RBB) and Business Plan which are adapted to the Bank's vision and mission.
- t. The Bank's strategic plan is fully supported by the owner, which reflects the commitment and effort of the owners to strengthen the Bank's capital.'

2. Negative factors aspects related to the Bank's governance structure:  
None

## B. Governance Process

1. The positive factors aspects of the Bank governance process are:
- Socialization and internalization of corporate governance principles are continuous and consistent including the signing of a GCG commitment at the beginning of each year by the Board of Commissioners, the Board of Directors and all employees, reading the Principles 46 Work Culture and BNI Code of Ethics on a Quality Day organized regularly every month in all BNI organizational units.
  - Bank transparently conveys information to the public through the homepage and media. Financial and non-financial information, as well as new products and activities, are reported to regulators and stakeholders in accordance with applicable regulations.
  - The Board of Commissioners have and will continue to ensure the implementation of GCG principles in all business activities of the Bank at all levels of the organization. The Board of Commissioners Supervision is conducted effectively, through Board Meetings or Joint Meetings with the Board of Directors or the Sector Directors routinely, on average every week to ensure that operational activities are going well and according to the GCG principles.
  - The Board of Directors establishes policies and strategic decisions through Board of Directors meetings effectively and efficiently and every decision of the Board of Directors Meetings are recorded in the Minutes of the Meeting as set forth in reporting obligations with a follow up by the implementation units. The entire Board of Directors is able to act and make decisions independently.
  - All committees carry out their duties independently and effectively through regular meetings held on average every week, with results reported to the Board of Commissioners. The Committee meetings may involve invited divisions or related units to get comprehensive and detailed feedback about their problems and conditions in the operations.
  - Conflict of Interest disclosed in any credit decision, has been administered and properly documented. Causing the transfer of credit decision making process due to conflict of interest is in the Credit Application Toolkit (PAK). The PAK framework documents the data and documents for such credits in accordance with prevailing regulations.
  - The Compliance Director and Risk Compliance Unit have been carrying out their duties and responsibilities according to applicable regulations and carry out other tasks related to the compliance function.
  - The Compliance Unit has been conducting reviews, implementations and monitoring of AML-PPT, and enforcement of ethics and compliance through WBS Anti Fraud Strategy.
  - The effectiveness of GCG implementation processes related to the implementation of the internal audit function are adequate, reflected by:
    - The Board of Directors together with SPI seeks to ensure that internal control is implemented at all management levels through inspections and actively encourages the completion of follow-up of the SPI results.
    - The SPI implementation tasks are reviewed every three (3) years by external parties.
    - SPI in the execution of his duty, conduct the following.
      - » Prepare Annual Consultation Audit Plans (RAT) based on risk.



## Integrated Governance

- Through Internal Controls in each organizational unit, the SPI reviews all activities that exist in the organizational unit concerned.
- » The audits performed use adequate audit programs based on the scope of the investigation in the form of assessment of adequacy and effectiveness of the Bank Internal Control System as well as the quality of performance.
  - » SPI works independently according to the code of conduct contained in the Internal Audit Charter.
  - » All test results are reported to the President Director and Board of Commissioners with a copy to the Director of Compliance and Risk.
  - » Completion of follow-up examination results are monitored by SPI and the results are reported to the Board of Directors and Board of Commissioners each quarter.
- j. Appointment of the Public Accountant / KAP complies with the requirements stipulated in the provisions. The Public Accountant / KAP audit is conducted independently.
- k. The Board of Commissioners and Board of Directors duties and responsibilities relating to Risk Management and Internal Control System have been implemented, through the Risk Oversight Committee Meeting, Board of Directors and Board of Commissioners meetings, and through the Risk Management Committee meetings held periodically.
- l. Lending decisions has been made independently in through committees in the Business Units and Risk Units with approval from the Board of Commissioners for lending to related parties.
- m. Transparently the Bank has submitted financial information and non-financial services to the public through the homepage and media. Information in the form of financial and non financial statements have also been reported to regulators and stakeholders according to applicable regulations;
- n. The Bank transparently delivered information products and services, through print media, electronic media, BNI website, brochures / leaflets, advertisements, notices in branch offices.
- o. The Bank has implemented customer complaints management effectively in accordance with the rules / regulations, through the Online Customer Complaint (OCC) system to expedite the resolution process for the customer quickly and to monitor the process of resolving customer complaints by all units, and acts well as a database for customers complaint. The Bank maintains adequate customer data and personal information.
- p. The Bank Business Plan (RBB) is realistic, comprehensive and has been approved by the Board of Commissioners.
- q. The Board of Directors has communicated and effectively implemented the RBB.
- r. The preparation and submission of RBB is guided by the provisions in force.
- s. The Board of Commissioners supervises the RBB implementation.
- t. The owner shows seriousness and supports the RBB implementation.
- u. The Bank has implemented the principles of good corporate governance to provide insight to customers and third parties that BNI has implemented Anti Fraud policies and does not tolerate any form of fraud, including graft, corruption, collusion and nepotism, among other things through:

- 
- A ban on receiving and giving gifts (gratuities) during credit decision-making.
  - External media publications concerning prohibition gifts (gratuities), including but not limited to the time leading up to religious holidays and the new year.
  - The signing of an Integrity Pact in for goods and services procurement.
  - Direct communication via vendor gatherings.
  - A ban on receiving and giving gifts (gratuities) in the determination / appointment process for Vendors / Suppliers / Merchants / Clients.
2. Negative factors Bank governance process aspects are:
- The Bank has established guidelines and infrastructure risk management and internal control system, but still needs to improve the quality of risk management and internal control systems.
- C. Governance Outcome**
1. The positive factors aspects for Bank governance are:
- a. The corporate governance principles implementation in all business activities of the Bank at all levels of the organization goes well, as reflected in the GCG assessments conducted by the independent parties namely:
    - Indonesian Institute of Corporate Director who ranks GCG implementation by ASEAN CG Scorecard, providing an good (score 87.33) assessment for the implementation of GCG in BNI, where the value significantly increased compared to 2015.
    - Through the Corporate Governance Perception Index 2016, The Indonesian Institute for Corporate Governance awarded the status - Indonesia Most Trusted Company to BNI for 6 (six) consecutive years.
- b. BNI actively follows the GCG rankings conducted by independent parties to gain feedback to improve the practice of GCG implementation, in accordance with applicable regulations and best practice.
  - c. The results of all Board of Commissioners meetings or joint board meetings with the Board of Directors or Sector Director are set forth in the minutes and are well documented.
  - d. The results of all Board of Commissioners meetings or joint board meetings with the Board of Directors or Sector Director are set forth in the minutes, which includes dissenting opinions, which are signed by members of the Board of Commissioners present or not present and are well documented.
  - e. The Board of Commissioners and Board of Directors have been accountable for the implementation of their duties to shareholders and has been accepted by shareholders in the Annual General Meeting 2015 held on March 10, 2016.
  - f. Each Committee has been carrying out its functions in accordance by the applicable provisions and regularly submit reports or recommendations resulting from execution of their duties to the Board of Commissioners.
  - g. The Committee's tasks results reports are useful as inputs to the Board of Commissioners at the time of carrying out their duty to provide feedback to the Board.
  - h. Internal policies regarding conflict of interest that the Bank has applied does not undermine or reduce the profits of the Bank.
  - i. Policies, Guidelines and products issued by the Company are in compliance with external regulations or legislation in force.
  - j. The Bank has reported its principal tasks to the Director in charge of Compliance.
  - k. Compliance is classified good, the provisions of Prudential Banking (CAR, NPL, LLL, GWM, and NOP) have generally been met and are in accordance with the provisions.



## Integrated Governance

- I. The application internal audit function is adequate and meets the expectations of stakeholders (Commissioner), and is reflected in the report submitted by the SPI to the Board of Commissioner through the Audit Committee every quarter, namely the realization of the audit plan (RAT); recommendations and significant findings; and the completion of the audit results follow-up and disposition to the Board of Directors.
  - m. The quality and scope of the Public Accountant / KAP audit results was good.
  - n. The Application of Risk Management has been carried out effectively and no business is beyond the capabilities of the bank's capital to absorb risk.
  - o. There were exceedances and violations of LLL, as well as the precautionary principle with the precaution of consulting for large loans to related parties carried out effectively.
  - p. Non-financial and financial information is available in a timely and complete manner, in accordance with applicable regulations.
  - q. GCG implementation reports have reflected the actual condition of the bank and have been delivered in full and on time to the stakeholders according to applicable regulations.
  - r. The Corporate Plan and Business Plan has been prepared by the Board of Directors and approved by the Board of Commissioners.
  - s. The Bank's Corporate Plan and business plan along with realization has been the communicated by the Board of Directors to the controlling shareholders and to all organizational levels in the Bank.
  - t. The Business Plan describes the Bank's sustainable growth.
  - u. Bank Growth provides economic and non-economic benefits for stakeholders.
  - v. The Bank strategic plan is prepared using SWOT Analysis.
  - w. The Bank strategic plan is supported by adequate infrastructure setup.
  - x. The owners sets a policy for profits distribution by taking into account the ability of the Bank.
  - y. The owner is able to cope with the capital of the Bank.
  - z. The Bank's performance over time has improved significantly, despite the unstable macro economic conditions.
2. Negative factors regarding Bank governance aspects are:  
In 2016 fines and reprimands were imposed by the regulator.





# Corporate Social Responsibility

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- CSR Related to Environmental Responsibility..... 638
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\* More detailed information on Corporate Social Responsibility can be seen in BNI Sustainability Report 2016



BNI is committed to supporting sustainable development to beneficially improve the quality of life and the environment, in the form of Corporate Social Responsibility (CSR). The commitment is based on BNI's mission to raise awareness and responsibility to the environment and the community. As a responsible business entity BNI always prioritizes that performance and achievements are not only measured by profitability alone. CSR Implementation is a form of social investment by BNI to the public. Through the implementation of well planned, well targeted, transparent and sustainable CSR programs are, BNI wants to create benefits from the company's presence through improving the living standards and welfare of Indonesian society as a whole.



## Integrated Holistic Approach to Corporate Social Responsibility

BNI is aware that corporate social responsibility (CSR) is a moral responsibility to the stakeholders. BNI is committed that with or without the rule of law, the Company will always uphold morality. Thus, the parameter for success is to promote moral and ethical principles, namely, to achieve the best results without prejudicing other community groups. BNI adheres to the principle that we should treat others the same way as we expect them to treat us. Thus, BNI believes that companies that work by promoting moral and ethical principles will benefit most from the community.

In this regard, BNI implementation of CSR is based on ISO 26000: Guidance Standard on Social Responsibility. In ISO 26000, CSR includes 7 (seven) key issues, namely:

- 1) Organizational Governance, 2) Human Rights, 3) Employment, 4) Environment
- 5) Fair Institutional Practices, 6) Consumer Issues, and 7) Community Engagement and Development.

**Illustration of Implementation of CSR in Holistic**



Source: ISO 26000: 2010 Guidance of Social Responsibility

## CSR Related to Environmental Responsibility

Good environmental management and protection is a Company commitment. The commitment is realized by making the Environment one of the main pillars in the Company's CSR activities.

For the Company, carrying out environmental CSR activities is an obligation that is non-negotiable. This is based on our awareness that the environment is the major source of life.

### Policy

The Company policy related to the management and protection of life is embodied in its requests, edicts and regulations to minimize the impact of its operations on the environment. In efforts to implement operational efficiency, the company sends out requests through circulars delivered periodically to all its work units covering Divisions, Regional Offices and Branch Offices to increase their discipline and close monitoring of electricity, telephone, water, fuel, office vehicles and stationery usage. This efficiency improvement is achieved, as follows.

1. The cost efficiency in telephone is by effectively using Voice over Internet Protocol (VoIP).
2. Efficient use of electricity by installing the appropriate electric power needs for the offices, turning off air conditioners / lighting / computers and other office equipment when not in use, operating the central air conditioner from 30 minutes before working hours to 30 minutes after work, and using energy-saving lamps.
3. Efficient use of office stationery by using recycled paper for printing memos, letters and other work, considering using alternative printer ink / toner that is compatible with the printer being used.

Efficiency can also be implemented in other ways if the unit has other efficiency methods. The efficiency improvements pay due regard to the principles of Good Corporate Governance.

Responsibility for the Environment is also applied to the Company's Commercial Credit Facility Guidelines is a circular to business units regarding credit terms, where BNI requires documentary evidence related to Environmental Management Effort (UKL / UPL) and / or the Environmental Impact Assessment (AMDAL).

### Activity

Some of the activities that have been implemented by the Bank to support its environmental protection social responsibility programs during 2016, include:



- Environmental action in support of National Press Day 2016**

CSR activities carried out by the Bank such as beach cleanups and tree planting. The program is in line with the BNI's mission to increase awareness and responsibility towards the environment and social issues.

BNI participated in the following:

- Delivery of 3 (three) motorized garbage collectors for environmental cleanliness on Kuta beach, Central Lombok;
- Greening Program by planting 1,000 (one thousand) trees or plants in the path of the southern ring road in Lombok South Regency; and
- Clean-up program for Kuta beach, Lombok.

- Synergy Greening Cikampek Toll**

As a form of awareness of SOEs in terms of nature conservation and reforestation, synergy between PT Jasa Marga (Persero) Tbk and PT BNI (Persero) Tbk planting 10,000 trees that began by the Phase I greening program of on Saturday, 26 March 2016 at Km 59 + 200 Jakarta-Cikampek Toll Road. The Minister of State, Rini Soemarno and Environment Minister, Siti Nurbaya Bakar inaugurated this activity with a symbolic tree planting by Adityawarman President Director of Jasa Marga, and Achmad Baiquni President Director of BNI. Ahmad Heryawan, West Java Governor, Karawang Regent Cellica Nurrachadiana, as well as 70 Directors also attended the event from SOEs.

Cooperation synergy among SOEs. CSR was used as a pilot project with other state enterprises, BNI delivered 10,000 trees to be planted along the KM 45-71 Jakarta Cikampek an area belonging to Jasa Marga. Phase I involved reforestation by planting some 850 trees, and the next stage will proceed gradually along the Jakarta-Cikampek toll road until reaching a total of 10,000 trees. Types of trees planted included Mahogany, Bintaro, and Bungur, which have high water absorption so that it can also be useful to withstand avalanches.

- National Waste Care Day 2016**

In commemoration of the National Waste Care in Jakarta, BNI also supported efforts to raise public awareness about the cleanliness of the environment through waste cleanup activities around the home environment as well as public areas. BNI supported three programs including the following:

- BERGERAK program for Indonesia garbage free 2020  
Operation is picking up trash in the Jalan Sudirman until Bundara HI-Jakarta with Yayasan Pelita Horizon Inspiration.
- Cleaning Mountain in Gunung Gede Pangrango National Park Program  
Program is a community service for collecting, sorting and cleaning waste causing critical conditions in the area of the mountain nature. Through this program, aligned to the buildup of plastic waste, iron, and extremely dangerous styrofoam the ecosystem of natural attractions needs to be cleaned.
- Waste paper recycling program implemented with BNI Nara Kreatif, BNI joint action paper garbage collection through the participation of all divisions is in three buildings, namely the Central Office, Landmark Building and Wisma 46. Further paper waste has been collected will be recycled by the Foundation Nara Kreatif then recycled as souvenirs used for the purposes of BNI CSR activities.



- **Planting trees in Ambon**

BNI in cooperation with Military Command XVI / Pattimura Ambon planted 25,000 tree seedlings for perennials (wood and fruit) spread over three (3) islands of Ambon, Ceram and Halmahera Island with a total value of Rp125,000,000 (one hundred and twenty five million rupiah), with the tree seedlings planted in areas that required reforestation especially Maluku and Maluku Utara Program nursery 25,000 seedlings will be implemented in Maluku, aims to:

- a. Provide ecological benefits for the environment and economic benefits for society;
- b. Moving the rural economy, improving partnership and poverty alleviation;
- c. Empower people socially and economically so that conflicts in the region do not happen again; and
- d. Raise awareness of the public, especially the younger generation to love the environment.

The support given by BNI is by donating a tree seed types such as Red Jabon / Samama, nutmeg, cloves, Durian, soursop, mango, Sunkist Kisar, Gandaria.

- **Forests and State Parks**

BNI contribute to urban development in Indonesia through forests and city parks are based on local needs and local plants endemic of the area. The program backs BNI concern to the mitigation of climate change and supports sustainable development. These urban forests have aesthetic value, eco-tourism facilities, educational facilities, and a means of social interaction.

The program's objectives forests and cities

BNI are:

- Support the Indonesian government one billion trees (OBIT) and Indonesia's carbon emissions reduction program of 26%.
- Balancing business BNI to environmental management and community empowerment.
- Involving and empowering the community to improve the quality of life in urban areas.
- Assisting district / city governments in improving the area of green open space.
- Keeping peat lands stable and not affected by fire in the dry season



## CSR Related to Environmental Responsibility

- BNI urban forest functions are:**

- Improving the quality of ecological (microclimate, soil, water uptake, as well as creating balance and harmony to the physical environment of the city).
- Supports Indonesia's biodiversity.
- As an alternative source community income during the construction and post-construction (utilizing the urban forest and forest products in a sustainable city).
- Facilitate creation of community caring environment to educate and raise public awareness on the environment.

Name	Location	Area	Concept
Forest - Kota BNI Gampong Tibang Banda Aceh	Gampong Tibang, Banda Aceh	6.75 Ha	Forest Park
Park - Kota Trembesi BNI Peulanggahan Banda Aceh	Gampong Peulanggahan, Banda Aceh	1.5 Ha	Park
Smart Park BNI – DKI Jakarta	Rawamangun, DKI Jakarta	3,104.9 m2	Park and playing facilities
City Park Wonosari	Gunung Kidul, DI Yogyakarta	1.7 Ha	Park and playing facilities
Forest and City Park BNI Stadion Manahan Surakarta	Stadion Manahan Solo, Jawa Tengah	17 Ha	Forest
Forest and City Park Kepulit Surabaya	Surabaya, Jawa Timur	4.8 Ha	City Park
Forest - Kota Udayana, Denpasar, Bali	Denpasar, Bali	35 Ha	Forest
Forest - Gambut Jumpon Pambelom, Palangkaraya	Palangkaraya, Kalimantan Tengah	10 Ha	Gambut Forest
Vertical Garden Banjarbaru	Banjar Baru, Kalimantan Selatan	40 vertical garden	Vertical garden
Park - Universitas Lambung Mangkurat (Unlam) Banjarmasin	Banjarmasin, Kalimantan Selatan	308.4 M2	Park

- Improving City Trenggalek**

Improving city facilities are planned to include the arrangement of parks in the median of the road, in addition to canopy for shops and additional lighting for trees on the sides of the road, garden chairs and others.

The implementation of the greening program Solo Raya, will be implemented by Korem 074 / Warasralama with plants include 22,065 Trembesi seeds and 45,935 Mixed seedlings by 2,436 military and 6,800 people who come from the local government and the Department of relevant government institutions, private / state and the Universitas Sebelas Maret (UNS).

- Greening in Solo**

In order to carry out the mandate of the President to make Solo a Kingdom as the greening center, the Army Commander through the Diponegoro Military Command will implement labor-intensive reforestation programs in Solo Raya region that includes the cities of Solo, Kabupaten Klaten, Boyolali. Sragen. Sukoharjo. Karanganyar and Wonogiri.

- Release Orangutans in Central Kalimantan and East Kalimantan**

Tree Planting supported by BNI's reforestation program, initiated by The Borneo Orangutan Survival Foundation (YBOS) . Releasing orangutans took place in late April 2016 in the Nyaru Menteng forest in Central Kalimantan and East Kalimantan Kehje Sewen and included releasing 4-20 orangutans. The reforestation activities readjusts the original habitat of orangutans, and was conducted in January 2016

in Samboja until April in Lestari, East Kalimantan. BNI participated in reforestation activities by planting 2,000 saplings in 5 hectares of land and covering maintenance costs for 5 years.

- **Earth Hour 2016**

Contribution to sustaining the environment continues to be done by BNI. One form of action the bank participates in is the campaign "Earth Hour 2016". Through the campaign conducted simultaneously throughout Indonesia on March 19, 2016, BNI ran energy saving programs by turning all lights and electrical equipment that were not needed for an hour at the Head Office of BNI. Additionally, BNI also actively appealed for a power outage at branch offices throughout Indonesia and overseas. The estimate of savings generated in these activities reaches 23 mega watts.

- **Green Building**

BNI and PT Pembangunan Perumahan (PP) Persero Tbk synergy in BNI office tower and its subsidiaries in the strategic areas of Jakarta. It occupies an area of 14,817 m<sup>2</sup> with a total construction area of 64,061 m<sup>2</sup>. The building will comprise 1 basement, 1 semi-basement, 1 ground floor, 30 floors, one roof and one parapet roof. By carrying out the spirit of preserving the environment, BNI Tower was built with a green building concept. Green concepts implemented, included, is a green open space that is wide enough to absorb the maximum rain, bicycle parking provision and support for community facilities such as bike to work. The energy efficiency use is done through passive design and active design and daylight sensors that automatically turn off lights when sunlight is bright enough and the use of environmentally friendly materials.

- **Green banking**

Green banking is a concept activity at a financial institution that always gives priority to environmental sustainability in running its business. During this, the implementation of Green Banking by BNI is evidence of our concern for the environment. In facing the ASEAN Economic Community, the national economic growth both, coming from medium and small scales industry must still prioritize green growth so that the growth achieved is sustainable growth. This commitment is demonstrated by BNI playing a real role for environmental sustainability both local and regional.

- **BNI Go Green**

## BNI gogreen

BNI Go Green is a program based on the triple bottom line principles, ie Profit, People and Planet (3P). BNI program is oriented towards community empowerment (profit), based on natural resource conservation programs (planet), and engaging the community (people). Through BNI Go Green, people no longer simply are the object, but also are the subject in engagement community programs. That is, through this program, people will have more responsibility to participate and contribute in preserving BNI Go Green programs.

- **Green Activity**

In the face of the ASEAN Economic Community, caring community of nations in Southeast Asia on the environment is becoming increasingly important. Therefore, BNI aware of the growing need to provide education customers and the entire community about the virtues of environmental sustainability. Throughout 2016, BNI actively participated in environmental conservation activities. In addition, BNI environmental development programs also provide support in the form of material aid as a form of our contribution to the environment oriented activities.



## CSR Related to Environmental Responsibility

- **Green Lending**

Implementation of the principles of green lending in BNI intended to embody the principle of sustainability and the application of the triple bottom line. Green lending is priority lending to businesses that are environmentally friendly. Distribution of green lending is used to finance companies engaged in renewable energy, including companies that have one or more of the following characteristics:

- a. Efficiency and energy conservation
- b. Efficiency in the use of natural resources
- c. Conduct initiatives to mitigate greenhouse gas (carbon emissions)
- d. Apply the principle of sustainability in the operations
- e. Using waste as environmentally friendly fuel

- **Green Operation**

BNI constantly implements green operation in the company's operational environment. We are aware, energy and water efficiency are not only good for the sustainability of the environment, but also help in the company's cost saving efforts in the face of economic slowdown. Throughout 2016, BNI policies were associated with the company's efforts to preserve the environment and continue with intense refining, such as electric energy consumption efficiency, water recycling, office consumption, waste management, and efficient use of paper.

- **Green Financing**

Since 2007 BNI has been active in the sector of financing environmentally friendly through corporate credit to geothermal power plants, minihydro, biogas, including the disbursement of funds for environmental development and partnership programs in the field of nature conservation such as tree planting, urban forests, the utilization of new and renewable energy forhydro, biogas, and biomass, and the development of eco-tourism villages.

- **Vehicle Maintenance Operations**

BNI is committed to always performing maintenance on all the company's operational vehicles to minimize environmental damage. Vehicle maintenance operations and exhaust emission testing is done periodically so that emissions from transportation activities can continue to be reduced. In addition, BNI also periodically replaces the company's operational vehicles. Gradually, BNI has increased the number of operational vehicles that use fuel-saving engines.

- **Waste management**

BNI continues to seek to reduce environmental damage by dumping waste into landfills (TPA). BNI constantly implements a reduce, reuse, and recycle (3R) management policy. BNI channels plastic and paper waste to a third party for recycling. As for hazardous waste in the form of lubricating oil for gensets, BNI implements procedures for the handling of used oil with great caution. BNI has always tried to keep the resources that handle used oil collected and stored in a safe place before being handed over to a third party with the permission from the Ministry of Environment.

- **Minimize use of paper**

The bank's activities and operations can not be separated from the use of paper. However, we recognize that the more we use paper, the more forests and trees will be cut down for paper-making material. For that, BNI is committed to save paper by introducing a wide range of policies established by the company, for paperless billing and invites customers to maximize the use of internet banking, website, email and other digital devices for their banking purposes.

### Certification

During 2016, BNI has received any environmental certification.

## CSR Responsibilities Occupational, Health, and Safety



### Employment

#### Policy

As a State Owned Enterprise (SOEs) and a public company, the Company strives to be a company that obey the principles and obey the rules.

In the field of employment, the Company strives to comply with all laws and regulations in force related to employment. The Company pays high attention and commitment in terms of gender equality and employment opportunities, job training to improve the professionalism of the employees as well as a commensurate reward system.

#### Activity

Implementation of the Bank's policy related to the employment can be explained as follows:

##### Gender Equality and Employment

The Company provides equal opportunity for all people, both male and female, regardless of ethnicity, religion, race, class, gender, or physical condition to follow the worker recruitment program. Appointment of candidates is based on the results of selection, evaluation results on probation and orientation of workers.



## **Equality in Education and Training Program**

Bank through BNI Corporate University gives every employee the opportunity to learn and gain knowledge, as well as providing an opportunity to grow through good performance and contribute significantly to the achievement of the Bank's business performance. Overall competence development programs conducted by BNI Corporate University are determined by the needs of the Bank and the employee with respect to gender equality and grant opportunities to all levels of the organization.

## **Industrial relations**

Bank strives to promote Industrial Relations through quality and harmony with labor unions as representatives of employees. Through a partnership forum with labor unions, employees can express their aspirations to the company so that two-way communication between the company and employees is maintained.

## **Collective labor agreement**

Currently there are BNI Unions (SP) in the Company. Collective Labour Agreement (CLA) is one of the primary means of achieving harmonious, safe industrial relations, to ensure security of rights and obligations of employees and company management, in work, improving the welfare of employees and the continuity of the business operation of the company.

To realize the harmonious relationship between workers and management and maintain peace of work, there is a Collective Labour Agreement (CLA) between BNI with the labor unions. The renewal of work agreements with labor unions is done on a regular basis through the mechanism of negotiations between Management with labor unions.

Bank BNI routinely holds meetings with the unions. The meetings discuss the fulfillment of the rights and obligations related to the employee disciplinary sanctions if there is a breach of discipline by employees.

## **Remuneration**

Bank operates a remuneration system policy based on the concept of For More Benefit We Go and the launch of flexible benefit program providing benefits in line with the concept of For More Benefit We Go. Banks also ensures they have complied with all rules that apply relating to remuneration.

Related to remuneration, the Bank strives to avoid a high gaps. The ratio of highest and lowest salaries for 2016 are as follows:

### **Highest and Lowest Salary Ratio**

Description	Ratio
Highest and lowest employee salary	46 : 1
Highest and lowest Director salary	1.1 : 1
Highest and lowest Commissioner salary	1.1 : 1
Highest employee and highest Director salary	1.5 : 1

## **Retirement program**

One retirement program for employees is the BNI Health Fund Retirement Program (DKMP). DKMP is a form of moral obligation from Bank to ensure that employees still get health facilities after retirement by way of preparing it when still active as an employee.

## **Employee Turnover Level**

By 2016 the number of employees in the Bank amounted to 28,184 people, an increase of 4.87% over the previous year, which was 26,875 people. Throughout 2016, employee turnover stood at 764 people or 2.7% of the total BNI employees. The reduction percentage of turnover is derived from the assistant level. This is because in 2015, BNI implemented a policy to extend the retirement age for assistant level employees.

**Employee Turnover Pegawai 2015-2016**

No.	Year	Employee Resignation	Total Employees	Employee Turnover (%)
1.	2016	764	28,184	2.7%
2.	2015	793	26,875	2.95%

**OCCUPATIONAL HEALTH AND SAFETY****Health****Policy**

The health of employees is key to the achievement of the individual employees performance and the company as a whole. Therefore, efforts to maintain the health of employees is a shared responsibility. The Company facilitates employees with some activities that is expected to generates an awareness and motivation in maintaining the health of the individual.

**Implementation**

Banks are very concerned about the welfare and health of the employees. Health facilities granted to employees and their family members are comprehensive and include health facilities in the form of health insurance.

The health policy is intended as an attempt to ensure that the employees stay fit so that it has positive impact on employees as individuals and families, which in turn is expected to have an impact on Bank productivity improvements.

In addition to facilitating the employee to maintain health, the Company provides employees and their families with health insurance through BPJS and the implementation is being done gradually. This facility aims to provide protection and cost of insurance coverage while undergoing medical examinations or treatment in hospital including guarantees for the employee and the employee's wife during childbirth.

**Work Safety****Policy**

Safety is one concern to the management of the Company. The Company strives to create a work environment that is safe and convenient to support the creation of the optimal performance of the Company. For that, BNI is committed to creating a healthy work environment, free from injury and to conduct operations according to the rules applicable.

**Activities Related To Safety 2016**

Employee safety is very important for the Bank in the course of daily operations. In an effort to create a safe work environment in the Bank's office buildings.

To ensure effective implementation of work safety, the Company has supplied all its operational offices with a variety of safety devices such as extinguishers, Smoke Detectors, Diesel Pumps and Emergency Ladders. The Company conducted a fire safety inspection on January 23, 2015, for the fire equipment.

The company also plans fire situations / evacuation, fire safety operational procedures for employee on every floor of the building so that all employees are well educated. The Company also regularly carries out simulated building fire evacuation drills. In 2016, a simulation was carried out at BNI on December 28, 2016.



## CSR Responsibilities Occupational, Health, and Safety

Through the implementation of well planned, well targeted, transparent and sustainable CSR programs are, BNI wants to create benefits from the company's presence through improving the living standards and welfare of Indonesian society as a whole. For this, BNI has continued its partnership programs that have been running in previous years such as Kampoeng BNI and ecotourism village to develop economic potential for the rural area communities through soft loans or assistance to improve the quality of the local community.

In terms of safety learning for employees, the Company has developed employee certification training "Development and Certification Expert Occupational Health and Safety Commission (AK3U)" organized by BPJS Health in cooperation with PT Surveyor Indonesia (Persero) and the Ministry of Manpower and Transmigration Republic of Indonesia.

### Social Security

All employees are included in employee Social Security through BPJS Employment. The program includes the Program for Old Age Security (JHT), Program Accident Insurance (JKK), and Program Life Insurance (JK), which aims to ensure the security and certainty for employees against economic risks such as during an incident or workplace accident , disability, old age and death, leading to a reduction in income.

Socio-economic risks are mitigated by the program for work accidents, disability, old age and death, that lead to a reduction or interruption of income and / or required medical treatment.

### Certifications

The Company has obtained certification issued by the Fire Safety Fire and Rescue Department of the Provincial Capital City of Jakarta.

## CSR Social Responsibility Related to the Community

Society's welfare is very important for the continuity of Company operations, because it directly or indirectly involves the community. Therefore, the Company looked very earnestly at conducting its responsibility to society.

### Policy

CSR is a BNI social investment to society. Through the implementation of well-planned, well-targeted, transparent and sustainable CSR programs, BNI wants to create benefits on the company's presence through improving the living standards and welfare of Indonesian society as a whole. One CSR application related to social and civic responsibility for state-owned companies is through the Program and Community Development Partnership (PKBL). Provisions to implement PKBL do not appear in any law, but are in the Minister of State Enterprises Regulations, so only state-owned enterprises, that have an obligation to form partnerships with the community, as well as environmental development to improve the welfare of the Indonesian people.

In addition based on the Bank's mission, the BNI CSR programs are also based on regulatory guidelines as follows:

1. Law No. 40 Year 2007 on Limited Liability Company;
2. Law No. 25 Year 2007 on Investment;
3. Article 15 (b) on Investment Law;
4. Minister of State Owned Enterprises (SOEs) Regulation No. PER-08 / MBU / 2013, dated September 10, 2013 concerning the Fourth Amendment of the Minister of State Enterprises Regulation No. PER-05 / MBU / 2007 on State Owned Enterprises Partnership Program with Small Business and Community Development Program;
5. Minister of State Enterprises Regulation PER-09 / MBU / 07/2015, dated July 3, 2015 on SOE Partnership Program with Small Business and Community Development Program;
6. BNI Extraordinary General Meeting of November 9, 2015 by one of the agenda item that is stipulated Enforcement of Minister of State Enterprises Regulation PER-09 / MBU / 07/2015, dated July 3, 2015 on the SOE Partnership Program and Community Development Program.

### PKBL Budget

As a leading bank in Indonesia, BNI implement corporate social responsibility with a focus on PKBL. Through the mechanism of PKBL, BNI seeks to empower people and promote the growth of democratic economy not only through grants but also through the distribution of soft loans. BNI PKBL is planned, targeted, transparent and sustainable so that BNI contributes to improving the quality of life in Indonesia as well as equitable development through the expansion of employment and business opportunities.

Furthermore PKBL is mandated for state-owned companies and is part of a concerted effort undertaken by BNI to consistently ensure the sustainability of its existence as a business entity. PKBL in BNI is conducted by the of Corporate Communications and Secretariat Division, directly supervised by the President Director, with the realization over the past two years being:



Activity	Distributed		% Distributed	
	2016	2015	2016	2015
Partnership program	24,987,502,635	23,764,910,303	24.48	23.57
Agricultural and Mining	19,096,360,000	1,641,500,000	76.43	6.91
Manufacturing	310,000,000	1,479,500,000	1.24	6.23
Services	1,095,000,000	2,358,210,303	4.38	9.92
Trading	4,486,142,635	235,000,000	17.95	0.99
Community Development	62,747,443,679	77,042,070,523	71.52	76.43
Natural Disaster Program	1,133,496,903	859,005,585	1.81	1.11
Education and / or Training	16,570,517,410	27,026,963,050	26.41	35.08
Health Improvement	2,586,517,908	10,690,292,846	4.12	13.88
Infrastructure and / or Public Facilities development	11,572,454,818	6,431,865,600	18.44	8.35
Places of worship	5,590,169,097	9,990,206,411	8.91	12.97
Conservation of Nature	7,754,687,545	16,979,738,697	12.36	22.04
Poverty alleviation	14,973,284,070	5,063,998,334	23.86	6.57
Building Partners Capacity	2,566,315,928	-	-	-
<b>TOTAL</b>	<b>87,734,946,314</b>	<b>100,806,980,826</b>	<b>100</b>	<b>100</b>

## Activity

### Partnership Program

The Partnership Program takes the form of soft loans to partners with only administrative services at 6% per year of the loan limit, which is distributed in the form:

1. Loans to finance working capital or the purchase of fixed assets in order to increase production and sales;
2. Special loans to finance the funding requirements of the partners business activities which are short-term loans to meet orders for trained partners business needs;
3. Development Expenses:
  - a. To finance the education, training, apprenticeship, marketing, promotions, and other matters concerning improving the partners productivity as well as for studies / research related to the Partnership Program;

- b. Coaching expenses as a grant and a maximum amount of 20% of the Partnership Program funds disbursed in the current year;
- c. Coaching expenses can only be given to or for the benefit of partners.

BNI trained partners are micro entrepreneurs who are not familiar with technical banking because they lack access to loans from banks. Micro businesses are engaged in various formal and non-formal economic sectors, but have a strategic role in the real economy and have proved that the micro segment is more resistant to the economic crisis. BNI's established partners are expected to increase business activity, venture capital, entrepreneurship, access to banking, business administration, product quality and marketing reach.

Distribution of BNI Partnership Program in 2016 can be classified as follows:

**By Economic Sector**

Economic Sector	Distribution realization (Rp)
Agricultural and Mining	19,096,360,000
Manufacturing	310,000,000
Services	1,095,000,000
Trading	4,486,142,635
Total	24,987,502,635

**Based on the distribution by BNI Regional Offices**

Region	Target (Rp)	Realization (Rp)	Target Proportion (%)
Medan	4,173,913,044	535,000,000	12.82
Padang	4,043,478,261	555,000,000	13.73
Palembang	4,043,478,261	17,603,360,000	435.35
Bandung	5,739,130,435	290,000,000	5.05
Semarang	5,660,869,566	349,000,000	6.17
Surabaya	4,936,434,782	1,628,000,000	32.98
Makassar	2,608,695,652	1,032,142,635	39.48
Denpasar	3,130,434,783	1,070,000,000	34.18
Banjarmasin	3,652,173,913	80,000,000	2.19
Jakarta Senayan	2,608,695,652	20,000,000	0.77
Manado	2,347,826,087	15,000,000	0.64
Jakarta Kota	2,739,130,435	55,000,000	2.01
Jakarta BSD	2,739,130,435	225,000,000	8.21
Jakarta Kemayoran	3,260,869,565	25,000,000	0.77
Papua	652,173,913	595,000,000	91.23
Yogyakarta	3,469,565,217	430,000,000	12.39
Malang	4,194,000,000	480,000,000	11.44
Total	60,000,000,000	24,987,502,635	41.64

The Channeling Partnership Program are not grants, they are intended to educate the loan recipient or the partners to manage cash flow in the framework of the soft loan repayment. Thus Partnership Program recipients must meet the required criteria in the Minister of State Enterprises and BNI internal regulations.

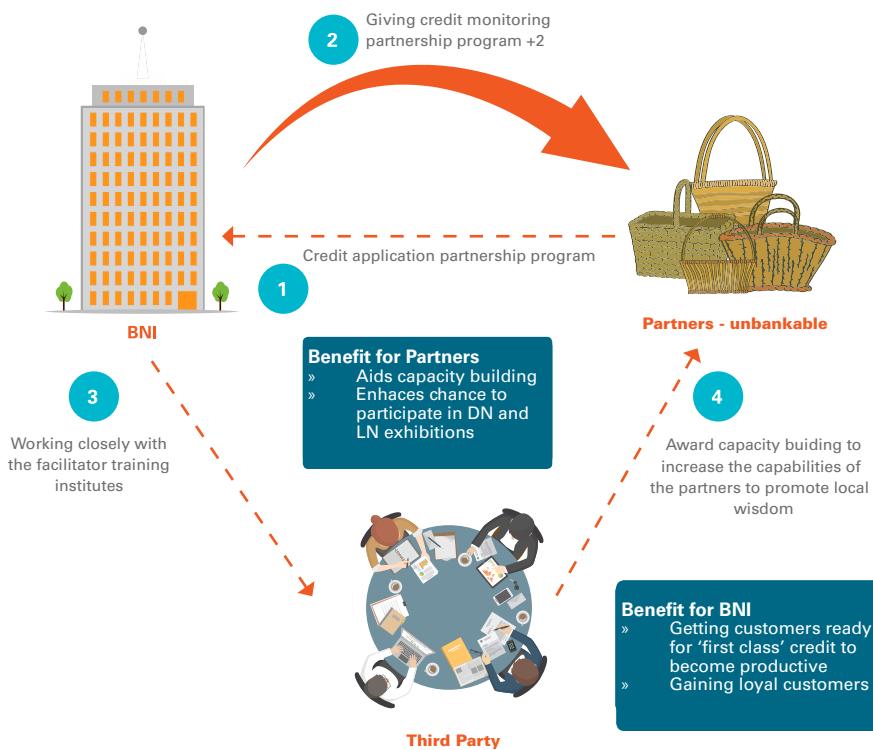


## CSR Social Responsibility Related to the Community

Distribution reached only 41.64% of the target, because BNI has to ensure that Partnership Program recipients meet the requirements. In general, the requirements can not be met by the prospective partner are, experience in the field of business to be financed, has a troubled loan in other financial institutions and is or has received a commercial loan facility from other banks.

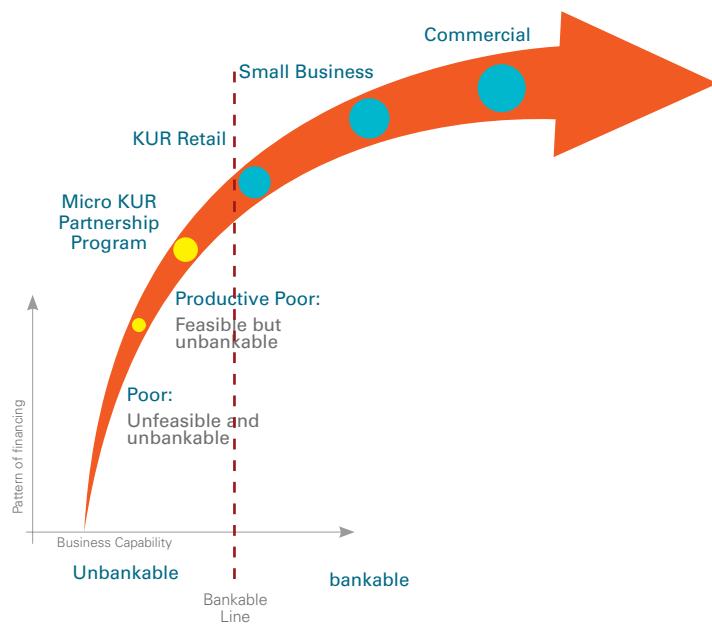
### Framework Partnership Program

The framework of the Partnership Program which is owned by BNI is as follows.



## Roadmap SMEs

BNI has had Roadmap SMEs as follows.



BNI has continued its partnership programs, that have been running in previous years, as coaching BNI Kampoeng and ecotourism village to develop the economic potential of the community in a rural area through a soft loan or assistance to improve the quality of the local community.

### Kampoeng BNI

Kampoeng BNI is a community economic empowerment program through soft loans with cluster systems conducted in several areas.

Kampoeng BNI concept is built on the principles of community development, in which the cluster has a wide range of products that are the hallmark or characteristic of the area. Since it was first initiated in 2007, Kampoeng BNI has been the pioneer of public awareness programs, integrated with business processes. BNI fostering the community and partners who were unbankable becoming bankable. The focus area of Kampoeng BNI is Marine and Fisheries, Food Security and Creative Industries. Up to 2016, there were 21 Kampoeng BNI scattered throughout Indonesia.



Kampoeng BNI is a product of integration between credit the Partnership Program and Community Development Program funds. Kampoeng BNI not only distributes business financing, but also provides assistance, promotion and supports infrastructure for the long term so that people can be independent and improve their standard of living in the area.



## CSR Social Responsibility Related to the Community



### **Ecotourism Village BNI**

BNI sees the potential of Indonesia as a maritime country rich in natural resources. It is unfortunate if the natural wealth of Indonesia is not put to good use to serve as tourist areas so as to promote economic growth in Indonesia. Thus, BNI utilizes tourist areas to serve as ecotourism villages.

Ecotourism Village is a tourist village concept with emphasis on aspects of environmental conservation, social, cultural and economic empowerment of local communities, as well as aspects of learning and education. By becoming an Ecotourism Village, will support expected marketing and sales of its products at the same time bring in tourists, which means added value to the local economy. BNI helps people living in these tourist areas to be fostered and developed to be a productive and creative society. Not only that, BNI also tries to create a reciprocal relationship between communities with their environment.

### **ENVIRONMENTAL DEVELOPMENT PROGRAM**

The Environmental Development Program (BLT Program) is a program of empowerment of social conditions by SOE.

The Environmental Development Program includes

1. Natural Disaster Assistance Program;
2. Assistance Education and / or training;
3. Health Improvement;
4. Infrastructure and / or Public facilities Development Assistance;
5. Places of Worship Assistance
6. Conservation of Nature Help
7. Poverty Alleviation
8. Help education, training, apprenticeship, marketing, promotions, and other forms of assistance related to improving the capacity of the Partnership Program.

BNI realizes that the environment and the people around are very helpful in its business activities. As the embodiment of reciprocity for the environment and society, BNI has provided social assistance to people in several fields, such as for natural disaster relief, education, health improvement, public facilities and infrastructure. This is in accordance with the fourth mission of BNI to increase awareness and responsibility towards the environment and social issues.

### Natural Disaster Assistance Program

During 2016, BNI channeled help for natural disasters in 16 locations, including the earthquake in Aceh, Pidie Jaya, flash floods in Garut, Banjarnegara, Banyumas, Kampar and Solok, landslides in Sukabumi, Kebumen, Purworejo and Wonosobo. The provision of assistance at the time of the incident / disaster was made directly by BNI or in cooperation with other state-owned enterprises, Kemensos, TNI, BNPB, local government and other relevant parties.

### Education and / or Training

1. BNI helps the community through its CSR program through Training and Educational activities include E-Commerce Training for SMEs, training people with disabilities, training for post TKI, counseling and training in the outermost and remote regions, CEO student greeting program, SOE teaching, assisting FGD and panel discussions.
2. BNI helps students who excel with scholarship programs in Eastern Indonesia and all province in Indonesia.

3. BNI also helps with education in the form of aid for physical assistance schools, boarding schools and colleges, educational facilities assistance, and assistance for teachers.
4. Some of the programs that have been conducted during the 2016 include the East Indonesia scholarship program, training of workers abroad (Singapore and Korea), SOE teaching in 16 locations spread throughout Indonesia, Siswa Mengenal Nusantara and training of athletes and former inmates.

### Health Improvement Sector

BNI in the health sector in 2016 helped with mass circumcisions, ambulance assistance, health infrastructure, health and social service assistance to health workers. This spread of health programs was in several regions in Indonesia such as Jakarta, Central Java, South Kalimantan, West Nusa Tenggara, West Sumatra and East Java.

Programs that have been undertaken include the provision of hospital infrastructure, medical personnel awards to outstanding health centers, ambulance assistance, mass circumcision, blood donation, free health checks and anti-drug campaigns in schools and other social service activities.





## CSR Social Responsibility Related to the Community



### Public Facilities and Infrastructure Development

BNI is also active in building and developing public facilities and infrastructure that are consistent with the government's mission to promote development in Indonesia. Towards the end of 2015, BNI in cooperation with the Ministry of Justice and Human Rights of the Republic of Indonesia, built a bridge connecting the Limbasari, Bobotsari and Buara, Karanganyar in Purbalingga, East Java, which are separated by the Tuntung Gunung River. The bridge was named the Pengayoman BNI bridge and cost Rp 5 billion to build. Additionally, BNI has been active in Bali, West Nusa Tenggara and East Nusa Tenggara with a total budget spend of Rp 100 million.

The realization of the public facilities and infrastructure development programs in 2016 at BNI support the development of public infrastructure such as support for clean water and sanitation, child care in the market and SOEs creative homes.

### Places of Worship

BNI improved facilities and infrastructure for places of worship for people from all religions in 70 locations across Indonesia, such as construction / renovation in Sampang, Jepara, Bali, Lembata, Langsa, Batang, Pacitan and Tanjung Karang.



### Nature Conservation

Some of the programs in 2016 concerned waste by turning recycled waste paper into products of value, Green Lifestyle (mountain cleaning, education, waste handling), planting 10,000 trees on Cikampek toll road with Jasa Marga, the Bank's and BUMDes waste program throughout Indonesia, horticulture agricultural development and conservation of coral reefs in several regions in Indonesia.

## Poverty Alleviation

BNI helps in poverty alleviation by assisting with Overseas workers' problematic deportations, surgeries for veterans, and cheap markets.

## Education, training, apprenticeship, marketing, promotions, and other forms of assistance related to improve the Partnership Program capacity

BNI in cooperation with PT Perkebunan Nusantara VII channelling to 339 sugarcane farmers for planting 2016/2017 season with a portfolio value of Rp16.5 billion. BNI also offered training to sugarcane farmers for the purpose of,

1. Teaching farmers to apply mechanized systems-based cultivation of sugar cane.
2. Increasing production capacity through mechanized systems-based cultivation of sugar cane.
3. Increased the farmers income.
4. Improve the quality of sugarcane produced.
5. Increased loan repayment partnerships to BNI, who trained and increased the capacity of the partners through opening market access.

BNI also trained and increased the capacity of the partners through training and opening market access.





## CSR Social Responsibility Related to the Community

### Community Development Activity Program Details 2016

Activity	Location	Cost
Aid Natural Disaster Victims		
<ul style="list-style-type: none"> <li>• Flood;</li> <li>• Natural disasters Floods and Landslides;</li> <li>• Natural disasters Banjir Bandang;</li> <li>• Help Earthquake Emergency Response.</li> </ul>	NAD, Sumatera Barat, Riau, Jawa Barat, Jawa Tengah	1,133,496,903
Help Education and / or Training		
<ul style="list-style-type: none"> <li>• Education Assistance boarding school;</li> <li>• Training E-Commerce;</li> <li>• Workshop;</li> <li>• Scholarship;</li> <li>• Building Renovation SLB and Schools;</li> <li>• Infrastructures School.</li> </ul>	Sumatera Utara, Sumatera Barat, Sumatera Selatan, Kepulauan Riau, DKI Jakarta, Jawa Barat, Jawa Tengah, Jawa Timur, Daerah Istimewa Yogyakarta, Sulawesi Tenggara, Sulawesi Tengah, Sulawesi Selatan, Kalimantan Barat, Denpasar, NTB, Papua	16,570,517,410
Help Health Improvement		
<ul style="list-style-type: none"> <li>• Mass Circumcision;</li> <li>• Blood donors;</li> <li>• Medical Check Up;</li> <li>• Health Facility Hospital;</li> <li>• Ambulance;</li> <li>• Cleft Lip Surgery;</li> <li>• Activity Social Activity</li> <li>• Health Programme in collaboration with the Polytechnic.</li> </ul>	Sumatera Barat, Jambi, DKI Jakarta, Jawa Tengah, Daerah Istimewa Yogyakarta, Kalimantan Selatan	2,586,517,908
Help Infrastructure Development and Public Facilities		
<ul style="list-style-type: none"> <li>• Road Development;</li> <li>• Bridge construction;</li> <li>• Pembagunan Irrigation;</li> <li>• Infrastructures for boarding school;</li> <li>• Assistance in Clean Water;</li> <li>• Anniversary Program BNI- Water Supply Facility;</li> <li>• Development of Infrastructures in some Kampoeng BNI;</li> <li>• Program HUT RI 70- Provision of Water Supply and MCK.</li> </ul>	Sumatera Utara, Sumatera Selatan, Bengkulu, Lampung, Kepulauan Riau, Banten, DKI Jakarta, Jawa Barat, Jawa Timur, Jawa Tengah, Daerah Istimewa Yogyakarta, Kalimantan Utara, Kalimantan Barat, Kalimantan Tengah, Kalimantan Timur, Kalimantan Selatan, Gorontalo, Maluku, NTT, Papua	11,572,454,818
Help Worship Facilities		
<ul style="list-style-type: none"> <li>• Renovation of the temple Worship Facilities;</li> <li>• Construction of the mosque;</li> <li>• Construction of a mosque;</li> <li>• Construction of the Church;</li> <li>• Gathering activities;</li> <li>• Social service activities;</li> <li>• Worship Facilities Assistance</li> </ul>	Nanggroe Aceh Darussalam, Lampung, Banten, DKI Jakarta, Jawa Barat, Jawa Tengah, Jawa Timur, Daerah Istimewa Yogyakarta, Kalimantan Barat, Kalimantan Timur, Sulawesi tengah, Sulawesi Tenggara, Sulawesi Selatan,	5,590,169,097
Help Conservation of Nature		
<ul style="list-style-type: none"> <li>• Program tree nursery and free distribution to community;</li> <li>• Planting Tree Seedlings;</li> <li>• Program SOE build a village-based agroforestry;</li> <li>• Development of forests and city parks;</li> <li>• Waste Bank Program;</li> <li>• environmental conservation activities;</li> <li>• Earth Hour activities;</li> <li>• Peatlands Restoration;</li> <li>• Planting Coral Reef</li> </ul>	Nanggroe Aceh Darussalam, Sumatera Selatan, DKI Jakarta, Jawa Barat, Jawa Tengah, Jawa Timur, Daerah Istimewa Yogyakarta, Bali, Kalimantan Selatan, Kalimantan Timur, Maluku, Papua.	7,754,687,545

Activity	Location	Cost
<b>Help Poverty Alleviation</b>		
<ul style="list-style-type: none"> <li>• Community empowerment programs outer islands;</li> <li>• Poverty alleviation for farmers;</li> <li>• Assistance to the poor fishermen;</li> <li>• Empowerment of indigenous peoples;</li> <li>• Social service activities;</li> <li>• Thrift within the framework of the anniversary of BNI;</li> <li>• Donations for orphans.</li> </ul>	Maluku, Papua Barat, NTT, NTB, Sulawesi Selatan, DKI Jakarta, Jawa Barat, Jawa Tengah, Jawa Timur, Daerah Istimewa Yogyakarta, Kalimantan Selatan, Kepulauan Riau.	14,973,284,070

### BUMDes

Is based on Article 1 point 6 of Law No. 6 - 2014 on villages, village-owned enterprises, and is referred to as BUMDes, business entity all or most of the capital owned by the Village through direct investments originating from the wealth of the village divided to manage services and other business for the maximum public welfare of the village.

Empowerment of BUMDes continues to be encouraged by the government, to accelerate technical cooperation with Perum Bulog and Bank BNI. Funds allocated to the villages range between Rp600 million to Rp700 million per village. The funds can be used to cooperate with Bank BNI to establish a micro-enterprise. Furthermore, the village can also cooperate with Bulog for relevant provision postharvest.

To develop products in the village, the "one village one product" concept is applied. Besides being able to attract the attention of investors and consumers, the system is also believed to be able to shorten the distribution chain. BNI will always be consistent in promoting the development BUMDes, by utilizing corporate social responsibility funds.

BNI has also been designing how BUMDes, as one business unit, can be developed in the villages.

### BUMDes Workshops

Bank BNI with the Ministry of Rural Development for Disadvantaged Regions, and Transmigration held Workshops on Rural Economic Development to encourage the BUMDes.

One purpose of the workshop was to inspire the development of business in the best BUMDes who attended the workshop, through a synergy of cooperation between BUMDes with BNI as well as with BNI counterparts. This step helped BNI in deepening and expanding banking services in rural areas while supporting the government's program in the third Nawacita, namely to build Indonesia from the periphery to strengthen the regions and villages.

Total workshop participants reached 70 people, consisting of 33 best BUMDes leaders with the village heads. BNI also invited BUMDes Units from all regions in Indonesia, in the expectation that later the best BUMDes become beacon pilots, spreading out positively to other nearby BUMDes.

Workshops were held over four days as a continuation of the cooperation agreement between BNI and the Ministry related to rural economic development. Through the BUMDes, BNI implemented its Smart Practice program driven by Otoritas Jasa Keuangan to make them Agen46.



## CSR Social Responsibility Related to the Community

As Agen46 BNI, BUMDes can serve the public for banking activities such as account opening, withdrawing and depositing money into savings, and payment services for electricity, telephone, pulsa, and others. Agen46 also has the potential to become a business partner for BNI counterparts, such as Bulog, BAPPEBTI, Pertamina, Pupuk Indonesia (Fertilizer), and other partners.

BUMDes can also be used as a BNI network for the distribution of various government programs, such as social assistance and credit (KUR). Thus, BNI's cooperation with BUMDes has become one methods to improving literacy and financial inclusion in areas that have limited access to financial institutions.

### **Waste Bank**

Heaps of garbage continue to accumulate and are bad for the health of the environment and cause various diseases and household garbage is the largest contributor to the trash.

Meanwhile, waste disposal (TPS) provided is not able to cope with the current garbage that is continuously being generated by the community, if they do not begin act to reduce their waste. For that to happen, the waste handling problem must start from the source.

Waste banks are a solid waste management system collectively encouraging people to actively participate.

This system will accommodate the sorting, and distributing of economic value trash to the market so that people get and economic benefit from saving trash.

To demonstrate BNI's responsibilities associated with living and social environment, there are currently two waste banks supported by BNI, namely:

1. Creative House Waste Bank in Rangga Mekar Bank (BSRM) is an organization built in the Rangga Mekar village, South Bogor subdistrict to implement the Waste Bank Trash and Creative Home Improvement programs towards a Green and Clean Bogor, supported by BNI.

Waste management programs are implemented through a 3P (People, Profit, Planet) approach with the concept of Community Based Solid Waste Management (CBSWM) systems, a waste management program that is planned, developed, operated, managed and owned by the people. The BSRM program is not unlike like the saving activities in the bank, the customer will receive an account number and a savings book in which they record the client's identity, the date of the transaction and the type and volume garbage and waste deposited.

Funds recorded in the waste passbook can be used for a variety of transactions to purchase electricity vouchers, mobile phones pulsa voucher, elementary and junior high school fees and can also be cashed.

2. Waste Bank Karang Tengah village, Imogiri Was originally a village growing cashew nuts, now with the construction of Green Hill by BNI, people in the region have a range of products, such as cocoon crafts, natural colored batik, and a variety of food such as bakpia, banana chips and so forth.

**Business Goals**

- Registration of business BNI Bank Trash into Agent 46
- Enabling Customer transactions BNI Agent 46 (which became a business unit BUMDes) through the activity of the transaction:
  - a. Opening of bank operational accounts trash
  - b. Smart Savings account opening to people of the village as well as waste bank pseserta
  - c. Smart Savings Deposit to the account of the public at the time of payment of the garbage that has accumulated

**socialization Society deliberation**

- Agreements and commitments of citizens
- Dissemination cata sorting system, schedule polling (optional), benefit for the village and for the environment.
- Ask people prepare ID cards and registration of Rp 20,000 as an initial deposit rek BNI Smart.

**preparation Physical & Non Physical infrastructure**

- Processing Area (depot, TPS Gated penimbangan)
- Lifting equipment (truck / wagon / Viar motors, etc.)
- Autocomplete recording
- Other supporting equipment, (scales, plastic tubs sorting hunkerded mixing compost, etc.)
- HR managers waste bank
- Searching for collectors

**Registration and opening an account****Residents deposited trash****Recording & weighing****Sorting****Processing****Sale****Transfer to account resourceful villagers as records on a monthly basis****Bank operationalization Trash****Process Flow Description**

- Registration of citizens through the opening rekening BNI Smart
- The account number is an identification number in the registration of waste to be deposited
- Waste deposited will be weighed and recorded based on the number of parent / account number
- Organic waste is processed into compost being non-organic sorted and sold to collectors
- Proceeds from sale of junk to collectors / compost sales deposited into a bank account Trash
- Garbage Bank pays to its citizens through a transfer to the Smart Citizen rek.BNI corresponding records on a monthly basis

Additionally, BNI provides a support infrastructure in Kampoeng BNI, for example, showrooms, packing houses, meeting halls, and currently intends to enhance the business of waste management and waste banks there.



## CSR Social Responsibility for Products and Customers

In order to achieve the vision of "Becoming a Winning Financial Institution in Service and Performance" as well as First Mission "Providing excellent service and value-added solutions to all customers and partners as the main option", BNI comes with a series of competitive products and services.

### Policy

The Bank is committed to always providing added value in every product as well as services offered and provides maximum protection to customers / consumers. The Bank's commitment to the protection of customers / consumers, includes: Customer Deposit Protection, Consumer Complaints Centre (Customer Care), Consumer Engagement Program and Service Improvement Program.

Related to guaranteeing the protection of consumers, the Bank refers to POJK 1 / POJK.03 / 2013 on Financial Services Sector Consumer Protection.

The BNI Principles for Consumer Protection in the Financial Services Sector are stated in the following:

- IN / 199 / EBK / 001, dated 30-03-2016, on Protection of Customer Data
- IN / 0 / SPE / 001, dated 02-02-2016, on the Customer Data Privacy Protection
- IN / 784 / PDM / 001, dated 17-12-2014, on Account Opening Forms

In addition it is guided by one of the pillars of the Indonesian Banking Architecture (API) launched by Bank Indonesia and must be implemented by all national banks, aimed at realizing the empowerment and protection of consumers for banking services.

Empowerment and consumer protection through the preparation of a standard-setting customer complaints mechanism, the establishment of independent mediation agency, increased banking transparency on product information, and socialization for customers. Through these programs, it is expected customer confidence in the national banking system will increase. The Company strives for the success of the API program intended to provide added value in housing finance, not only with the best products, but also with the consistent, reliable, thorough and attentive service matched to the needs of our customers and also as a firm fulfillment of Company responsibilities to customers.



## Activity

The consumer security protection policy or internal called dispute resolution is resented in the following table:

	Standard Internal Dispute Resolution (IDR)	Implementation of IDR In BNI
A PRINCIPLE APPLICATION IDR	<p>Consumer Protection financial services sector based on the five principles as set out in POJK 1 / POJK.03 / 2013 on Consumer Protection Financial Services Sector, namely:</p> <ol style="list-style-type: none"> <li>1. Transparency;</li> <li>2. Fair treatment;</li> <li>3. Reliability;</li> <li>4. Privacy and data security / Consumer information; and</li> <li>5. Handling Consumer Complaints in a simple, fast and affordable costs.</li> </ol> <p>Related Complaints, the following is a principle the application of IDR effective financial services sector:</p> <ol style="list-style-type: none"> <li>1. Visibility PUJK publish how to deliver to the Consumer Complaints, the public and other interested parties.</li> <li>2. Accessibility PUJK Complaints have ensuite facilities are easily accessible by consumers.</li> <li>3. Responsive PUJK serve immediately, follow up and complete the Consumer Complaint and provide status information as well as the results of the Consumer Complaints clearly, in accordance with the procedures and applicable regulations.</li> <li>4. Fair Treatment PUJK handle any Consumer Complaint fairly, objectively and impartially.</li> <li>5. Cost of Service Complaints PUJK not levy fees for Handling Complaints, except for other services requested by the Customer beyond that provided by PUJK, which amount has been communicated and agreed by the Customer and can be verified.</li> <li>6. Confidentiality of Data PUJK maintain the confidentiality of information about consumers who do Complaints against any party, unless: <ul style="list-style-type: none"> <li>a. The Financial Services Authority;</li> <li>b. In the settlement of Complaint;</li> <li>c. Required by legislation; and / or</li> <li>d. The approval of the Consumer.</li> </ul> </li> <li>7. Focus on Consumers PUJK in berkesempangan consider the interests of consumers through commitment and implementation to resolve the complaint without prejudice to the rights and obligations of both parties.</li> <li>8. Accountability PUJK have clarity of function, structure, systems, rights and obligations, responsibilities and authorities from both PUJK and Consumers in conjunction with the implementation, reporting, and decision making PUJK against Complaint Handling.</li> <li>9. Continuous improvement PUJK continuous improvement Complaints related processes to improve the quality of products and / or services.</li> </ol>	<p>Principles of Consumer Protection in the Financial Services Sector BNI set out in the following terms:</p> <ul style="list-style-type: none"> <li>• IN / 199 / EBK / 001, dated 30-03-2016, on Protection of Customer Data</li> <li>• N/0/EBK/001, tgl 02-02-2016, dated 02-02-2016, on Protection Customer Data Confidentiality</li> <li>• IN / 784 / PDM / 001, dated 17-12-2014, On the Account Opening Form</li> </ul> <p>Flow Visibility submission of complaints has been published on the web site BNI (<a href="http://www.bni.co.id">www.bni.co.id</a>)</p> <p>Accessibility Complaint handling service has been supplied to easily accessible to consumers via:</p> <ol style="list-style-type: none"> <li>1. 24 Hours BNI Call 1500046</li> <li>2. E-mail <a href="mailto:bnicall@bni.co.id">bnicall@bni.co.id</a></li> <li>3. Website BNI <a href="http://www.bni.co.id">www.bni.co.id</a>Sosial media (twitter, facebook)</li> <li>4. Branch Office in Indonesia</li> </ol> <p>Responsive Set in PP Settlement of Customer Complaints Chapter II.E</p> <p>Regulated fair treatment in the PP number IN / 784 / PDM / 001, dated 17-12-2014 On the Account Opening Form</p> <p>Cost of Service Complaints Set in PP Settlement of Customer Complaints Chapter II.E</p> <p>Data confidentiality Set in PP Personnel Rules of Conduct and Conditions Sanctions Chapter I Rules of Conduct Administrative Sub Section D Secrets and Confidential Job Bank.</p> <p>Focus on Consumers Stipulated in Government Regulation No. IN / 784 / PDM / 001, dated 17-12-2014 About Account Opening Form</p> <p>Accountability Stipulated in Government Regulation No. IN / 212 / BCC / 001, dated 26-03-2016 on Settlement of Customer Complaints Sustainable improvement</p> <p>Sustainable Improvement For the improvement and efficiency Complaints ongoing basis, have done the following steps:</p> <ol style="list-style-type: none"> <li>1. Reviewing SLA settlement of customer claims for each category of complaints.</li> <li>2. Periodically submit feedback (feedback) to the product owner to the problems that often occur.</li> </ol>



## CSR Social Responsibility for Products and Customers

### Standard Internal Dispute Resolution (IDR)

### Implementation of IDR In BNI

#### B Framework for Handling Complaints

##### 1. Commitment

The Company is committed to implement the Standards in IDR effectively and efficiently by SEOJK 2 / SEOJK.07 / 2014, in accordance with Consumer protection principles as contained in POJK No. 1 /POJK.07 / 2013, inter alia by taking into account the following matters:

- Provide a balanced and objective treatment to every Complaint;
- Provide adequate opportunities to consumers to explain the material Complaint;
- Provide an opportunity to other parties who are given authority (if any) by consumers who have interest in the Complaint, to provide an explanation in the resolution of complaints; and
- Maintain confidentiality of information about consumers who do Complaints against any party, except (i) to the FSA; (ii) in the settlement of Complaint; (iii) governed by laws and regulations; and (iv) the approval of the Consumer.

The commitment is supported and implemented by all employees at every level, as follows:

- Directors or Officers Level Under The Running Board of Directors Function Complaints:**
  - Complaints include developing a process on the company's business plan.
  - Complaints reported in the annual report.
  - Receiving Complaints related periodic reports.
  - To review the information, and the related report of Complaints.
  - Identifying defective processes and make improvements.
- Officials Complaint Handling**
  - Create, manage, and is responsible for Complaint Handling systems are effective.
  - Ensuring the availability of staff in accordance with the Complaint Handling field.
  - Complaints provide relevant training to the staff.
  - Organize and support staff in carrying out the process of handling complaints.
  - Submit periodic reports to the management and other work units Complaints related issues.
- Staff Complaints**
  - Be professional when dealing with consumers.
  - Know and comply with internal policies Complaints.
  - Initiative to search for information related to the development program Complaints and services.
  - Maintaining interest in best practices (best practices) Related Complaints.
- Other work units associated with the Grievance**
  - Knowing the process as well as responsive to the Complaints Handling.
  - Knowing Complaints procedures and policies.
  - Help the units or the officers / staff Complaints handling Consumer Complaint.
  - Consumers assist in conveying their complaints.
  - Provide relevant information to employees or the Consumer Complaint Handling unit.
  - Provide systematic problems related to the response arising from the Consumer Complaints.

The company's commitment in implementing the Standards IDR is the amount set forth in Principle 46 of BNI, and in detail regulated in PP number IN / 784 / PDM / 001, dated 17-12-2014 On Opening Form, PP and PP Settlement of Customer Complaints Code and the Civil Service Administrative Sanctions provisions of Chapter I Rules of Conduct Sub chapter D Secrets and Confidential Job Bank.

Standard Internal Dispute Resolution (IDR)	Implementation of IDR In BNI
<p><b>2. Policies</b>  PUJK required to implement written policies and procedures for Consumer Complaints Handling with reference to:</p> <ul style="list-style-type: none"> <li>a. POJK No. 1 / POJK.07 / 2013 on Financial Services Sector Consumer Protection;</li> <li>b. SEOJK No. 2 / SEOJK.07 / 2014 on Settlement Services and Consumer complaints to the Financial Services business communities; and</li> <li>c. Standard IDR.</li> <li>d. Policies and procedures shall be adhered to by the entire board and PUJK employees.</li> </ul>	<p><b>Policy:</b>  Written policies and procedures Handling Consumer Complaints in BNI refers to:</p> <ul style="list-style-type: none"> <li>• Guidelines for Customer Complaint Settlement Company No. IN / 212 / BCC / 001 dated March 26, 2015.</li> <li>• KUD (General Policy Directors)</li> </ul>
<p><b>3. Wewenang dan Tanggung Jawab</b>  The Board of Directors approved the implementation of Complaints Handling by forming unit / function and appointing members of the Board of Directors, or the Board of Directors under the level officials who run these functions by considering the following matters:</p> <p>Unit labor or Grievance officers in performing their duties be responsible to the Board of Directors, be independent and have the authority to decide upon the appropriate valid delegation of authority is of each PUJK and have access to the authorities as well as other functions related to serving and resolving the Complaint.</p> <p>Below are the responsibilities of each position level:</p> <ul style="list-style-type: none"> <li>a. Directors or Officers Under Level of Directors Running Function Complaints: <ul style="list-style-type: none"> <li>1). Ensuring that the company implemented Grievance process;</li> <li>2). Complaints ensure that the process has been planned, designed, monitored and developed in accordance with the Complaint Handling procedures and internal policy;</li> <li>3). Identify and allocate the necessary resources in the process of handling complaints effectively and efficiently;</li> <li>4). Ensure the company's priority focuses on Consumers and is committed to carrying out the process of handling complaints;</li> <li>5). Ensure that information on the Complaints Handling is easily accessible to consumers and other stakeholders;</li> <li>6). Ensuring Complaints receive related issues reports; and</li> <li>7). Conduct periodic reviews and the develop effectively and efficiently Complaints Handling processes.</li> </ul> </li> <li>b. Officials Complaints Handling <ul style="list-style-type: none"> <li>1). Set performance targets, evaluation and related Complaints Handling reporting;</li> <li>2). Report to the Board of Directors or Officers Under Running the Complaints Handling Function regarding the process, as well as make recommendations for the improvement and development of the Complaints Handling process; and</li> <li>3). Complaints Handling monitor the implementation process, including the recruitment and training of resources, technology systems, documentation, policies and time frames as well as other requirements.</li> </ul> </li> <li>c. Complaints Handling Staff <ul style="list-style-type: none"> <li>1). Receive training on Complaints Handling;</li> <li>2). Comply with Complaints Handling internal policies and procedures;</li> <li>3). Are polite during Consumer Complaints Handling and follow up correctly; and</li> <li>4). Practicing good interpersonal and communication skills.</li> </ul> </li> </ul>	



## CSR Social Responsibility for Products and Customers

### Standard Internal Dispute Resolution (IDR)

### Implementation of IDR In BNI

- d. Other work units associated with the Complaints Handling
- 1). Knowledge of the role, responsibility and authority in the process of handling complaints;
  - 2). Knowledge of the internal policies and procedures implemented and the information submitted to the Consumer;
  - 3). Ensuring that Complaints Handling process is implemented effectively and efficiently;
  - 4). In cooperation with the Complaints Handling work unit / office;
  - 5). Ensuring a committed Consumer focus and in Complaints Handling carry out the processes;
  - 6). Ensure that the Complaints Handling information process is Easy to access;
  - 7). Follow-up report and the results of Complaints Handling;
  - 8). Ensuring Complaints Handling process monitoring is performed and recorded;
  - 9). Ensuring efforts made can complete the Complaint and prevent similar complaints repeating, and document them; and
  - 10). Significant Complaints reported to the Board of Directors or Officers Under The Level of Complaints Handling Function.
  - 11). In the case of Consumer Complaints related transactions or activities involving PUJK employees who has the authority to handle complaints or PUJK employees who completed the Complaint, the Complaint Handling and settlement must be performed by other employees. PUJK Internal Control shall have a system of internal controls related to Complaints Handling. Internal control system at least include:

**Internal control**

PUJK shall have a system of internal controls related to Complaints. Internal control system at least include:  
 PUJK adherence to the implementation of the principle of the application of IDR; Reporting and monitoring system to follow Consumer Complaints; and Preventing misuse of authority in Complaints Handling.

**Internal control**

System of internal controls related to Grievance at BNI has been conducted and regulated in PP Settlement of Customer Complaints Chapter II.G

Standard Internal Dispute Resolution (IDR)	Implementation of IDR In BNI
<p><b>C Design and Planning</b></p> <p>PUJK required to have a work unit and / or functions to handle and resolve complaints made by consumers. In addition, PUJK also obliged to ensure each office carry out the functions of Consumer Complaints Handling. PUJK appoint at least 1 (one) employee PUJK or provide a means to support the functions of Complaints Handling in every PUJK office. The employee is not involved in transactions or activities related to Complaint material.</p> <p>In determining its own Complaints unit and / or Complaints functions, the Board of Directors considered the following matters:</p> <ol style="list-style-type: none"> <li>1. Type of products and / or services offered;</li> <li>2. The type, amount and distribution of consumer, both retail and corporate consumers;</li> <li>3. The value of transactions carried out; and</li> <li>4. The structure of the organization and deployment of operational activities including geographic spread of offices.</li> </ol> <p>PUJK plan and design an effective and efficient structure for Complaints Handling. Units and / or service function and the completion of an internal Complaints adapted to the method of service in each PUJK (centralized, decentralized or semi-decentralized).</p> <p>Here is an example of organizational unit structure and / or Complaint function and settlement services:</p> <ol style="list-style-type: none"> <li>1. Purpose To support the performance of Complaints Handling, Complaint receipt process up to provide a response / completion of the Complaint, Complaints Handling PUJK have a system that aims to <ul style="list-style-type: none"> <li>a. Ensure the effectiveness and efficiency of the Complaints Handling process in accordance with the policies and objectives that have been set;</li> <li>b. Implement responsibilities and authority at every level positions related to Complaints Handling;</li> <li>c. Fulfill and empower human resources with the competence and quantity;</li> <li>d. Establish a response period for Complaints Handling and level of consumer satisfaction; and</li> <li>e. Ensure the effectiveness and efficiency of preventive and corrective action processes.</li> </ul> </li> </ol>	<p>Related to the Objectives and Operation of Settlement of Customer Complaints have been set in PP Customer Complaint Resolution No. IN / 212 / BCC / 001 dated March 26, 2015</p>



## CSR Social Responsibility for Products and Customers

Standard Internal Dispute Resolution (IDR)	Implementation of IDR In BNI
<p>2. Implementation So that consumers can know their consumer protection aspects given by PUJK, then PUJK need to develop policies related to the implementation of IDR consisting of:</p> <ul style="list-style-type: none"> <li>a. The mechanism of delivery of information to consumers about the manner of Complaints Handling;</li> <li>b. Complaints Handling Procedures prepared in a format that is easily understandable and accessible to the consumer;</li> <li>c. Media and procedures for the delivery of customized facilities and infrastructure owned by PUJK; and</li> <li>d. Updating of the procedures for handling complaints.</li> </ul> <p>3. Human Resources PUJK perform related analyzes the proportion of employees trained in handling complaints relating to consumer. PUJK make training priorities based on the main daily tasks in order to function correctly Complaints Handling walk and appropriate, for example:</p> <ul style="list-style-type: none"> <li>a. Employees who deal directly with the Customer (frontline) must receive regular training at least 1 (one) time in 1 (one) year and shall receive training prior to deployment. Examples of routine training that can be applied: the basic training and the concept of individual financial services sector, product knowledge in general, and basic customer service.</li> <li>b. Every launch of new products and services, PUJK must conduct related to product knowledge training to the frontline as an effort to ensure that employees' understanding of the products so that they can provide appropriate solutions to the Consumer according to the characteristics of the product.</li> <li>c. Employees who do not deal with consumers directly (support function) must be trained at least 1 (one) time in their working lives and are not required to receive training prior to deployment.</li> <li>d. To determine the level of employee understanding and compliance training materials, PUJK evaluate each training has been organized and followed up with a refinement of the materials and methods of training. Evaluation procedures tailored to the needs of each PUJK.</li> </ul>	<p><b>Human Resources:</b></p> <ol style="list-style-type: none"> <li>1. Employees - front liner branch (Customer Service and Teller) and Officer of Contact Center Officer shall receive training prior to placement consisting of: <ul style="list-style-type: none"> <li>a. Basic training and the concept of Banking in General</li> <li>b. BNI Products, Services and Services</li> <li>c. Service Excellence.</li> <li>d. Complaint handling</li> </ul> </li> <li>2. Updating products, services and new services to be implemented through the front liners and BNI Branch Sharing Session Forum.</li> <li>3. Employees who are placed in the support function receive training prior to deployment.</li> <li>4. To determine the level of understanding and suitability of training materials, to be evaluate employee through Competency Test conducted periodically done centrally by the Head Office and conducted by each Regional Office.</li> </ol>

Standard Internal Dispute Resolution (IDR)	Implementation of IDR In BNI
<p><b>E Pelaksanaan Penanganan Pengaduan</b></p> <p>1. <b>Media Communication</b> PUJK required to have and implement mechanisms for Consumer Complaints. Complaints Mechanism shall be notified through the media publications that are tailored to the infrastructure available in each PUJK and easily accessible to consumers, at least provided through other means of communication, such as letters, electronic mail, telephone, or leaflets, or available in PUJK website.</p> <p>The information provided in the publication media shall use the terms, phrases, and / or simple sentences in Indonesian easily understood by consumers and can be paired with other languages if necessary. The information must contain at least:</p> <ul style="list-style-type: none"> <li>a. Customer service locations;</li> <li>b. Working hours of service;</li> <li>c. Complaints service phone number;</li> <li>d. The mailing address Complaint or electronic mail services;</li> <li>e. The procedure for the submission of complaints;</li> <li>f. Complaint Handling Process; and</li> <li>g. Complaint Monitoring.</li> </ul> <p>In order to market their products and / or services, PUJK load ordinances that can be taken in case of complaints on the purchase of products and / or use of the service. The procedure for the submission of complaints are listed in the summary of product information and / or services as provided for in SEOJK 12 / SEOJK.07 / 2014.</p> <p>2. <b>Chronology Complaints Handling</b> PUJK shall follow up and resolve the complaint no later than 20 (twenty) working days after the date of receipt of Complaint PUJK may extend the period up to the maximum of 20 (twenty) business days written notice to consumers before the expiry date. Certain conditions which are:</p> <ul style="list-style-type: none"> <li>a. Office / branch received a complaint is not the same as the office / branch where the problems were reported and there were communication problems between the two offices / branch;</li> <li>b. Financial transactions reported by Consumers need further research; and / or</li> <li>c. There are other things beyond the control PUJK, such as the involvement of a third party outside PUJK in financial transactions conducted by consumers.</li> </ul> <p>As examples of Complaints Handling flow, as follows:</p>	<p>Communication media:</p> <ul style="list-style-type: none"> <li>1. Customer Service Location:</li> <li>2. All branches throughout Indonesia</li> <li>3. Service hours:</li> <li>4. Weekday and Saturday and Sunday for a weekend Banking.</li> <li>5. 24-Hour Phone Banking Services</li> <li>6. Phone Number Information Service, Request and Complaints through BNI Call 1500046</li> <li>7. Mailing address Complaint or services email: email bnicall@bni.co.id</li> <li>8. Website BNI: www.bni.co.id</li> <li>9. Procedure for submission of Complaints, Complaints Handling Process Monitoring and Complaints: Det in PP Settlement of Customer Complaints and informed to the customer via the BNI website.</li> </ul>



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Standard Internal Dispute Resolution (IDR)	Implementation of IDR In BNI
<p>d. Consumer Complaints received in person, by phone, mail / e-mail (Office / Branch Office / Office Marketers). Complaints have been received must be recorded and registered using a unique registration code.</p> <p>e. If the document has been declared complete, PUJK provide a receipt of registration of complaints as proof of receipt of the complaint and can be used as an access to know the progress of the complaint handling process.</p> <p>f. Complaints Handling officer analyze Complaints &amp; Consumer Issues identified include:</p> <ol style="list-style-type: none"> <li>1). Consumers identities</li> <li>2). Complaints material as well as to understand consumer expectations.</li> <li>3). To coordinate with related units if necessary</li> </ol> <p>g. PUJK to verify and analyze to determine the follow-up of complaints. Work unit and / or function of complaints handling can coordinate with related units. If necessary, the PUJK conduct an investigation to ascertain the truth of reports that complaints by consumers.</p> <p>h. Escalation PUJK do if a complaint can not be resolved directly by Employees Beneficiary Complaint.</p> <p>i. If the complaint can not be resolved within 20 working days after the document declared complete then contact Consumer PUJK to provide information within 20 working days extension with kondisi in accordance with Article 35, paragraph 3 POJK 1 / POJK.07 / 2013.</p> <p>j. Complaints Handling officer contact the Consumer To convey the complaints resolution that has been done. Settlement Complaints can be either indemnity or apology. Presentation of the consumer complaints resolution can be delivered by PUJK through media include phone, SMS, letter, electronic mail, face to face, online media.</p> <p>k. If consumers reject complaints resolution proposed by PUJK, then PUJK informed that the consumer can choose dispute resolution outside the court or through the courts. Dispute resolution outside the court conducted through the Institute of Alternative Dispute Resolution (laps) as set forth in POJK 1 / POJK.07 / 2014 of the Institute of Alternative Dispute Resolution in the Financial Services Sector.</p> <p>l. PUJK confirm to consumers that the required documents and will wait for the document / such additional information within 7 working days (adjusted for each PUJK SOP).</p> <p>m. If the Customer does not submit the documents / information, PUJK send a letter to the Consumer that the complaint is deemed complete until consumers complete the document / information required.</p> <p>* If the Customer submit documents / information, proceed to number 1.</p> <p>3. Reception and Recording Complaints If PUJK has received complaints from consumers, then PUJK shall conduct the recording and registering any complaint by using a unique registration code. The record-keeping at least include details of the Consumer Complaints description and relevant supporting data.</p>	

Standard Internal Dispute Resolution (IDR)	Implementation of IDR In BNI
4. Monitoring Complaints PUJK provide information about the status of the Consumer Complaints through various means of communication provided by PUJK among others through the website, mail, electronic mail, or telephone. For ensuring Consumer Complaint Handling process carried out in accordance with the above mechanism, then PUJK internal monitoring as follows: a. Monitor the completion of the ongoing Consumer Complaints; b. Ensure that the complaint is resolved in accordance with the standard settlement period; and c. Ensuring that the status and progress of Handling Complaints have been administered.	Complaints monitoring Set in PP Settlement of Customer Complaints II.C Chapter and Chapter II.E
5. Submission Receipt Complaints PUJK give receipts as proof of receipt of complaint registration Complaint and can be used as an access to know the development process Complaint Handling. a. Complaints to the Consumer acceptance notice of at least contain the following information 1). Complaint registration number. 2). The date of receipt of Complaint in accordance with the dates when PUJK receiving complaints from consumers. b. PUJK submit receipts Consumer Complaints through the media, among others: 1). Telephone 2). Services Short Message (SMS) 3). Letter / e-mail 4). Face to face	Complaints Receipt Submission Set in PP Settlement of Customer Complaints Section II.C
6. Classification of Complaints Complaints have been received by PUJK classified according to the degree of difficulty of completion, media / means of information complaint, the location of the complaint, the complexity of the matter the complaint, as well as other matters that are considered necessary to be a classification of complaints by each PUJK for example by using the following parameters: a. Consumer Complaints submitted to the unit and / or functions Complaints Handling that can be completed within the next few days. b. Complaints submitted by the Financial Services Authority. c. Repeated complaints to the problem and consumers alike. d. Complaints submitted through print or electronic media. e. Complaints submitted through Legal Aid Society, NGOs and / or institution / body type. f. Complaints submitted through the relevant State institutions, such as the Ombudsman of the Republic of Indonesia, the National Human Rights Commission and the Secretariat of State.	Complaints classification Set in PP Settlement of Customer Complaints and Chapter II.E III.A
7. Analysis and Investigation of Complaints PUJK verification and follow-up analysis to determine Complaints Handling. Work unit and / or function of Complaints Handling to coordinate with related units. If necessary, the PUJK conduct an investigation to verify the complaints by the Consumer Complaints. Level inquiry / investigation adapted to the level of difficulty Complaints include the frequency of occurrence and impact. PUJK conduct investigations by: a. Internal checks on complaints competently, correctly and objectively; and b. Conduct analysis to ensure the correctness of the Complaint.	Analysis and Investigation of Complaints Set in PP Settlement of Customer Complaints Section II.B



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#### 8. Completion and Complaint

After PUJK verifying and investigating the complaint settlement actionable form as follows:

- Complaints that are believed to be correct

Submission of empathy and clarification to consumers.

- Complaints are believed to be true

- 1). Sorry Statement (Redress)

Letter of apology statement can be given by the Consumer PUJK if:

- There is a consumer demand that PUJK convey an apology;
- There is evidence of the results of internal evaluation that there are omissions by the PUJK;
- There is no complicity and negligence Consumer Complaints related materials;
- There is goodwill from consumers to resolve complaints;
- There is a written agreement between the Consumer and PUJK on resolving complaints. Medium or media / ordinances apology determined by agreement between the Consumer and PUJK.

In case there is no agreement between PUJK and Consumers then "statement of apology" in writing.

- 2). Complaints Settlement Offer

- PUJK specify the terms or conditions of completion of the Complaint;
- Providing compensation can consider the following minimum requirements:
  - Complaint contains a demand for compensation relating to the financial aspects and the elements of material losses;
  - Complaints submitted by the Customer was based on research conducted by PUJK;
  - There is a discrepancy between the treaty of products and / or services with the products and / or services received;
  - Consumers have fulfilled its obligations;
  - The indemnity provided only that directly impact the consumer and the maximum amount of the transaction value losses suffered by consumers.
- Giving the award was not given to the potential loss of profits and costs paid by the consumer in order to process complaints, including but not limited to consulting fees, documentation fees Complaints support, accommodation, transportation and telephone costs.

9. Submission of Complaint Resolution

PUJK settlement Complaints among others, empathy, apology or offer other acceptable settlement Consumers. Presentation of the completion of the Consumer Complaints may be submitted by PUJK through media include phone, SMS, mail, electronic mail, face to face, online media.

#### Submission of Complaint Resolution

Duration REMEDY SDH complaint refers to the provisions of the FSA and has been regulated in PP REMEDY Customer Complaint (Chapter II.E matters 1-2) Submission of extension of time settlement of complaints to the Customer is done via SMS before ending his first work period of 20 days (before time which has been agreed)

(set in PP Settlement of Customer Complaints Section II.C)

#### Closure Complaint

PP is set in Chapter II.E Settlement of Customer Complaints and Chapter II.F

#### Complaints of Consumer Services Integrated Systems Sector Financial Services

Set in PP Settlement of Customer Complaints III.A

**Standard Internal Dispute Resolution (IDR)****Implementation of IDR In BNI**

10. **Complaint Closure**  
In the case of PUJK delivered to the Consumer Complaint settlement, then PUJK register and update status Complaint.

If the Consumer Complaint reject the settlement proposed by PUJK, then PUJK informed that the consumer can choose Complaint settlement out of court or through the courts.  
Dispute resolution outside the court conducted through the Institute of Alternative Dispute Resolution (laps) as set forth in POJK 1 / POJK.07 / 2014 on Alternative Dispute Resolution Institute at Financial Services Sector.

PUJK Grievance monitor the development process to maintain the reputation PUJK and in the context of consumer satisfaction.

11. **Complaints of Consumer Services Integrated Systems Sector Financial Services**  
PUJK designate employees as Person In Charge Complaint (PIC) relating to the FSA and has a duty to respond to requests for information and / or documents of the FSA related to the Consumer Complaint Handling. In order effectiveness Complaints PUJK can appoint three (3) the employees consisting of 2 (two) official in charge of the Consumer Complaints and 1 (one) officer of the law to be a part of PIC.

PUJK who have been granted access privileges Integrated Customer Service System (SLKT) Financial Services Sector, the PIC in question has Additional tasks as follows:

- Monitor, take over, follow up and resolve the Complaint; and
- Provide input related SLKT Financial Services Sector.

In the case presented by the Consumer Complaints to the FSA, then PUJK do Grievance through SLKT Financial Services Sector by means of:

- Accessing SLKT Financial Services Sector  
PUJK access SLKT Financial Services Sector through the regular [www.konsumen.ojk.go.id](http://www.konsumen.ojk.go.id)'s website:
  - Learning of the complaint be escalated by OJK; and
  - Complaints watching recorded in SLKT.
- Taking over Complaint  
PUJK take over Complaints recorded.
- Following up on Complaints  
PUJK follow up complaints that have been taken over and record the follow-up has been done into the history and attach supporting evidence Complaint Handling Complaint.
- settlement of Complaint  
In the event that the Complaints PUJK judging has been completed then PUJK proposed settlement of the Complaint to OJK.

SLKT implementation guidelines of the Financial Services Sector as referred to in the user manual.

The development status and follow-up conducted by the Complaints Handling PUJK can be monitored by the Consumer through the website [www.konsumen.ojk.go.id](http://www.konsumen.ojk.go.id).



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<p><b>F Maintenance and Repair Sustainable</b></p> <p><b>1. Flow Sustainable Improvement</b></p> <pre> graph TD     A[1. Collecting Information] --&gt; B[2. Complaints Evaluation and Analystist]     B --&gt; C[3. Complaint Handling Audit]     C --&gt; D[4. Management Review]     D --&gt; E[5. Sustainable Improvement]     E --&gt; A   </pre> <p><b>Set in PP Settlement of Customer Complaints Chapter IV.A</b></p> <p><b>2. Administrative Complaint</b> PUJK must administer each Grievance process in order to ensure quality and maintain the overall performance Complaint Handling. The administration must contain information at least:</p> <ul style="list-style-type: none"> <li>a. Consumer Identity;</li> <li>b. Material Complaint; and</li> <li>c. Action has been taken to resolve the complaint including Consumer Complaint status.</li> </ul> <p>PUJK organize, establish and implement procedures complaints administration of every process. Such procedures must be in line and pay attention to the confidentiality and security provisions data and / or information Consumer / claimant applies. Procedure Complaints administrative processes, among others:</p> <ul style="list-style-type: none"> <li>a. Specific steps to identify, collect, classify, preserve and archive (including the period retention) with reference to the legislation which applicable;</li> <li>b. Surveillance systems mainly in the form of documentation Complaints electronic records and magnetic recording media in which recording is possible from loss, misuse or obsolete;</li> <li>c. Determine the procedures and limitations regarding the delivery / disclosure is a documentation of a request from a consumer / complainant / parties. This includes the following types of documents that can be given, the parties can receive the following documents with the format; and</li> <li>d. Disclosure of documents in this case the data and statistics Complaints to the public.</li> </ul> <p><b>3. Analysis, Evaluation and Complaint Reports</b> Complaints PUJK analyze and evaluate it periodically. One method of analysis that can be used is the engineering processing of statistical data and reports. Results of analysis can be used to evaluate:</p> <ul style="list-style-type: none"> <li>a. PUJK suitability of products and services;</li> <li>b. Consumer satisfaction levels;</li> <li>c. the performance and effectiveness of the quality management system Complaints;</li> <li>d. The effectiveness of the implementation of the planning process;</li> <li>e. The effectiveness of measures to mitigate risks;</li> <li>f. The performance of external parties related to the implementation Complaints; and / or</li> <li>g. The need for improving the quality of Complaint Management system .</li> </ul>	<p><b>Implementation of IDR In BNI</b></p> <p><b>Administrative Complaint</b> Set in PP Settlement of Customer Complaints Chapter II.F</p> <p><b>Analysis, Evaluation and Complaint Reports:</b> A quarterly report to the Board of Directors. The monthly report to the Leader of BCC. Month report to the relevant Division.</p> <p><b>Internal reports:</b></p>

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<p>In addition to this, the results of the analysis are also needed to identify trends and the majority of the problems often raised in order help find a comprehensive solution so that the problems does not arise in the future.</p> <p>Work unit and / or function Handling Consumer Complaints submit a completion report to the Consumer Complaint Directors or Officers Level Under The Running Board of Directors Function Complaints PUJK periodically. Form of a report prepared in accordance with the needs of each PUJK and delivered in the form:</p> <ul style="list-style-type: none"> <li>a. Internal reports           <p>The report was made internally by using the format / form of reports in each PUJK that cover at least the following matters:</p> <ol style="list-style-type: none"> <li>1). Type of product and / or service and the problem of the complaint.</li> <li>2). Complaints were completed during the reporting period, consisting of complaints received in the previous reporting period and Complaints received in the reporting period.</li> <li>3). The cause of complaint, for example:               <ul style="list-style-type: none"> <li>• Understanding the characteristics of the product by the consumer,</li> <li>• Information products are inadequate,</li> <li>• Disturbance / damage to equipment and information technology systems,</li> <li>• Amendment / termination of the contract / agreement / contract,</li> <li>• Negligence PUJK,</li> <li>• Crime of PUJK.</li> </ul> </li> <li>4). The amount of negative publicity, such as the Consumer Complaints:               <ul style="list-style-type: none"> <li>• Mass media,</li> <li>• Pages print / electronic,</li> <li>• Coverage print / electronic,</li> <li>• Publications / articles in a public place,</li> <li>• Social media, or</li> <li>• Electronic mail</li> </ul> </li> </ol> </li> <li>b. External reports           <ol style="list-style-type: none"> <li>1). Reports created with the format / standard form in accordance with Article 34 Regulation OJK 1 / POJK.07 / 2013. The example is reports submitted to OJK periodically every 3 (three) months.</li> <li>2). The annual report is presented to the public at least including the means, the number and Handling Consumer Complaints.</li> </ol> </li> </ul> <p>4. Compliance Complaints Against Consumer Interests watching PUJK Consumer perceptions towards meeting the needs of the service Complaints were made. Methods of monitoring can be done through surveys, feedback (feedback) Consumers of products and services provided, the interaction with the consumer, and so on. The indicators which can be used as a measure of consumer satisfaction, among others:</p> <ul style="list-style-type: none"> <li>a. Free time Complaint Handling;</li> <li>b. Competence of employees who handle complaints;</li> <li>c. Ease of delivery of the Complaint.</li> </ul>	<p>External reports: Set in PP Settlement of Customer Complaints Chapter II.H</p> <p>PP regulated in Chapter II.H Settlement of Customer Complaints Against Handling Consumer Interests Fulfilling set in PP Settlement of Customer Complaints Chapter II.H survey of customer satisfaction in general telah dilaksanakan through the survey:</p> <ul style="list-style-type: none"> <li>• Customer Satisfaction Survey</li> <li>• Internal BCC Survey</li> </ul> <p>While the survey is related to specific complaints handling will be added to the survey questionnaire next period.</p>



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## 5. Monitoring Process Grievance

PUJK monitor system performance continuously Grievance mechanism and resources involved inside it. Such monitoring is measured by criteria that include:

## a. Type Monitoring Approach

The approach adopted tailored to the type and size of organization in PUJK.

## b. Management Responsibilities

PUJK ensure that those responsible for monitoring and reporting the performance of the Complaints and corrective action taken is the competent authority to do this. Here are some types of responsibilities that could be considered:

## 1). Directors or Officers Level Under The Running Board of Directors Function Complaints:

- a. Defining the purpose of monitoring;
- b. Defines the responsibilities of monitoring;
- c. Conduct a review of the monitoring process; and
- d. Ensuring that performance improvements and fixes are implemented..

## 2). Officials Complaint Handling:

- a. Establish a process for monitoring, evaluation and performance reports; and
- b. Report to the Board of Directors or Officers Under The Running Level of Function Complaints about the performance during the review process Grievance so all the performance improvements and necessary repairs can be made.

## 3). Other officials related to Grievance:

- a. Adequately monitor Complaint Handling and record the results of the monitoring in accordance with authority;
- b. Perform the necessary corrective actions while in the realm of responsibility; and
- c. Complaints provide relevant data to embantu review the monitoring process while in the realm of responsibilities.

## c. Criteria for process monitoring and data Complaints:

## 1). Criteria Grievance Process Monitoring

The following are examples of criteria that can be considered when monitoring the process of Grievance:

- a. Complaints Handling Policy and objectives have been established and implemented correctly;
- b. Commitment Directors or Officers level below the Board of Directors The Run Function Complaints against The handling of complaints;
- c. Responsibility for Handling Complaints have been given the right / appropriate;
- d. Employees who handle the Consumer Complaints granted the authority to complete the Complaint;
- e. Policy restrictions on the responses to the Consumer Complaints have been set;
- f. Competence and the proportion of employees who handle the Complaint has been established in accordance with the needs PUJK;
- g. The effectiveness and efficiency of training Complaints;
- h. The amount of advice from the relevant employee Complaint Handling;
- i. Employee attitudes toward Complaints;
- j. Complaints audit frequency or management reviews;
- k. Time taken to implement the recommendations of the audit Complaints or management reviews;
- l. Complaints Handling Process Monitoring

## Monitoring Process Grievance

Monitoring Process Grievance set in PP Settlement of Customer Complaints and Chapter II Section II.B

**Standard Internal Dispute Resolution (IDR)****Implementation of IDR In BNI**

- i. Time taken to respond to consumer / complainant;
  - m. Consumer satisfaction levels;
  - n. Effectiveness and efficiency of preventive and corrective action process.
- 2). Complaint Data Monitoring Criteria.  
Monitoring data is important because it will give / provide a direct indicator of the performance of the Complaints. Data monitoring can include:
- a. Type of product and / or service and the problem of the complaint;
  - b. Complaints were lodged during the reporting period in a given period;
  - c. Cause of Complaint; and
  - d. Negative publicity.
6. Audit Complaint Handling  
Audit activities of the Grievance necessary in order to evaluate and ensure the implementation of the IDR in accordance with the policies and procedures established and aligned with corporate goals. Audits conducted regularly by the working unit or official designated to carry out the internal audit function. Unit or the officer in internal control necessary to:
- a. To test compliance with policies and procedures, one only use a sampling test of some services, products, and Consumers with a risk based approach to get an overview of the effectiveness of the implementation of policies and procedures for handling complaints;
  - b. Develop programs and procedures with a risk-based audit priorities on the working unit or branch offices belonging has a high business complexity;
  - c. Conduct an assessment of the adequacy of the prevailing PUJK Handling Consumer Complaints periodically;
  - d. Perform analysis and evaluation of the Complaint to reduce the cause of the Complaint;
  - e. Present the results of an audit into the management review to identify the problem and process improvement Complaint Handling; and
  - f. Detecting weaknesses and irregularities that occurred in the Consumer Complaint Handling in a timely manner..

**Audit Complaint Handling**

Complaint handling is not a special audit carried out specifically but still be one focus of operational audit carried out at the branch or division / unit (KIC / KI) regularly.



### Standard Internal Dispute Resolution (IDR)

#### 7. Review Process Complaints Against Management

Directors and Officers Directors level below which perform the function of Grievance process should review on a regular basis in order to ensure the appropriateness, effectiveness and efficiency of sustainable based on information derived from:

- The audit results; or
- Other necessary information, including:
  - Internal factors such as changes in policies, objectives, organizational structure, resources, and products offered;
  - External factors such as changes in laws and regulations, business competition, and technological innovation;
  - Complaints overall performance which includes Consumer satisfaction surveys and monitoring results Complaint Handling;
  - Status of corrective actions, preventive and follow-up of previous management reviews; or
  - Recommendations for improvements and performance improvements Complaint Handling.

Furthermore, the Board of Directors or Officers Directors level below which function to review the Complaint Handling Complaints regularly.

This is done in order:

- Ensure the effectiveness and efficiency Complaints;
- Identifying and mitigating the risks which may arise both from internal and external factors;
- Identify and correct deficiencies of products and services as well as Complaints Handling;
- Assessing the need for changes that may occur to the Complaint Handling; and
- Evaluate potential changes to the policies and goals of Complaints.

Follow-up of the management review include:

- Decisions and actions related to increasing the effectiveness and efficiency Grievance process;
- Proposals on improving the capacity and performance of products and services; and
- Decisions and actions related to human resources needs such as training programs, transfer and rotation continuous, and so on.

#### 8. Sustainable Improvements

Increasing the effectiveness and efficiency Complaints made by PUJK ongoing basis in order to improve the quality of products and services offered. The measures undertaken by PUJK at least include:

- Carry out a follow-up review of the management;
- Analyzing the data Complaints and feedback (feedback) above the Consumer Complaints to identify problems recurrent and / or systemic;
- Using the results of the identification of the problems referred to in letter to determine the necessary actions to mitigate the risks and causes of underlying problems and prevent Complaint recurrence of the same thing in the future;
- Examine and apply the best practices (best practices) Related Complaints from various national reference and internationally; and
- Encourage and develop technological innovations in the system Complaint Handling

### Implementation of IDR In BNI

Against Management Review Process Complaints have been done through:

Evaluation SLA periodic settlement of customer claims with operational units.

BNI adjust internal regulations if there are changes in legislation.

Improving application handling customer complaints.

Provide feedback to the business owner or product owner related customer complaints that often arise.

SLA monitoring related complaints resolution

#### Sustainable improvement

To increase efficiency and continuous Complaints, has made steps as follows:

Conduct a review SLA settlement of customer claims for each category of complaints.

Periodically submit feedback (feedback) to the product owner to the problems that often occur.

Besides the implementation of the guaranteed policy on consumer protection, activities have been carried out by the Bank related to the Customer / Consumer throughout 2016 as follows:

#### **ATM Tuna Netra**

BNI has created innovations targeting with Innovation-Driven ATM services in the form of audio-ATMs for those with visual impairment. These ATMs, called Dialogue ATMs, were introduced in the Papua region on May 7, 2016 at the ATM Gallery, Entrop Jayapura, Papua.

Dialogue ATMs are with touch screens and audio headsets and through the headset, customers will be able to do banking transactions such as balance inquiries and cash withdrawals, and change the account PIN. In addition, all the letters on the ATM will use Braille.

#### **Payment of Motor Vehicles e-Samsat**

In order to improve service payment of local taxes and motor vehicle registration, BNI has worked with SAMSAT West Java and develop SAMSAT electronic (e-SAMSAT). The e-SAMSAT service in West Java is expected to facilitate taxpayers in meeting their obligations. Motor Vehicle Tax payments will be easier as BNI has set up 1,338 ATMs in West Java and 14,369 ATMs spread across Indonesia. With e-SAMSAT, the public will be given the ease and speed to process payments more practically and avoid the practice of using brokers.

The Anti brokering service is expected to be the entry point for people to get to know BNI as Transactional Bank with many amenities that facilitate customers.

#### **BNI Partners Go Online**

With the proliferation of online sales, BNI encourages its established partners with Go Online with e-Commerce training held in 6 cities. E-Commerce training called GOL (Go OnLine) was attended by 70 BNI Partners to display as many as 1,946 Products, carried out simultaneously in Jakarta, Kuta, Kampoeng BNI Kamasan - Klungkung, Bandung, Yogyakarta and Makassar. In the six cities, the total Partners who attended was 320. The training provides opportunities for BNI digital marketing Partners in the face of globalization. Opening new cyberspace markets will strengthen the MSMEs business.

#### **BNI Rezeki Homegoing 2016**

BNI successfully assisted 1,000 homegoing loyal BNI customers using railways on Saturday, July 2, 2016. BNI also arranged 80 executive buses for about 4,000 participants, and helped repatriation of 30 Indonesian Migrant Workers (BMI) from Malaysia.

500 travelers used the train in economy class and 500 other travelers used executive class trains. Delivering 400 executive class train travelers to Yogyakarta and Solo and 100 to Surabaya. With 200 economy class returning train travelers from Solo and 300 from Surabaya.

Economy class trains departed from Senen Station and executive class trains departed from Gambir Station.



## CSR Social Responsibility for Products and Customers

### BNI Cares TKI

As part of its 70th Anniversary Ke BNI, BNI helped repatriate underprivileged and problematic Indonesian Migrant Workers. This included 30 migrant workers from Malaysia, 20 from Taiwan and 20 from Oman. In addition to helping during Eid, this activity also is a form of gratitude for the cooperation between BNI and the Indonesian Migrant Workers.

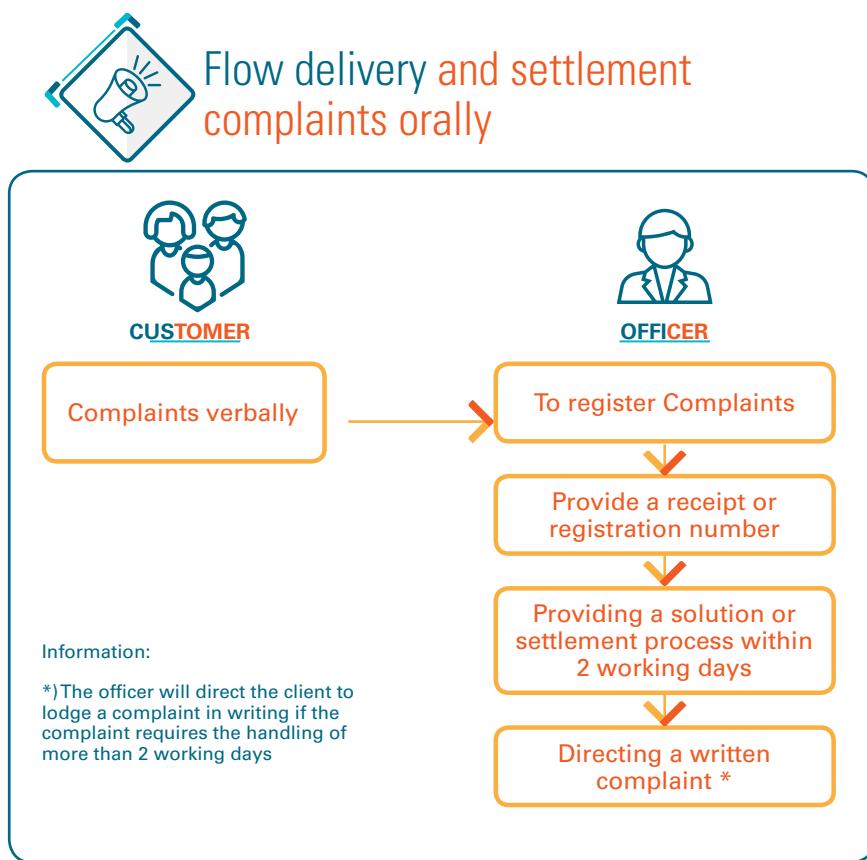
### Services and Settlement of Customer Complaints BNI

Contact BNI Centers are the frontline for our customers, always providing the best service, including the settlement of any customer complaints both for banking and credit card services. The customer complaint service is listed on the BNI website [www.bni.co.id](http://www.bni.co.id), and BNI Call on 1500046. Customers are given verbal or written easy access to a wide selection of complaint services.



## Oral Complaints

Solution settlement of complaints were made orally, a maximum of two (2) working days. If the settlement of complaints orally solution requires more than 2 (two) days, then the officer will advise the customer BNI for filing a complaint in writing.



## Complaints to Written

In the case of a written complaints submission necessary documents from customers, namely:

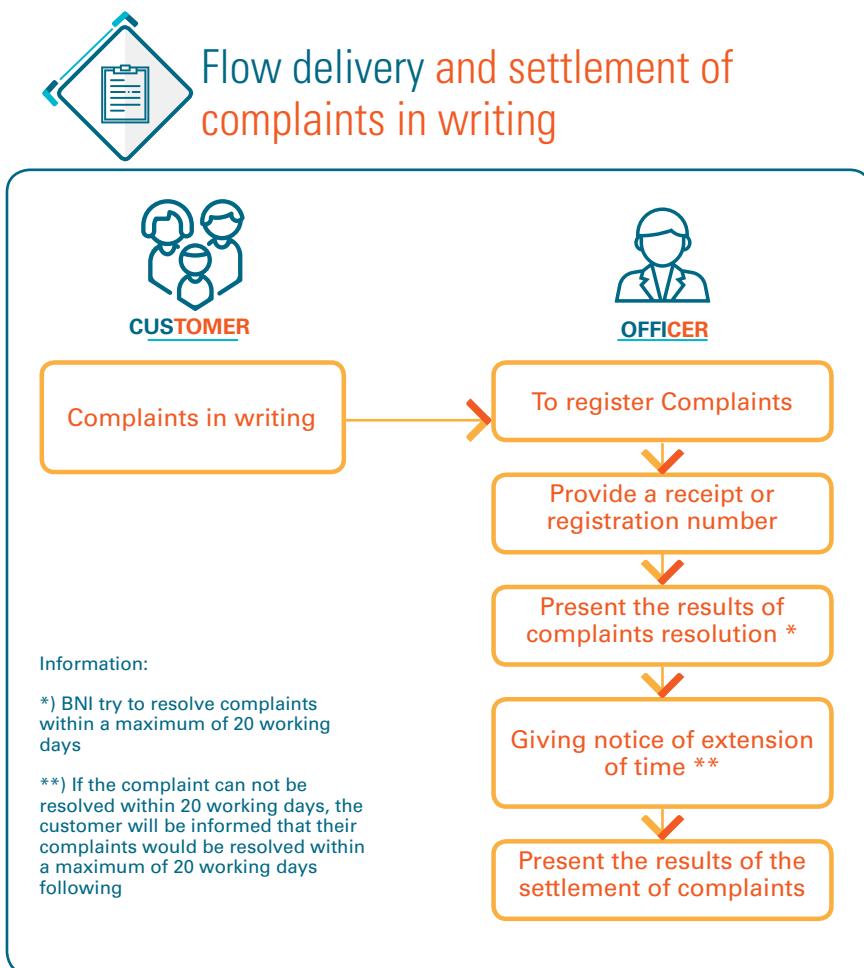
1. Statement that describes the problems experienced by customers (which are required)
2. A copy of the identity client / customer representative (to be required)
3. Supporting documents such as:
  - a. Proof of deposit / withdrawal / transfer or other banking activities related to the complaint in question
  - b. A copy of savings / checking account belonged to customers and / or their representatives
  - c. The power of attorney client represented (if not the customer himself who filed the complaint)



## CSR Social Responsibility for Products and Customers

- d. Documents from the authorities (if the customer representative is an institution / legal entity)
- e. Other documents required

Written complaints resolved within 20 (twenty) working days, and under certain circumstances can be extended up to 20 (twenty) working days. In accordance with Bank Indonesia Regulation (PBI) No. 10/10 / PBI / 2008 dated February 28, 2008 concerning amendment of PBI No. 7/7 / PBI / 2005 on Settlement of Customer Complaints that BNI will provide information to customers when needed extra-time completion.



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In accordance Circular OJK (FSA SE) No. 2 / SEOJK.07 / 2014 dated February 14, 2014, BNI will provide information on the settlement of customer complaints by means of telephone, email, mail or short message (short message service / sms). If the customer feels settlement solutions provided by BNI still less appropriate, customers can continue the process of resolving complaints through mediation services of Bank Indonesia, the Financial Services Authority or Institute for Alternative Dispute Resolution.

## **CSR RELATED SOCIAL RESPONSIBILITY TO SUPPLIERS (PROCUREMENT)**

### **Policy**

BNI is committed to implementing changes in work procedures and improve procurement performance. The Company utilizes information technology (IT) in the implementation of the procurement process that has proven successful in increasing the performance in achieving the objectives of procurement.

### **Activity**

In order to achieve the vision of "Becoming a Winning Financial Institutions in the Service and Performance" as well as the Fifth Mission "To be a reference implementation of compliance and good corporate governance", BNI implement transparent procurement process using the portal website, [www.bni-eproc.com](http://www.bni-eproc.com)

BNI has a special unit that handles the supplier of the Division of Procurement and Asset Fix (PFA). In doing administrating suppliers, BNI compile Client List is always updated according to changes that occur. Additionally, BNI also undertake an assessment of the supplier with regard to the Performance Assessment Sheet Partner.

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# Capital and Risk Management Practice (Consolidated)

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## BNI Capital Structure



Capital is a source of financial support for the implementation of overall activities, acts as a cushion to absorb unexpected losses, and is a safety net in conditions of crisis. Adequate capital adequacy can increase the confidence of stakeholders.

The Bank's Capital Plan was developed based on a review and assessment of the required capital adequacy requirements, combined with reviews of the latest economic developments. The Capital Plan was prepared by the Board of Directors as part of the Bank's business plan and approved by the Board of Commissioners. The Bank always connects financial goals and capital adequacy to risk capital through the planning process. Similarly, the business expansion is based on capital adequacy and liquidity requirements. The capital requirements are planned and discussed on a regular basis with supported data analysis.



The related capital management policy is intended to ensure that the Bank has strong capital and excellent capital structure to support the development strategy of the current business expansion and maintain business continuity in the future. In addition, the capital policy is set to comply with capital adequacy set by the regulator and to ensure that the capital structure of the Bank has been streamlined.

In accordance with Otoritas Jasa Keuangan Regulation (POJK) No. 11 / POJK.03 / 2016, the Bank's capital consists of:

#### Core capital

Core capital is the bank's capital comprising of: Main Core Capital (Common Equity Tier 1 - CET 1) and Supplementary Core Capital (Additional Tier 1). Core capital includes paid-in capital and major additional reserves.

Additional reserves consists additional agio, Capital Contribution, profit for previous years, profit for the year, the difference in financial statement, The Fund's Paid-up Capital, warrants issued as incentive to the Bank's shareholders, stock options, other comprehensive earnings and surplus balance

fixed assets revaluation) and the reduction factor (disagio, loss from past years, loss from current year, the difference in financial statement, other comprehensive income, the difference is less between Allowance Assets (PPA) on productive assets and reserves losses Impairment (CKPN) on productive assets, less the difference between the amount of adjustment to the results of the valuation of financial instruments in the Trading Book and the number of adjustments based on the financial accounting standards as well as non productive PPA).

#### Supplementary capital (maximum 100% of core capital)

Tier II includes capital instruments in the form of shares or in any other form that meets the requirements, additional paid or discount derived from the issuance of equity instruments classified as supplementary capital, PPA general reserves on assets which are calculated by the maximum amount of 1.25% of Risk Weighted Assets credit and Reserves.

In 2016, BNI core capital and supplementary capital amounting to Rp84.28 trillion, the core capital and supplementary capital in 2015 amounted to Rp73.8 trillion.

**Tabel 1.a BNI Capital Structurew**

(in million Rupiah)

CAPITAL COMPONENTS	December 21, 2016		December 21, 2015	
	Individual	Consolidated	Individual	Consolidated
I. Core Capital (Tier 1)	79,644,529	82,433,225	64,251,153	66,359,277
1 Common Equity Tier 1 (CET 1)	79,644,529	82,433,225	64,251,153	66,359,277
1.1 Paid-in Capital (After deducted by treasury stocks)	9,054,807	9,054,807	-	-
1.2 Reserved Paid-in Capital *)	74,141,736	75,058,373	-	-
1.2.1 Additional Factor	75,452,711	76,983,451	-	-
1.2.1.1 Other Comprehensive Income	12,271,672	12,345,269	-	-
1.2.1.1.1 Additional Difference of Financial Statement	81,715	81,715	-	-
1.2.1.1.2 Potential Profit from reasonable value Increase of Financial Assets in the group available for sale	-	-	-	-
1.2.1.1.3 Balance gain from revaluation of fixed assets	12,189,957	12,263,554	-	-
1.2.1.2 other disclosed reserves	63,181,039	64,638,182	-	-
1.2.1.2.1 Agio	14,568,468	14,568,468	-	-
1.2.1.2.2 General Reserves	2,778,412	2,778,412	-	-
1.2.1.2.3 Previous Years Income	35,057,859	36,054,633	-	-

CAPITAL COMPONENTS	December 21, 2016		December 21, 2015	
	Individual	Consolidated	Individual	Consolidated
1.2.1.2.4 Income for the year	10,776,300	11,236,669		
1.2.1.2.5 Paid-up capital	-	-		
1.2.1.2.6 Other	-	-		
1.2.2 Deduction factors	(1,310,975)	(1,925,078)		
1.2.2.1 Other Comprehensive Income	(1,247,449)	(1,861,323)		
1.2.2.1.1 Deduction Difference of Financial Statement	-	-		
1.2.2.1.2 Potential Profit from reasonable value decrease of Financial Assets in the group available for sale	(1,247,449)	(1,861,323)		
1.2.2.2 other disclosed reserves	(63,526)	(63,755)		
1.2.2.2.1 Disagio	-	-		
1.2.2.2.2 Previous year Loss	-	-		
1.2.2.2.3 Loss for the year	-	-		
1.2.2.2.4 Minus Difference between Elimination of Deleted Assets and Loss Decrease Value Back Up over Productive Assets	-	-		
1.2.2.2.5 Minus Difference adjustment total of reasonable value of financial instrument in Trading Book	-	-		
1.2.2.2.6 non productive PPA Assets which should be formed	(63,526)	(63,755)		
1.2.2.2.7 Other	-	-		
1.3 non controller interests which could be counted	-	2,484		
1.4 Deduction Factor First Core Capital *)	(3,552,014)	(1,682,439)		
1.4.1 Tax-Deferred Calculation	(1,249,473)	(1,288,172)		
1.4.2 Goodwill	-	-		
1.4.3 All Unformed Assets Other	-	-		
1.4.4 Calculate Enclosing as Deduction factor	(2,302,541)	(394,267)		
1.4.5 Minus Capital in Assurance Subsidiaries Company	-	-		
1.4.6 Securities Exposure	-	-		
1.4.7 Deduction Factor First Core Capital Other	-	-		
1.4.7.1 Fund placed in AT 1 Instrument and/or Tier 2 in other Bank	-	-		
1.4.7.1 Ownership Cross in Other Entity which ecquired based arranging caused law, grant, or probate grant	-	-		
2. Additional Tier 1 (AT 1) *)	-	-	-	-
2.1 AT 1 Required Instruments	-	-		
2.2 Agio/Disagio	-	-		
2.3 Deduction Factor First Core Capital *)	-	-		
2.3.1 Fund placed in AT 1 Instrument and/or Tier 2 in other Bank	-	-		
2.3.2 Ownership Cross in Other Entity which ecquired based arranging caused law, grant, or probate grant	-	-		



## BNI Capital Structure

CAPITAL COMPONENTS	December 21, 2016		December 21, 2015	
	Individual	Consolidated	Individual	Consolidated
II. Complement Capital (Tier 2)	4,633,546	4,766,042	9,547,647	9,698,487
1. capital instruments in share formed or other required Tier 2	-	-	-	-
2. Agio/Disagio	-	-	-	-
3. General PPA Back Up over Productive Assets which should be formed (In highest 1.25% RWA of Credit Risk)	4,733,546	4,866,042	-	-
4. Deduction Factors Complement Share *)	(100,000)	(100,000)	-	-
4.1 Sinking Fund	-	-	-	-
4.2 Fund Placed in Tier 2 Instrument on other bank	(100,000)	(100,000)	-	-
4.3 Ownership Cross in Other Entity which acquired based arranging caused law, grant, or probate grant	-	-	-	-
Total Capital	84,278,075	87,199,267	73,798,800	76,057,764
	December 21, 2016	December 21, 2015	December 21, 2016	December 21, 2015
	Individual	Consolidated	Individual	Consolidated
Assets Counted by Risk	KPMM Ratio			
RWA CREDIT RISK	378,715,505	393,701,434	329,342,843	341,710,828
CET 1 Ratio (%)	18.3%	18.2%	17.0%	16.9%
RWA MARKET RISK	2,540,057	2,671,238	1,475,750	1,764,663
Tier 1 Ratio (%)	18.3%	18.2%	17.0%	16.9%
RWA OPERATIONAL RISK	54,098,017	56,705,293	47,746,053	49,745,517
Tier 2 Ratio (%)	1.1%	1.1%	2.5%	2.5%
TOTAL RWA	435,353,579	453,077,965	378,564,646	393,221,008
KPMM Ratio AS RISK PROFILE (%)	9.8%	9.8%	9.7%	9.7%
CET 1 FOR BUFFER (%)	1%	1%	-	-

## CAPITAL MANAGEMENT INTEGRATED IN BNI FINANCIAL CONGLOMERATE

Based on the Otoritas Jasa Keuangan Regulation (POJK) No. 17 / POJK.03 / 2014 every Financial conglomerate shall implement Integrated Risk Management (MRT) and have a top entity. Financial conglomerates includes Financial Services Institutions (LJK) such as Banks, Insurance / Reinsurance, Corporate Securities and Finance Companies.

BNI has established a Financial conglomerate structure, in which the parent company BNI is the Top Entity and it has 5 (five) Financial Services Institutes as members, BNI Syariah, BNI Multifinance, BNI Life, BNI Securities and BNI Asset Management.

Referring to POJK No. 26 / POJK.03 / 2015 dated December 4, 2015, Financial conglomerates shall provide integrated lowest minimum capital of 100% (one hundred percent) of the Total Capital Adequacy Ratio (TMM), by calculating the Integrated Capital Adequacy Ratio.

Based on the results of the Risk & Capital Committee Sector Risk Management (RMC) - 01/2016 dated January 15, 2016 it was decided that the Integrated CAR reporting by BNI Financial conglomerate use BNI consolidated capital plus BNI Life capital.



\*) 120% Risk-Based Capital Adequacy (MMBR)

Calculation of Total Capital Actual (TMA) and Total Capital Adequacy for each LJK in BNI Financial Conglomerate is also conducted to monitor LJK capital adequacy respectively. Capital Adequacy Ratio calculation results for BNI Integrated Financial Conglomerate as at December 31, 2016 amounted to 204.13%.



## Application of Risk Management

### BASIC IMPLEMENTATION OF RISK MANAGEMENT

Implementation of BNI Risk Management is based on national and international regulations, including Otoritas Jasa Keuangan Regulation (POJK), Circular of the Financial Services Authority (SEOJK), Bank Indonesia Regulation (PBI), a Circular Letter of Bank Indonesia (SEBI), and the Basel Committee on Banking Supervision (BCBS).

Some of the regulations related to the Bank's Risk Management are as follows:

1. Application of Risk Management
  - a. Otoritas Jasa Keuangan Regulation No. 18/POJK.03/2016 dated March 16, 2016 on the Application of Risk Management for Commercial Banks.
  - b. Otoritas Jasa Keuangan Circular No. 34/SEOJK.03/2016 dated 1 September 2016 concerning the Application of Risk Management for Commercial Banks.
2. Application of Risk Management Consolidated Subsidiary
  - a. Bank Indonesia Regulation No. 8/6/PBI/2006 dated January 30, 2006 concerning Implementation of Consolidated Risk Management for Banks Performing Control on Subsidiary Companies.
  - b. Bank Indonesia Circular Letter No. 8/27/DPNP about the Precautionary Principle and reports in order Implementation of Consolidated Risk Management for Banks Performing Control on Subsidiary Companies.
3. Bank Rating (TKB)
  - a. Otoritas Jasa Keuangan Regulation No. 4/POJK.03/2016 dated January 26, 2016 on the Assessment of Commercial Banks.
  - b. Bank Indonesia Circular Letter No. 13/24/DPNP dated October 25, 2011 concerning Commercial Bank Rating.
4. Internal Control System Bank Indonesia Circular Letter No. 5/22/DPNP dated 29 September 2003 concerning the Internal Control System Standard Guidelines for Commercial Banks.

### GENERAL IMPLEMENTATION OF RISK MANAGEMENT

#### Active supervision of the Board of Directors and Board of Commissioners

The Board of Commissioners active supervision is conducted through approval and evaluation of the risk management policy drawn up by the Board of Directors. Periodically the Board of Commissioners evaluate the implementation of risk management policies through Meetings of Directors and Commissioners (Radikom), as well as in the meeting of the Risk Oversight Committee (KPR).

The Board of Directors active supervision is carried out with the preparation, approval, implementation and evaluation of policies and risk management procedures, conducted through Directors Meetings (Radisi), Risk & Capital Committee and Risk Management Committee Sub (RMC) Meetings, Risk and Capital Committee and Assets & Liabilities Sub Committee (ALCO) Meetings, Risk and Capital Committee and Sub-Committee Against Fraud (KAF) Meetings, as well as the Credit Policy Committee (KKP) and Credit Procedure Committee (KPP) Meetings.

## Risk Management Policies and Procedures and Limit Risk Adequacy

The risk management policy is a basic reference for strategy about risk management at BNI, while the risk management procedures are procedures as a guide in implementing the risk management function. Details of each procedure is stipulated in the technical instructions.

Risk Management Policy in BNI, includes:

1. Risk Management General Policy.
2. Credit Risk Management, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Legal Risk, Strategic and Reputational Risk Policies.
3. Guidelines for Internal Control Systems implementation are outlined in the Risk Management Policy Risk Management Procedures.

Limits related to credit risk, market risk, liquidity risk and operational risk has been owned BNI as one method of controlling the risks and to be reviewed periodically by the agreement up to the level of the Board of Directors through committee meetings or through the circulation to the Directors in accordance with the level of authority.

## Identification Process, Measurement, Monitoring, and Control Risks, and Risk Management Information System Adequacy

BNI's Risk Management Process covers the identification, measurement, monitoring and controlling of 8 (eight) types of risk supported by the Risk Management Information System, which can be described as follows:

Risk management is focused on the risks that can disrupt the continuity of the Bank's business. Adapted to the risk management process and the level of risk exposure and risk tolerance to be taken

The process of risk monitoring is done to ensure that risks are managed well, through:

- monitoring compliance with regulations
- tolerance and risk limits that have been set
- results of stress testing
- risk mitigation efforts that have been made.



Delivering the risk report, includes :

1. Risk Management Report to the Regulator and Management
2. Risk Management Information Report to the public



## Application of Risk Management

Risk measurement is done both quantitatively and / or qualitatively with suitable measurement methods that have been set by the regulator or by using those internally developed by BNI, based on best practices in measuring risk. To anticipate the extreme conditions, the measurement of risk in BNI is also equipped with stress testing for credit risk, market risk and liquidity risk.

Risk monitoring is done by the Operations Unit, risk-taking units, as the risk owner and by risk control unit, and the monitoring results are presented the periodic reports including Portfolio Loans Monitoring, Market Risk and Liquidity Risk, Operational risk Charges, Feedback Operational risk Self Assessment, Internal risk, risk profile Report, Report of the Bank's Health, and Capital Adequacy Reports (CAR).

Some risk management applications are used to support good, accurate and timely implementation of the risk management processes, among others Credit Risk Management System (CRMS), Internal Rating System, Scoring System, Operational Risk Tool (PERISKOP), and the application of market risk management.

### **RISK IDENTIFICATION**

The risk identification process is carried out proactively for all business activities to analyze the source, the level of risk likelihood and impact.

The things considered in risk identification process are:

1. Identify all the risks regularly.
2. Have a method or system to identify risks on all BNI products and business activities.
3. Specifically identifying risks for new products and activities, before the product / new activity is introduced or executed.

### **RISK MEASUREMENT**

The process of risk assessment is carried out to determine the magnitude of the risk exposure as a reference for risk control as well as for the purposes of Minimum Capital Requirement calculation.

The things considered in the implementation of risk assessment are:

1. The scope of the risk assessment does not measure the sensitivity, predisposition, risk factors individually, the overall risk exposure as well as a risk by considering the correlation, and all of the risks inherent in the trading and bank products.
2. The method of risk measurement can be performed quantitatively and / or qualitatively using methods prescribed by the regulator as well as self-developed internally.
3. Application of the method for measuring is adjusted to applicable Regulator provisions.
4. The use of internal methods in measuring credit risk, market risk and operational risk, should consider the requirements of regulators, backtesting, validation and documentation.
5. Measurement of the risks undertaken by the Risk Management Unit in coordination with the Risk Management Unit.
6. Measurement of risk for BNI individuals is conducted on 8 (eight) types of risk, while the BNI Financial conglomerate is conducted on 10 (ten) types of risk.
7. For the purposes of reporting the Capital Adequacy Ratio (CAR) to the Regulator, BNI's individual risk assessment is conducted 3 (three) major risks ie credit risk, market risk and operational risk. While the integrated CAR calculation is done by comparing the total Financial Services Institutions (LJK) actual capital for Financial conglomerate members with a total minimum capital that must be fulfilled by BNI Financial conglomerate LJK members.
8. The risk measurement is performed periodically where the measurement results are reported to the Regulator as part of the BNI Risk Profile and CAR reporting and individual's risk profile and integrated CAR reporting.

## MONITORING RISKS

The process of risk monitoring is done to ensure that risks are managed well focusing on mitigation and monitoring of risk limits set.

The things considered in the implementation of risk monitoring are:

1. Monitoring risks including, monitoring the amount of risk exposure, risk tolerance limit compliance, and the results of stress testing as well as the consistent implementation of the policies and procedures established.
2. Monitoring of the risks undertaken by Operations Unit and Risk Management Unit.
3. The monitoring results are presented in reports submitted periodically to external regulators and internal management.

## RISK CONTROL

The risk management process is done primarily to manage the risks that can disrupt BNI business continuity.

The things considered in risk control are:

1. The system refers to the established risk control policies and procedures.
2. The process of risk control and risk exposure is adjusted to the level of risk to be taken, and risk tolerance.
3. The mechanism of hedging and risk mitigation is done by the Task Force in cooperation with the Operational Risk Management Unit.

Risk control strategies that can be done as follows:

1. Accept Risk (Risk Acceptance)  
For this type of risk the process does not allow for intervention prevention or improvement for the situation, then the potential risks would be accepted as a consequence of banks in exploiting business opportunities, with the consideration that there are still risks in the Bank limit / tolerance. However, strict control should be run when the risk control strategy is applied.
2. Risk Avoidance  
Risk avoidance is done to prevent the banks from experiencing an unacceptable risk, or prevent increased exposure to risks. Risk avoidance is selected if the potential benefits of a smaller business activity with a risk exposure that might occur.
3. Risk Transfer  
At the risk transfer strategy, there are still risks inherent in the business activity, but the risk is transferred to another party. One method of risk transfer, the most common, is the use of insurance services or personnel outsourcing.
4. Risk Mitigation  
Risk mitigation will be optimal if efforts have been made to reduce risks. Risk mitigation is intended to minimize the losses triggered by external factors, as well as events in the internal bank. One alternative to suppress and reduce risk is through increased control and improvement of systems and procedures.

## RISK MANAGEMENT INFORMATION SYSTEM

Risk Management information systems must be able to support the implementation of the process of identification, measurement, monitoring, and controlling risks.

Some applications of risk management has been set up to support the good, accurate and timely implementation of the risk management processes, among others Credit Risk Management System (CRMS), Internal Rating System, Scoring System, Operational RiskTool (PERISKOP), and the application of market risk management.



## Application of Risk Management

### Comprehensive Internal Control System

BNI internal control systems are developed and implemented using the Three Lines of Defense model consisting of:

#### 1<sup>st</sup>

*Risk Taking Unit  
or 1<sup>st</sup> Line of Defense*

**Risk Owner**, responsible for the risk taken, the execution and the results (Day to day risk management & control)

#### 2<sup>nd</sup>

*Risk Control Unit  
or 2<sup>nd</sup> Line of Defense*

**Risk Control**, responsible for the preparation of the framework, policies, principles and methodology of the Bank's risk management

#### 3<sup>rd</sup>

*Risk Assurance Unit  
or 3<sup>rd</sup> Line of Defense*

**Risk Assurance**, responsible for independently assessing the effectiveness of the implementation of risk management and internal control

- Responsible for the management and control of the inherent risks in daily business or function activities (day-to-day)
- Identify, measure, mitigate, monitor and report the inherent risks in the business activity / function in accordance with the strategy / policy / risk parameters set by the 2nd line of defense

- Prepare proposals and policy strategies for risk management, including risk appetite and limits
- Develop a framework, policies, principles, tools, methodologies and risk management standards
- As risk oversight unit, perform aggregation and overall risk reporting.
- Advice or recommend to 1st line of defense in implementing risk policies appropriate authorities
- The escalation of problems / critical decisions to Senior Management / Board of Directors / Risk Management Committee

- Conduct internal audit independently and periodically on the implementation of risk management and internal control.
- Develop recommendations / corrective action and monitor their implementation.
- Report the audit results to the Audit Committee and key stakeholders within their authority

The Risk Owner, as a first line of defense / RiskTaking Unit has to manage the inherent risks in the business and functions on a day to day basis.

The Bank's Risk Management Division, Policy Governance Division and Compliance Division act as the second line of defense / Risk Control Unit and are responsible to the Director of Compliance and Risk.

Internal Audit Unit act as a third line of defense / Risk Assurance Units, responsible to the President Director and in charge of independently assessing the suitability of the risk management implementation process and internal control system with the established policies and procedures and with the regulator provisions.

Implementation of Internal Control System in BNI has been operating effectively and efficiently with the implementation of separation of duties between Risk Taking Units and the Risk Control Units and Risk Assurance Units.

## IMPLEMENTATION OF RISK MANAGEMENT IN PARTICULAR

### CREDIT RISK MANAGEMENT

Amid the increasing global economic uncertainty and economic slowdown due to the global crisis still being felt by the Indonesian economy, the impact on the increase in non-performing loans (NPL) ratios in BNI's loan portfolio which grew by 17.61% in 2016. Such growth is above Commercial and Limited Liability Bank growth. BNI's NPL increased from 1.96% in 2015 to 3% in 2016 in line with the overall increase in banks' NPLs.

To anticipate and control the credit risk posed by the failure of the debtor to meet its obligations, the bank has implemented an early warning monitoring system to identify credit risk earlier using a determinant of further investigation before the credits fall into the non-performing loan status. BNI proactive restructuring efforts for loans indicated to be problematic in the future reduces the rate of increase in NPLs.

In anticipation of the uncertain economic conditions, BNI gradually continued to improve the ratio of the Bank's ability to absorb potential losses due to poor credit quality, Coverage Ratio, which currently has reached 146%.

Currently, the bank has had a Credit Discipline Program (CDP) as a guide for the loan processing officers to effectively and prudently create a pipeline, verifying credit monitoring. The Credit Discipline Program (CDP) was socialized in December 2016 to the regions and will be continued for all regions in 2017.

### Governance and Organization

To accelerate the expansion of business while maintaining credit quality, BNI has made changes in the marketing function including the credit marketing process and credit analysis process carried out by the Relationship Manager. To deepen and strengthen the proposed loan, business risk units perform risk assessments in more depth (deep dive analysis) and analysis of the business to anticipate the risk of anomalies that have not been caught in the risk analysis by the Relationship Manager and the necessary mitigation proposed to prospective borrowers.

The four eyes principles BNI applies in the lending process is implemented in the credit approval process through the Credit Committee, which is a joint forum of credit breaker officials who have the authority to decide in accordance with the credit limit set. Credit Committee members consist of officials from the business units and business risk unit.

To address and resolve problem loans, the bank has appointed Rescue and Loan Settlement SEVP in charge of Remedial and Recovery Unit who have the function of rescue and settlement of non-performing loans in all business segments.

Business units and business risk unit act as a first line of defense (risk owner) in charge of managing and controlling credit risk in the daily operations of the unit.

The Bank Risk Management Division (ERM) and the Governance Policy Division (GSP) to act as a second line of defense is in charge of preparing the credit infrastructure such as the preparation of credit policies and procedures, the authority of the credit limits, setting up a system of rating and scoring, along with business units to monitor portfolio credit, as well as prepare other tools needed to support lending activities.



## Application of Risk Management

The Internal Audit Unit (IAU) as a third line of defense actively participates in maintaining the quality of credit portfolio through immediate review, namely sampling checks on some debtors as soon as the credit is disbursed.

### Policies and Procedures

Credit Policies and Procedures are prepared as a basis for activities in the lending process so that credit quality can be maintained by taking into account the business targets set. BNI has a Bank Credit Policy (KPB) disconnected from the Credit Policy Committee Forum (KKP) and approved by the Board of Commissioners.

Furthermore KDP Guidelines are decided by the Company's Credit Forum Credit Procedure Committee (KPP) and are standardized in the Company Code. Company guidelines used today are in the form of online guidance through BNI e-PP.

Operational activities for individuals' credit risk management is implemented by Business Units and Business Risk Units through the stages of identification (including a verification of the correctness of data), measurement (use of the credit analysis), monitoring (through regular visits to customers and reviews rating the customer), and control (among others via the establishment of limits, covenants, and mitigant factors).

### Credit Risk Management Process



For the overall portfolio, monitoring and reporting of credit exposures are conducted regularly by the Management through the Loan Portfolio report. Also regularly in the Risk and Capital Risk Management Division Forum, carried out to evaluate the achievement of targets, the adoption of measures and coordination of follow-up improvement, as well as an evaluation of the effectiveness of the measures taken.

To ensure the bank's portfolio is not concentrated just on the debtors and certain economic sectors, credit restrictions corresponding to risk appetite have been established, while to anticipate BNI LLL exceedances, a LLL limit called the house limit has been set with more prudent limits than LLL limits in accordance with the regulator.

### Process

The Credit risk management process is implemented from the loan marketing process until the loan is paid off. The process takes place continuously in a value chain activity that begins with strategy-setting and planning, customer insight, portfolio planning, product development, credit processing, credit administration, intensive monitoring and portfolio optimization.

### Devices and Methods

To support the operation of business processes and the management of credit risk, the bank has good credit risk management tools at the individual and portfolio exposure level.

For exposure processing for individual business banking, the bank has an internal rating models in the form of a rating system, while the consumer segment debtor scoring system is used to help analyze the quality of the debtors in the credit process.

To regulate the portfolio composition, the bank has a Loan Exposure Limit (LEL) which serves to limit risk concentration of loan exposure in each sector of the economy in their respective segments, and guide the expansion of lending. To assess the risk of any kind of industry, BNI has Industry Risk Ratings (IRR) as well as standard financial ratios used as factors in assessing the quality of debtors from the industry side.

As part of credit risk measurement and to anticipate changes in the macro factors affecting the bank, BNI regularly performs credit risk stress testing to assess changes in the loan portfolio and the effect on the bank and the bank's ability to face these conditions.

To integrate the documentation in the process of lending, BNI has started the e-PAK development initiatives that help the end-to-end documentation process for following credits made by combining several tools that already exist.

### **Allowance for impairment losses (CKPN)**

Based on IAS 39, the bank is required to establish reserves for impairment losses (CKPN) in anticipation of bank asset impairment.

Impairment is a condition where the carrying amount of an asset exceeds the recoverable amount of the asset.

BNI at each month end evaluates the impairment for all financial assets, except for financial assets classified as fair value, that is measured through the profit and loss statement (Fair Value Through Profit and Loss). BNI assesses whether there is objective evidence that the financial asset or group of financial assets are impaired.

Objective evidence is evidence of the occurrence of an adverse event as a result of one or more events that occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The objective evidence include:

1. Significant financial difficulty for the issuer or the debtor.
2. Breach of contract, ie debtor's default or delinquency for payment obligations, both principal, interest and penalties.
3. BNI for economic or legal reasons in connection with the borrower's financial difficulty, can provide relief (concessions) on the part of borrowers which may be given if the borrower is experiencing financial difficulties.
4. There is a possibility that the borrower will enter bankruptcy or other financial reorganization.
5. The loss of an active market for that financial asset because of financial difficulties, or
6. Data that can be seen as indicating a measurable decrease in the estimated future cash flows of a group of financial assets since the initial recognition of the asset, although the decrease can not be identified on individual financial assets in a group of financial assets. The method of calculating the CKPN formation in BNI uses 2 (two) methods of assessment in Individual and Collective assessment basis.

Individual CKPN calculations are carried out on significant financial assets that have objective evidence of impairment, namely financial assets of the Corporate and Medium Business segment, and the ownership of securities.

Individual CKPN is calculated using the present value of estimated cash flows of a financial asset that is done directly by the manager of each debtor.



Collective CKPN is calculated using historical loss data (Loss incurred calculation is based on estimates of Probability of Default [PD] and Loss Given Default [LGD]) for each specific group of assets). Collective CKPN calculation is done for all financial assets:

1. Individuals are evaluated, including credits in the Small segment, Consumer Credit, Credit Card, Acceptances, Billing Documents and amenities.
2. There is no objective evidence of impairment of financial assets evaluated, ie loans in the corporate segment and medium sized businesses that do not have objective evidence of impairment.
3. There is objective evidence of impairment of financial assets evaluated for individuals but there is no impairment loss.

In the calculation of this collective CKPN, an asset is classified as assets that have matured (default) if the assets are recorded to have the number of days in arrears for payment of principal and / or interest payment, more than 180 (one hundred eighty) days, or have been deleted from the accounts.

BNI uses migration analysis and roll rate analysis with data during the observation period of 5 years for the calculation of PD and LGD Collective CKPN.

In the framework of the implementation of IFRS-9 adopted in SFAS 71, BNI has prepared its development for the calculation methodology in accordance CKPN IFRS 9 as set forth in SFAS-71.

Disclosure of receivables and impairment allowance for individual and consolidated are detailed in the table: Table 2.1.a, 2.1.b Tables, Table 2.2.a, 2.2.b Tables, Table 2.3.a, Table 2.3.B, Table 2.4.a, Table 2.4.b, Table 2.5.a, 2.5.b Tables, Table 2.6.a and Table 2.6.b

**Table 2.1.a. Net Receivables per Area Disclosure Bank Only**

(in million Rupiah)

No.	Portfolio Category	31-Dec-16						31-Dec-15					
		Net Claims Net Claims by Area						Net Claims Net Claims by Area					
		Group A	Group B	Group C	Group D	Group E	Total	Group A	Group B	Group C	Group D	Group E	Total
1	Receivables on Sovereigns	505	214	571	119,685,710	10,980,153	130,667,153	8	16	575	95,339,311	3,234,950	98,574,860
2	Receivables on Public Sector Entities	7,495,211	238,590	10,528,044	44,963,546	4,392,791	67,618,182	5,417,981	91,695	12,444,224	28,024,382	3,864,826	49,843,108
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	136,881	136,881	-	-	-	-	344,413
4	Receivables on Banks	502,545	641,608	742,492	23,323,961	7,407,595	32,618,201	352,483	725,209	619,141	28,153,520	5,941,558	35,791,911
5	Loans Secured by Residential Property	2,250,421	1,491,388	5,147,724	3,473,276	-	12,362,809	2,331,136	1,423,417	5,567,583	4,158,968	392	13,481,496
6	Loans Secured by Commercial Real Estate	1,337,136	1,003,409	1,248,622	2,739,411	-	6,328,578	1,357,901	927,394	1,210,245	1,398,332	-	4,893,872
7	Loans for Retired	313,001	219,168	470,591	206,729	2,596	1,212,085	305,393	217,629	452,661	195,098	5,517	1,176,298
8	Receivables on Micro, Small Business & Retail Portfolio	11,246,582	8,676,980	13,853,279	16,982,883	-	50,759,724	8,340,101	6,793,018	8,927,727	13,734,899	723	37,796,468
9	Receivables on Corporate	51,572,935	19,720,788	57,678,101	120,367,807	12,684,335	262,023,966	45,502,637	17,203,178	52,260,283	102,566,790	9,739,675	227,272,563
10	Past Due Receivables	347,985	195,195	328,776	1,032,029	573,823	2,477,808	900,274	182,208	427,360	1,260,629	404,414	3,174,885
11	Other Assets	2,227,639	1,653,814	2,890,732	31,683,771	86,392	38,542,348	2,218,807	1,625,101	2,889,005	31,588,049	1,793,382	40,114,344

No.	Portfolio Category	31-Dec-16						31-Dec-15					
		Net Claims Net Claims by Area						Net Claims Net Claims by Area					
		Group A	Group B	Group C	Group D	Group E	Total	Group A	Group B	Group C	Group D	Group E	Total
12	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	-	-	-	-	-	-	-
	Total	77,293,960	33,841,154	92,888,932	364,459,123	36,264,566	604,747,735	66,726,721	29,188,865	84,798,804	306,419,978	25,329,850	512,464,218

Group A : Region Medan, Wilayah Padang, Wilayah Palembang, Wilayah Banjarmasin.

Group B : Region Makassar, Wilayah Denpasar, Wilayah Manado, Wilayah Papua.

Group C : Region Bandung, Wilayah Semarang, Wilayah Surabaya

Group D : Region Jakarta Senayan, Wilayah Jakarta Kota, Wilayah Jakarta BSD, Wilayah Jakarta Kemayoran.

Group E : Region Overseas Branch Office

**Table 2.1.b. Net Receivables per Area Disclosure Consolidated Bank with Subsidiaries**

(in million Rupiah)

No.	Portfolio Category	31-Dec-16						31-Dec-15					
		Net Claims Net Claims by Area						Net Claims Net Claims by Area					
		Group A	Group B	Group C	Group D	Group E	Total	Group A	Group B	Group C	Group D	Group E	Total
1	Receivables on Sovereigns	505	214	571	119,685,710	10,980,153	130,667,153	8	16	575	95,339,311	3,234,950	98,574,860
2	Receivables on Public Sector Entities	7,495,211	238,590	10,528,044	44,963,547	4,392,790	67,618,182	5,417,981	91,695	12,444,224	28,024,382	3,864,826	49,843,108
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	136,881	136,881	-	-	-	-	344,413	344,413
4	Receivables on Banks	502,545	641,608	742,492	23,324,727	7,408,112	32,619,484	352,483	725,209	619,141	28,177,312	5,942,076	35,816,221
5	Loans Secured by Residential Property	2,250,421	1,491,388	5,147,724	3,473,276	-	12,362,809	2,331,136	1,423,417	5,567,583	4,158,968	392	13,481,496
6	Loans Secured by Commercial Real Estate	1,337,136	1,003,409	1,248,622	2,739,411	-	6,328,578	1,357,901	927,394	1,210,245	1,398,332	-	4,893,872
7	Loans for Retired	313,001	219,168	470,591	206,729	2,596	1,212,085	305,393	217,629	452,661	195,098	5,517	1,176,298
8	Receivables on Micro, Small Business & Retail Portfolio	11,246,582	8,676,980	13,853,805	17,143,637	-	50,921,004	8,340,101	6,793,018	8,928,252	13,760,975	723	37,823,069
9	Receivables on Corporate	51,577,385	19,720,789	57,690,596	119,609,318	12,684,334	261,282,422	45,507,087	17,203,178	52,272,778	102,013,713	9,739,675	226,736,431
10	Past Due Receivables	347,985	195,195	328,776	1,032,028	573,824	2,477,808	900,274	182,208	427,360	1,260,629	404,414	3,174,885
11	Other Assets	2,227,639	1,653,814	2,890,732	32,565,347	91,307	39,428,839	2,218,807	1,625,101	2,889,005	32,038,522	1,798,296	40,569,731
12	Exposures at Sharia Based Business Activity Unit (if any)	4,029,474	1,323,437	6,130,953	16,578,752	-	28,062,816	3,229,541	1,165,441	4,812,157	14,006,830	-	23,213,969
	Total	81,327,884	35,164,592	99,032,906	381,322,482	36,269,997	633,117,861	69,960,712	30,354,306	89,623,981	320,374,072	25,335,282	535,648,353

Group A : Region Medan, Wilayah Padang, Wilayah Palembang, Wilayah Banjarmasin.

Group B : Region Makassar, Wilayah Denpasar, Wilayah Manado, Wilayah Papua.

Group C : Region Bandung, Wilayah Semarang, Wilayah Surabaya

Group D : Region Jakarta Senayan, Wilayah Jakarta Kota, Wilayah Jakarta BSD, Wilayah Jakarta Kemayoran.

Group E : Region Overseas Branch Office

**Table 2.2.a. Net Receivables by Contractual Maturity Disclosure****Bank Only****(in million Rupiah)**

No.	Portfolio Category	31-Dec-16						31-Dec-15					
		Net Claims Net Claims by Area						Net Claims Net Claims by Area					
		Group A	Group B	Group C	Group D	Group E	Total	Group A	Group B	Group C	Group D	Group E	Total
1	Receivables on Sovereigns	47,825,305	7,963,104	8,396,643	36,272,643	30,209,458	130,667,153	30,417,342	12,179,443	9,494,496	16,415,360	30,068,217	98,574,858
2	Receivables on Public Sector Entities	30,566,860	5,296,153	4,232,293	25,412,350	2,110,526	67,618,182	23,796,643	5,394,399	3,354,435	15,546,172	1,751,458	49,843,107
3	Receivables on Multilateral Development Banks and International Institutions	134,622	-	-	-	2,259	136,881	206,838	137,575	-	-	-	344,413
4	Receivables on Banks	16,036,319	5,864,304	4,080,883	620,403	6,016,292	32,618,201	19,909,539	3,856,700	1,858,009	1,069,474	9,098,188	35,791,910
5	Loans Secured by Residential Property	86,502	635,741	1,334,264	10,306,302	-	12,362,809	7,034	812,835	1,118,526	11,543,101	-	13,481,496
6	Loans Secured by Commercial Real Estate	945,186	846,362	1,419,889	3,117,141	-	6,328,578	745,966	424,161	1,004,345	2,719,400	-	4,893,872
7	Loans for Retired	4,882	13,612	65,030	1,128,561	-	1,212,085	5,072	13,566	45,318	1,112,342	-	1,176,298
8	Receivables on Micro, Small Business & Retail Portfolio	3,396,409	7,137,180	13,450,379	17,328,801	9,446,955	50,759,724	2,996,069	5,842,368	6,171,114	13,896,410	8,890,507	37,796,468
9	Receivables on Corporate	118,859,346	26,755,522	40,974,465	72,095,673	3,338,960	262,023,966	112,361,409	24,734,513	26,649,069	60,698,698	2,828,878	227,272,567
10	Past Due Receivables	538,921	238,479	182,468	1,198,501	319,439	2,477,808	1,298,998	409,437	259,054	1,082,821	124,575	3,174,885
11	Other Assets	505	412	1,150	-	38,540,281	38,542,348	-	-	-	-	40,114,344	40,114,344
12	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	-	-	-	-	-	-	-
	Total	218,394,857	54,750,869	74,137,464	167,480,375	89,984,170	604,747,735	191,744,910	53,804,997	49,954,366	124,083,778	92,876,167	512,464,218

**Table 2.2.a. Net Receivables by Contractual Maturity Disclosure****Consolidate Bank with Subsidiaries****(in million Rupiah)**

No.	Category Portfolio	Dec-31-16						Dec-31-15					
		Net Claims Bedasarkan Sisa Jangka Waktu Kontrak						Net Claims Bedasarkan Sisa Jangka Waktu Kontrak					
		<1 Year	>1 Year s.d 3 Year	>3 Year s.d 5 Year	>5 Year	Non Kontraktual	Total	<1 Year	>1 Year s.d 3 Year	>3 Year s.d 5 Year	>5 Year	Non Kontraktual	Total
1	Receivables on Sovereigns	47,825,305	7,963,104	8,396,643	36,272,641	30,209,460	130,667,153	30,417,342	12,179,443	9,494,496	16,415,360	30,068,217	98,574,858
2	Receivables on Public Sector Entities	30,566,860	5,296,153	4,232,293	25,412,351	2,110,525	67,618,182	23,796,643	5,394,399	3,354,435	15,546,172	1,751,458	49,843,107
3	Receivables on Multilateral Development Banks and International Institutions	134,623	-	-	-	2,258	136,881	206,838	137,575	-	-	-	344,413
4	Receivables on Banks	16,037,084	5,864,304	4,080,883	620,403	6,016,810	32,619,484	19,933,332	3,856,700	1,858,009	1,069,474	9,098,706	35,816,221
5	Loans Secured by Residential Property	86,502	635,741	1,334,264	10,306,302	-	12,362,809	7,034	812,835	1,118,526	11,543,101	-	13,481,496
6	Loans Secured by Commercial Real Estate	945,186	846,362	1,419,889	3,117,141	-	6,328,578	745,966	424,161	1,004,345	2,719,400	-	4,893,872
7	Loans for Retired	4,882	13,612	65,030	1,128,561	-	1,212,085	5,072	13,566	45,318	1,112,342	-	1,176,298
8	Receivables on Micro, Small Business & Retail Portfolio	3,397,460	7,170,226	13,463,897	17,442,466	9,446,955	50,921,004	2,997,120	5,875,413	6,184,633	13,875,397	8,890,507	37,823,070
9	Receivables on Corporate	118,873,219	26,790,569	41,001,535	71,278,139	3,338,960	261,282,422	112,375,282	24,769,561	26,676,140	60,086,573	2,828,879	226,736,435
10	Past Due Receivables	538,920	238,479	182,468	1,198,502	319,439	2,477,808	1,298,998	409,437	259,054	1,082,821	124,575	3,174,885
11	Other Assets	505	412	1,150	-	39,426,772	39,428,839	-	-	-	-	40,569,730	40,569,730
12	Exposures at Sharia Based Business Activity Unit (if any)	6,668,135	4,677,004	5,181,220	10,819,261	716,996	28,062,616	5,288,944	3,977,593	3,536,690	10,159,026	251,715	23,213,968
	Total	225,078,681	59,495,966	79,359,272	177,595,767	91,588,175	633,117,861	197,072,571	57,850,683	53,531,646	133,609,666	93,583,787	535,648,353

**Table 2.3.a. Net Receivables by Economic Sectors Disclosure****Bank Only**

31-Dec-2016							
No	Economic Sector	Receivables on Sovereign	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property	
1	Agriculture, Hunting and Forestry	-	5,923,835	-	-	-	-
2	Fishery	52,665	-	-	-	-	-
3	Mining and Quarrying	-	1,475,758	-	-	-	-
4	Manufacturing	-	11,301,634	-	-	-	-
5	Electricity, Gas and Water	-	18,964,564	-	-	-	-
6	Construction	-	4,550,430	-	-	-	-
7	Wholesale and Retail Trading	474	-	-	2,667	551	
8	Hotel and Food & Beverage	-	-	-	-	-	-
9	Transport, Warehousing and Communications	-	4,412,580	-	-	-	-
10	Financial Intermediary	103,145,565	8,627,235	-	16,909,940	-	
11	Real Estate, Rentals and Business Services	4,456,960	628,328	-	72,208	-	
12	Public Administration, Defense and Compulsory Social Security	22,173,296	37,969	-	3,120,120	-	
13	Education Services	-	-	-	-	-	
14	Human Health and Social Work Activities	-	-	-	8,944	-	
15	Public, Socio-Culture, Entertainment and 16 Other Personal Services Activities of Households as Employers	167,538	11,222	-	53,237	-	
16	International Institution and Other Extra International Agencies	-	-	-	-	-	
17	Badan Internasional dan Badan Ekstra Internasional Other	-	-	-	-	-	
18	Undefined Activities	-	-	-	-	-	
19	Non Business Field	-	-	-	-	10,777,431	
20	Others	670,655	11,684,627	136,881	12,451,085	1,584,827	
	Total	130,667,153	67,618,182	136,881	32,618,201	12,362,809	



## Application of Risk Management

(in million Rupiah)

	Loans Secured by Commercial Real Estate	Loans for Retired	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
	-	-	1,155,582	33,786,048	22,091	-	-
	-	-	128,534	651,126	15,339	-	-
	-	-	15,000	9,979,455	6,731	-	-
	-	-	690,681	60,521,794	104,095	-	-
	-	-	10,805	8,274,750	2,291	-	-
	-	-	123,639	13,851,429	62,589	-	-
1,635	-	11,134,972	36,852,368	638,906	-	-	-
	-	-	496,244	9,255,960	21,757	-	-
	-	-	194,392	15,999,717	233,122	-	-
	-	-	21,421	21,846,492	331,202	-	-
4,048,989	-	497,554	13,986,505	31,822	-	-	-
	-	-	1,431	-	-	-	-
449	-	29,302	374,280	1,814	-	-	-
	-	-	48,146	1,204,645	539	-	-
	347	-	263,313	4,581,769	7,936	-	-
	-	-	17,477	6,636	101	-	-
	-	-	-	4,166	-	-	-
	-	1	194	2,486	-	-	-
2,267,232	1,180,605	31,935,910	10,890,444	934,150	-	-	-
9,926	31,479	3,995,127	19,953,896	63,323	38,542,348	-	-
6,328,578	1,212,085	50,759,724	262,023,966	2,477,808	38,542,348	-	-

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No	Economic Sector	Receivables on Sovereign	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property	
1	Agriculture, Hunting and Forestry	-	3,507,652	-	-	-	44
2	Fishery	-	-	-	-	-	-
3	Mining and Quarrying	-	2,375,033	-	-	-	-
4	Manufacturing	-	11,220,000	-	-	-	-
5	Electricity, Gas and Water	-	10,342,480	-	-	-	-
6	Construction	-	2,131,879	-	-	-	-
7	Wholesale and Retail Trading	-	111,345	-	18,504	1,290	
8	Hotel and Food & Beverage	-	-	-	-	-	-
9	Transport, Warehousing and Communications	-	5,075,182	-	-	-	-
10	Financial Intermediary	57,261,472	4,648,894	-	35,574,716	-	-
11	Real Estate, Rentals and Business Services	-	1,571,649	-	105,832	-	-
12	Public Administration, Defense and Compulsory Social Security	40,625,273	-	-	-	-	-
13	Education Services	-	-	-	-	-	-
14	Human Health and Social Work Activities	-	-	-	13,163	-	-
15	Public, Socio-Culture, Entertainment and 16 Other Personal Services Activities of Households as Employers	35,604	34,657	-	72,906	-	-
16	International Institution and Other Extra International Agencies	-	-	-	-	-	-
17	Badan Internasional dan Badan Ekstra Internasional Other	-	-	-	-	-	-
18	Undefined Activities	-	-	-	6,781	-	-
19	Non Business Field	-	-	-	10	13,480,161	
20	Others	652,510	8,824,337	344,413	-	-	
	Total	98,574,859	49,843,108	344,413	35,791,912	13,481,495	



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	Loans Secured by Commercial Real Estate	Loans for Retired	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
	-	-	824,377	24,499,691	24,001	-	-
	-	-	72,147	560,505	10,188	-	-
	-	-	11,128	8,493,496	309,015	-	-
	-	-	477,868	56,041,464	646,215	-	-
	-	-	10,359	7,359,851	4,612	-	-
	-	-	112,848	10,026,589	80,875	-	-
1,982	-	6,229,265	32,550,032	544,432	-	-	-
	-	-	166,755	7,979,925	23,737	-	-
	-	-	115,418	17,748,417	277,224	-	-
	-	-	36,698	4,316,067	6,393	-	-
2,338,586	-	247,070	9,569,744	335,015	-	-	-
	-	-	-	288	-	-	-
495	-	14,293	385,053	361	-	-	-
	-	40,235	1,034,378	1,950	-	-	-
	520	-	190,511	3,642,376	68,810	-	-
	-	-	7,495	6,427	312	-	-
	-	-	19	2,488	-	-	-
	-	-	4,561	26,595	24	-	-
2,552,290	1,176,298	28,466,223	10,350,782	492,241	-	-	-
	-	-	769,199	32,678,394	349,480	40,114,344	-
4,893,873	1,176,298	37,796,469	227,272,562	3,174,885	40,114,344	-	-

**Table 2.3.b Net Receivables by Economic Sectors Disclosure Consolidated****Bank with Subsidiaries**

No	Economic Sector	Receivables on Sovereign	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property	
1	Agriculture, Hunting and Forestry	-	5,923,835	-	-	-	
2	Fishery	52,665	-	-	-	-	
3	Mining and Quarrying	-	1,475,758	-	-	-	
4	Manufacturing	-	11,301,634	-	-	-	
5	Electricity, Gas and Water	-	18,964,563	-	-	-	
6	Construction	-	4,550,430	-	-	-	
7	Wholesale and Retail Trading	474	-	-	2,667	551	
8	Hotel and Food & Beverage	-	-	-	-	-	
9	Transport, Warehousing and Communications	-	4,412,580	-	-	-	
10	Financial Intermediary	103,145,566	8,627,235	-	17,081,935	-	
11	Real Estate, Rentals and Business Services	4,456,960	628,328	-	72,208	-	
12	Public Administration, Defense and Compulsory Social Security	22,173,296	37,969	-	3,120,120	-	
13	Education Services	-	-	-	-	-	
14	Human Health and Social Work Activities	-	-	-	8,944	-	
15	Public, Socio-Culture, Entertainment and 16 Other Personal Services Activities of Households as Employers	167,538	11,222	-	53,237	-	
16	International Institution and Other Extra International Agencies	-	-	-	-	-	
17	Badan Internasional dan Badan Ekstra Internasional Other	-	-	-	-	-	
18	Undefined Activities	-	-	-	-	-	
19	Non Business Field	-	-	-	-	10,777,431	
20	Others	670,654	11,684,628	136,881	12,280,373	1,584,827	
	Total	130,667,153	67,618,182	136,881	32,619,484	12,362,809	



## Application of Risk Management

(in million Rupiah)

	Loans Secured by Commercial Real Estate	Loans for Retired	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
	-	-	1,155,685	33,786,047	22,091	-	-
	-	-	128,534	651,126	15,339	-	-
	-	-	15,411	9,979,455	6,731	-	-
	-	-	693,461	60,539,958	104,095	-	-
	-	-	10,805	8,274,750	2,291	-	-
	-	-	130,207	13,851,429	62,589	-	-
1,635	-	-	11,136,593	36,852,368	638,906	-	-
	-	-	496,366	9,255,960	21,757	-	-
	-	-	195,243	16,005,714	233,122	-	-
	-	-	78,946	21,864,958	331,202	-	-
4,048,989	-	-	504,080	13,993,492	31,822	-	-
	-	-	1,431	-	-	-	-
449	-	-	29,310	374,280	1,814	-	-
	-	-	48,162	1,204,645	539	-	-
347	-	-	263,313	4,581,769	7,936	-	-
	-	-	17,520	6,636	101	-	-
	-	-	-	4,166	-	-	-
-	1	194	2,486	-	-	-	-
2,267,232	1,180,604	31,935,910	10,890,444	934,150	-	-	-
9,926	31,480	4,079,833	19,162,739	63,323	39,428,839	28,062,616	
6,328,578	1,212,085	50,921,004	261,282,422	2,477,808	39,428,839	28,062,616	

31-Dec-2015						
No	Economic Sector	Receivables on Sovereign	Receivables on Public Sector Entities	Receivables on Multilateral Development Banks and International Institutions	Receivables on Banks	Loans Secured by Residential Property
1	Agriculture, Hunting and Forestry	-	3,507,652	-	-	44
2	Fishery	-	-	-	-	-
3	Mining and Quarrying	-	2,375,033	-	-	-
4	Manufacturing	-	11,220,000	-	-	-
5	Electricity, Gas and Water	-	10,342,480	-	-	-
6	Construction	-	2,131,879	-	-	-
7	Wholesale and Retail Trading	-	111,345	-	18,423	1,290
8	Hotel and Food & Beverage	-	-	-	-	-
9	Transport, Warehousing and Communications	-	5,075,182	-	-	-
10	Financial Intermediary	57,261,472	4,648,894	-	35,599,973	-
11	Real Estate, Rentals and Business Services	-	1,571,649	-	105,371	-
12	Public Administration, Defense and Compulsory Social Security	40,625,273	-	-	-	-
13	Education Services	-	-	-	-	-
14	Human Health and Social Work Activities	-	-	-	13,105	-
15	Public, Socio-Culture, Entertainment and 16 Other Personal Services Activities of Households as Employers	35,604	34,657	-	72,588	-
16	International Institution and Other Extra International Agencies	-	-	-	-	-
17	Badan Internasional dan Badan Ekstra Internasional Other	-	-	-	-	-
18	Undefined Activities	-	-	-	6,751	-
19	Non Business Field	-	-	-	10	13,480,161
20	Others	652,510	8,824,337	344,413	-	-
	Total	98,574,859	49,843,108	344,413	35,816,221	13,481,495



## Application of Risk Management

Loans Secured by Commercial Real Estate	Loans for Retired	Receivables on Micro, Small Business & Retail Portfolio	Receivables on Corporate	Past Due Receivables	Other Assets	Exposures at Sharia Based Business Activity Unit (if any)
-	-	823,382	24,436,527	24,001	-	219,448
-	-	72,051	559,060	10,188	-	108,345
-	-	11,524	8,471,599	309,015	-	255,193
-	-	480,008	55,915,100	646,215	-	888,166
-	-	10,345	7,340,876	4,612	-	181,436
-	-	119,257	10,000,739	80,875	-	424,200
1,982	-	6,222,591	32,466,114	544,432	-	1,750,805
-	-	166,654	7,959,351	23,737	-	241,372
-	-	116,114	17,708,966	277,224	-	246,147
-	-	94,098	4,323,357	6,393	-	2,268,381
2,338,586	-	253,258	9,552,041	335,015	-	509,284
-	-	-	287	-	-	358,584
495	-	14,281	384,060	361	-	274,104
-	-	40,198	1,031,712	1,950	-	324,672
520	-	190,257	3,632,986	68,810	-	-
-	-	7,528	6,411	312	-	-
-	-	19	2,482	-	-	-
-	-	4,555	26,526	24	-	-
2,552,290	1,176,298	28,428,322	10,324,096	492,241	-	9,820,481
-	-	768,627	32,594,143	349,480	40,569,730	5,343,351
4,893,873	1,176,298	37,823,069	226,736,433	3,174,885	40,569,730	23,213,969

**Table 2.4.a. Receivables and Provisioning based on Area Disclosure****Bank Only**

(in million Rupiah)

No.	Description	31-Dec-16					
		Area					
		Group A	Group B	Group C	Group D	Group E	Total
1	Receivables	62,729,342	26,329,611	75,746,277	258,754,907	28,524,001	452,084,138
2	Impaired Receivables						
	a. Non Past Due	1,424,693	121,138	289,911	1,445,033	195,668	3,476,443
	b. Past Due	1,272,071	629,541	1,289,606	1,994,100	353,180	5,538,498
3	Allowances for Impairment Losses - Individual	1,133,483	142,878	1,769,387	4,970,919	147,582	8,164,248
4	Allowances for Impairment Losses - Collective	1,796,792	1,021,139	2,274,883	2,990,009	77,722	8,160,545
5	Written-Off Receivables	366,239	269,910	231,570	2,143,848	-	3,011,567

**Notes:**

Grup A : Region Medan, Region Padang, Region Palembang, Region Banjarmasin.

Grup B : Region Makassar, Region Denpasar, Region Manado, Region Papua.

Grup C : Region Bandung, Region Semarang, Region Surabaya

Grup D : Region Jakarta Senayan, Region Jakarta Kota, Region Jakarta BSD, Region Jakarta Kemayoran.

Grup E : Region Overseas Branch Office

No.	Description	31-Dec-15					
		Area					
		Group A	Group B	Group C	Group D	Group E	Total
1	Receivables	64,109,981	26,878,914	81,009,865	259,387,298	20,698,078	452,084,136
2	Impaired Receivables						
	a. Non Past Due	1,176,457	121,138	289,911	1,445,032	195,668	3,228,206
	b. Past Due	1,272,071	629,541	1,289,606	1,994,099	353,180	5,538,497
3	Allowances for Impairment Losses - Individual	842,793	313,700	772,501	2,701,491	144,795	4,775,280
4	Allowances for Impairment Losses - Collective	1,858,566	945,816	2,022,806	2,210,419	26,053	7,063,660
5	Written-Off Receivables	380,883	565,555	675,892	830,358	205	2,452,893



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**Table 2.4.a. Receivables and Provisioning based on Area Disclosure Consolidated**

**Bank with Subsidiaries**

(in million Rupiah)

No.	Description	31-Dec-16					
		Area					Total
		Group A	Group B	Group C	Group D	Group E	
1	Receivables	78,818,547	32,709,927	96,413,495	325,152,322	33,990,250	567,084,541
2	Impaired Receivables						
	a. Non Past Due	1,590,835	178,157	404,531	2,833,690	195,668	5,202,881
	b. Past Due	1,272,753	629,541	1,290,668	3,520,125	353,180	7,066,267
3	Allowances for Impairment Losses - Individual	1,133,483	142,878	1,769,387	4,970,918	147,582	8,164,248
4	Allowances for Impairment Losses - Collective	1,888,805	1,055,755	2,347,091	3,356,701	77,722	8,726,074
5	Written-Off Receivables	409,886	276,859	257,388	2,239,452	-	3,183,585

Notes:

Grup A : Region Medan, Region Padang, Region Palembang, Region Banjarmasin.

Grup B : Region Makassar, Region Denpasar, Region Manado, Region Papua.

Grup C : Region Bandung, Region Semarang, Region Surabaya

Grup D : Region Jakarta Senayan, Region Jakarta Kota, Region Jakarta BSD, Region Jakarta Kemayoran.

Grup E : Region Overseas Branch Office

No.	Description	31-Dec-15					
		Area					Total
		Group A	Group B	Group C	Group D	Group E	
1	Receivables	67,303,077	28,373,584	85,493,896	272,738,392	20,671,158	474,580,107
2	Impaired Receivables						
	a. Non Past Due	1,225,900	126,229	302,134	1,507,693	203,891	3,365,847
	b. Past Due	1,326,243	655,998	1,344,911	2,078,942	368,023	5,774,117
3	Allowances for Impairment Losses - Individual	910,623	338,947	834,673	2,534,588	156,449	4,775,280
4	Allowances for Impairment Losses - Collective	1,968,850	990,295	2,113,860	2,331,538	26,282	7,430,825
5	Written-Off Receivables	397,848	548,906	664,233	854,915	203	2,466,105

**Table 2.5.a. Receivables and Provisioning based on Economic Sectors Disclosure Bank Only** (in million Rupiah)

Dec-31-2016							
No	Economic Sector	Receivables	Decrease in Receivables		Allowance for Impairment Losses (CKPN) - Individual	Allowance for Impairment Losses (CKPN) - Collective	Receivables Written Off
			Before Maturity	After Maturity			
1	Agriculture, Hunting and Forestry	34,538,975	7,797	165,237	282,967	394,640	46,709
2	Fishery	739,875	-	5,690	21,308	34,553	75
3	Mining and Quarrying	10,771,376	5,439	67,927	1,382,125	99,419	18,027
4	Manufacturing	63,520,461	78,797	1,543,878	2,737,427	916,760	158,841
5	Electricity, Gas and Water	22,386,111	-	133,957	132,200	165,271	4,195
6	Construction	15,974,051	57,839	412,389	353,775	361,593	277,488
7	Wholesale and Retail Trading	42,432,474	2,332,808	461,338	805,096	2,844,798	535,036
8	Hotel and Food & Beverage	8,340,970	4,119	72,017	78,885	269,595	8,295
9	Transport, Warehousing and Communications	18,545,584	13,481	225,880	1,365,879	320,055	43,785
10	Financial Intermediary	122,613,585	170,943	606,775	743,343	226,042	15,689
11	Real Estate, Rentals and Business Services	19,782,336	312,885	66,557	212,801	359,539	68,877
12	Public Administration, Defense and Compulsory Social Security	21,215,959	-	-	1,960	40,883	-
13	Education Services	342,772	-	4,954	-	13,483	808
14	Human Health and Social Work Activities	1,081,234	-	23,191	22,398	29,995	1,654
15	Public, Socio-Culture, Entertainment and Other Personal Services Activities of Households as Employers	4,310,284	8,207	46,026	19,269	122,793	9,549
16	International Institution and Other Extra International Agencies	20,833	-	527	-	1,368	-
17	Badan Internasional dan Badan Ekstra Internasional Other	3,488	-	-	-	126	-
18	Undefined Activities	2,244	-	-	-	81	2,587
19	Non Business Field	49,678,234	472,993	1,220,825	1,612	1,785,656	-
20	Others	15,783,292	11,135	481,330	3,203	173,895	1,819,952
	Total	452,084,138	3,476,443	5,538,498	8,164,248	8,160,545	3,011,567



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Dec-31-2015							
No	Economic Sector	Receivables	Decrease in Receivables		Allowance for Impairment Losses (CKPN) - Individual	Allowance for Impairment Losses (CKPN) - Collective	Receivables Written Off
			Before Maturity	After Maturity			
1	Agriculture, Hunting and Forestry	29,035,020	1,402	189,732	142,913	300,427	141,097
2	Fishery	694,018	13,209	3,519	48,315	26,492	4,246
3	Mining and Quarrying	12,559,926	556,737	724,173	1,552,660	101,331	20,330
4	Manufacturing	69,737,101	767,872	1,056,758	1,197,474	1,031,414	238,838
5	Electricity, Gas and Water	17,018,515	3,593	3,921	3,044	90,567	1,992
6	Construction	12,846,796	51,613	476,811	416,537	346,143	122,664
7	Wholesale and Retail Trading	40,862,518	549,386	1,124,850	589,247	1,945,911	691,046
8	Hotel and Food & Beverage	8,392,870	62,114	98,665	183,720	214,872	42,742
9	Transport, Warehousing and Communications	23,670,381	405,613	175,845	318,680	497,743	163,820
10	Financial Intermediary	88,469,050	335	23,998	460	196,032	50,842
11	Real Estate, Rentals and Business Services	14,355,426	336,705	170,195	98,232	340,360	42,983
12	Public Administration, Defense and Compulsory Social Security	39,881,957	-	-	-	17,938	-
13	Education Services	401,881	-	1,548	-	13,916	1,972
14	Human Health and Social Work Activities	1,101,279	-	7,152	3,998	34,524	1,453
15	Public, Socio-Culture, Entertainment and 16 Other Personal Services Activities of Households as Employers	4,274,678	56,719	195,012	212,377	118,291	22,478
16	International Institution and Other Extra International Agencies	15,176	-	1,000	-	1,343	2,526
17	Badan Internasional dan Badan Ekstra Internasional Other	2,501	-	-	-	78	-
18	Undefined Activities	38,010	-	102	-	1,227	339,139
19	Non Business Field	57,730,843	346,271	932,036	356	1,653,609	5,035
20	Others	30,996,190	76,637	353,180	7,267	131,442	559,690
	Total	452,084,136	3,228,206	5,538,497	4,775,280	7,063,660	2,452,893

**2.5.b Receivables and Provisioning based on Economic Sectors Disclosure****Bank Consolidated With Subsidiaries**

(In Million Rupiah)

No	Economic Sector	Receivables	Dec-31-2016		Allowance for Impairment Losses (CKPN) - Individual	Allowance for Impairment Losses (CKPN) - Collective	Receivables Written Off
			Before Maturity	After Maturity			
1	Agriculture, Hunting and Forestry	41,438,296	41,214	165,418	282,967	397,991	51,110
2	Fishery	905,153	1,774	5,690	21,308	34,845	424
3	Mining and Quarrying	13,137,977	6,985	67,989	1,382,556	103,224	19,433
4	Manufacturing	76,846,146	120,742	1,544,155	2,740,997	930,766	159,807
5	Electricity, Gas and Water	26,890,503	4,973	133,957	132,928	167,747	4,666
6	Construction	19,927,813	72,556	412,797	353,775	373,182	283,852
7	Wholesale and Retail Trading	52,749,571	2,502,800	462,009	869,829	2,872,930	543,709
8	Hotel and Food & Beverage	10,168,161	7,479	72,023	78,885	272,429	8,295
9	Transport, Warehousing and Communications	22,475,509	22,010	226,101	1,181,782	324,828	44,954
10	Financial Intermediary	151,571,233	249,220	606,797	843,942	293,813	107,084
11	Real Estate, Rentals and Business Services	24,129,608	328,257	67,187	220,509	366,875	71,810
12	Public Administration, Defense and Compulsory Social Security	25,301,830	-	72	1,960	40,955	-
13	Education Services	733,606	365	4,954	6,328	17,644	808
14	Human Health and Social Work Activities	2,080,302	5,651	23,191	22,398	40,127	3,659
15	Public, Socio-Culture, Entertainment and 16 Other Personal Services Activities of Households as Employers	5,140,548	8,207	46,210	19,269	122,977	9,549
16	International Institution and Other Extra International Agencies	24,887	-	527	-	1,368	-
17	Badan Internasional dan Badan Ekstra Internasional Other	4,159	-	-	-	126	-
18	Undefined Activities	2,676	-	-	-	81	2,587
19	Non Business Field	74,660,654	696,216	1,220,825	1,612	1,983,147	86,425
20	Others	18,895,909	1,134,432	2,006,365	3,203	381,019	1,785,413
	Total	567,084,541	5,202,881	7,066,267	8,164,248	8,726,074	3,183,585



## Application of Risk Management

No	Economic Sector	Receivables	December 21, 2015		Allowance for Impairment Losses (CKPN) - Individual	Allowance for Impairment Losses (CKPN) - Collective	Receivables Written Off
			Before Maturity	After Maturity			
1	Agriculture, Hunting and Forestry	29,213,787	1,461	197,894	141,343	307,472	135,813
2	Fishery	800,649	13,765	3,667	47,784	28,812	4,592
3	Mining and Quarrying	12,796,736	580,139	754,673	1,535,601	107,202	20,678
4	Manufacturing	70,545,503	800,143	1,101,459	1,192,290	1,050,759	232,456
5	Electricity, Gas and Water	17,175,565	3,744	4,085	4,639	93,407	2,803
6	Construction	13,257,538	53,939	497,275	411,961	357,779	119,228
7	Wholesale and Retail Trading	42,547,706	572,478	1,172,824	598,492	1,983,404	668,518
8	Hotel and Food & Beverage	8,621,262	64,724	102,818	181,701	221,418	42,009
9	Transport, Warehousing and Communications	23,890,090	423,218	183,465	317,388	505,158	157,641
10	Financial Intermediary	90,858,393	1,158	25,030	20,820	223,551	59,804
11	Real Estate, Rentals and Business Services	14,855,729	350,856	178,004	101,725	349,698	43,569
12	Public Administration, Defense and Compulsory Social Security	40,183,938	-	75	-	25,071	1,780
13	Education Services	673,497	-	1,613	-	19,318	3,244
14	Human Health and Social Work Activities	1,422,163	-	7,453	3,954	41,081	2,999
15	Public, Socio-Culture, Entertainment and 16 Other Personal Services Activities of Households as Employers	4,269,060	59,103	203,399	210,043	119,508	21,463
16	International Institution and Other Extra International Agencies	15,198	-	1,042	-	1,355	2,412
17	Badan Internasional dan Badan Ekstra Internasional Other	2,498	-	-	-	78	-
18	Undefined Activities	37,958	-	106	-	1,238	323,819
19	Non Business Field	67,403,100	360,823	971,206	352	1,857,306	53,551
20	Others	36,009,737	80,296	368,029	7,187	137,210	569,726
	Total	474,580,107	3,365,847	5,774,117	4,775,280	7,430,825	2,466,105

**2.6.a Disclosure for Impairment Losses (CKPN)****Bank Only**

(in million Rupiah)

No	Description	Dec-31-16		Dec-31-15	
		CKPN Individual	CKPN Collective	CKPN Individual	CKPN Collective
1	Beginning Balance	4,775,280	7,063,660	2,807,220	3,986,589
2	Recovery CKPN in the current period (Net)	4,425,007	3,008,094	2,273,107	5,027,082
	CKPN used in the current year	4,407,041	2,907,383	2,191,441	4,930,332
	CKPN recovered in the current period	17,966	100,711	81,666	96,750
3	CKPN used for written off receivables during the year	(1,040,894)	(1,970,673)	(335,078)	(2,117,817)
4	Other recovery in the current period	4,855	59,464	30,031	167,806
	Ending Balance	8,164,248	8,160,545	4,775,280	7,063,660

**2.6.b Disclosure of details Movements Allowance for Impairment Losses (CKPN)****Bank Consolidated With Subsidiaries**

(in million Rupiah)

No	Description	Dec-31-16		Dec-31-15	
		CKPN Individual	CKPN Collective	CKPN Individual	CKPN Collective
1	Beginning Balance	4,775,280	7,430,825	2,807,221	4,262,163
2	Recovery CKPN in the current period (Net)	4,421,889	3,361,332	2,286,388	5,220,447
	CKPN used in the current year	4,403,923	3,233,725	2,204,722	5,116,026
	CKPN recovered in the current period	17,966	127,807	81,666	104,421
3	CKPN used for written off receivables during the year	(1,040,894)	(2,142,691)	(335,078)	(2,131,028)
4	Other recovery in the current period	7,973	76,608	16,749	79,243
	Ending Balance	8,164,248	8,726,074	4,775,280	7,430,825

**CREDIT RISK MEASUREMENT WITH STANDARDIZED APPROACH****Use of External Rating Agencies**

In accordance with Otoritas Jasa Keuangan Circular (POJK) No. 42 / SEOJK.03 / 2016 dated 28 September 2016, BNI uses external rating in the calculation of Risk Weighted Assets (RWA), namely:

1. Rating of a company only applies to those companies, so despite being in a group, a company rating cannot be used to assign a risk weight to other companies.
2. Domestic Rating (PEFINDO, Fitch Indonesia and ICRA Indonesia) is only used for the determination of risk weighted receivables in Rupiah, while international ratings (Moody's, S&P and Fitch) is used for the determination of risk weighted receivables in foreign currencies.

3. Determination of risk weighting on securities receivables is based on securities ratings, the Issue Rating. If the security is not rated, the risk weighting determination is based on risk weighting for un-rated receivables. Determination of risk weighting for receivables other than securities is based on the debtor rating, Issuer Rating. For receivables other than securities with no Issuer Rating, risk weighting is based on receivables with no rating.



## Application of Risk Management

4. Short-term ratings are used for risk weighting determination on securities with short-term rating and are published by parties included in the scope of the receivables to the Bank or receivables to the corporation. For short-term receivables with no short-term rating, risk weighting determination uses the long-term rating.
5. If an exposure has more than one eligible rating, the second rank rating is used for risk weighting purposes. In the case where there are only two ratings, the lowest rating is used

### Categorization Portfolio using Ranking

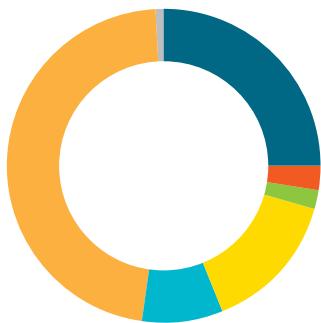
#### Categorization Portfolio using Ranking

Risk weighting determination is based on exposure rating as above and is only applicable to the following portfolio categories:

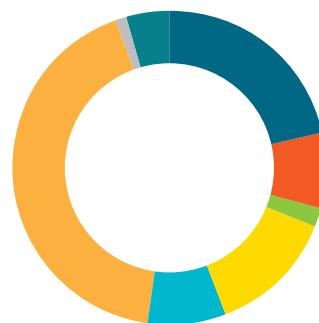
1. Receivables from foreign governments
2. Receivables from public sector entities
3. Receivables from multilateral development banks and international institutions
4. Receivables from banks (long-term and short-term)
5. Receivables from corporations (long-term and short-term)

Composition per Exposure for Credit Risk per Risk Value in December 31, 2016 (%) in accordance with latest rankings issued by rating agencies.

**BNI Only**



**BNI Consolidated**



The ratings used are the latest rankings issued by rating agencies recognized by regulators

1. Fitch Ratings
2. Moody's Investor Service
3. Standard and Poor's
4. PT. Fitch Ratings Indonesia
5. PT. ICRA Indonesia
6. PT. Pemeringkat Efek Indonesia

Receivables disclosure based on portfolio category and ratings,  
Bank only and consolidated is contained in the table below

### 3.1.a Net Receivables based on Portfolio and Rating Description Disclosure

#### Bank Only

Dec-31-2016

No	Category Portfolio	Long-Term Rating					
		Agencies					
		Standards and Poor's	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3	Baa1 s.d Baa3	Ba1 s.d Ba3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)	BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)
		PT. ICRA Indonesia	[Idr] AAA	[Idr]AA+ s.d [Idr] AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr] BBB-	[Idr]BB+ s.d [Idr] BB-
1	Receivables on Sovereigns	63,866,269	329,683	687,510	64,998,414	785,277	
2	Receivables on Public Sector Entities	20,949,363	5,411,594	5,042,753	350,209	756,017	
3	Receivables on Multilateral Development Banks and International Institutions	134,622	-	-	-	-	
4	Receivables on Banks	1,852,342	1,310,258	1,249,710	2,613,795	1,632,651	
5	Loans Secured by Residential Property	-	-	-	-	-	
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	
7	Employee/Retired Loans	-	-	-	-	-	
8	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	
9	Receivables on Corporate	-	4,198,458	743,016	1,635,942	823,490	
10	Past Due Receivables	70,509	-	-	202,089	254,931	
11	Other Assets	-	-	-	-	-	
12	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	
<b>Total</b>		<b>86,873,105</b>	<b>11,249,993</b>	<b>7,722,989</b>	<b>69,800,449</b>	<b>4,252,366</b>	



## Application of Risk Management

(in million Rupiah)

Net Claims							No Rating	Total
	B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3		
B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3			
B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3			
B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)			
[Idr]B+ s.d [Idr]B-	Less than [Idr]B-	[Idr]A1+ s.d [Idr]A1	[Idr]A2+ s.d [Idr]A2	[Idr]A3+ s.d [Idr] A3	Less than [Idr]A3			
id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4			
	-	-	-	-	-	-		130,667,153
	-	-	-	-	-	-		35,108,246
	-	-	-	-	-	-		67,618,182
	-	-	-	-	-	-		2,259
	-	-	-	-	-	-		136,881
	-	-	-	-	-	-		23,959,445
	-	-	-	-	-	-		32,618,201
	-	-	-	-	-	-		12,362,809
	-	-	-	-	-	-		12,362,809
	-	-	-	-	-	-		6,328,578
	-	-	-	-	-	-		6,328,578
	-	-	-	-	-	-		1,212,085
	-	-	-	-	-	-		1,212,085
	-	-	-	-	-	-		50,759,724
84,921	-	-	-	-	-	-		50,759,724
181	-	-	-	-	-	-		254,538,139
	-	-	-	-	-	-		262,023,966
	-	-	-	-	-	-		1,950,098
	-	-	-	-	-	-		2,477,808
	-	-	-	-	-	-		38,542,348
	-	-	-	-	-	-		38,542,348
85,102	-	-	-	-	-	-		424,763,731
	-	-	-	-	-	-		604,747,735

**Bank Only**

Dec-31-2015

No	Category Portfolio	Long-Term Rating					
		Agencies	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		Standards and Poor's					
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3	Baa1 s.d Baa3	Ba1 s.d Ba3
		PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d. A-(idn)	BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)
		PT. ICRA Indonesia	[Idr] AAA	[Idr]AA+ s.d [Idr] AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr] BBB-	[Idr]BB+ s.d [Idr] BB-
1	Receivables on Sovereigns	55,609,898	34,316	206,291	42,688,311	36,043	
2	Receivables on Public Sector Entities	12,671,527	4,974,549	1,979,005	282,270	1,168,271	
3	Receivables on Multilateral Development Banks and International Institutions	344,413	-	-	-	-	
4	Receivables on Banks	3,330,560	1,627,795	2,645,307	2,629,597	1,075,475	
5	Loans Secured by Residential Property	-	-	-	-	-	
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	
7	Employee/Retired Loans	-	-	-	-	-	
8	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	
9	Receivables on Corporate	1,203,253	3,840,377	652,682	2,253,926	1,101,616	
10	Past Due Receivables	63,443	-	-	-	285,855	
11	Other Assets	-	-	-	-	-	
12	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	
	Total	73,223,094	10,477,037	5,483,285	47,854,104	3,667,260	



## Application of Risk Management

(in million Rupiah)

Net Claims							No Rating	Total
		Short-Term Rating						
	B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3		
	B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3		
	B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3		
	B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)		
	[Idr]B+ s.d [Idr]B-	Less than [Idr]B-	[Idr]A1+ s.d [Idr]A1	[Idr]A2+ s.d [Idr]A2	[Idr]A3+ s.d [Idr] A3	Less than [Idr]A3		
	id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4		
								98,574,859
								28,767,484
								49,843,106
								344,413
								24,483,177
								35,791,911
								13,481,496
								13,481,496
								4,893,873
								4,893,873
								1,176,298
								1,176,298
								37,796,468
								37,796,468
1,117,088	-	-	-	-	-	-		217,103,624
181	-	-	-	-	-	-		2,825,405
								3,174,884
								40,114,344
								40,114,344
1,117,269	-	-	-	-	-	-		370,642,169
								512,464,218

**3.1.b Net Receivables based on Portfolio and Rating Description Disclosure****Bank Consolidated with Subsidiaries**

Dec-31-2016

No	Category Portfolio	Agencies	Long-Term Rating				
		Standards and Poor's	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
	Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-	
	Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3	Baa1 s.d Baa3	Ba1 s.d Ba3	
	PT. Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d. A-(idn)	BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)	
	PT. ICRA Indonesia	[Idr] AAA	[Idr]AA+ s.d [Idr] AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-	[Idr]BB+ s.d [Idr] BB-	
	PT Pemeringkat Efek Indonesia	idAAA		idA+ s.d id A-	id BBB+ s.d id BBB-	id BB+ s.d id BB-	
1	Receivables on Sovereigns		63,866,269	329,683	687,510	64,998,414	785,277
2	Receivables on Public Sector Entities		20,949,363	5,411,594	5,042,753	350,209	756,017
3	Receivables on Multilateral Development Banks and International Institutions		134,622	-	-	-	-
4	Receivables on Banks		1,852,342	1,310,258	1,249,710	2,615,795	1,632,651
5	Loans Secured by Residential Property		-	-	-	-	-
6	Loans Secured by Commercial Real Estate		-	-	-	-	-
7	Employee/Retired Loans		-	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio		-	-	-	-	-
9	Receivables on Corporate		-	4,198,458	743,016	1,635,942	823,490
10	Past Due Receivables		70,509	-	-	202,089	254,931
11	Other Assets		-	-	-	-	-
12	Exposures at Sharia Based Business Activity Unit (if any)		155,889	68,417	34,256	-	-
	Total		87,028,994	11,318,410	7,757,245	69,802,449	4,252,366



## Application of Risk Management

(in million Rupiah)

Net Claims							No Rating	Total
		Short-Term Rating						
	B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3		
	B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3		
	B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3		
	B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)		
	[Idr]B+ s.d [Idr]B-	Less than [Idr]B-	[Idr]A1+ s.d [Idr]A1	[Idr]A2+ s.d [Idr]A2	[Idr]A3+ s.d [Idr] A3	Less than [Idr]A3		
	id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4		
	-	-	-	-	-	-	-	130,667,153
	-	-	-	-	-	-	35,108,246	67,618,182
	-	-	-	-	-	-	2,259	136,881
	-	-	-	-	-	-	23,958,728	32,619,484
	-	-	-	-	-	-	12,362,809	12,362,809
	-	-	-	-	-	-	6,328,578	6,328,578
	-	-	-	-	-	-	1,212,085	1,212,085
	-	-	-	-	-	-	50,921,004	50,921,004
84,921	327	-	-	-	-	-	253,796,268	261,282,422
181	-	-	-	-	-	-	1,950,098	2,477,808
-	-	-	-	-	-	-	39,428,839	39,428,839
	-	-	-	-	90,650	-	27,713,404	28,062,616
85,102	327	-	-	90,650	-	-	452,782,318	633,117,861

Dec-31-2015

No	Category Portfolio	Long-Term Rating						
		Agencies	Standards and Poor's	Fitch Rating	Moody's	PT. Fitch Ratings Indonesia	PT. ICRA Indonesia	PT Pemeringkat Efek Indonesia
		AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-		
1	Receivables on Sovereigns	55,609,898	34,316	206,291	42,688,311	36,043		
2	Receivables on Public Sector Entities	12,671,527	4,974,549	1,979,005	282,270	1,168,271		
3	Receivables on Multilateral Development Banks and International Institutions	344,413	-	-	-	-		
4	Receivables on Banks	3,330,560	1,627,795	2,645,307	2,631,597	1,075,475		
5	Loans Secured by Residential Property	-	-	-	-	-		
6	Loans Secured by Commercial Real Estate	-	-	-	-	-		
7	Employee/Retired Loans	-	-	-	-	-		
8	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-		
9	Receivables on Corporate	1,203,253	3,840,377	652,682	2,253,926	1,101,616		
10	Past Due Receivables	63,443	-	-	-	285,855		
11	Other Assets	-	-	-	-	-		
12	Exposures at Sharia Based Business Activity Unit (if any)	155,889	68,417	34,256	-	-		
	Total	73,378,983	10,545,454	5,517,541	47,856,104	3,667,260		



## Application of Risk Management

## Net Claims

Short-Term Rating							No Rating	Total
B+ s.d B-	Less than B-	A-1	A-2	A-3	Less than A-3			
B+ s.d B-	Less than B-	F1+ s.d F1	F2	F3	Less than F3			
B1 s.d B3	Less than B3	P-1	P-2	P-3	Less than P-3			
B+(idn) s.d B-(idn)	Less than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Less than F3(idn)			
[ldr]B+ s.d [ldr]B-	Less than [ldr]B-	[ldr]A1+ s.d [ldr]A1	[ldr]A2+ s.d [ldr]A2	[ldr]A3+ s.d [ldr] A3	Less than [ldr]A3			
id B+ s.d id B-	Less than idB-	idA1	idA2	idA3 s.d id A4	Less than idA4			
								98,574,859
								28,767,485
								49,843,107
								344,413
								24,505,487
								35,816,221
								13,481,496
								13,481,496
								4,893,873
								4,893,873
								1,176,298
								1,176,298
								37,823,070
								37,823,070
1,117,088	327	-	-	-	-	-	216,567,164	226,736,433
181	-	-	-	-	-	-	2,825,405	3,174,884
-	-	-	-	-	-	-	40,569,731	40,569,731
-	-	-	-	-	90,650	-	22,864,756	23,213,968
1,117,269	327	-	-	90,650	-	-	393,474,765	535,648,353

## COUNTERPARTY CREDIT RISK

### COUNTERPARTY CREDIT RISK

Counterparty credit risk is part of credit risk.

Counterparty credit risk is the risk of the failure of the counterparty prior to the final settlement of the transaction cash flows influenced by business conditions or because of the movements of fair value or market value, for example in derivatives transactions, repo and reverse repo.

Risk mitigation instrument type of counterparty credit risk accepted by the bank, among others:

1. Cash deposited by banks
2. Demand, savings, or deposits issued by banks
3. Indonesian government Securities and Sharia Securities

To determine credit limits for counterparties the impact on counterparty risks undertaken by the Corporate Business Unit.

Capital adequacy calculation taking into account the results of the calculation of RWA using Standard approach, it has prepared an additional calculation of credit risk weighted assets Counterparty Risk and includes CVA (Credit Valuation Adjustment).

#### 1. DERIVATIVE TRANSACTIONS

Derivative transactions conducted by the Bank generally are Forward, Cross Currency Swap (CCS), and Interest Rate Swap (IRS). Bank Customers who conduct derivative transactions should have a transaction limit specified by the Business Unit and Risk Unit. The derivative transactions policy also specifies minimum amount of marginal deposits that must be paid by the customer according to the type and inherent risks in derivative transactions.



## Application of Risk Management

## 3.2.a Counterparty Credit Risk : Derivative Transaction Disclosure

No	Underlying Variable	31-Dec-16							
		Notional Amount			Derivative Recoverables	Derivative liabilities	Net Receivables before MRK	MRK	Net Receivables after MRK
		≤1 year	>1 year - ≤5 year	>5 year					
<b>BANK ONLY</b>									
1	Interest Rates	-	-	-	-	-	-	-	-
2	Foreign Exchange	20,005,282	-	-	111,910	-	311,962	-	311,962
3	Other	2,937,666	8,277,796	-	137,954	-	582,311	-	582,311
	<b>TOTAL</b>	<b>22,942,948</b>	<b>8,277,796</b>	-	<b>249,864</b>	-	<b>894,273</b>	-	<b>894,273</b>
<b>BANK CONSOLIDATED</b>									
1	Interest Rates	-	-	-	-	-	-	-	-
2	Foreign Exchange	20,005,282	-	-	111,910	-	311,962	-	311,962
3	Equity	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than Gold	-	-	-	-	-	-	-	-
6	Others	2,937,666	8,277,796	-	137,954	-	582,311	-	582,311
	<b>TOTAL</b>	<b>22,942,948</b>	<b>8,277,796</b>	-	<b>249,864</b>	-	<b>894,273</b>	-	<b>894,273</b>

No	Underlying Variable	31-Dec-15							
		Notional Amount			Derivative Recoverables	Derivative liabilities	Net Receivables before MRK	MRK	Net Receivables after MRK
		≤1 year	>1 year - ≤5 year	>5 year					
<b>BANK ONLY</b>									
1	Interest Rates	-	-	-	-	-	-	-	-
2	Foreign Exchange	12,320,630	18,417	-	231,990	-	356,116	-	356,116
3	Other	215,870	1,085,542	-	208,711	-	265,148	-	265,148
	<b>TOTAL</b>	<b>12,536,500</b>	<b>1,103,959</b>	-	<b>440,701</b>	-	<b>621,264</b>	-	<b>621,264</b>
<b>BANK CONSOLIDATED</b>									
1	Interest Rates	-	-	-	-	-	-	-	-
2	Foreign Exchange	12,320,630	18,417	-	231,990	-	356,116	-	356,116
3	Equity	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than Gold	-	-	-	-	-	-	-	-
6	Others	215,870	1,085,542	-	208,711	-	265,148	-	265,148
	<b>TOTAL</b>	<b>12,536,500</b>	<b>1,103,959</b>	-	<b>440,701</b>	-	<b>621,264</b>	-	<b>621,264</b>

## 2. Repo and Reverse Repo Transactions

BNI only conducts Repo and Reverse Repo transactions with underlying assets of the Indonesian Government Securities.

### 3.2.b.1 Repo Transaction

#### Bank Only

(in million Rupiah)

No	Category Portfolio	Dec-31-16				Dec-31-15			
		Fair Value SBB	Repo liabilities	Net receivables	RWA	Fair Value SBB	Repo liabilities	Net receivables	RWA
1	Receivables on Sovereigns	-	-	-	-	-	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	-	-
4	Receivables on Banks	4,277,326	7,927,687	762,739	265,551	3,666,938	3,101,625	604,170	302,085
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	-	-	-
6	Receivables on Corporate	-	-	-	-	-	-	-	-
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	-	-	-
Total		4,277,326	7,927,687	762,739	265,551	3,666,938	3,101,625	604,170	302,085

### 3.2.b.2 Repo Transaction

#### Bank Consolidated with Subsidiaries

(in million Rupiah)

No	Category Portfolio	Dec-31-16				Dec-31-15			
		Fair Value SBB	Repo liabilities	Net receivables	RWA	Fair Value SBB	Repo liabilities	Net receivables	RWA
1	Receivables on Sovereigns	-	-	-	-	-	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	-	-
4	Receivables on Banks	4,277,326	7,927,687	762,739	265,551	3,666,938	3,101,625	604,170	302,085
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	-	-	-
6	Receivables on Corporate	-	-	-	-	-	-	-	-
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	-	-	-
Total		4,277,326	7,927,687	762,739	265,551	3,666,938	3,101,625	604,170	302,085



## Application of Risk Management

### **3.2.c1 Reverse Repo Transaction**

#### **Bank Only**

No.	Category Portfolio	December 21, 2016			
		Net Receivables	CRM Value	Receivables after CRM	RWA after CRM
1	Receivables on Sovereigns	-	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	1,325,260	1,312,446	12,815	2,563
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
6	Receivables on Corporate	-	-	-	-
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
Total		1,325,260	1,312,446	12,815	2,563

No.	Category Portfolio	December 21, 2015			
		Net Receivables	CRM Value	Receivables after CRM	RWA after CRM
1	Receivables on Sovereigns	-	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	376,215	376,215	-	-
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
6	Receivables on Corporate	-	-	-	-
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
Total		376,215	376,215	-	-

**3.2.c2 Reverse Repo Transaction****Bank Consolidated with Subsidiaries**

No.	Category Portfolio	31-Dec-16			
		Net Receivables	CRM Value	Receivables after CRM	RWA after CRM
1	Receivables on Sovereigns	-	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	1,325,260	1,312,446	12,815	2,563
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
6	Receivables on Corporate	-	-	-	-
7	Exposures at Sharia Based Business Activity Unit (if any)	339,490	-	-	339,490
Total		1,664,750	1,312,446	12,815	342,053

No.	Category Portfolio	31-Dec-15			
		Net Receivables	CRM Value	Receivables after CRM	RWA after CRM
1	Receivables on Sovereigns	-	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	376,215	376,215	-	-
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
6	Receivables on Corporate	-	-	-	-
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
Total		376,215	376,215	-	-



## Application of Risk Management

### CREDIT RISK MITIGATION BY USING STANDARD APPROACH

#### Application of Credit Risk Mitigation Techniques with Standard Approach

The main types of collateral received in respect to credit risk mitigation is the object financed by the Bank. While complementary, the Bank may accept additional collateral. The main and additional collateral types can be grouped into:

1. Collateral, which can be either physical assets (land, buildings, machinery, equipment, etc.) and financial assets (cash collateral, marginal deposits, gold, receivables, debentures or other securities). In the credit risk mitigation techniques, physical assets are not counted as credit risk mitigation techniques.
2. Guarantee, received from the Government of the Republic of Indonesia, Bank correspondents, as well as insurance companies. In the credit risk mitigation techniques, the guarantees only taken into account are guarantees issued by parties included in the scope of the category of Claims To the Government of Indonesia, Claims To Other Governments, Claims To Bank and guarantee / insurance institutions to attend to the requirements of the guarantee and guarantee publisher.
3. Credit Insurance, issued by the insurer with notice of eligibility insurance policy, the insurance issuer and category portfolio insurance recipients.

BNI has a set of policies, procedures and processes to assess and manage the collateral by type of exposure and financing schemes given.

Assessment of the adequacy of the collaterals is calculated on cash equivalent value.

For credit exposure (loan), appraisal must be made at least every 24 months.

**Guarantees / Warranties** Publishers are recognized in the calculation of credit risk mitigation techniques are generally correspondent banks that qualify as prime bank or the status of State-Owned Enterprises. The use of the warranty as a form of risk mitigation techniques is limited to transactions in services trade.

**Transaction Disclosure for Bank Only** and consolidated by risk weight after taking into account the impact of credit risk mitigation are presented in Table 4.1.A and b.

**4.1.a Disclosure of Net Receivables after Credit Risk Mitigation Impact Calculation****Bank Only**

2016

No	Category Portfolio	0%	20%	35%	40%	
<b>A BALANCE SHEET EXPOSURES</b>						
1	Receivables on Sovereigns	129,462,741	687,510	-	-	
2	Receivables on Public Sector Entities	10,002	5,292,022	-	-	
3	Receivables on Multilateral Development Banks and International Institutions	134,622	-	-	-	
4	Receivables on Banks	5,481	6,807,709	-	-	
5	Loans Secured by Residential Property	100	-	12,362,709	-	
6	Loans Secured by Commercial Real Estate	40,477	-	-	-	
7	Loans for Retired	-	-	-	-	
8	Receivables on Micro, Small Business & Retail Portfolio	91,795	-	-	-	
9	Receivables on Corporate	10,276,473	1,400,166	-	-	
10	Past Due Receivables	1,956	-	-	-	
11	Other Assets	10,753,182	-	-	-	
12	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	
Total Exposures Balance Sheet		150,776,829	14,187,407	12,362,709	-	
<b>B ADMINISTRATIVE ACCOUNT EXPOSURE</b>						
1	Receivables on Sovereigns	272,992	-	-	-	
2	Receivables on Public Sector Entities	-	-	-	-	
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	
4	Receivables on Banks	-	107,873	-	-	
5	Loans Secured by Residential Property	-	-	-	-	
6	Loans Secured by Commercial Real Estate	-	-	-	-	
7	Loans for Retired	-	-	-	-	
8	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	
9	Receivables on Corporate	7,024	-	-	-	
10	Past Due Receivables	-	-	-	-	
11	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	
Total TRA Exposure		280,016	107,873	-	-	
<b>C COUNTERPARTY CREDIT RISK</b>						
1	Receivables on Sovereigns	12,573	-	-	-	
2	Receivables on Public Sector Entities	-	-	-	-	
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	
4	Receivables on Banks	1,312,445	570,276	-	-	
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	
6	Receivables on Corporate	-	-	-	-	
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	
Total Exposure Counterparty Credit Risk		1,325,018	570,276	-	-	



## Application of Risk Management

## Category Portfolio

Net Claims After Taking into account the impact of Credit Risk							RWA	Capital Charge
	45%	50%	75%	100%	150%	Other		
-	231,337	-	-	-	-	-	253,171	20,254
-	18,059,089	-	-	34,682,968	-	-	44,770,917	3,581,673
-	-	-	-	-	-	-	-	-
-	10,413,452	-	2,421,872	-	-	-	8,990,140	719,211
-	-	-	-	-	-	-	4,326,948	346,156
-	-	-	6,288,101	-	-	-	6,288,101	503,048
-	1,212,085	-	-	-	-	-	606,043	48,483
-	-	50,392,232	-	-	-	-	37,794,174	3,023,534
-	36,612,698	-	197,120,671	127,382	-	-	215,898,126	17,271,850
-	-	-	443,571	2,032,281	-	-	3,491,993	279,359
-	-	-	24,924,738	2,864,428	-	-	29,221,380	2,337,710
-	-	-	-	-	-	-	-	-
-	66,528,661	50,392,232	265,881,921	5,024,091	-	-	351,640,993	28,131,278
-	-	-	-	-	-	-	-	-
-	9,522,847	-	-	-	-	-	4,761,424	380,914
-	2,259	-	-	-	-	-	1,130	90
-	10,152,530	-	-	-	-	-	5,097,840	407,827
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	275,697	-	-	-	-	206,773	16,542
-	50,522	-	16,220,051	-	-	-	16,245,312	1,299,625
-	-	-	-	-	-	-	-	-
-	19,728,158	275,697	16,220,051	-	-	-	26,312,479	2,104,998
-	-	-	-	-	-	-	-	-
-	51,254	-	-	-	-	-	25,627	2,050
-	-	-	-	-	-	-	-	-
-	826,382	-	181	-	-	-	527,427	42,194
-	-	-	-	-	-	-	-	-
-	-	-	208,979	-	-	-	208,979	16,718
-	877,636	-	209,160	-	-	-	762,033	60,962

No	Category Portfolio				
		0%	20%	35%	40%
<b>A BALANCE SHEET EXPOSURES</b>					
1	Receivables on Sovereigns	97,815,143	147,550	-	-
2	Receivables on Public Sector Entities	9,583	17,640,708	-	-
3	Receivables on Multilateral Development Banks and International Institutions	344,413	-	-	-
4	Receivables on Banks	8,427	7,080,045	-	-
5	Loans Secured by Residential Property	126	-	13,481,370	-
6	Loans Secured by Commercial Real Estate	2,524	-	-	-
7	Loans for Retired	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	67,229	-	-	-
9	Receivables on Corporate	847,295	5,043,140	-	-
10	Past Due Receivables	2,425	-	-	-
11	Other Assets	12,743,509	-	-	-
12	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
Total Exposures Balance Sheet		111,840,674	29,911,443	13,481,370	-
<b>B ADMINISTRATIVE ACCOUNT EXPOSURE</b>					
1	Receivables on Sovereigns	604,983	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	-	60,317	-	-
5	Loans Secured by Residential Property	-	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-
7	Loans for Retired	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
9	Receivables on Corporate	7,209	-	-	-
10	Past Due Receivables	-	-	-	-
11	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
Total TRA Exposure		612,192	60,317	-	-
<b>C COUNTERPARTY CREDIT RISK</b>					
1	Receivables on Sovereigns	7182	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	376,215	148,116	-	-
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
6	Receivables on Corporate	-	-	-	-
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
Total Exposure Counterparty Credit Risk		383,397	148,116	-	-



## Category Portfolio

Net Claims After Taking into account the impact of Credit Risk							RWA	Capital Charge
	45%	50%	75%	100%	150%	Other		
-	-	-	-	-	-	-	29,510	2,361
-	24,159,442	-	-	1,168,271	-	-	16,776,134	1,342,091
-	-	-	-	-	-	-	-	-
-	18,092,131	-	396,125	-	-	-	10,858,200	868,656
-	-	-	-	-	-	-	4,718,480	377,478
-	-	-	4,891,349	-	-	-	4,891,349	391,308
-	1,176,298	-	-	-	-	-	588,149	47,052
-	-	37,484,454	-	-	-	-	28,113,341	2,249,067
-	651,627	-	204,274,452	1,117,088	-	-	207,284,526	16,582,762
-	-	-	108,543	3,063,918	-	-	4,704,420	376,354
-	-	-	26,964,726	406,108	-	-	27,573,888	2,205,911
-	-	-	-	-	-	-	-	-
-	44,079,498	37,484,454	237,803,466	4,587,114	-	-	305,537,997	24,443,040
-	-	-	-	-	-	-	-	-
-	6,702,638	-	-	-	-	-	3,351,319	268,106
-	-	-	-	-	-	-	-	-
-	8,820,016	-	-	-	-	-	4,422,071	353,766
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	244,785	-	-	-	-	183,589	14,687
-	-	-	15,234,600	-	-	-	15,234,600	1,218,768
-	-	-	-	-	-	-	-	-
-	15,522,654	244,785	15,234,600	-	-	-	23,191,579	1,855,327
-	-	-	-	-	-	-	-	-
-	162,465	-	-	-	-	-	81,233	6,499
-	-	-	-	-	-	-	-	-
-	810,518	-	-	-	-	-	434,882	34,791
-	-	-	-	-	-	-	-	-
-	-	-	97,153	-	-	-	97,153	7,772
-	-	-	-	-	-	-	-	-
-	972,983	-	97,153	-	-	-	613,268	49,062

**4.1.b Disclosure of Net Receivables after Credit Risk Mitigation Impact Calculation****Bank Consolidated with Subsidiaries**

No	Category Portfolio	Net Claims After Ta			
		0%	20%	35%	40%
<b>A BALANCE SHEET EXPOSURES</b>					
1	Receivables on Sovereigns	107,356,573	687,510	-	-
2	Receivables on Public Sector Entities	10,000	39,218,993	-	-
3	Receivables on Multilateral Development Banks and International Institutions	134,622	-	-	-
4	Receivables on Banks	4,282,807	6,807,709	-	-
5	Loans Secured by Residential Property	100	-	12,362,709	-
6	Loans Secured by Commercial Real Estate	40,477	-	-	-
7	Loans for Retired	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	91,795	-	-	-
9	Receivables on Corporate	1,238,202	1,400,166	-	-
10	Past Due Receivables	1,957	-	-	-
11	Other Assets	21,999,215	-	-	-
12	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
	Total Exposures Balance Sheet	135,155,748	48,114,378	12,362,709	-
<b>B ADMINISTRATIVE ACCOUNT EXPOSURE</b>					
1	Receivables on Sovereigns	272,993	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	-	107,872	-	-
5	Loans Secured by Residential Property	-	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-
7	Loans for Retired	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
9	Receivables on Corporate	7,024	-	-	-
10	Past Due Receivables	-	-	-	-
11	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
	Total TRA Exposure	280,017	107,872	-	-
<b>C COUNTERPARTY CREDIT RISK</b>					
1	Receivables on Sovereigns	12,573	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	1,312,445	570,457	-	-
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
6	Receivables on Corporate	-	-	-	-
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
	Total Exposure Counterparty Credit Risk	1,325,018	570,457	-	-



## Application of Risk Management

December 31 2016

Taking into account the impact of Credit Risk Mitigation							RWA	Capital Charge
	45%	50%	75%	100%	150%	Other		
-	231,337	-	22,106,167	-	-	-	22,359,338	1,788,747
-	18,059,089	-	756,000	-	-	-	17,629,343	1,410,347
-	-	-	-	-	-	-	-	-
-	6,137,410	-	2,421,872	-	-	-	6,852,119	548,170
-	-	-	-	-	-	-	4,326,948	346,156
-	-	-	6,288,101	-	-	-	6,288,101	503,048
-	1,212,085	-	-	-	-	-	606,043	48,483
-	-	50,553,512	-	-	-	-	37,915,134	3,033,211
-	36,612,698	-	205,380,118	127,382	-	-	224,157,573	17,932,606
-	-	-	443,571	2,032,280	-	-	3,491,991	279,359
-	-	-	14,056,012	3,373,612	-	-	19,116,430	1,529,314
-	-	-	-	-	-	27,977,857	23,781,179	1,902,494
-	62,252,619	50,553,512	251,451,841	5,533,274	27,977,857	-	366,524,199	29,321,935
-	-	-	-	-	-	-	-	-
-	9,522,847	-	-	-	-	-	4,761,424	380,914
-	2,259	-	-	-	-	-	1,130	90
-	10,152,530	-	-	-	-	-	5,097,839	407,827
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	275,697	-	-	-	-	206,773	16,542
-	50,522	-	16,257,331	-	-	-	16,282,592	1,302,607
-	-	-	-	-	-	-	-	-
-	38,340	-	46,419	-	-	-	65,589	5,247
-	19,766,498	275,697	16,303,750	-	-	-	26,415,347	2,113,227
-	-	-	-	-	-	-	-	-
-	51,253	-	-	-	-	-	25,627	2,050
-	-	-	-	-	-	-	-	-
-	826,382	-	-	-	-	-	527,282	42,183
-	-	-	-	-	-	-	-	-
-	-	-	208,979	-	-	-	208,979	16,718
-	-	-	-	-	-	-	-	-
-	877,635	-	208,979	-	-	-	761,888	60,951

No	Category Portfolio	Net Claims After Tax			
		0%	20%	35%	40%
<b>A BALANCE SHEET EXPOSURES</b>					
1	Receivables on Sovereigns	97,815,143	147,550	-	-
2	Receivables on Public Sector Entities	9,583	17,640,708	-	-
3	Receivables on Multilateral Development Banks and International Institutions	344,413	-	-	-
4	Receivables on Banks	8,427	7,080,045	-	-
5	Loans Secured by Residential Property	126	-	13,481,370	-
6	Loans Secured by Commercial Real Estate	2,524	-	-	-
7	Loans for Retired	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	67,229	-	-	-
9	Receivables on Corporate	847,295	5,043,140	-	-
10	Past Due Receivables	2,425	-	-	-
11	Other Assets	12,744,316	-	-	-
12	Exposures at Sharia Based Business Activity Unit (if any)	4,931,463	359,532	7,753,834	-
Total Exposures Balance Sheet		116,772,944	30,270,975	21,235,204	-
<b>B ADMINISTRATIVE ACCOUNT EXPOSURE</b>					
1	Receivables on Sovereigns	604,983	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	-	60,317	-	-
5	Loans Secured by Residential Property	-	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-
7	Loans for Retired	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
9	Receivables on Corporate	7,209	-	-	-
10	Past Due Receivables	-	-	-	-
11	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
Total TRA Exposure		612,192	60,317	-	-
<b>C COUNTERPARTY CREDIT RISK</b>					
1	Receivables on Sovereigns	7,182	-	-	-
2	Receivables on Public Sector Entities	-	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-
4	Receivables on Banks	376,215	148,116	-	-
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-
6	Receivables on Corporate	-	-	-	-
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-
Total Exposure Counterparty Credit Risk		383,397	148,116	-	-



December 21, 2015

Taking into account the impact of Credit Risk Mitigation						RWA	Capital Charge
	45%	50%	75%	100%	150%	Other	
-	-	-	-	-	-	-	29,510 2,361
-	24,159,442	-	1,168,271	-	-	-	16,776,134 1,342,091
-	-	-	-	-	-	-	-
-	18,116,441	-	396,125	-	-	-	10,870,355 869,628
-	-	-	-	-	-	-	4,718,480 377,478
-	-	-	4,891,349	-	-	-	4,891,349 391,308
-	1,176,298	-	-	-	-	-	588,149 47,052
-	-	37,511,055	-	-	-	-	28,133,291 2,250,663
-	651,627	-	203,738,316	1,117,088	-	-	206,748,390 16,539,871
-	-	-	108,543	3,063,918	-	-	4,704,420 376,354
-	-	-	27,414,065	411,348	-	-	28,031,087 2,242,487
-	67,916	-	6,770,172	-	3,246,292	-	12,349,227 987,938
-	44,171,724	37,511,055	244,486,841	4,592,354	3,246,292	317,840,392	25,427,231
-	-	-	-	-	-	-	-
-	6,702,638	-	-	-	-	-	3,351,319 268,106
-	-	-	-	-	-	-	-
-	8,820,016	-	-	-	-	-	4,422,071 353,766
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	244,785	-	-	-	-	183,589 14,687
-	-	-	15,234,600	-	-	-	15,234,600 1,218,768
-	-	-	-	-	-	-	-
-	38,340	-	46,419	-	-	-	65,589 5,247
-	15,560,994	244,785	15,281,019	-	-	-	23,257,168 1,860,574
-	-	-	-	-	-	-	-
-	162,465	-	-	-	-	-	81,233 6,499
-	-	-	-	-	-	-	-
-	810,518	-	-	-	-	-	434,882 34,791
-	-	-	-	-	-	-	-
-	-	-	97,153	-	-	-	97,153 7,772
-	-	-	-	-	-	-	-
-	972,983	-	97,153	-	-	-	613,268 49,062

**4.2.a Disclosure of Net Receivables and Credit Mitigation Techniques****Bank Only**

(in million Rupiah)

No	Category Portfolio	December 21, 2016				
		Net Receivables	Collateral	Guarantee	Credit Insurance	Others
<b>A BALANCE SHEET EXPOSURE</b>						
1	Receivables on Sovereigns	130,381,588	-	-	-	-
2	Receivables on Public Sector Entities	58,044,081	10,000	-	-	-
3	Receivables on Multilateral Development Banks and International Institutions	134,622	-	-	-	-
4	Receivables on Banks	19,648,514	5,480	-	-	-
5	Loans Secured by Residential Property	12,362,809	100	-	-	-
6	Loans Secured by Commercial Real Estate	6,328,578	40,477	-	-	-
7	Loans for Retired	1,212,085	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	50,484,027	91,795	-	-	-
9	Receivables on Corporate	245,537,390	1,238,202	-	-	-
10	Past Due Receivables	2,477,808	1,957	-	-	-
11	Other Assets	38,542,348	-	-	-	-
12	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-
Total Balance Exposure		565,153,850	1,388,011	-	-	-
<b>B ADMINISTRATIVE ACCOUNT EXPOSURE</b>						
1	Receivables on Sovereigns	272,992	-	-	-	272,992
2	Receivables on Public Sector Entities	9,522,847	-	-	-	9,522,847
3	Receivables on Multilateral Development Banks and International Institutions	2,259	-	-	-	2,259
4	Receivables on Banks	10,260,403	-	-	-	10,260,403
5	Loans Secured by Residential Property	-	-	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-	-
7	Loans for Retired	-	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	275,697	-	-	-	275,697
9	Receivables on Corporate	16,277,597	7,024	-	-	16,270,573
10	Past Due Receivables	-	-	-	-	-
11	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-
Total Eksposur TRA		36,611,795	7,024	-	-	-



## Application of Risk Management

No	Category Portfolio	December 21, 2016					Portion Unsecured	
		Net Receivables	Portion Secured by					
			Collateral	Guarantee	Credit Insurance	Others		
<b>C COUNTERPARTY CREDIT RISK EXPOSURE</b>								
1	Receivables on Sovereigns	12,573	-	-	-	-	12,573	
2	Receivables on Public Sector Entities	51,254	-	-	-	-	51,254	
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-	
4	Receivables on Banks	2,709,284	1,312,446	-	-	-	1,396,838	
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	-	
6	Receivables on Corporate	208,979	-	-	-	-	208,979	
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	-	
<b>Total Exposure Counterparty Credit Risk</b>		<b>2,982,090</b>	<b>1,312,446</b>	-	-	-	<b>1,669,644</b>	

No	Category Portfolio	Net Receivables	December 21, 2015				Portion Unsecured
			Collateral	Guarantee	Credit Insurance	Others	
<b>A BALANCE SHEET EXPOSURE</b>							
1	Receivables on Sovereigns	130,381,588	-	-	-	-	130,381,588
2	Receivables on Public Sector Entities	58,044,081	10,000	-	-	-	58,034,081
3	Receivables on Multilateral Development Banks and International Institutions	134,622	-	-	-	-	134,622
4	Receivables on Banks	19,648,514	5,480	-	-	-	19,643,034
5	Loans Secured by Residential Property	12,362,809	100	-	-	-	12,362,709
6	Loans Secured by Commercial Real Estate	6,328,578	40,477	-	-	-	6,288,101
7	Loans for Retired	1,212,085	-	-	-	-	1,212,085
8	Receivables on Micro, Small Business & Retail Portfolio	50,484,027	91,795	-	-	-	50,392,232
9	Receivables on Corporate	245,537,390	1,238,202	-	-	-	244,299,188
10	Past Due Receivables	2,477,808	1,957	-	-	-	2,475,851
11	Other Assets	38,542,348	-	-	-	-	38,542,348
12	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	-
Total Balance Exposure		565,153,850	1,388,011	-	-	-	563,765,839
<b>B ADMINISTRATIVE ACCOUNT EXPOSURE</b>							
1	Receivables on Sovereigns	604,983	-	-	-	-	604,983
2	Receivables on Public Sector Entities	6,702,638	-	-	-	-	6,702,638
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	8,880,333	-	-	-	-	8,880,333
5	Loans Secured by Residential Property	-	-	-	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	-
7	Loans for Retired	-	-	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	244,785	-	-	-	-	244,785
9	Receivables on Corporate	15,241,808	7,209	-	-	-	15,234,599
10	Past Due Receivables	-	-	-	-	-	-
11	Exposures at Sharia Based Business Activity Unit (if any)	84,759	-	-	-	-	-
Total Eksposur TRA		31,674,547	7,209	-	-	-	31,667,338



## Application of Risk Management

No	Category Portfolio	Net Receivables	December 21, 2015				Portion Unsecured
			Collateral	Guarantee	Credit Insurance	Others	
<b>C COUNTERPARTY CREDIT RISK EXPOSURE</b>							
1	Receivables on Sovereigns	7,182	-	-	-	-	7,182
2	Receivables on Public Sector Entities	162,465	-	-	-	-	162,465
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	1,334,849	376,215	-	-	-	958,634
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	-
6	Receivables on Corporate	97,153	-	-	-	-	97,153
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	-
<b>Total Exposure Counterparty Credit Risk</b>		<b>1,601,649</b>	<b>376,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,225,434</b>

**4.2.b Net Receivables and Bank Credit Risk Mitigation Techniques****Bank Consolidated with Subsidiaries**

(in million Rupiah)

No	Category Portfolio	December 21, 2016					
		Net Receivables	Collateral	Guarantee	Credit Insurance	Others	Portion Unsecured
<b>A EKSPOSUR NERACA</b>							
1	Receivables on Sovereigns	130,381,588	-	-	-	-	130,381,588
2	Receivables on Public Sector Entities	58,044,081	10,000	-	-	-	58,034,081
3	Receivables on Multilateral Development Banks and International Institutions	134,622	-	-	-	-	134,622
4	Receivables on Banks	19,644,798	5,480	-	-	-	19,644,318
5	Loans Secured by Residential Property	12,362,809	100	-	-	-	12,362,709
6	Loans Secured by Commercial Real Estate	6,328,578	40,477	-	-	-	6,288,101
7	Loans for Retired	1,212,085	-	-	-	-	1,212,085
8	Receivables on Micro, Small Business & Retail Portfolio	50,645,307	91,795	-	-	-	50,553,512
9	Receivables on Corporate	244,758,566	1,238,202	-	-	-	243,520,364
10	Past Due Receivables	2,477,808	1,957	-	-	-	2,475,851
11	Other Assets	39,428,839	-	-	-	-	39,428,839
12	Exposures at Sharia Based Business Activity Unit (if any)	27,977,857	-	-	-	-	27,977,857
Total Balance Exposure		593,401,938	1,388,011	-	-	-	592,013,927
<b>B B ADMINISTRATIVE ACCOUNT EXPOSURE</b>							
1	Receivables on Sovereigns	272,992	-	-	-	-	272,992
2	Receivables on Public Sector Entities	9,522,847	-	-	-	-	9,522,847
3	Receivables on Multilateral Development Banks and International Institutions	2,259	-	-	-	-	2,259
4	Receivables on Banks	10,260,402	-	-	-	-	10,260,402
5	Loans Secured by Residential Property	-	-	-	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	-
7	Loans for Retired	-	-	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	275,697	-	-	-	-	275,697
9	Receivables on Corporate	16,314,877	7,024	-	-	-	16,307,853
10	Past Due Receivables	-	-	-	-	-	-
11	Exposures at Sharia Based Business Activity Unit (if any)	84,759	-	-	-	-	84,759
Total Eksposur TRA		36,733,833	7,024	-	-	-	36,726,809



## Application of Risk Management

No	Category Portfolio	December 21, 2016					Portion Unsecured
		Net Receivables	Collateral	Guarantee	Credit Insurance	Others	
<b>C COUNTERPARTY CREDIT RISK</b>							
1	Receivables on Sovereigns	12,573	-	-	-	-	12,573
2	Receivables on Public Sector Entities	51,254	-	-	-	-	51,254
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	2,709,284	1,312,446	-	-	-	1,396,838
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	-
6	Receivables on Corporate	208,979	-	-	-	-	208,979
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	-
<b>Total Exposure Counterparty Credit Risk</b>		<b>2,982,090</b>	<b>1,312,446</b>	-	-	-	<b>1,669,644</b>

No	Category Portfolio	Net Receivables	December 21, 2015				Portion Unsecured
			Collateral	Guarantee	Credit Insurance	Others	
<b>A A BALANCE SHEET EXPOSURE</b>							
1	Receivables on Sovereigns	97,962,693	-	-	-	-	97,962,693
2	Receivables on Public Sector Entities	42,978,004	9,583	-	-	-	42,968,421
3	Receivables on Multilateral Development Banks and International Institutions	344,413	-	-	-	-	344,413
4	Receivables on Banks	25,601,039	8,427	-	-	-	25,592,612
5	Loans Secured by Residential Property	13,481,496	126	-	-	-	13,481,370
6	Loans Secured by Commercial Real Estate	4,893,873	2,524	-	-	-	4,891,349
7	Loans for Retired	1,176,298	-	-	-	-	1,176,298
8	Receivables on Micro, Small Business & Retail Portfolio	37,578,284	67,229	-	-	-	37,511,055
9	Receivables on Corporate	211,397,470	847,295	-	-	-	210,550,175
10	Past Due Receivables	3,174,885	2,425	-	-	-	3,172,460
11	Other Assets	40,569,730	-	-	-	-	40,569,730
12	Exposures at Sharia Based Business Activity Unit (if any)	23,129,209	-	-	-	-	23,129,209
Total Balance Exposure		502,287,394	937,609	-	-	-	501,349,785
<b>B B ADMINISTRATIVE ACCOUNT EXPOSURE</b>							
1	Receivables on Sovereigns	604,983	-	-	-	-	604,983
2	Receivables on Public Sector Entities	6,702,638	-	-	-	-	6,702,638
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	8,880,333	-	-	-	-	8,880,333
5	Loans Secured by Residential Property	-	-	-	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	-
7	Loans for Retired	-	-	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	244,785	-	-	-	-	244,785
9	Receivables on Corporate	15,241,808	7,209	-	-	-	15,234,599
10	Past Due Receivables	-	-	-	-	-	-
11	Exposures at Sharia Based Business Activity Unit (if any)	84,759	-	-	-	-	84,759
Total Eksposur TRA		31,759,306	7,209	-	-	-	31,752,097



## Application of Risk Management

No	Category Portfolio	Net Receivables	December 21, 2015				Portion Unsecured
			Collateral	Guarantee	Credit Insurance	Others	
<b>C COUNTERPARTY CREDIT RISK</b>							
1	Receivables on Sovereigns	7,182	-	-	-	-	7,182
2	Receivables on Public Sector Entities	162,465	-	-	-	-	162,465
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	1,334,849	376,215	-	-	-	958,634
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	-
6	Receivables on Corporate	97,153	-	-	-	-	97,153
7	Exposures at Sharia Based Business Activity Unit (if any)	-	-	-	-	-	-
<b>Total Exposure Counterparty Credit Risk</b>		<b>1,601,649</b>	<b>376,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,225,434</b>

## ASSET SECURITIZATION

BNI securitization activity is confined to the ownership of credit linked notes, however, per December 31, 2016 there was no exposure to asset securitization

## RWA CALCULATION OF CREDIT RISK APPROACH STANDARD

Calculation of RWA Credit Risk Standard Approach - Individual Bank are presented in Table 6.1.1, Table 6.1.2, Table 6.1.3 and Table 6.1.7

Calculation of RWA Credit Risk Standard Approach - Bank Consolidated loaded in Table 6.2.1, Table 6.2.2, Table 6.2.3, Table 6.2.6 and Table 6.2.7.

### 1. Balance Sheet Assets Exposur

**Table 6.1.1. Disclosure of On Balance Sheet Assets**

Exposures Bank Only

(in million Rupiah)

No	Category Portfolio	Dec-31-2016		
		Receivables	RWA before MRK	RWA after MRK
1	Receivables on Sovereigns	130,381,588	253,171	253,171
2	Receivables on Public Sector Entities	58,044,081	21,491,762	21,486,762
3	Receivables on Multilateral Development Banks and International Institutions	134,622	-	-
4	Receivables on Banks	19,648,514	8,946,748	8,944,008
5	Loans Secured by Residential Property	12,362,809	4,329,273	4,329,238
6	Loans Secured by Commercial Real Estate	6,328,578	6,328,578	6,288,101
7	Loans for Retired	1,212,085	606,043	606,043
8	Receivables on Micro, Small Business & Retail Portfolio	50,484,027	37,863,020	37,794,173
9	Receivables on Corporate	245,537,390	241,854,277	240,616,075
10	Past Due Receivables	2,477,808	3,494,927	3,491,992
11	Other Assets	38,542,348	27,831,522	27,831,522
	Total	565,153,850	352,999,321	351,641,085

No	Category Portfolio	Dec-31-2015		
		Receivables	RWA before MRK	RWA after MRK
1	Receivables on Sovereigns	97,962,693	29,510	29,510
2	Receivables on Public Sector Entities	42,978,004	16,780,925	16,776,134
3	Receivables on Multilateral Development Banks and International Institutions	344,413	-	-
4	Receivables on Banks	25,576,728	10,862,413	10,858,200
5	Loans Secured by Residential Property	13,481,496	4,718,524	4,718,479
6	Loans Secured by Commercial Real Estate	4,893,873	4,893,873	4,891,349
7	Loans for Retired	1,176,298	588,149	588,149
8	Receivables on Micro, Small Business & Retail Portfolio	37,551,683	28,163,762	28,113,340
9	Receivables on Corporate	211,933,605	208,131,823	207,284,528



## Application of Risk Management

No	Category Portfolio	Dec-31-2015		
		Receivables	RWA before MRK	RWA after MRK
10	Past Due Receivables	3,174,885	4,708,056	4,704,419
11	Other Assets	40,114,344	27,573,888	27,573,888
	Total	479,188,022	306,450,923	305,537,996

**Table 6.1.2. Disclosure of On Balance Sheet Assets**

**Exposures Consolidated Bank with Subsidiaries**

(in million Rupiah)

No	Category Portfolio	Dec-31-2016		
		Receivables	RWA before MRK	RWA after MRK
1	Receivables on Sovereigns	130,381,588	253,171	253,171
2	Receivables on Public Sector Entities	58,044,081	21,491,753	21,486,753
3	Receivables on Multilateral Development Banks and International Institutions	134,622	-	-
4	Receivables on Banks	19,649,798	8,947,391	8,944,651
5	Loans Secured by Residential Property	12,362,809	4,326,983	4,326,948
6	Loans Secured by Commercial Real Estate	6,328,578	6,328,578	6,288,102
7	Loans for Retired	1,212,085	606,043	606,043
8	Receivables on Micro, Small Business & Retail Portfolio	50,645,307	37,983,980	37,915,134
9	Receivables on Corporate	244,758,566	241,854,277	240,616,075
10	Past Due Receivables	2,477,808	3,494,927	3,491,992
11	Other Assets	39,428,839	28,702,946	28,702,946
	Total	565,424,081	353,990,048	352,631,815

No	Category Portfolio	Dec-31-2015		
		Receivables	RWA before MRK	RWA after MRK
1	Receivables on Sovereigns	97,962,693	29,510	29,510
2	Receivables on Public Sector Entities	42,978,004	16,780,925	16,776,134
3	Receivables on Multilateral Development Banks and International Institutions	344,413	-	-
4	Receivables on Banks	25,601,039	10,874,568	10,870,355
5	Loans Secured by Residential Property	13,481,496	4,718,524	4,718,479
6	Loans Secured by Commercial Real Estate	4,893,873	4,893,873	4,891,349
7	Loans for Retired	1,176,298	588,149	588,149
8	Receivables on Micro, Small Business & Retail Portfolio	37,578,284	28,183,713	28,133,291
9	Receivables on Corporate	211,397,470	207,595,688	206,748,393
10	Past Due Receivables	3,174,885	4,708,056	4,704,419
11	Other Assets	40,569,730	28,031,088	28,031,088
	Total	479,158,185	306,404,094	305,491,167

## Exposure Liabilities Commitments / Contingent Administrative account transactions

**Table 6.1.2. Exposure Liabilities Commitments /****Contingent Administrative account transactions Bank Only**

(in million Rupiah)

No	Category Portfolio	Dec-31-2016			Dec-31-2015		
		Receivables	RWA before MRK	RWA after MRK	Receivables	RWA before MRK	RWA after MRK
1	Receivables on Sovereigns	272,992	-	-	604,983	-	-
2	Receivables on Public Sector Entities	9,522,847	4,761,423	4,761,423	6,702,638	3,351,319	3,351,319
3	Receivables on Multilateral Development Banks and International Institutions	2,259	1,130	1,130	-	-	-
4	Receivables on Banks	10,260,403	5,097,840	5,097,840	8,880,333	4,422,071	4,422,071
5	Loans Secured by Residential Property	-	-	-	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	-
7	Loans for Retired	-	-	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	275,697	206,772	206,772	244,785	183,589	183,589
9	Receivables on Corporate	16,277,597	16,252,336	16,245,312	15,241,808	15,241,808	15,234,600
10	Past Due Receivables	-	-	-	-	-	-
	Total	36,611,795	26,319,501	26,312,477	31,674,547	23,198,787	23,191,579



## Application of Risk Management

**Table 6.2.2. Exposure Liabilities Commitments / Contingent Administrative account**

transactions Consolidated Bank with Subsidiaries

(in million Rupiah)

No	Category Portfolio	Dec-31-2016			Dec-31-2015		
		Receivables	RWA before MRK	RWA after MRK	Receivables	RWA before MRK	RWA after MRK
1	Receivables on Sovereigns	272,993	-	-	604,983	-	-
2	Receivables on Public Sector Entities	9,522,847	4,761,423	4,761,423	6,702,638	3,351,319	3,351,319
3	Receivables on Multilateral Development Banks and International Institutions	2,259	1,130	1,130	-	-	-
4	Receivables on Banks	10,260,403	5,097,840	5,097,840	8,880,333	4,422,071	4,422,071
5	Loans Secured by Residential Property	-	-	-	-	-	-
6	Loans Secured by Commercial Real Estate	-	-	-	-	-	-
7	Loans for Retired	-	-	-	-	-	-
8	Receivables on Micro, Small Business & Retail Portfolio	275,697	206,772	206,772	244,785	183,589	183,589
9	Receivables on Corporate	16,314,877	16,289,616	16,282,592	15,241,808	15,241,808	15,234,600
10	Past Due Receivables	-	-	-	-	-	-
	Total	36,649,076	26,356,781	26,349,757	31,674,547	23,198,787	23,191,579

## 2. Potential Credit Risk Exposure due to failure Opponent Party (Counterparty Credit Risk)

**6.1.3 Potential Counterparty Credit Risk Exposure Bank only**

(in million Rupiah)

No	Category Portfolio	Dec-31-2016			Dec-31-2015		
		Receivables	RWA before MRK	RWA after MRK	Receivables	RWA before MRK	RWA after MRK
1	Receivables on Sovereigns	12,573	-	-	7,182	-	-
2	Receivables on Public Sector Entities	51,254	25,627	25,627	162,465	81,233	81,233
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	2,709,284	789,826	527,337	1,334,849	510,125	434,882
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	-
6	Receivables on Corporate	208,979	208,979	208,979	97,153	97,153	97,153
	Total	2,982,090	1,024,432	761,943	1,601,649	688,511	613,268

**6.2.3 Potential Counterparty Credit Risk Exposure****Consolidated Bank with Subsidiaries**

(in million Rupiah)

No	Category Portfolio	Dec-31-2016			Dec-31-2015		
		Receivables	RWA before MRK	RWA after MRK	Receivables	RWA before MRK	RWA after MRK
1	Receivables on Sovereigns	12,573	-	-	7,182	-	-
2	Receivables on Public Sector Entities	51,254	25,627	25,627	162,465	81,233	81,233
3	Receivables on Multilateral Development Banks and International Institutions	-	-	-	-	-	-
4	Receivables on Banks	2,709,284	789,826	527,337	1,334,849	510,125	434,882
5	Receivables on Micro, Small Business & Retail Portfolio	-	-	-	-	-	-
6	Receivables on Corporate	208,979	208,979	208,979	97,153	97,153	97,153
	Total	2,982,090	1,024,432	761,943	1,601,649	688,511	613,268

**3. Potential Exposure Credit Risk due to failure of settlement**

As at December 31, 2016 there was no credit risk due to failure of settlement

**4. Securitization Exposure**

As at December 31, 2016 there was no exposure to the securitization

**5. Exposure in Bank Syariah Business Unit****6.2.6 Exposure in Bank Syariah Business Unit****Consolidated with subsidiaries**

(in million Rupiah)

No	Type of Transaction	Dec-31-16		Dec-31-2015	
		Capital Reduction Factor	RWA	Capital Reduction Factor	RWA
1	Total Eksposur	-	13,957,921	-	12,414,816

**6. Total Credit Risk Measurement****6.1.7 Total Credit Risk Measurement****Bank Only**

(in million Rupiah)

Explanation	Dec-31-16	Dec-31-15
RWA TOTAL CREDIT RISK	378,715,505	329,342,843
TOTAL DEDUCTION FROM CAPITAL	-	-

**6.2.7 Total Credit Risk Measurement****Bank Consolidated Bank with Subsidiaries**

(in million Rupiah)

Explanation	Dec-31-16	Dec-31-15
RWA TOTAL CREDIT RISK	393,701,434	341,710,828
TOTAL DEDUCTION FROM CAPITAL	-	-



## Application of Risk Management

### Market risk

Most of the market risk exposure on the Trading Book comes from treasury business activities in both domestic and overseas branches, while the banking book market risk, especially interest rate risk in the banking book and Net Open Position (NOP), are sourced from all the Company's activities. The Bank closely monitors and tightly manages its market risk exposures.

### Governance and Organization

In order to develop an effective and independent market risk management system, treasury banking activities are divided into 3 (three) areas: front office, middle office and back office.

Front office serves as a business unit that aims to achieve business targets by conducting business activities and customer relationships. As part of the internal control system, the front office is the first line of defense to curtail and anticipate market risks arising from exchange rates and interest rates. The treasury business is limited by the risk appetite and risk limits set by Enterprise Risk Management Division to the Risk and Capital Committee on Risk Management. The treasury transaction limit is proposed by the Policy Governance Unit through Credit Procedure Committee, and counterparty limit is decided by the Business Risk Division.

The Enterprise Risk Management Division is the second line of defense and monitors market risk exposures and compliance to risk limits, market risk limit, authority limit and counterparty limit, and validates fixing price, examines reasonable price, investigates off-market transactions, and reviews limits. To complete the market risk management function, BNI has a middle office function to monitor, control and report on treasury transaction risks.

The back office function is under the Operational Division and confirms accounting and treasury transaction settlements.

### Policies and Procedures

In order to support business goals with prudent principles, BNI has Policies and Procedures for Treasury and International Business.

For effective market risk management, BNI also has Market Risk Management guidance. Company guidance contains governance and methodology and market risk management, which is arranged, reviewed and validated periodically with the Enterprise Risk Management Division.

### Process

Identification, measurement, monitoring, and market risk control are performed independently from the business units. Market Risk identification is particularly done for new products or activities.

BNI measures Market Risk using the Standardized Method and the Internal Model. The Standardized Method is used to calculate the Capital Adequacy Ratio for Market Risk, while Market Risk management mainly uses the Internal Model, Value at Risk.

Portfolio coverage as calculated in the CAR by standardized methods, on the trading book portfolio for interest risk and trading book portfolio, and on the banking book for foreign exchange rate in domestic and overseas branches.

Market risk exposure as Bank only and consolidated using the standardized method is presented in Table 7.1.

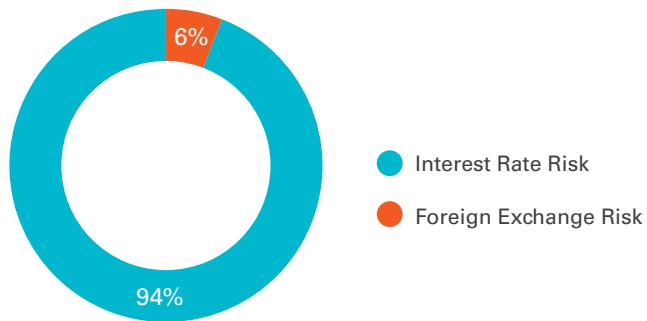
#### 7.1. Disclosure of Market Risk Using Standardized Method

##### Bank Only and Consolidated

(in million Rupiah)

No	Type of Risk	Dec-31-16				Dec-31-15			
		Consolidation		Konsolidasi		Consolidation		Konsolidasi	
		Capital Charge	RWA						
1	Interest Rate Risk	13,645	170,563	18,934	236,678	20,766	259,578	30,247	378,088
	a. Specific Risk	-	-	3,915	48,935	6,239	77,988	12,466	155,825
	b. General Risk	13,645	170,563	15,019	187,743	14,527	181,590	17,781	222,263
2	Foreign Exchange Risk	189,560	2,369,494	182,210	2,277,631	97,294	1,216,172	95,422	1,192,775
3	Equity Risk			12,554	156,929	-	-	15,504	193,800
4	Commodity Risk					-	-	-	-
5	Option Risks	-	-			-	-	-	-
	Total	203,205	2,540,057	213,698	2,671,238	118,060	1,475,750	141,173	1,764,663

The composition of VaR per Risk Type December 31, 2016 was as follows:



Market risk exposure (Value at Risk) in domestic and overseas branches is monitored daily and reported to management weekly and monthly. Price valuation policies currently used are for actively traded instruments using mark-to-market valuation methods, while less actively traded instruments uses fair price from independent sources.



## Application of Risk Management

Banks market risk exposure Bank only and consolidated using internal models (Value at Risk) contained in Table 7.2.a.

**Table 7.2 Market Risk by Using Internal Method (Value at Risk / VaR)**

No	Type of Risk	Dec 31 2016				Dec 31 2015			
		VaR Average	VaR Max	VaR Min	VaR end of Period	VaR Average	VaR Max	VaR Min	VaR end of Period
1	Interest Rate Risk	153,107	272,104	124,449	172,886	110,451	162,356	85,452	142,675
2	Foreign Exchange Risk	14,112	37,803	3,209	11,450	3,970	16,993	336	11,908
3	Option Risks	-	-	-	-	-	-	-	-
	Total	167,219	309,907	127,658	184,336	114,421	179,349	85,788	154,583

The development of risk in the portfolio banking book as a whole is closely monitored periodically according to the method of measurement specified by the regulator, which is monitoring the Net Open Position (NOP) to exchange rate risk and gap risk of interest rate banking book (interest rate risk in the banking book gap), and will be presented to management through the Risk and Capital Committee Forum Assets & Liability Sector.

Some of the information related to the interest rate risk in the banking book gap, among others:

1. Treatment of Non-Maturity Instruments  
Assumptions maturity for liabilities classified as core deposits, such as checking accounts, savings and time deposits, are classified on a scale of time in which these assumptions will be analyzed on a regular basis by the Treasury Division and documented and submitted to the Bank's Risk Management Division to obtain validation.
2. Using the assumption of interest rate changes the standard assumption of a change in interest rates of 0.25% and 0.5%, which is parallel to all time bands.
3. Frequency Measurement  
Measurement interest rate risk in the banking book gap is done on a monthly basis.

### Tools and Method

To support business processes and in line with market risk management, the Bank has market risk management tools. Meanwhile, market data is obtained from Reuters, Bloomberg and other independent sources.

Limits that have been established to manage potential loss of a market risk event in the Treasury Division and overseas branches are as follows:

1. Value at Risk Limit (VaR), which is the maximum potential loss that may occur at a specific time in the future within a certain trust level.
2. Stress Limit Value at Risk (VaR Stress), which is a measurement of market risk adjusted to abnormal conditions in the market or the maximum potential losses when the market is not normal.
3. Budget loss limits used to limit effect of a loss on business activities.
4. Management Action Trigger (MAT), which limits action against the risk of changes in value loss (early warning signal). MAT completes loss limit in the form of a certain percentage of the loss limit.
5. Limit the purchase of securities which are used to limit the concentration of corporate purchase of securities by rating and type of currency securities.
6. Limit the asset and liability repricing gap (Interest Rate Risk in the Banking Book).
7. Nominal open position limit, the nominal maximum open position limit for dealers.
8. Limit the overall internal PDN (absolute), which is the maximum limit PDN processing.

Steps to strengthen the management of market risk to face the economic slowdown that occurred during 2016, among others, closely monitoring the movement of market factors that could potentially impact on the bank, such as exchange rates, interest rates, stock prices and commodity prices. To determine the potential impact on banks, Scenario Analysis and Stress Testing were conducted periodically and incidentally. Periodic Stress Testing using scenarios which refer to the regulatory and internal Bank scenario provisions. While the Stress Testing scenario and incidental Scenario Analysis adjusts to the conditions of macro economic factors and market factors at that time. Each Overseas Branch Office also did Stress Testing in accordance with internal and local regulatory provisions. The results of the stress testing was used to prepare contingency plans to keep the risks that occur limited and well-managed.

### Liquidity risk

Liquidity risk relates to the possibility of the Bank failing to meet short-term obligations to depositors, investors and creditors, as well as not having adequate minimum statutory reserves, due to limited access to financing or the inability to liquidate assets at a reasonable price.

Liquidity risk management aims to continuously have the Bank able to meet cash flow requirements, and to build strong structural liquidity on Bank's balance sheet to support long- term sustainable growth.

### Governance and Organization

Liquidity Risk Management is carried out by the Enterprise Risk Management Division (ERM), Treasury Division (TRS), and overseas branches. Liquidity Risk Policies and Procedures are prepared by the ERM Division, and subsequently implemented by the TRS Division and all overseas branches, as manifested in the liquidity management strategy. The ERM Division also conducts monitoring of liquidity management implementation by the TRS Division.

### Policies and Procedures

The ERM Division compiles with the Liquidity Risk Policy in the form of guidelines for liquidity risk management, as elaborated in the Liquidity Risk Management Procedures, which contain guidelines for liquidity risk management practices, which include:

1. Liquid assets availability: cash, GWM, secondary reserve, early warning indicator, head office and overseas branches liquidity contingency plan, etc.
2. Measurement of Liquidity Risk: Liquidity Ratio, Flow Projection, Maturity Profile, Liquidity Adequacy Ratio (Liquidity Coverage Ratio), Stress testing, and others.
3. Liquidity risk measurement
4. Liquidity risk control
5. Limit Liquidity: BNI Wide Daily Cash Limit, Ideal Secondary Reserve (SR Ideal) limit, Maturity Profile limits and restrictions on Foreign Currency Loans by Availability of Funds

### Process

To manage liquidity and primary reserves (Cash and GWM), BNI maintain secondary reserves to ensure liquidity at a safe level. As a further reserve, BNI maintains a tertiary reserve. Limit setting and monitoring for BNI Wide Daily Cash Limit, Ideal Secondary Reserve (SR Ideal) limit, Maturity Profile limits and Foreign Currency Loans restrictions is conducted by ERM Division, while the availability of the all reserves are monitored daily, weekly, and monthly by both the TRS Division and ERM Division.

### Tools and Methods

To manage liquidity risk, BNI uses daily cash flow projections and monthly maturity profiles, both contractual and behavioral, in order to establish appropriate and accurate strategies to anticipate liquidity conditions in the future.



## Application of Risk Management

Rupiah and foreign exchange maturity profile disclosure Bank only and consolidated are presented in Tables 9.1.a and b, Tables 9.2.a and b.

**Table 9.1 a. Disclosure of Rupiah Maturity Profile 2016**

**Bank Only**

(in million Rupiah)

No.	Category Portfolio	Balance	December 31, 2016						
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>I Balance Sheet</b>									
<b>A. Assets</b>									
1.	Cash	10,270,365	10,270,365	-	-	-	-		
2.	Placement with Bank Indonesia	39,189,207	39,189,207	-	-	-	-		
3.	Placements with other banks	2,986,255	1,671,255	770,000	295,000	250,000	-		
4.	Marketable Securities	43,252,431	835,367	4,089,392	2,769,781	5,253,167	30,304,724		
5.	Loans	302,902,366	42,123,228	25,537,102	31,321,945	24,291,207	179,628,884		
6.	Other Receivables	9,168,454	2,011,559	2,820,315	3,529,563	804,420	2,597		
7.	Others	17,076,049	1,451,412	153,077	132,412	1,139	15,338,009		
<b>Total Assets</b>		<b>424,845,127</b>	<b>97,552,393</b>	<b>33,369,886</b>	<b>38,048,701</b>	<b>30,599,933</b>	<b>225,274,214</b>		
<b>B. Liabilities</b>									
1.	Deposits from Customers	347,175,138	116,822,245	36,084,830	11,464,991	7,397,347	175,405,725		
2.	Liabilities on Bank Indonesia	20,998	-	-	-	-	20,998		
3.	Liabilities with Other Banks	5,753,336	2,365,631	127,814	43,915	605,613	2,610,363		
4.	Securities issued	-	-	-	-	-	-		
5.	Borrowings	66,078	-	-	-	-	66,078		
6.	Other Liabilities	2,886,795	399,480	914,686	547,826	46,803	978,000		
7.	Others	9,934,029	160,471	94,175	29,921	19,306	9,630,156		
<b>Total Liabilities</b>		<b>365,836,374</b>	<b>119,747,827</b>	<b>37,221,505</b>	<b>12,086,653</b>	<b>8,069,069</b>	<b>188,711,320</b>		
<b>On Balance Sheet Asset and Liabilities Differences</b>		<b>59,008,753</b>	<b>(22,195,434)</b>	<b>(3,851,619)</b>	<b>25,962,048</b>	<b>22,530,864</b>	<b>36,562,894</b>		

No.	Category Portfolio	Balance	December 31, 2016						
			Due date						
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>II OFF BALANCE SHEET</b>									
<b>A. Off Balance Sheet Receivables</b>									
1. Commitment	23,545,301	16,901,455	3,772,665	2,272,720	598,461	-	-		
2. Contingencies	6,861,798	6,861,798	-	-	-	-	-		
<b>Total Off Balance Sheet Receivables</b>	<b>30,407,099</b>	<b>23,763,253</b>	<b>3,772,665</b>	<b>2,272,720</b>	<b>598,461</b>	<b>-</b>	<b>-</b>		
<b>B. Off Balance Sheet Liabilities</b>									
1. Commitment	72,366,295	27,461,606	8,113,217	5,067,304	4,619,785	27,104,383	-		
2. Contingencies	28,493,108	14,352,745	1,868,842	3,526,561	2,073,177	6,671,783	-		
<b>Total Off Balance Sheet Liabilities</b>	<b>100,859,403</b>	<b>41,814,351</b>	<b>9,982,059</b>	<b>8,593,865</b>	<b>6,692,962</b>	<b>33,776,166</b>	<b>-</b>		
<b>Total Off Balance Sheet Asset and Liabilities Difference</b>	<b>(70,452,304)</b>	<b>(18,051,098)</b>	<b>(6,209,394)</b>	<b>(6,321,145)</b>	<b>(6,094,501)</b>	<b>(33,776,166)</b>	<b>-</b>		
<b>Difference (IA-IB) + (IIA-IIB)</b>	<b>(11,443,551)</b>	<b>(40,246,532)</b>	<b>(10,061,013)</b>	<b>19,640,903</b>	<b>16,436,363</b>	<b>2,786,728</b>	<b>-</b>		
<b>The Cumulative Difference</b>	<b>(40,246,532)</b>	<b>(50,307,545)</b>	<b>(30,666,642)</b>	<b>(14,230,279)</b>	<b>(11,443,551)</b>				

Table 9.1 a. Disclosure of Rupiah Maturity Profile 2015

Bank Only

(in million Rupiah)

No.	Category Portfolio	Balance	December 31, 2015						
			Due date						
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>I Balance Sheet</b>									
<b>A. Assets</b>									
1. Cash	12,153,189	12,153,189	-	-	-	-	-		
2. Placement with Bank Indonesia	26,458,762	26,458,762	-	-	-	-	-		
3. Placements with other banks	2,485,791	2,235,791	-	250,000	-	-	-		
4. Marketable Securities	39,332,701	226,070	2,010,330	1,482,015	2,900,413	32,713,873	-		
5. Loans	253,251,328	37,167,841	23,787,528	25,867,366	23,918,411	142,510,182	-		
6. Other Receivables	2,648,010	446,267	1,491,698	507,335	202,158	552	-		
7. Others	14,868,918	1,193,688	50,916	50,598	2,160	13,571,556	-		
<b>Total Assets</b>	<b>351,198,699</b>	<b>79,881,608</b>	<b>27,340,472</b>	<b>28,157,314</b>	<b>27,023,142</b>	<b>188,796,163</b>	<b>-</b>		



## Application of Risk Management

No.	Category Portfolio	December 31, 2015					
		Balance	Due date				
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months
<b>B. Liabilities</b>							
1.	Deposits from Customers	12,153,189	12,153,189	-	-	-	-
2.	Liabilities on Bank Indonesia	26,458,762	26,458,762	-	-	-	-
3.	Liabilities with Other Banks	2,485,791	2,235,791	-	250,000	-	-
4.	Securities issued	39,332,701	226,070	2,010,330	1,482,015	2,900,413	32,713,873
5.	Borrowings	253,251,328	37,167,841	23,787,528	25,867,366	23,918,411	142,510,182
6.	Other Liabilities	2,648,010	446,267	1,491,698	507,335	202,158	552
7.	Others	14,868,918	1,193,688	50,916	50,598	2,160	13,571,556
<b>Total Liabilities</b>		<b>351,198,699</b>	<b>79,881,608</b>	<b>27,340,472</b>	<b>28,157,314</b>	<b>27,023,142</b>	<b>188,796,163</b>
<b>On Balance Sheet Asset and Liabilities Differences</b>		<b>47,083,093</b>	<b>(28,578,263)</b>	<b>2,535,248</b>	<b>20,956,849</b>	<b>18,181,209</b>	<b>33,988,051</b>
<b>II OFF BALANCE SHEET</b>							
<b>A. Off Balance Sheet Receivables</b>							
1.	Commitment	15,780,483	12,584,890	2,845,596	257,510	71,492	20,995
2.	Contingencies	5,442,840	5,442,840	-	-	-	-
<b>Total Off Balance Sheet Receivables</b>		<b>21,223,323</b>	<b>18,027,730</b>	<b>2,845,596</b>	<b>257,510</b>	<b>71,492</b>	<b>20,995</b>
<b>B. Off Balance Sheet Liabilities</b>							
1.	Commitment	45,150,949	14,562,798	6,992,770	4,406,017	4,501,384	14,687,979
2.	Contingencies	21,302,743	7,890,290	2,088,717	5,992,639	2,285,340	3,045,758
<b>Total Off Balance Sheet Liabilities</b>		<b>66,453,692</b>	<b>22,453,088</b>	<b>9,081,487</b>	<b>10,398,656</b>	<b>6,786,724</b>	<b>17,733,737</b>
<b>Total Off Balance Sheet Asset and Liabilities Difference</b>		<b>(45,230,369)</b>	<b>(4,425,358)</b>	<b>(6,235,891)</b>	<b>(10,141,146)</b>	<b>(6,715,232)</b>	<b>(17,712,741)</b>
<b>Difference (IA-IB) + (IIA-IIB)</b>		<b>1,852,724</b>	<b>(33,003,621)</b>	<b>(3,700,644)</b>	<b>10,815,703</b>	<b>11,465,977</b>	<b>16,275,309</b>
<b>The Cumulative Difference</b>		<b>(33,003,621)</b>	<b>(36,704,265)</b>	<b>(25,888,563)</b>	<b>(14,422,586)</b>	<b>1,852,723</b>	

**Table 9.1 b. Disclosure of Rupiah Maturity Profile 2016****Consolidated Bank with Subsidiaries**

No.	Category Portfolio	December 31, 2016							
		Balance	Due date						
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>I Balance Sheet</b>									
<b>A. Assets</b>									
1. Cash	10,440,299	10,440,299	-	-	-	-	-		
2. Placement with Bank Indonesia	41,817,802	41,217,802	-	-	-	600,000	-		
3. Placements with other banks	4,456,150	2,241,150	1,070,000	595,000	550,000	-	-		
4. Marketable Securities	51,829,014	3,374,761	6,242,409	4,630,506	7,097,167	30,484,171	-		
5. Loans	303,060,759	42,126,881	25,537,614	31,468,525	24,294,301	179,633,438	-		
6. Other Receivables	13,790,125	2,161,559	2,920,315	3,529,563	898,765	4,279,923	-		
7. Others	18,816,097	2,526,927	453,077	432,412	65,672	15,338,009	-		
<b>Total Assets</b>	<b>444,210,246</b>	<b>104,089,379</b>	<b>36,223,415</b>	<b>40,656,006</b>	<b>33,505,905</b>	<b>229,735,541</b>			
<b>B. Liabilities</b>									
1. Deposits from Customers	350,467,816	117,168,787	36,133,594	11,512,744	7,502,723	178,149,968	-		
2. Liabilities on Bank Indonesia	20,998	-	-	-	-	20,998	-		
3. Liabilities with Other Banks	6,174,187	2,745,191	127,814	43,915	605,613	2,651,654	-		
4. Securities issued	496,000	-	-	-	-	496,000	-		
5. Borrowings	166,078	-	-	-	-	166,078	-		
6. Other Liabilities	2,891,650	404,335	914,686	547,826	46,803	978,000	-		
7. Others	18,065,897	5,160,471	1,094,175	1,029,921	1,151,174	9,630,156	-		
<b>Total Liabilities</b>	<b>378,282,626</b>	<b>125,478,784</b>	<b>38,270,269</b>	<b>13,134,406</b>	<b>9,306,313</b>	<b>192,092,854</b>			
<b>On Balance Sheet Asset and Liabilities Differences</b>									
<b>II OFF BALANCE SHEET</b>									
<b>A. Off Balance Sheet Receivables</b>									
1. Commitment	23,545,301	16,901,455	3,772,665	2,272,720	598,461	-	-		
2. Contingencies	6,946,239	6,946,239	-	-	-	-	-		
<b>Total Off Balance Sheet Receivables</b>	<b>30,491,540</b>	<b>23,847,694</b>	<b>3,772,665</b>	<b>2,272,720</b>	<b>598,461</b>		-		



## Application of Risk Management

No.	Category Portfolio	December 31, 2016					
		Balance	Due date				
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d.6 month	> 6 months s.d. 12 month	> 12 months
<b>B. Off Balance Sheet Liabilities</b>							
1.	Commitment	73,334,953	28,430,265	8,113,217	5,067,304	4,619,785	27,104,382
2.	Contingencies	28,565,634	14,425,271	1,868,842	3,526,561	2,073,177	6,671,783
<b>Total Off Balance Sheet Liabilities</b>		<b>101,900,587</b>	<b>42,855,536</b>	<b>9,982,059</b>	<b>8,593,865</b>	<b>6,692,962</b>	<b>33,776,165</b>
<b>Total Off Balance Sheet Asset and Liabilities Difference</b>		(71,409,047)	(19,007,842)	(6,209,394)	(6,321,145)	(6,094,501)	(33,776,165)
<b>Difference (IA-IB) + (IIA-IIB)</b>		(5,481,427)	(39,676,051)	(8,556,248)	20,900,455	17,983,895	3,866,522
<b>The Cumulative Difference</b>			(39,676,051)	(48,232,299)	(27,331,844)	(9,347,949)	(5,481,427)

**Table 9.1 b. Disclosure of Rupiah Maturity Profile 2015**

**Consolidated Bank with Subsidiaries**

No.	Category Portfolio	December 31, 2015							
		Balance	Due date						
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d.6 month	> 6 months s.d. 12 month	> 12 months		
<b>I Balance Sheet</b>									
<b>A. Assets</b>									
1.	Cash	12,298,324	12,298,324	-	-	-	-		
2.	Placement with Bank Indonesia	29,019,670	29,019,670	-	-	-	-		
3.	Placements with other banks	2,613,913	2,353,913	10,000	250,000	-	-		
4.	Marketable Securities	41,028,742	226,070	2,135,490	1,837,015	2,950,414	33,879,753		
5.	Loans	253,277,928	37,167,841	23,787,528	25,867,366	23,918,411	142,536,782		
6.	Other Receivables	2,648,009	446,267	1,491,697	507,335	202,158	552		
7.	Others	15,529,357	1,555,009	50,916	50,598	2,160	13,870,674		
<b>Total Assets</b>		<b>356,415,943</b>	<b>83,067,094</b>	<b>27,475,631</b>	<b>28,512,314</b>	<b>27,073,143</b>	<b>190,287,761</b>		
<b>B. Liabilities</b>									
1.	Deposits from Customers	293,863,403	108,559,951	23,376,556	7,030,544	8,802,129	146,094,223		
2.	Liabilities on Bank Indonesia		23,032	-	-	-	23,032		
3.	Liabilities with Other Banks	2,296,744	1,542,540	712,970	15,161	14,951	11,122		

No.	Category Portfolio	Balance	December 31, 2015				
			Due date				
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months
4.	Securities issued	496,000	-	-	-	-	496,000
5.	Borrowings	245,906	50,000	-	-	-	195,906
6.	Other Liabilities	2,022,053	1,234,161	651,654	135,499	739	-
7.	Others	9,518,900	178,851	64,044	19,261	24,115	9,232,629
Total Liabilities		308,466,038	111,565,503	24,805,224	7,200,465	8,841,934	156,052,912
On Balance Sheet Asset and Liabilities Differences		47,949,905	(28,498,409)	2,670,407	21,311,849	18,231,209	34,234,849
<b>II OFF BALANCE SHEET</b>							
<b>A. Off Balance Sheet Receivables</b>							
1.	Commitment	15,780,483	12,584,890	2,845,596	257,510	71,492	20,995
2.	Contingencies	5,502,223	5,502,223	-	-	-	-
Total Off Balance Sheet Receivables		21,282,706	18,087,113	2,845,596	257,510	71,492	20,995
<b>B. Off Balance Sheet Liabilities</b>							
1.	Commitment	46,186,772	14,562,798	6,992,770	4,406,017	4,501,384	15,723,803
2.	Contingencies	21,387,502	7,890,290	2,088,717	5,992,639	2,285,340	3,130,516
Total Off Balance Sheet Liabilities		67,574,274	22,453,088	9,081,487	10,398,656	6,786,724	18,854,319
Total Off Balance Sheet Asset and Liabilities Difference		(46,291,568)	(4,365,975)	(6,235,891)	(10,141,146)	(6,715,232)	(18,833,324)
Difference (IA-IB) + (IIA-IIB)		1,658,337	(32,864,384)	(3,565,484)	(11,170,703)	11,515,977	15,401,525
The Cumulative Difference			(32,864,384)	(36,429,868)	(25,259,165)	(13,743,188)	1,658,337



## Application of Risk Management

Table 9.2 a. Disclosure of Rupiah Maturity Profile 2016

Bank Only

(in million Rupiah)

No.	Category Portfolio	December 31, 2016							
		Balance	Due date						
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>I Balance Sheet</b>									
<b>A. Assets</b>									
1.	Cash	721,581	721,581	-	-	-	-		
2.	Placement with Bank Indonesia	15,321,937	15,321,937	-	-	-	-		
3.	Placements with other banks	8,005,592	7,984,898	20,694	-	-	-		
4.	Marketable Securities	33,480,664	1,630,415	3,672,630	3,601,415	370,952	24,205,252		
5.	Loans	53,597,137	6,741,545	4,513,678	2,572,318	2,186,546	37,583,050		
6.	Other Receivables	7,211,043	1,927,147	2,736,952	1,632,746	914,198	-		
7.	Others	61,425	61,425						
<b>Total Assets</b>		<b>118,399,379</b>	<b>34,388,948</b>	<b>10,943,954</b>	<b>7,806,479</b>	<b>3,471,696</b>	<b>61,788,302</b>		
<b>B. Liabilities</b>									
1.	Deposits from Customers	64,972,431	30,248,592	5,835,802	1,789,350	519,661	26,579,026		
2.	Liabilities on Bank Indonesia	675,096	3,314	-	-	-	671,782		
3.	Liabilities with Other Banks	4,123,554	2,893,758	1,006,881	221,568	1,347	-		
4.	Securities issued	6,731,115	-	-	6,731,115	-	-		
5.	Borrowings	32,103,250	1,347,250	269,450	3,130,295	943,075	26,413,180		
6.	Other Liabilities	5,642,718	910,795	998,110	2,085,220	253,687	1,394,906		
7.	Others	1,211,585	279,500	74,153	-	3,920	854,011		
<b>Total Liabilities v</b>		<b>115,459,749</b>	<b>35,683,209</b>	<b>8,184,396</b>	<b>13,957,548</b>	<b>1,721,690</b>	<b>55,912,905</b>		
<b>On Balance Sheet Asset and Liabilities Differences</b>		<b>2,939,630</b>	<b>(1,294,261)</b>	<b>2,759,558</b>	<b>(6,151,069)</b>	<b>1,750,006</b>	<b>5,875,397</b>		

No.	Category Portfolio	Balance	December 31, 2016						
			Due date						
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>II OFF BALANCE SHEET</b>									
<b>A. Off Balance Sheet Receivables</b>									
1. Commitment	33,849,905	29,402,080	3,720,875	507,347	219,602	-	-		
2. Contingencies	16,368,613	16,368,613	-	-	-	-	-		
<b>Total Off Balance Sheet Receivables</b>	<b>50,218,518</b>	<b>45,770,693</b>	<b>3,720,875</b>	<b>507,347</b>	<b>219,602</b>	-	-		
<b>B. Off Balance Sheet Liabilities</b>									
1. Commitment	48,792,782	31,549,529	9,414,327	4,708,342	2,300,807	819,777	-		
2. Contingencies	25,729,608	2,357,593	1,619,219	2,463,002	7,505,139	11,784,655	-		
<b>Total Off Balance Sheet Liabilities</b>	<b>74,522,390</b>	<b>33,907,122</b>	<b>11,033,546</b>	<b>7,171,344</b>	<b>9,805,946</b>	<b>12,604,432</b>	-		
<b>Total Off Balance Sheet Asset and Liabilities Difference</b>	<b>(24,303,872)</b>	<b>11,863,571</b>	<b>(7,312,671)</b>	<b>(6,663,997)</b>	<b>(9,586,344)</b>	<b>(12,604,432)</b>	-		
<b>Difference (IA-IB) + (IIA-IIB)</b>	<b>(21,364,242)</b>	<b>10,569,310</b>	<b>(4,553,113)</b>	<b>(12,815,066)</b>	<b>(7,836,338)</b>	<b>(6,729,035)</b>	-		
<b>The Cumulative Difference</b>		<b>10,569,310</b>	<b>6,016,197</b>	<b>(6,798,869)</b>	<b>(14,545,207)</b>	<b>(21,274,242)</b>	-		

Tabel 9.2.a Profil Maturitas Valas Year 2015

Bank Only

(in million Rupiah)

No.	Category Portfolio	Balance	December 31, 2015						
			Due date						
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>I Balance Sheet</b>									
<b>A. Assets</b>									
1. Cash	590,321	590,321	-	-	-	-	-		
2. Placement with Bank Indonesia	27,135,773	26,446,523	689,250	-	-	-	-		
3. Placements with other banks	12,299,432	11,425,477	742,998	68,925	62,032	-	-		
4. Marketable Securities	11,978,291	235,903	1,130,756	174,477	110,363	10,326,792	-		
5. Loans	43,378,568	6,749,936	4,973,449	2,845,059	3,154,573	25,655,551	-		
6. Other Receivables	9,068,708	2,472,930	1,915,564	3,108,614	1,571,600	-	-		
7. Others	33,662	33,662	-	-	-	-	-		
<b>Total Assets</b>	<b>104,484,755</b>	<b>47,954,752</b>	<b>9,452,017</b>	<b>6,197,074</b>	<b>4,898,568</b>	<b>35,982,343</b>	-		



## Application of Risk Management

No.	Category Portfolio	Balance	December 31, 2015				
			Due date				
<b>B. Liabilities</b>							
1.	Deposits from Customers	60,100,311	20,927,215	8,052,273	2,522,862	424,895	28,173,065
2.	Liabilities on Bank Indonesia	441,965	441,965	-	-	-	-
3.	Liabilities with Other Banks	2,406,210	1,826,647	579,563	-	-	-
4.	Securities issued	6,870,667	-	-	-	-	6,870,667
5.	Borrowings	21,812,678	98,287	746,361	293,869	3,590,345	17,083,816
6.	Other Liabilities	8,490,904	1,523,835	1,432,372	1,805,725	911,230	2,817,742
7.	Others	1,027,798	9,967	19,988	-	1,061	996,782
<b>Total Liabilities</b>		<b>101,150,533</b>	<b>24,827,916</b>	<b>10,830,557</b>	<b>4,622,456</b>	<b>4,927,531</b>	<b>55,942,073</b>
On Balance Sheet Asset and Liabilities Differences		3,334,222	23,126,836	(1,378,540)	1,574,619	(28,963)	(19,959,730)
<b>II OFF BALANCE SHEET</b>							
<b>A. Off Balance Sheet Receivables</b>							
1.	Commitment	11,370,467	8,375,918	2,404,779	167,488	71,792	350,490
2.	Contingencies	14,883,372	14,883,372	-	-	-	-
<b>Total Off Balance Sheet Receivables</b>		<b>26,253,839</b>	<b>23,259,290</b>	<b>2,404,779</b>	<b>167,488</b>	<b>71,792</b>	<b>350,490</b>
<b>B. Off Balance Sheet Liabilities</b>							
1.	Commitment	28,754,162	15,380,145	5,448,742	4,532,742	1,585,523	1,807,010
2.	Contingencies	24,336,986	2,229,999	1,531,569	2,329,693	7,098,930	11,146,795
<b>Total Off Balance Sheet Liabilities</b>		<b>53,091,148</b>	<b>17,610,144</b>	<b>6,980,311</b>	<b>6,862,435</b>	<b>8,684,453</b>	<b>12,953,805</b>
Total Off Balance Sheet Asset and Liabilities Difference		(26,837,309)	5,649,146	(4,575,532)	(6,694,947)	(8,612,661)	(12,603,315)
Difference (IA-IB) + (IIA-IIB)		(23,503,087)	28,775,982	(5,954,072)	(5,120,328)	(8,641,624)	(32,563,045)
<b>The Cumulative Difference</b>		<b>28,775,982</b>	<b>22,821,910</b>	<b>17,701,582</b>	<b>9,059,958</b>	<b>(23,503,087)</b>	

**Table 9.2 b Disclosure of Rupiah Maturity Profile 2016****Consolidated Bank with Subsidiaries**

No.	Category Portfolio	December 31, 2016							
		Balance	Due date						
			≤1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>I Balance Sheet</b>									
<b>A. Assets</b>									
1.	Cash	727,344	727,344	-	-	-	-		
2.	Placement with Bank Indonesia	15,753,138	15,753,138	-	-	-	-		
3.	Placements with other banks	8,081,698	7,984,898	96,800	-	-	-		
4.	Marketable Securities	33,662,131	1,630,415	3,672,630	3,601,415	370,952	24,386,719		
5.	Loans	53,597,137	6,741,545	4,513,678	2,572,318	2,186,546	37,583,050		
6.	Other Receivables	7,211,043	1,927,147	2,736,952	1,632,746	914,198	-		
7.	Others	60,681	60,681	-	-	-	-		
<b>Total Assets</b>		<b>119,093,172</b>	<b>34,825,168</b>	<b>11,020,060</b>	<b>7,806,479</b>	<b>3,471,696</b>	<b>61,969,769</b>		
<b>B. Liabilities</b>									
1.	Deposits from Customers	64,985,270	30,261,431	5,835,802	1,789,350	519,661	26,579,026		
2.	Liabilities on Bank Indonesia	675,096	3,314	-	-	-	671,782		
3.	Liabilities with Other Banks	4,049,922	2,820,126	1,006,881	221,568	1,347	-		
4.	Securities issued	6,731,115	-	-	6,731,115	-	-		
5.	Borrowings	32,103,250	1,347,250	269,450	3,130,295	943,075	26,413,180		
6.	Other Liabilities	5,642,718	910,795	998,110	2,085,220	253,687	1,394,906		
7.	Others	1,216,056	283,971	74,153	-	3,920	854,011		
<b>Total Liabilities</b>		<b>115,403,427</b>	<b>35,626,887</b>	<b>8,184,396</b>	<b>13,957,548</b>	<b>1,721,690</b>	<b>55,912,905</b>		
<b>On Balance Sheet Asset and Liabilities Differences</b>		<b>3,689,745</b>	<b>(801,720)</b>	<b>2,835,665</b>	<b>(6,151,069)</b>	<b>1,750,005</b>	<b>6,056,864</b>		
<b>II OFF BALANCE SHEET</b>									
<b>A. Off Balance Sheet Receivables</b>									
1.	Commitment	33,849,905	29,402,080	3,720,875	507,347	219,602	-		
2.	Contingencies	16,368,613	16,368,613	-	-	-	-		
<b>Total Off Balance Sheet Receivables</b>		<b>50,218,518</b>	<b>45,770,693</b>	<b>3,720,875</b>	<b>507,347</b>	<b>219,602</b>	<b>-</b>		
<b>B. Off Balance Sheet Liabilities</b>									
1.	Commitment	48,792,782	31,549,529	9,414,327	4,708,342	2,300,807	819,777		
2.	Contingencies	25,729,608	2,357,593	1,619,219	2,463,002	7,505,139	11,784,655		
<b>Total Off Balance Sheet Liabilities</b>		<b>74,522,390</b>	<b>33,907,122</b>	<b>11,033,546</b>	<b>7,171,344</b>	<b>9,805,946</b>	<b>12,604,432</b>		



## Application of Risk Management

No.	Category Portfolio	December 31, 2016					
		Balance	Due date				
			<1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months
	Total Off Balance Sheet Asset and Liabilities Difference	(24,303,872)	11,863,571	(7,312,671)	(6,663,997)	(9,586,344)	(12,604,432)
	Difference (IA-IB) + (IIA-IIB)	(20,614,127)	11,061,851	(4,477,006)	(12,815,066)	(7,836,338)	(6,547,568)
	The Cumulative Difference		11,061,851	6,584,844	(6,230,222)	(14,066,560)	(20,614,128)

Table 9.2 b Disclosure of Rupiah Maturity Profile 2015

Consolidated Bank with Subsidiaries

No.	Category Portfolio	December 31, 2016							
		Balance	Due date						
			<1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>I Balance Sheet</b>									
<b>A. Assets</b>									
1.	Cash	591,958	591,958	-	-	-	-		
2.	Placement with Bank Indonesia	27,158,601	26,469,351	689,250	-	-	-		
3.	Placements with other banks	12,331,752	11,428,164	742,998	68,925	62,032	29,633		
4.	Marketable Securities	12,218,556	235,903	1,130,756	174,477	110,363	10,567,057		
5.	Loans	43,378,568	6,749,936	4,973,449	2,845,059	3,154,573	25,655,551		
6.	Other Receivables	9,068,707	2,472,930	1,915,564	3,108,613	1,571,600	-		
7.	Others	32,786	32,786	-	-	-	-		
<b>Total Assets</b>		104,780,928	47,981,028	9,452,016	6,197,074	4,898,569	36,252,241		
<b>B. Liabilities</b>									
1.	Deposits from Customers	60,171,331	20,927,215	8,052,273	2,522,862	424,895	28,244,086		
2.	Liabilities on Bank Indonesia	441,965	441,965	-	-	-	-		
3.	Liabilities with Other Banks	2,400,797	1,821,234	579,563	-	-	-		
4.	Securities issued	6,870,667	-	-	-	-	6,870,667		
5.	Borrowings	21,812,678	98,287	746,361	293,869	3,590,345	17,083,816		
6.	Other Liabilities	8,490,904	1,523,835	1,432,372	1,805,725	911,230	2,817,742		
7.	Others	1,027,797	9,966	19,988	-	1,061	996,782		
<b>Total Liabilities</b>		101,216,139	24,822,502	10,830,556	4,622,455	4,927,531	56,013,093		
<b>On Balance Sheet Asset and Liabilities Differences</b>		3,564,789	23,158,526	(1,378,540)	1,574,619	(28,963)	(19,760,852)		

No.	Category Portfolio	Balance	December 31, 2016						
			Due date						
			<1 month	> 1 month s.d. 3 mths	> 3 month s.d. 6 month	> 6 months s.d. 12 month	> 12 months		
<b>II OFF BALANCE SHEET</b>									
<b>A. Off Balance Sheet Receivables</b>									
1. Commitment	11,370,467	8,375,918	2,404,779	167,488	71,792	350,490			
2. Contingencies	14,883,372	14,883,372	-	-	-	-			
<b>Total Off Balance Sheet Receivables</b>	<b>26,253,839</b>	<b>23,259,290</b>	<b>2,404,779</b>	<b>167,488</b>	<b>71,792</b>	<b>350,490</b>			
<b>B. Off Balance Sheet Liabilities</b>									
1. Commitment	28,754,162	15,380,145	5,448,742	4,532,742	1,585,523	1,807,010			
2. Contingencies	24,336,986	2,229,999	1,531,569	2,329,693	7,098,930	11,146,795			
<b>Total Off Balance Sheet Liabilities</b>	<b>53,091,148</b>	<b>17,610,144</b>	<b>6,980,311</b>	<b>6,862,453</b>	<b>8,684,453</b>	<b>12,953,805</b>			
<b>Total Off Balance Sheet Asset and Liabilities Difference</b>	<b>(26,837,309)</b>	<b>5,649,146</b>	<b>(4,575,532)</b>	<b>(6,694,947)</b>	<b>(8,612,661)</b>	<b>(12,603,315)</b>			
<b>Difference (IA-IB) + (IIA-IIB)</b>	<b>(23,272,520)</b>	<b>28,807,672</b>	<b>(5,954,072)</b>	<b>(5,120,329)</b>	<b>(8,641,624)</b>	<b>(32,364,167)</b>			
<b>The Cumulative Difference</b>		<b>28,807,672</b>	<b>22,853,600</b>	<b>17,733,271</b>	<b>9,091,647</b>	<b>(23,272,520)</b>			

The maturity profile calculation is accordance with regulations and does not include the subsidiary maturity profile in the insurance business.

One of the strengths in the risk monitoring process is Bank's ability to access the liquidity profile information. This information is provided in the Executive Information Management (EIS) application, which can provide funds and loans information on a daily basis, and generating daily and monthly cash flows and monthly maturity profiles that can be used as one of the monitoring systems within the Bank's liquidity risk management.

#### Early warning indicators

Early warning indicators are outlined in Secondary Reserve indicators under normal conditions, and in moderate or tight conditions for Rupiah and foreign currencies, such as in the BI rate, JIBOR, SIBOR, LIBOR, average peer deposit rates, Credit Default Swap (CDS) in significantly increasing limits, lowering foreign exchange reserve limits, declining trends in dominant depositor funds against established limits, and others.



## Application of Risk Management

Determining an ideal SR in moderate or tight conditions is taken into consideration as one of the conditions, indicators or parameters. This is determined by the ERM Division based on established indicators and data obtained from the TRS Division as the business unit, triggering if needed a Liquidity Contingency Plan (LCP) SR Ideal.

The indicators above are reviewed periodically based on external and internal conditions in line with national, regional, and global economic developments.

### **Liquidity Stress Testing**

To determine the robustness of liquidity in periods of crisis, liquidity stress testing has been done on a periodic basis. Scenario stress testing is done by using a specific scenario in the bank and the market stress scenario. Specific scenario on the bank on the assumption of liquidity banks are in trouble due to the loss of confidence of investors / depositors of the bank. While the stress scenario on the assumption of market disruption in the market / financial system as a whole which resulted in the disruption of the bank's operations.

The results of stress testing of these scenarios will be used for funding liquidity plan in order to keep the risks that occur limited and well-managed.

### **Liquidity Adequacy**

In order to increase the short-term liquidity resilience, the Bank manages the Liquidity Coverage Ratio (LCR) by maintaining sufficiently High Quality Liquid Assets (HQLA) to meet liquidity needs during a 30 day period in a stress scenario, so that the Bank can maintain liquidity adequacy ratio above 100%, Bank only or consolidated with subsidiaries, with BNI LCR Bank only per December 2016 at 251%.

### **Operational Risk**

With product and activity diversity and complexity, including systems and technologies development to rapidly meet increasing customer expectations, the operational risk management has become very important.

### **Governance and Organization**

Operational risk management governance has been implemented in domestic and overseas business units and support units as Risk Owner or RiskTaking Unit as the first line of defense. This implementation is supported by a second line of defense undertaken by the ERM Division and Compliance Division as Risk Control Unit, as well as the third line of defense as Internal Audit as Risk Assurance Unit.

### **Policies and Procedures**

The Enterprise Risk Management Division has a policy for Operational Risk Management to support the implementation of operational risk management at all units, namely:

- Operational risk management policy at domestic branches.
- Operational risk management policy at overseas branches.

These policies are detailed in standardized operating procedures and technical guidance for prudent operational transactions in daily business activities such as:

- Operational Risk Management Procedure for Domestic Branches
- Operational Risk Management Procedure for Overseas Branches
- Operational Risk Self Assessment Manual for Overseas Branches
- Implementation Operational Risk Self Assessment (SA) procedures
- Implementation Loss Event Database (LED) procedures
- Implementation Key Risk Indicators (KRI) procedures
- Operational RiskTool (PERISKOP) guidelines
- Operational risk expenses (BRO) accounting guidelines

## Process

Operational risk management consists of five (5) main ongoing processes of identification, assessment, measurement, monitoring and mitigation.

### 1. Risk Identification

Mechanism operational risk identification is performed by applying Macro Assessment Process Mapping on work processes / activities of each unit to capture potential operational risks conducted by the method of interview (one on one meeting).

2. Risk Assessment Performed by each risk owner's unit through operational risk self-assessment methods, including an impact assessment and risk frequency, causes and solutions.
3. Risk Measurement In accordance with Bank Indonesia and OJK regulations, operational risk measurement uses the Basic Indicator Approach. The quantitative disclosures for operational risk individual and consolidated are contained in Tables 8.1.a and b.

**Table 8.1 a. Quantitative Disclosure of Operational Risk**

Bank Only

(in million Rupiah)

No	Indicator Approach	Dec-31-16			Dec-31-15		
		Gross income (average 3 Years)	Capital Charge	RWA	Gross income (average 3 Years)	Capital Charge	RWA
1	Basic Indicator Approach	28,852,276	4,327,841	54,098,017	25,464,562	3,819,684	47,746,053
	Total	28,852,276	4,327,841	54,098,017	25,464,562	3,819,684	47,746,053

**Table 8.1 b Quantitative Disclosure of Operational Risk**

Consolidate Bank with Subsidiaries

(in million Rupiah)

No	Indicator Approach	Dec-31-16			Dec-31-15		
		Gross income (average 3 Years)	Capital Charge	RWA	Gross income (average 3 Years)	Capital Charge	RWA
1	Basic Indicator Approach	30,242,824	4,536,424	56,705,293	26,530,942	3,979,641	49,745,517
	Total	30,242,824	4,536,424	56,705,293	26,530,942	3,979,641	49,745,517

### 4. Risk Monitoring

Performed by critical divisions as the first line of defense on the main risks in ongoing activities. The ERM Division evaluates and gives feedback on risk assessments based on self assessment results as follows:

- *Report feedback for all divisions / units / areas / branches*
- *Operational Risk Expense Monthly reports to Board of Directors*
- *Operational Risk Profile Reports*

### 5. Risk Mitigation

The mechanism for operational risk mitigation is reflected in the internal control processes through the four strategies of mitigation: avoid, mitigate, transfer and accept. The four mitigation strategies are carried out in Operational Risk mitigation procedures that include control procedures, transaction settlement procedures, accounting procedures, asset keeping and custodial procedures, product supply procedures, and fraud prevention procedures.



## Application of Risk Management

### Tools and Methods

To assist the operational risk management process in each unit, the Bank has developed web-based operational risk management tools named PERISKOP.

PERISKOP has a very important role because there are three (3) main processes in operational risk management using this device: self assessment, loss event database, and key risk indicator.

PERISCOPE	
<i>Modul Self Assessment</i>	Self Assessment Self Assessment (SA) is a series of activities carried out by each unit (risk owner) to identify operational risks in the unit, looking for the cause, measuring the potential losses (impact and frequency) that may arise and are searching for solutions. SA Results provides potential risks facing the unit for next three (months) ahead, based on historical data 3 (month) previously and the inherent risk.
<i>Modul Loss Event Database</i>	is a database of all financial losses include actual loss and near misses since the event occurred until its completion due to operational risks that occur in all units in the Bank. Loss data collected through the LED module, in addition is used for better operational risk management and prevent the occurrence of similar cases as well as the basis for the calculation of risk-weighted assets in order to calculate the operational risk capital requirements to cover operational risk using the Advanced Measurement Approach (AMA).
<i>Modul Key Risk Indicator</i>	<i>are measuring tools for identifying potential risk loss from operational risks attached to the products and activities at an early stage and provide a signal if it exceeds a certain threshold predetermined for monitoring operational risk exposures and the Bank's control effectiveness.</i>

### Business Continuity Management

Disruption or disasters caused by natural factors, human action, and systems may happen to critical business functions, causing business activities and services to be disrupted. To anticipate such events, BNI has implemented a Business Continuity Management (BCM) in every domestic and overseas unit that is expected to be able to minimize operational risk in emergency event or disaster situation.

The development of this system is in line with Bank Indonesia regulation that requires banks to implement risk control processes to manage risks that could compromise a bank, and also in line with the Basel II requirements which require a bank to have business continuity management and contingency plans to ensure the bank's ability to operate and to limit losses if disruption happens to business activities. Beside BI regulations and Basel II, BCM in overseas branches must be implemented based on that country's provisions.

## 1. Governance and organization

In a disaster situation, BNI has prepared a specific organization consisting of a Crisis Management Team (CMT) and Emergency Task Force (ETF) comprised of Senior Executives and unit leaders as coordinators who have the highest level of authority. The CMT will be active if Executive Management Team (EMT), as the highest CMT authority, declares a disaster condition.

BNI has the necessary infrastructure for BCM implementation namely Disaster Recovery Center (DRC), Dual Data Center (DDC), an alternate location for BCM building and Command Center who routinely managed.

## 2. Policies and Procedures Associated with Business Continuity Management (BCM) implementation, BNI has set:

- a. BCM policies for Domestic Operations
- b. BCM procedures for Domestic Operations
- c. BCM policies for Overseas Branches
- d. BCM procedures for Overseas Branches
- e. Governance of BCM Building
- f. Guidelines for BCM Building use.

## 3. Process

Every Recovery Strategy and Restoration Strategy step is monitored and reported to the Crisis Management Team (CMT) until conditions return to normal.

To ensure preparation and evaluation Business Continuity Management (BCM) preparedness, BNI tests each division / critical unit every three months, with site visits and disaster management simulations for BCM implementation in all operational units both domestic and overseas. In addition, annual routines determine the preparation levels of each unit in terms of BCM organization and infrastructure.

From the evaluations and routine testing results, we can see that the handling system to face disasters caused by man, nature, or by the system itself can make BNI's operational activities in disaster areas continue to run at a certain level, although some facilities and supporting business activity infrastructure may be temporarily down.

## Legal Risk

### Governance and Organization

Legal risk management is carried out by the Legal Division under the active supervision of the Director of Compliance and Risk. In conducting risk management, Legal Division in collaboration with the Management Unit Legal or staff who handle the legal function contained in the Division / Unit / Regional Office or other organizational units where Unit Legal Affairs is intended to function as a 'legal watch', which provides analysis / legal advice to the organizational unit and / or employees at every level of the organization to minimize the possible negative impact of the weakness of the judicial aspect, absence and / or changes in legislation and litigation.

For legal risk management, the Legal Division collaborates with the Enterprise Risk Management Division to regularly assess and monitor Legal Risk Management implementation.

### Policies and Procedures

Legal risk management implementation refers to the Legal Risk Management Guidelines as well as other policies related to the legal risk management.

In order to produce Legal Risk Management policies, the Legal Division periodically evaluates and updates Legal Risk Control policies and procedures, in accordance with regulatory developments.



## Application of Risk Management

### **Process**

In applying Legal Risk control, BNI implements risk management policies in a flow process to:

1. Identify legal risks periodically and continuously. Identification is by analyzed all legal risk sources.
2. Measure legal risks based on indicators/parameters with calculations to identify legal risks against Bank capital.
3. Monitor legal risks by evaluating legal risk exposures, particularly those that are material in nature or affecting Bank capital.
4. Design legal risk mitigation process to manage activities that may be harmful to the Bank's business continuity. The legal risk mitigation process involves the following:
  - a. Conducting evaluation/assessment of judicial reviews for new products, new activities, or new product features.
  - b. Providing legal advice and/or legal assistance in case there is Legal Risks in operational activities.
  - c. Periodically reviewing standard agreement formats, in particular credit agreements, in order to ensure compliance with laws, regulations and other rules.
  - d. Periodically reviewing contracts and agreements between the Bank and other parties, in particular for non-standard agreements or agreements that have not been standardized in the Bank Guidance.
  - e. Conducting intensive monitoring on legal issues, in particular lawsuits related to the Bank as defendant or co-defendant.

Arrange results of legal risks monitoring in a Legal Risk Management Information System (MIS Legal Risk) to document legal risk on a regular basis (monthly, quarterly and annually).

### **Strategic Risk**

#### **Governance and Organization**

Strategic risk management is carried out by the Strategic Planning Division, under the active supervision of the Director of Planning and Operations.

Strategic risk management is done through a strategic planning process in the form of planning and budgeting, which includes alignment with the corporate strategy and the strategy unit with Bank-wide cascading targets for target unit as outlined in planning documents.

Strategic planning documents includes:

1. Corporate Plan, compiled every 5 (five) years
2. Board of Directors General Policy, compiled annually
3. Bank Business Plan, compiled annually
4. Business Plan, compiled annually.

Strategic planning document preparation begins with preparing Corporate Plan as a target reference and the Board of Directors General Policy as guidance to prepare Bank Business Plan. Furthermore, the Board of Directors General Policy and Bank Business Plan will become a reference to prepare Operational Planning for the Business Plan for divisions, regions and branches/centers. The Business Plans for regions will become a reference in the Business Plan for branches/centers. Through this mechanism, the strategy alignment process is maintained from the corporate level to the branch level.

### **Policies and procedures**

Policies and procedures for strategic risk management implementation refer to the Strategic Risk Management Guidelines and other relevant policies and procedures.

## Process

The effective strategic risk management process must identify and respond to external and internal business environment changes.

The Corporate Plan is reviewed annually to adjust to the business environment changes. The Board of Directors General Policy and Bank Business Plan unit are reviewed in the first semester of the year, and if there are significant changes occurring to the environment, it can be reviewed in a shorter time period.

The mechanisms for measuring business plans progress involve comparison of established targets with actual achievements, in the following manner:

1. Monthly monitoring to evaluate performance and Bank-wide strategy
2. Quarterly monitoring of Division performance

Half-year monitoring for Company and all business unit performance through Business Meetings at the Head Office and Regional Offices.

## Compliance Risk

### Governance and Organization

Compliance Risk Management is conducted by the Compliance Division (KPN), which is under the Director of Compliance and Enterprise Risk.

### Policies and Procedures

Risk Management Compliance Implementation refers to the Compliance Risk Management Implementation Guidelines and other relevant policies and procedures, among others Compliance Policy, Anti-Fraud Policy and Anti-Money Laundering and Combating the Financing of Terrorism Procedures.

## Process

In order to contribute healthy and sustainable business growth, the Compliance Division helps the Director of Compliance & Enterprise Risk to implement the compliance function and perform compliance risk management process as follows.

1. Compliance Risk Management, includes:
  - a. Monitoring submission reports to OJK and other external parties;
  - b. Monitoring the imposition of sanctions/ fines from OJK and other regulatory authorities and cooperate with related working units to make improvements;
  - c. The monitoring of prudential principles banking (Capital Adequacy Ratio (CAR), Statutory Reserves (GWM), net open position (PDN), Lending Limit (LLL), Non Performing Loan (NPL), Asset Quality Rating (PKA)).



## Application of Risk Management

2. Ensure that all policies, regulations, systems and procedures and the implementation of the bank's business activities are in accordance with the provisions of the Regulatory and legislation in force, through:
    - a. Certification process, compliance opinions and compliance analysis;
      - i. Certification on new and existing policies and procedures proposed by policy-making organizational units,
      - ii. Provide compliance opinion,
      - iii. Review existing policies and procedures,
      - iv. Impact of external regulation analysis,
      - v. Policy adequacy review,
      - vi. Review management decision.
    - b. Ex-Ante Review (Preventive);
 

Preventative compliance review on the credit process and procurement depends on authority and the applicable criteria, such as:

      - i. i. Credit Compliance Review (C2R) for Credit Application Tools (PAK) proposals,
      - ii. ii. Procurement Compliance Review (PCR) for Procurement Documents for Goods/ Services proposal,
      - iii. iii. Outlet Check List Review (OCR) for opening /relocating outlets.
  3. Monitor and maintain Bank compliance with commitments to regulator/supervisory authority. Monitoring commitment to Bank Indonesia, OJK, BPK and other regulatory authorities conducted by Internal Audit (IAU) in the form of audit reports.
- To follow up external audit findings are through:
- a. Requested the monitoring unit to complete the external audit findings and monitor the realization;
  - b. To coordinate with SPI settlement results related to the follow-up audit regulator.

### **Reputation risk**

#### **Governance and Organization**

Reputational Risk management is carried out by the Corporate Secretary and Corporate Communication Division under the active supervision of the Vice President Director.

News management and communication crisis management as well as opinions/comments monitoring in the news media or social media is in collaboration with the Marketing Management and Consumer & Retail Portfolio Division, whereas the management of customer complaints/ grievances, is in cooperation with the Contact Center.

#### **Policies and Procedures**

Implementation of reputation risk management refers to the Guidelines for the Reputation Risk Management Application as well as other relevant policies and procedures.

#### **Process**

Reputation risk is a management process with:

1. Evaluation on a daily, weekly, monthly, quarterly and yearly basis over reputational risks faced by BNI as outlined in Media Monitoring Reports.
2. Classified mass media into several groups according to circulation and geographic coverage. Each group of mass media is handled differently according to the impact of reputational risk caused.

3. Competencies of public relations/media relations staff standardization in Corporate Communications and Corporate Secretary Division and the Regional Areas to have the ability and sensitivity to respond to local issues and opinions.
4. Monitoring and evaluation of comments, complaints, and feedback in the news media or social media, and the selection of strategies to respond to opinions in social media.
5. Establish a Service Level Agreement (SLA) as the standard speed to respond to customer complaints.
6. Measure and monitor the number of complaints and complaint solution rate.

Reputation risk management in a crisis uses the Crisis Contingency Plan, implemented when a mild to severe crisis occurs. The Crisis Contingency Plan consists of:

1. Problem review or chronology
2. Information flow
3. Person in charge determination
4. Authorities determination and spokesperson
5. Schedule of crisis management activities
6. Alternative communication strategies
7. Evaluation.

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# Cross Reference

- Cross Reference of Batepam-LK Regulation No X.K.6 ..... 780

## Cross Reference of Bapepam-LK Regulation No X.K.6

Criteria	Description	Pages
<b>I. GENERAL</b>		
1. Annual report is presented in proper Bahasa Indonesia. English version of the report is recommended.		✓
2. Annual report is printed on good quality paper grade, using readable typography		✓
3. Annual report clearly states corporate identity	Company name and year of annual report are displayed on the: 1. Cover; 2. Side; 3. Back cover; and 4. Each page	✓
4. Annual report is uploaded to company's website	Covers the last report and at least reports of last 4 (four) years	✓
<b>II. FINANCIAL HIGHLIGHTS</b>		
1. Information on company's operating results in the form of three (3) years comparison or since business commences - if the company's business activities have been conducted for less than 3 (three) years.	1. Sales / revenue 2. Income (loss): a. Gross profit b. Income attributable to owner of parent company; and c. Income attributable to non-controlling interests; 3. Total comprehensive income (loss) a. Income attributable to owner of parent company; b. Income attributable to non-controlling interests; and 4. Earnings (loss) per share  Note: Companies without subsidiaries need to present income (loss) and income (loss) and other comprehensive income as total.	10
2. Information on Company's financial position in the form of three (3) years comparison or since business commences - if the company's business activities have been conducted for less than 3 (three) years.	Information includes, among others: 1. Total investments in associates; 2. Total assets; 3. Total liabilities; and 4. Total equity	11
3. Financial ratio in the form of three (3) years financial year comparison or since business commences - if the company's business activities have been conducted for less than 3 (three) years.	Information includes 6 (six) financial ratios that are general and relevant to the industry where the company is engaged: 1. Return on asset; 2. Return on equity; 3. Income (loss) statement ratio; 4. Current ratio; 5. Debt to equity ratio; 6. Debt to asset ratio; and 7. Other financial information and ratio that are relevant to the company and industry type	11-13



Criteria	Description	Pages
4. Stock price information in tables and charts	<p>1. Information in tables include:</p> <ul style="list-style-type: none"> <li>a. Total outstanding shares;</li> <li>b. Market Capitalization;</li> <li>c. Highest, lowest, and closing price of stock; and</li> <li>d. Trade volume</li> </ul> <p>2. Information in charts include closing price of stock and trade volume</p> <p>Quarterly trading volume for the last 2 (two) financial years Where the company's stock trade is under suspension during the financial year, annual report must provide explanation regarding the suspension. If the suspension is still effective on the date of report issuance, the Listed or Public Company must also state measures taken to address the matter.</p>	17-18
5. Information on outstanding bonds, sukuk or convertible bonds in the last two (2) financial years	<p>Information includes:</p> <ol style="list-style-type: none"> <li>1. Total outstanding bonds/sukuk/convertible bonds</li> <li>2. Interest rate/Return</li> <li>3. Maturity date</li> <li>4. Bonds/sukuk rating</li> </ol>	18-19
<b>III. REPORT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS</b>		
1. Report of the Board of Commissioners	<p>Report includes the following:</p> <ol style="list-style-type: none"> <li>1. Assessment on BoD performance in terms of company management and basis of assessment</li> <li>2. View on business prospects formulated by the BoD and basis of considerations</li> <li>3. Assessment on the performance of committees under BoC</li> <li>4. Changes in the BoC's composition and its reasons (where applicable)</li> </ol>	33-41
2. Report of the Board of Directors	<p>Includes the following:</p> <ol style="list-style-type: none"> <li>1. Company's performance analysis that include strategic policy, achieved results to target ratio, and business challenges</li> <li>2. Business prospect analysis</li> <li>3. Implementation of good corporate governance; and</li> <li>4. Assessment on the performance of committees under Bod (where applicable); and</li> <li>5. Changes in the Board of Directors' composition and its reasons (where applicable)</li> </ol>	53-63
3. Signatures of the Board of Directors and Board of Commissioners	<p>Include the following:</p> <ol style="list-style-type: none"> <li>1. Signatures are placed on a separate page</li> <li>2. Statement that the BoD and BoC are fully responsible for the accuracy of the annual report's content.</li> <li>3. Signed by all members of the BoC and the BoD, with name and title; and</li> <li>4. Written explanation in a separate letter by any member of the BoC or BoD who does not sign the annual report, or, written explanation in a separate letter by the other members should the written explanation is not available.</li> </ol>	66-67

Criteria	Description	Pages
<b>IV. COMPANY PROFILE</b>		
1. Company's name and full address	Information includes, among others: name and address, zip code, telephone & fax number, email, and website	70
2. A brief history of the Company	Information includes, among others: date/year of incorporation, name, and change(s) to the Company's name (where applicable).  Note: disclose if change has never been made to company's name	71-72
3. Business Fields	Description on, among others: 1. Company's business activities according to the latest Articles of Association; and 2. Description of business activities; and 3. Products and/or services generated	74-75
4. Organizational structure	Presented in chart, including names and positions of at least up to one level below the BoD	84-85
5. Company's Vision, Mission and Corporate Culture	Includes: 1. Company's vision; 2. Company's mission; 3. A statement declaring that the vision and mission have been endorsed by the BoD/BoC; and 4. Statement of corporate culture	86-87
6. Brief background information on members of BoC	Information includes, among others: 1. Name; 2. Position (including position(s) in other companies or institutions); 3. Age; 4. Domicile; 5. Education (field of study and education institution attended); 6. Working experience (position, institution, and tenure period) 7. Brief appointment chronology as member of company's BoC	88-91
7. Brief background information on members of BoD	Information includes, among others: 1. Name; 2. Position (including position(s) in other companies or institutions); 3. Age; 4. Domicile; 5. Education (field of study and education institution attended); 6. Working experience (position, institution, and tenure period) 7. Brief appointment chronology as member of company's BoD	92-96
8. Number of employees (2 year-comparison) and a description of competence development (e.g. employee education and training)	Information includes, among others: 1. Number of employees for each level of the organization 2. Number of employees for each level of education 3. Number of employees by employment status; 4. Description and data of employee development programs, reflecting equal opportunities for all employee levels 5. Costs incurred for development programs	99-103
9. Composition of Shareholders	Information includes, among others: 1. Detailed names of 20 largest shareholders and percent of ownership 2. Details of shareholder names and percent of ownership cover: a. Shareholders with 5% or more ownership; b. Names of Directors and Commissioners who own shares; and c. Groups of public shareholders, each with less than 5% ownership	104-107



## Cross Reference of Baepam-LK Regulation No X.K.6

Criteria	Description	Pages
10. List of Subsidiaries and/or Associates	Information includes, among others: 1. Name of Subsidiaries and/or Associates 2. Percent of share ownership 3. Description of the Subsidiaries and/or Associates' business fields 4. Information on Subsidiaries and/or Associates operational status (in operation or otherwise)	108-114
11. Company's group structure	Company's group structure in chart that describes the structure of subsidiaries, associates, joint ventures and special purpose vehicle (SPV)	115
12. Share listing chronology	Information includes: 1. Share listing chronology 2. Types of corporate actions that prompt changes in the number of shares 3. Changes to number of shares from the beginning of listing to the end of financial year 4. Name(s) of stock exchange where the shares are listed	116
13. Listing chronology of other securities	Information includes: 1. Listing chronology of other securities 2. Types of corporate actions that prompt changes in the number of other securities 3. Changes to number of shares from the beginning of listing to the end of financial year 4. Name(s) of stock markets where the the securities are listed 5. Securities rating	117
14. Name and address of capital market institutions and/or capital market supporting professions	Information includes: 1. Name and address of the Securities Administration Agency 2. Name and address of the Public Accounting Firm 3. Name and address of rating agency	118
15. Awards and/or certification received during last financial year and/or certification effective during last financial year, both national and international	Information includes: 1. Name of awards and/or certificates 2. Year received 3. Award and/or certification issuer 4. Validity period (for certification)	24-28
16. Name and address of subsidiaries and/or branches or representative (if any)	Information includes, among others: Name and address of subsidiary; and Name and address of branch/representative office Note: Disclose if company does not own subsidiary/branch office/representative office	119-120
17. Information available on company website	Information includes, at least: 1. Shareholder information up to ultimate individual owner; 2. Company group structure (where applicable); 3. Financial performance analysis; 4. Annual financial statements (last 5 years); and 5. BoC and BoD profiles	121

Criteria	Description	Pages
<b>V. MANAGEMENT DISCUSSION AND ANALYSIS ON COMPANY PERFORMANCE</b>		
1. Operational review per business segment	Contains a description of: 1. Each business segment; 2. Performance per segment, including: 3. Production/operations; 4. Increase/decrease in production capacity; 5. Sales / revenue; 6. Profitability	130-164 and 199-201
2. Description of Company's financial performance	Financial performance analysis that includes a comparison between the financial performance of the year and with previous years (both in narrative and tables), which covers among others: 1. Current assets, non-current assets, and total assets; 2. Current liabilities, non-current liabilities and total liabilities 3. Equity 4. Sales/revenues, expenses, and net income (loss), other comprehensive income, and total Comprehensive Income (loss); and 5. Cash flows	175-198
3. Discussion and analysis on Company's solvency and collectability, presenting the calculation of ratios relevant to company's type of industry	Description on: 1. Short and long term solvency 2. Receivables collectability Level	213-215
4. Discussion on capital structure and capital structure policy	Description on: 1. Capital structure consisting of interest bearing liabilities and equity; and 2. Capital structure policies and basis of policy formulation	212-213
5. Discussion on material commitment for capital goods investment during last financial year	Description on: 1. Purpose of commitment 2. Expected fund source to fulfil the respective commitments 3. Currency of denomination 4. Steps taken by the company to protect the risk against related foreign currency position.  Note: Disclose if company has no material commitment for investments in capital goods	227 - 228
6. Discussion on capital goods investment realized during last financial year	Description on: 1. Type of capital goods investment 2. Purpose of investment; and 3. Value of capital goods investment realized during last financial year  Note: Disclose if there is no realization of capital goods investments	228
7. Comparative information between target at the beginning of financial year with realization, and target or projection for next one year regarding revenue, income, and other aspects considered significant for the Company	Information includes, among others: 1. Comparison between target at the beginning of financial year with achievement (realization) 2. Target or projection for next 1 (one) year in terms of revenues, profit (loss), capital structure, dividend policy, and other aspects considered significant for the company.	229 - 230



## Cross Reference of Baepam-LK Regulation No X.K.6

Criteria	Description	Pages
8. Material Information and facts subsequent to the accountant's reporting date	Description on significant events subsequent to the accountant's reporting date including their impacts on future business performance and risks.  Note: Disclose if there is no significant event subsequent to accountant's reporting date.	236
9. Description on company's business prospect	Description on company's business prospect based that takes into account general industry and economic view supported by quantitative data from valid data sources.	170-173
10. Marketing aspect description	Description on marketing aspects of the company's products and services, namely marketing and market share strategy	164 - 170
11. Description regarding dividend policy as well as date and amount of cash dividend per share and amount of dividend per year as announced or paid during the past two (2) years	Description includes: 1. Dividend payout policy; 2. Amount of dividend; 3. Amount of dividend per share; 4. Pay-out ratio; and 5. Date of announcement and payment of cash dividend for each year.  Note: Disclose reasons where dividend payout is not exercised	231
12. Exercise of employee and/or management stock option program (ESOP/MSOP)	Description includes: 1. Amount of stock in ESOP/MSOP and realization; 2. Period 3. Requirements of employee and/or management eligibility; and 4. Exercise price  Note: disclose if ESOP/MSOP is not available	231-232
13. Use of proceeds from Initial Public Offering (where the company is still required to report proceeds realization)*	Information includes: 1. Total proceeds generated; 2. Plan of proceeds use; 3. Details of utilization; 4. Proceeds balance; and 5. Date of GMS/EGMS approval to proceeds use amendment (if any).	230
14. Information on material transactions with conflict of interests and/or transactions with affiliated parties*	Information includes: 1. Name of parties and nature of affiliation; 2. Statement on the fairness of transaction; 3. Reasons of transactions; 4. Realization of transactions during last financial year; 5. Company policy concerning review mechanism on transactions; and 6. Fulfillment of relevant rules and regulations.  Note: disclose if no such transaction occurs	216 - 226
15. Description on regulatory changes that hold significant impact to the company	Description contains, among others: any changes in regulations and their impacts to the Company  Note: disclose if there is no regulatory change that holds significant impact to the company	237 - 241
16. Description on changes in accounting policies applied by the Company in last financial year	Description contains, among others: changes of accounting policies, reasons, and impacts to financial statements.  Note: disclose if there is no change to accounting policies	242

Criteria	Description	Pages
17. Information on business continuity	<p>Information contains:</p> <ol style="list-style-type: none"> <li>1. Aspects that hold potentially significant impacts to business continuity in last financial year;</li> <li>2. Management assessment on aspects intended in point 1</li> <li>3. Assessment assumptions used by the management</li> </ol> <p>Note: disclose if there is no aspect that holds potentially significant impacts to business continuity during last financial year; disclose assumptions used by the management that inform the confidence that there is no significant aspects that hold potentially significant impacts to the company's business during financial year</p>	242 - 243
<b>VI. GOOD CORPORATE GOVERNANCE</b>		
1. Board of Commissioners description	<p>Description includes, among others:</p> <ol style="list-style-type: none"> <li>1. Description of BoC duties;</li> <li>2. Training program to enhance BoC's competency or induction program for new BoC member; and</li> <li>3. Disclosure on the Board Charter (Board of Commissioners Manual)</li> </ol>	362, 391 - 393
2. Information on Independent Commissioner	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Criteria to appoint independent commissioner; and</li> <li>2. Statement of independency of each Independent Commissioner.</li> </ol>	374 - 375
3. Board of Directors description	<p>Description includes, among others:</p> <ol style="list-style-type: none"> <li>1. Scope and responsibility of each BoD member;</li> <li>2. Training program to enhance BoD's competency or induction program for new BoC member; and</li> <li>3. Disclosure on the Board Charter (Board of Directors Manual)</li> </ol>	407, 421 - 425, 399 - 400
4. <i>Assessment on Board of Commissioners and Board of Directors</i>	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Assessment procedure on BoC and BoD performance;</li> <li>2. Criteria used to assess the performance of BoC and BoD.</li> <li>3. Assessor</li> </ol>	394 - 395, 426 - 428
5. Board of Commissioners and Board of Directors remuneration policy	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. BoC Remuneration policy disclosure</li> <li>2. BoD remuneration policy disclosure</li> <li>3. Remuneration structure indicating short-term remuneration type and amount, post employment and/other long term remuneration type and amount for each member of BoC</li> <li>4. Remuneration structure indicating short-term remuneration type and amount, post employment and/other long term remuneration type and amount for each member of BoD</li> <li>5. Disclosure of indicators to determine BoD remuneration</li> </ol>	395 - 398, 428-431
6. Frequency and attendance in Board of Commissioners meetings, Board of Directors meetings, and joint meetings between Board of Commissioners and Board of Directors	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Date of meeting</li> <li>2. Meeting participants; and</li> <li>3. Meeting agenda</li> <li>4. For each BoC, BoD, and joint meeting</li> </ol>	380 - 390, 411 - 421
7. Information on majority and controlling shareholder(s), direct and indirect, up to ultimate individual owner(s)	Presented in schematics or diagram except for SOEs fully owned by the government	621 - 622, 617



## Cross Reference of Baepam-LK Regulation No X.K.6

Criteria	Description	Pages
8. Disclosure of affiliated relationship between members Board of Directors, members of Board of Commissioners and/or Majority/Controlling Shareholders	Information includes, among others: 1. Affiliated relationship between members of BoD; 2. Affiliated relationship between members of BoD and members of BoC; 3. Affiliated relationship between members of BoD with Majority and/or Controlling Shareholders; 4. Affiliated relationship between members of BoC; 5. Affiliated relationship between members of BoC with Majority and/or Controlling Shareholders  Note: disclose if relationship specified above is not present	373 - 374, 406 - 407
9. Audit Committee	Information includes, among others: 1. Name and position of Audit Committee members. 2. Educational qualification and professional experience of Audit Committee members 3. Audit committee members independency 4. Duties and responsibilities description 5. Brief report of Audit Committee activities 6. Audit committee meeting frequency and attendance level	434 - 446
10. Remuneration and/or Nomination Committee	Information includes, among others: 1. Name, position, and brief profile of Nomination and/or Remuneration Committee members 2. Nomination and/or remuneration committee members' independency 3. Description of duties and responsibilities 4. Nomination and/or remuneration committee duties implementation report 5. Nomination and/or remuneration committee meeting frequency and attendance level 6. Statement of nomination and/or remuneration committee guideline availability; and 7. BoD succession policy	447 - 461
11. Other committees company's BoC	Information includes, among others: 1. Name, title, and brief profile of the members of the committees 2. Independence of the committee; 3. Duties and responsibilities description 4. Other committees' duties implementation report 5. Other committees' meeting frequency and attendance level	461-489
12. Corporate Secretary duties and function description	Information includes, among others: 1. Name and brief profile of Corporate Secretary officer; 2. Corporate Secretary duties implementation report; and 3. Training program to enhance competency of Corporate Secretary	487-496
13. Description of the previous year's General Meeting of Shareholders (GMS)	Presented in table and includes, among others: 1. Previous year's GMS resolutions; 2. Realization of previous year's GMS resolutions during financial year; 3. Reasons for any pending implementation of GMS resolutions	354 - 362
14. Internal audit description	Information includes, among others: 1. Name of internal audit unit head; 2. Number of internal auditors under internal audit unit; 3. Internal audit certification as an internal audit professional 4. Organizational structure or position of the internal audit unit 5. Brief report of duty implementation 6. Party that appoints or dismisses the Head of Internal Audit Unit	516 - 526

	Criteria	Description	Pages
15.	Public accountant	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Name and year of the last 5 years where the public accountant conducts financial statements audit;</li> <li>2. Name and year of the last 5 years where the Public Accounting Firm conducts financial statements audit;</li> <li>3. The amount offees for each type of service provided by public accountant during last financial year; and</li> <li>4. Services other than financial statements audit provided by accountant during last financial year</li> </ol> <p>Notes: Disclose if other services is not provided</p>	527 - 529
16.	Description on company's risk management	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Explanation on risk management system implemented by the company;</li> <li>2. Explanation on risk management system evaluation;</li> <li>3. Explanation on risks faced by the company; and</li> <li>4. Efforts to manage those risks</li> </ol>	530 - 554
17.	Description regarding Corporate Social Responsibility on environment	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Brief explanation on internal audit system, including operational and financial control;</li> <li>2. Explanation of internal audit system conformity with internationally recognized framework (COSO – internal control framework); and</li> <li>3. Explanation regarding evaluation on internal audit system effectiveness</li> </ol>	555 - 561
18.	Description regarding Corporate Social Responsibility on environment	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Policies implemented by the management</li> <li>2. Activities performed in terms of environmental programs relating to company's operations, e.g. use of eco-friendly and renewable material and energy, company waste management; environmental considerations in customer credit criteria, etc.</li> <li>3. Environmental certification</li> </ol>	638-643
19.	Description regarding corporate social responsibility in employment and health and safety at the workplace	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Policies implemented by the management</li> <li>2. Activities conducted Regarding employment practice, occupational health and safety such as gender equality and job opportunity, occupational infrastructure and safety, employee turnover rate, occupational accident rate and so forth</li> </ol>	644 - 647
20.	Description on corporate social responsibility in social and community development	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Policies implemented by the management;</li> <li>2. Activities conducted; and</li> <li>3. Costs incurred, regarding social and community empowerment activities such as employment of locals, surrounding community empowerment, social infrastructure improvement, donations and so forth</li> </ol>	648 - 660
21.	Description regarding corporate social responsibility on customer	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Policies implemented by the management;</li> <li>2. Activities conducted regarding product responsibility, such as customer health and safety, product information, facilities, number and ways to address grievances, and so forth.</li> </ol>	661 - 682



## Cross Reference of Baepam-LK Regulation No X.K.6

Criteria	Description	Pages
22. Litigation or legal cases faced by the Company, subsidiaries, members of Board of Directors and/or Board of Commissioners serving on the Annual Report period	Information includes, among others: 1. Description of case/litigation; 2. Case/litigation settlement status; 3. Impacts on company's financial condition; and 4. Administrative sanctions imposed on the company, BoC members, and BoD members by relevant authorities (in capital market, banking, or others) in the last financial year (or statement where sanctions are not imposed)  Note: Disclose if no litigations occur	579 - 581
23. Information access and corporate data	Description on publicly available access to corporate information and data, for example through website (in Bahasa Indonesia and in English), mass media, mailing list, bulletin, ana lyst meeting, and so forth	598 - 615
24. Discussion on Company's Code of Conduct	Information includes, among others: 1. Code of Conduct content 2. Disclosure that the Code of Conduct's is applicable for all organizational level 3. Code of conduct dissemination 4. Type of sanction for each breach of Code of Conduct 5. Number of code of conduct breach and imposed sanction in last financial year  Note: Dislocse if no code of conduct breach occurs in last financial year	570 - 572
25. Disclosure on whistleblowing system	Description of whistleblowing system mechanism that includes, among others: 1. Grievance procedure 2. Protection for the whistleblower 3. Report handling 4. Report management unit; and 5. Number of reports filed and processed in last financial year as well as information on their follow-up  Note: Disclose if not reports filed in last financial year	574 - 578
26. Heterogeneity policy in the composition of Board of Commissioners and Board of Directors	Description on company's heterogeneity policy in the composition of BoC and BoD in terms of education background (field of study), professional experience, age, and gender.  Note: where such policy is not present, disclose the reasons and considerations	367 - 372, 402 - 404
<b>VII. FINANCIAL INFORMATION</b>		
1. Board of Directors and/or Board of Commissioners' statement on Financial Statements Accountability	Compliance with relevant regulations concerning Financial Statements Accountability	795
2. Independent auditor's opinion on the financial statements		797 - 800
3. Description on the opinion of Independent auditor's opinion	The description should contain: 1. Name and signature 2. Audit Report Date 3. Public Accountant Office and Individual Public Accountant license number.	800

Criteria	Description	Pages
4. Comprehensive financial statements	Comprehensively discloses all elements in financial statements: 1. Financial position statement 2. Other Comprehensive income and loss statement 3. Equity change statement 4. Cash flows statement 5. Notes on financial statements; 6. Comparative information about the earlier period 7. Financial position statement at the beginning of period when an entity applies certain accounting policies retrospectively or restates certain financial statement accounts, or when an entity reclassifies certain financial statement accounts (where relevant).	801 - 1028
5. Profitability ratio comparison	Comparison of current year's profit/loss with previous year.	806 - 807
6. Cash flow report	Report has to meet the following rules: 1. Categorization of three activities: operating, investing, and financing activities. 2. Using direct method to present cash flow from operating activities 3. Separating the presentation between cash received and or cash expenses for operating, investing and financing activities during the year 4. Non-cash activity disclosure has to be presented in financial statement notes	810 - 811
7. Accounting policy highlights	Information includes, at least: 1. Compliance with FAS. 2. Basis of financial statement measurement and preparation 3. Income tax 4. Employment benefits; and 5. Financial Instrument	825 - 880
8. Related party transaction disclosure	Information includes, among others: 1. Name of the related parties, as well as the nature and relationship therewith 2. Value of the transaction and the percentage on total related income or expenses. 3. Total outstanding and the percentage to total asset or liabilities	967 - 987
9. Disclosure on any aspects related with Taxes	Information includes, among others: 1. Fiscal reconciliation and calculation of current tax. 2. Statement on the relation between Tax expense (income) and accounting income. 3. Statement that Taxable Profit as calculated through reconciliation is used as the basis to fill Tax Return statement. 4. Details of deferred tax assets and liabilities recognized in the balance sheet in each period of presentation, and amount of deferred tax expense (income) recognized in the profit loss statement if the said amount is not evident in the asset or liability of deferred tax recognized in the financial position report. 5. Tax dispute disclosure	932 - 939
10. Disclosure on fixed assets	Information includes, among others: 1. Method of depreciation 2. Description on adopted accounting policy – revaluation or cost model 3. Method and significant assumptions used to estimate fair value of fixed asset (for revaluation model) or disclosures on fair value of fixed assets (for cost model); and 4. Reconciliation of gross carrying amount and accumulated depreciation of fixed assets at the beginning and at the end of the period by indicating: addition, reduction, and reclassification	919 - 923



## Cross Reference of Baepam-LK Regulation No X.K.6

Criteria	Description	Pages
11. Disclosure related to operating segments	<p>closures must include:</p> <ol style="list-style-type: none"> <li>1. General information which includes the factors used to identify the reported segments;</li> <li>2. Information on profit and loss, assets, and the liabilities of the reported segments;</li> <li>3. Reconciliation of the segments' total revenues, reported segments' profit and loss, assets, liabilities, and other material elements of the segment to the relevant amount within the entity; and</li> <li>4. Disclosure at entity level, which covers information on product and/or services, geographical location, and major customers.</li> </ol>	978 - 981
12. Disclosure regarding Financial Instruments	<p>Disclosure must include:</p> <ol style="list-style-type: none"> <li>1. Details of financial instruments and their classification;</li> <li>2. Fair value and hierarchy for each financial instrument category;</li> <li>3. Risk Management policy;</li> <li>4. Explanation on financial instrument inherent risks: market risk, credit risk, and liquidity risk; and</li> <li>5. Quantitative analysis on each financial instrument inherent risk</li> </ol>	1006 - 1012
13. Issuance of Financial Statements	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Date of financial statements issuance authorization; and</li> <li>2. Parties responsible to authorize financial statements.</li> </ol>	795



# Financial Report



**PT Bank Negara Indonesia (Persero) Tbk  
dan Entitas Anak/*and Subsidiaries***

Laporan keuangan konsolidasian  
Tanggal 31 Desember 2016  
dan untuk tahun yang berakhir pada tanggal tersebut  
beserta laporan auditor independen/  
*Consolidated financial statements*  
*As of 31 December 2016 and for the year then ended*  
*with independent auditors' report*

## Direksi



SURAT PERNYATAAN DIREKSI  
TENTANG  
TANGGUNG JAWAB ATAS  
LAPORAN KEUANGAN KONSOLIDASIAN  
PADA TANGGAL  
31 DESEMBER 2016 DAN 2015  
serta untuk tahun yang berakhir  
pada tanggal-tanggal 31 Desember 2016 dan 2015  
PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK

DIRECTORS' STATEMENT  
REGARDING  
THE RESPONSIBILITY FOR  
THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT  
31 DECEMBER 2016 AND 2015  
AND FOR THE YEARS ENDED  
31 DECEMBER 2016 AND 2015  
PT BANK NEGARA INDONESIA (PERSERO) Tbk  
AND SUBSIDIARIES

Kami yang bertanda tangan di bawah ini:

1. Nama : Ahmad Baiquni  
Alamat kantor : Jl. Jenderal Sudirman Kav. 1, Jakarta  
10220, Indonesia  
Nomor telepon : 5728043  
Alamat rumah : Jl. Taman Wijaya Kusuma III / 21C  
Cilandak, Jakarta Selatan  
Jabatan : Direktur Utama
2. Nama : Rico Budidarmo  
Alamat kantor : Jl. Jenderal Sudirman Kav. 1, Jakarta  
10220, Indonesia  
Nomor telepon : 5728548  
Alamat rumah : JL Cilandak IV/11 RT.009 RW.003  
Cilandak Barat, Jakarta Selatan  
Jabatan : Direktur

menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Bank Negara Indonesia (Persero) Tbk dan Entitas Anak.
2. Laporan keuangan konsolidasian PT Bank Negara Indonesia (Persero) Tbk dan Entitas Anak telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan konsolidasian PT Bank Negara Indonesia (Persero) Tbk dan Entitas Anak telah dimuat secara lengkap dan benar;  
b. Laporan keuangan konsolidasian PT Bank Negara Indonesia (Persero) Tbk dan Entitas Anak tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Kami bertanggung jawab atas sistem pengendalian internal dalam PT Bank Negara Indonesia (Persero) Tbk dan Entitas Anak.

Demikian pernyataan ini dibuat dengan sebenarnya.

We, the undersigned:

1. Nama : Ahmad Baiquni  
Office address : Jl. Jenderal Sudirman Kav. 1, Jakarta  
10220, Indonesia  
Telephone : 5728043  
Residential address : Jl. Taman Wijaya Kusuma III / 21C  
Cilandak, Jakarta Selatan  
Title : President Director
2. Nama : Rico Budidarmo  
Office address : Jl. Jenderal Sudirman Kav. 1, Jakarta  
10220, Indonesia  
Telephone : 5728548  
Residential address : JL Cilandak IV/11 RT.009 RW.003  
Cilandak Barat, Jakarta Selatan  
Title : Director

declare that:

1. We are responsible for the preparation and the presentation of the of PT Bank Negara Indonesia (Persero) Tbk and Subsidiaries' consolidated financial statements;
2. PT Bank Negara Indonesia (Persoro) Tbk and Subsidiaries' consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the PT Bank Negara Indonesia (Persoro) Tbk and Subsidiaries' consolidated financial statements have been disclosed in a complete and truthful manner;  
b. PT Bank Negara Indonesia (Persoro) Tbk and Subsidiaries' consolidated financial statements do not contain any incorrect information or material facts, nor do they omit material information or material facts;
4. We are responsible for PT Bank Negara Indonesia (Persoro) Tbk and Subsidiaries' internal control system.

Thus this statement is made truthfully.

Atas nama dan mewakili Direksi/For and on behalf of the Directors

Jakarta, 20 JAN 2017

Ahmad Baiquni  
Direktur Utama/President Director



Rico Budidarmo  
Direktur Director

PT Bank Negara Indonesia (Persero) Tbk  
Kantor Pusat  
Jl. Jenderal Sudirman Kav. 1  
Jakarta 10220, Indonesia  
[www.bnri.co.id](http://www.bnri.co.id)

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK  
LAPORAN KEUANGAN KONSOLIDASIAN  
TANGGAL 31 DESEMBER 2016 DAN  
UNTUK TAHUN YANG BERAKHIR  
PADA TANGGAL TERSEBUT  
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2016 AND  
FOR THE YEAR  
THEN ENDED  
WITH INDEPENDENT AUDITORS' REPORT**

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Laporan Laba Rugi dan Penghasilan Komprehensif Lain Konsolidasian.....	6 - 7	..... <i>Consolidated Statement of Profit or Loss and Other Comprehensive Income</i>
Laporan Perubahan Ekuitas Konsolidasian .....	8 - 9	..... <i>Consolidated Statement of Changes in Equity</i>
Laporan Arus Kas Konsolidasian .....	10 - 11	..... <i>Consolidated Statement of Cash Flows</i>
Catatan atas Laporan Keuangan Konsolidasian .....	12 - 217	..... <i>Notes to the Consolidated Financial Statements</i>
Informasi Keuangan Tambahan .....	218 - 228	..... <i>Supplementary Financial Information</i>

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Fax: +62 21 5289 4100  
[www.pss.id](http://www.pss.id)

The original report included herein is in the Indonesian language.

## Laporan Auditor Independen

Laporan No. RPC-2855/PSS/2017

Pemegang Saham, Dewan Komisaris dan Direksi  
PT Bank Negara Indonesia (Persero) Tbk

Kami telah mengaudit laporan keuangan konsolidasian PT Bank Negara Indonesia (Persero) Tbk dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2016, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

## Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian tersebut bebas dari kesalahan penyajian material.

## Independent Auditors' Report

Report No. RPC-2855/PSS/2017

The Shareholders, Boards of Commissioners  
and Directors  
PT Bank Negara Indonesia (Persero) Tbk

We have audited the accompanying consolidated financial statements of PT Bank Negara Indonesia (Persero) Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

The original report included herein is in the Indonesian language.

## Laporan Auditor Independen (lanjutan)

Laporan No. RPC-2855/PSS/2017 (lanjutan)

### Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

### Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Bank Negara Indonesia (Persero) Tbk dan entitas anaknya tanggal 31 Desember 2016, serta kinerja keuangan dan arus kas konsolidasianya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

### Hal-hal lain

Audit kami atas laporan keuangan konsolidasian PT Bank Negara Indonesia (Persero) Tbk dan entitas anaknya tanggal 31 Desember 2016 dan untuk tahun yang berakhir pada tanggal tersebut terlampir, dilaksanakan dengan tujuan untuk merumuskan suatu opini atas laporan keuangan konsolidasian tersebut secara keseluruhan.

## *Independent Auditors' Report (continued)*

*Report No. RPC-2855/PSS/2017 (continued)*

### *Auditors' responsibility (continued)*

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.*

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

### *Opinion*

*In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank Negara Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2016, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.*

### *Other matters*

*Our audit of the accompanying consolidated financial statements of PT Bank Negara Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2016, and for the year then ended, was performed for the purpose of forming an opinion on such consolidated financial statements taken as a whole.*

The original report included herein is in the Indonesian language.

### Laporan Auditor Independen (lanjutan)

Laporan No. RPC-2855/PSS/2017 (lanjutan)

#### Hal-hal lain (lanjutan)

Informasi keuangan PT Bank Negara Indonesia (Persero) Tbk (entitas induk) terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2016, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut (secara kolektif disebut sebagai "Informasi Keuangan Entitas Induk"), yang disajikan sebagai informasi tambahan terhadap laporan keuangan konsolidasian tersebut terlampir, disajikan untuk tujuan analisis tambahan dan bukan merupakan bagian dari laporan keuangan konsolidasian terlampir yang diharuskan menurut Standar Akuntansi Keuangan di Indonesia. Informasi Keuangan Entitas Induk merupakan tanggung jawab manajemen serta dihasilkan dari dan berkaitan secara langsung dengan catatan akuntansi dan catatan lainnya yang mendasarinya yang digunakan untuk menyusun laporan keuangan konsolidasian terlampir. Informasi Keuangan Entitas Induk telah menjadi objek prosedur audit yang diterapkan dalam audit atas laporan keuangan konsolidasian terlampir berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Menurut opini kami, Informasi Keuangan Entitas Induk disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan konsolidasian terlampir secara keseluruhan.

#### *Independent Auditors' Report (continued)*

*Report No. RPC-2855/PSS/2017 (continued)*

#### *Other matters (continued)*

*The accompanying financial information of PT Bank Negara Indonesia (Persero) Tbk (parent entity), which comprises the statement of financial position as of December 31, 2016, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended (collectively referred to as the "Parent Entity Financial Information"), which is presented as a supplementary information to the accompanying consolidated financial statements, is presented for the purpose of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The Parent Entity Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Parent Entity Financial information has been subjected to the auditing procedures applied in the audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, the Parent Entity Financial Information is fairly stated, in all material respects, in relation to the accompanying consolidated financial statements as a whole.*

The original report included herein is in the Indonesian language.

**Laporan Auditor Independen (lanjutan)**

Laporan No. RPC-2855/PSS/2017 (lanjutan)

**Hal-hal lain (lanjutan)**

Laporan keuangan konsolidasian PT Bank Negara Indonesia (Persero) Tbk dan entitas anaknya tanggal 31 Desember 2015 dan untuk tahun yang berakhir pada tanggal tersebut telah diaudit oleh auditor independen lain dengan report No. A160125003/DC2/ANG/I/2016 tanggal 25 Januari 2016 menyatakan opini tanpa modifikasi atas laporan keuangan konsolidasian tersebut.

**Independent Auditors' Report (continued)**

Report No. RPC-2855/PSS/2017 (continued)

**Other matters (continued)**

*The consolidated financial statements of PT Bank Negara Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2015 and for the year then ended, were audited by other independent auditors whose report No. A160125003/DC2/ANG/I/2016 dated January 25, 2016 expressed an unmodified opinion on such consolidated financial statements.*

Purwantono, Sungkoro & Surja



Yasir

Registrasi Akuntan Publik No. AP.0703/Public Accountant Registration No. AP.0703

20 Januari 2017/January 20, 2017

**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**DAN ENTITAS ANAK**  
**LAPORAN POSISI KEUANGAN**  
**KONSOLIDASIAN**  
**Tanggal 31 Desember 2016**  
**(Disajikan dalam jutaan Rupiah,**  
**kecuali dinyatakan lain)**

**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION**  
**As of 31 December 2016**  
**(Expressed in millions of Rupiah,**  
**unless otherwise stated)**

	Catatan/ Notes	31 Desember/December		<b>ASSETS</b>
		2016	2015	
<b>ASET</b>				
Kas	4	11,167,643	12,890,427	Cash
Giro pada Bank Indonesia	5	30,146,853	30,932,177	Current accounts with Bank Indonesia
Giro pada bank lain - Pihak berelasi - Pihak ketiga		1,655,498 4,644,269	1,469,517 7,530,182	Current accounts with other banks Related parties - Third parties -
Total giro pada bank lain		6,299,767	8,999,699	Total current accounts with other banks
Dikurangi: Cadangan kerugian penurunan nilai		(1,748)	(906)	Less: Allowance for impairment losses
	6,46b	6,298,019	8,998,793	
Penempatan pada bank lain dan Bank Indonesia - Pihak berelasi - Pihak ketiga		713,026 32,949,142	1,053,078 32,363,730	Placements with other banks and Bank Indonesia Related parties - Third parties -
Total penempatan pada bank lain dan Bank Indonesia		33,662,168	33,416,808	Total placements with other banks and Bank Indonesia
Dikurangi: Cadangan kerugian penurunan nilai		(500)	-	Less: Allowance for impairment losses
	7,46c	33,661,668	33,416,808	
Efek-efek - Pihak berelasi - Pihak ketiga		4,686,585 19,169,272	1,356,304 8,607,499	Marketable securities Related parties - Third parties -
Total efek-efek		23,855,857	9,963,803	Total marketable securities
Dikurangi: Cadangan kerugian penurunan nilai		(91,107)	(36,309)	Less: Allowance for impairment losses
	8,46d	23,764,750	9,927,494	
Efek-efek yang dibeli dengan janji dijual kembali		1,664,750	376,215	Securities purchased under agreements to resell
Dikurangi: Cadangan kerugian penurunan nilai		-	-	Less: Allowance for impairment losses
	14	1,664,750	376,215	
Wesel ekspor dan tagihan lainnya - Pihak berelasi - Pihak ketiga		5,205,598 3,393,465	2,896,219 5,961,604	Bills and other receivables Related parties - Third parties -
Total wesel ekspor dan tagihan lainnya		8,599,063	8,857,823	Total bills and other receivables
Dikurangi: Cadangan kerugian penurunan nilai		(31,268)	(26,379)	Less: Allowance for impairment losses
	9,46e	8,567,795	8,831,444	

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK  
LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN (lanjutan)  
Tanggal 31 Desember 2016  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (continued)  
As of 31 December 2016  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	31 Desember/December		<b>ASSETS (continued)</b>
		2016	2015	
<b>ASET (lanjutan)</b>				
Tagihan akseptasi				<i>Acceptances receivables</i>
- Pihak berelasi		3,115,708	1,236,874	Related parties -
- Pihak ketiga		11,693,520	9,662,927	Third parties -
Total tagihan akseptasi		14,809,228	10,899,801	<i>Total acceptances receivables</i>
Dikurangi: Cadangan kerugian penurunan nilai		(84,834)	(79,188)	<i>Less: Allowance for impairment losses</i>
	10,46f	14,724,394	10,820,613	
Tagihan derivatif				<i>Derivatives receivables</i>
- Pihak berelasi		48,105	118,902	Related parties -
- Pihak ketiga		201,759	321,799	Third parties -
Total tagihan derivatif	11,46g	249,864	440,701	<i>Total derivatives receivables</i>
Pinjaman yang diberikan				<i>Loans</i>
- Pihak berelasi		78,193,582	48,417,362	Related parties -
- Pihak ketiga		315,081,810	277,687,787	Third parties -
Total pinjaman yang diberikan		393,275,392	326,105,149	<i>Total loans</i>
Dikurangi: Cadangan kerugian penurunan nilai		(16,680,865)	(12,038,618)	<i>Less: Allowance for impairment losses</i>
	12,46h	376,594,527	314,066,531	
Obligasi Pemerintah setelah penyesuaian amortisasi diskonto dan premi	13	63,006,339	47,222,319	<i>Government bonds adjusted for amortization of discount and premium</i>
Pajak dibayar dimuka	27a	620,320	2,299,174	<i>Prepaid taxes</i>
Beban dibayar dimuka	15	2,410,891	1,632,641	<i>Prepaid expenses</i>
Penyertaan saham		57,169	60,500	<i>Equity investments</i>
Dikurangi: Cadangan kerugian penurunan nilai		-	(24,707)	<i>Less: Allowance for impairment losses</i>
	16	57,169	35,793	
Aset lain-lain - neto	17	6,793,167	4,482,111	<i>Other assets - net</i>
Aset tetap		28,425,728	26,348,670	<i>Fixed assets</i>
Dikurangi: Akumulasi penyusutan		(6,453,505)	(5,592,076)	<i>Less: Accumulated depreciation</i>
	18	21,972,223	20,756,594	
Aset pajak tangguhan - neto	27d	1,331,508	1,465,453	<i>Deferred tax assets - net</i>
<b>TOTAL ASET</b>		<b>603,031,880</b>	<b>508,595,288</b>	<b>TOTAL ASSETS</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

*The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.*

**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**DAN ENTITAS ANAK**  
**LAPORAN POSISI KEUANGAN**  
**KONSOLIDASIAN (lanjutan)**  
**Tanggal 31 Desember 2016**  
**(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION (continued)**  
**As of 31 December 2016**  
**(Expressed in millions of Rupiah,  
unless otherwise stated)**

Catatan/ Notes	31 Desember/December		<b>LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS</b>	
	2016	2015		
<b>LIABILITAS</b>				
<b>Liabilitas segera</b>				
Simpanan nasabah - Pihak berelasi - Pihak ketiga	19	3,275,668 71,981,896 343,471,188	1,805,494 50,886,870 303,050,010	
Total simpanan nasabah	20,46i	415,453,084	353,936,880	
Simpanan dari bank lain - Pihak berelasi - Pihak ketiga		695,722 9,039,460	179,887 4,068,171	
Total simpanan dari bank lain	21,46j	9,735,182	4,248,058	
Liabilitas derivatif - Pihak berelasi - Pihak ketiga		10,979 399,891	2,745 1,158,812	
Total liabilitas derivatif	11,46k	410,870	1,161,557	
Efek-efek yang dijual dengan janji dibeli kembali	22	3,764,961	3,163,142	
Liabilitas akseptasi - Pihak berelasi - Pihak ketiga		1,093,708 3,264,829	491,533 5,696,725	
Total liabilitas akseptasi	23,46l	4,358,537	6,188,258	
Beban yang masih harus dibayar	24	1,047,239	917,129	
Utang pajak - Pajak penghasilan badan - Pajak lainnya		92,423 58,347	716,302 33,094	
Total utang pajak	27b	150,770	749,396	
Imbalan kerja	43	3,503,202	3,480,504	
Penyisihan	25	156,119	99,227	
Liabilitas lain-lain	26	11,148,956	7,583,784	
Efek-efek yang diterbitkan	28	6,731,115	6,870,667	
Pinjaman yang diterima	29	32,965,422	22,523,581	
<b>TOTAL LIABILITAS</b>		<b>492,701,125</b>	<b>412,727,677</b>	
<b>LIABILITIES</b>				
<i>Obligations due immediately</i>				
<i>Deposits from customers</i>				
<i>Related parties -</i>				
<i>Third parties -</i>				
<i>Total deposits from customers</i>				
<i>Deposits from other banks</i>				
<i>Related parties -</i>				
<i>Third parties -</i>				
<i>Total deposits from other banks</i>				
<i>Derivatives payable</i>				
<i>Related parties -</i>				
<i>Third parties -</i>				
<i>Total derivatives payable</i>				
<i>Securities sold under agreements to repurchase</i>				
<i>Acceptances payable</i>				
<i>Related parties -</i>				
<i>Third parties -</i>				
<i>Total acceptances payable</i>				
<i>Accrued expenses</i>				
<i>Taxes payable</i>				
<i>Corporate income tax -</i>				
<i>Other taxes -</i>				
<i>Total taxes payable</i>				
<i>Employee benefits</i>				
<i>Provisions</i>				
<i>Other liabilities</i>				
<i>Securities issued</i>				
<i>Borrowings</i>				
<b>TOTAL LIABILITIES</b>				

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

*The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.*

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK  
LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN (lanjutan)  
Tanggal 31 Desember 2016  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (continued)  
As of 31 December 2016  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

Catatan/ Notes	31 Desember/December	
	2016	2015
<b>DANA SYIRKAH TEMPORER</b>		
Simpanan nasabah Giro Mudharabah - Pihak berelasi	30,46m	141,115
- Pihak ketiga		434,854
		430,940
Total giro Mudharabah		575,969
Tabungan Mudharabah - Pihak berelasi	31,46o	13,849
- Pihak ketiga		6,863,593
		5,692,052
Total tabungan Mudharabah		6,877,442
Deposito Mudharabah - Pihak berelasi	32,46n	7,530,591
- Pihak ketiga		5,107,827
		10,017,986
Total deposito Mudharabah		12,638,418
Total simpanan nasabah		20,091,829
Simpanan dari bank lain Giro Mudharabah - Pihak berelasi	30	-
- Pihak ketiga		15,470
		11,938
Total giro Mudharabah		15,470
Tabungan Mudharabah - Pihak berelasi	31	-
- Pihak ketiga		187,088
		138,660
Total tabungan Mudharabah		187,088
Deposito Mudharabah - Pihak berelasi	32	-
- Pihak ketiga		286,368
		298,886
Total deposito Mudharabah		286,368
Total simpanan dari bank lain		488,926
Sukuk Mudharabah yang diterbitkan - Pihak berelasi	33,46p	165,000
- Pihak ketiga		331,000
		345,000
Total Sukuk Mudharabah yang diterbitkan		496,000
<b>TOTAL DANA SYIRKAH TEMPORER</b>	<b>21,076,755</b>	<b>17,429,389</b>
<b>TEMPORARY SYIRKAH FUNDS</b>		
Deposits from customers Mudharabah current accounts Related parties -		
Third parties -		
Total Mudharabah current accounts		
Mudharabah saving deposits Related parties -		
Third parties -		
Total Mudharabah saving deposits		
Mudharabah time deposits Related parties -		
Third parties -		
Total Mudharabah time deposits		
Total deposits from customers		
Deposits from other banks Mudharabah current accounts Related parties -		
Third parties -		
Total Mudharabah current accounts		
Mudharabah saving deposits Related parties -		
Third parties -		
Total Mudharabah saving deposits		
Mudharabah time deposits Related parties -		
Third parties -		
Total Mudharabah time deposits		
Total deposits from other banks		
Mudharabah Sukuk issued Related parties -		
Third parties -		
Total Mudharabah Sukuk issues		
<b>TOTAL TEMPORARY SYIRKAH FUNDS</b>		

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK  
LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN (lanjutan)  
Tanggal 31 Desember 2016  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (continued)  
As of 31 December 2016  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	<b>31 Desember/December</b>		<b>EQUITY</b> <i>Equity attributable to equity holders of the parent entity</i>
		<b>2016</b>	<b>2015</b>	
<b>EKUITAS</b>				<b>EQUITY</b>
Ekuitas diatribusikan kepada pemilik entitas induk				<i>Share capital:</i>
Modal saham:				Class A Dwiwarna -
- Seri A Dwiwarna - nilai nominal Rp7.500 per saham (dalam Rupiah penuh)				Rp7,500 par value per share (in full Rupiah amount)
- Seri B - nilai nominal Rp7.500 per saham (dalam Rupiah penuh)				Class B - Rp7,500 - par value per share (in full Rupiah amount)
- Seri C - nilai nominal Rp375 per saham (dalam Rupiah penuh)				Class C - Rp375 - par value per share (in full Rupiah amount)
Modal dasar:				<i>Share capital - Authorized:</i>
- Seri A Dwiwarna - 1 saham				Class A Dwiwarna - 1 share -
- Seri B - 289.341.866 saham				Class B - 289,341,866 shares -
- Seri C - 34.213.162.660 saham				Class C - 34,213,162,660 shares -
Modal ditempatkan dan disetor penuh:				<i>Issued and fully paid:</i>
- Seri A Dwiwarna - 1 saham				Class A Dwiwarna - 1 share -
- Seri B - 289.341.866 saham				Class B - 289,341,866 shares -
- Seri C - 18.359.314.591 saham	34	9,054,807	9,054,807	Class C -18,359,314,591 shares -
Tambahan modal disetor	34	14,568,468	14,568,468	<i>Additional paid-in capital</i>
Transaksi dengan kepentingan nonpengendali	1i	2,256,999	2,256,999	<i>Transactions with non-controlling interest</i>
Cadangan revaluasi aset	18	12,285,490	12,189,957	<i>Asset revaluation reserve</i>
Rugi yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual, setelah pajak	8,13	(1,888,467)	(2,518,968)	<i>Unrealized losses on available-for-sale marketable securities and Government Bonds, net of tax</i>
Selisih kurs karena penjabaran laporan keuangan dalam mata uang asing		81,715	75,502	<i>Exchange difference on translation of foreign currency financial statements</i>
Saldo laba				<i>Retained earnings Appropriated</i>
Sudah ditentukan penggunaannya				General and legal reserves
Cadangan umum dan wajib	36	2,778,412	2,778,412	Specific reserves
Cadangan khusus	37	-	5,705,376	Unappropriated
Tidak ditentukan penggunaannya		48,019,910	33,054,162	
Total saldo laba		50,798,322	41,537,950	<i>Total retained earnings</i>
Saham treasuri	2ah,34	-	(749,979)	<i>Treasury shares</i>
<b>Total ekuitas yang dapat diatribusikan kepada pemilik entitas induk</b>		<b>87,157,334</b>	<b>76,414,736</b>	<b>Total equity attributable to equity holders of the parent entity</b>
<b>Kepentingan nonpengendali</b>		<b>2,096,666</b>	<b>2,023,486</b>	<b>Non-controlling interest</b>
<b>TOTAL EKUITAS</b>		<b>89,254,000</b>	<b>78,438,222</b>	<b>TOTAL EQUITY</b>
<b>TOTAL LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS</b>		<b>603,031,880</b>	<b>508,595,288</b>	<b>TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

*The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.*

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK**  
**LAPORAN LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAIN KONSOLIDASIAN**  
Untuk Tahun yang Berakhir Pada Tanggal  
31 Desember 2016  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
For the Year Ended 31 December 2016  
(Expressed in millions of Rupiah,  
unless otherwise stated)

	Catatan/ Notes	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
		2016	2015	
<b>PENDAPATAN BUNGA DAN PENDAPATAN SYARIAH</b>	38	43,768,439	36,895,081	<b>INTEREST INCOME AND SHARIA INCOME</b>
<b>BEBAN BUNGA DAN BEBAN SYARIAH</b>	39	(13,773,377)	(11,334,885)	<b>INTEREST EXPENSE AND SHARIA EXPENSE</b>
<b>PENDAPATAN BUNGA DAN PENDAPATAN SYARIAH - NETO</b>		<b>29,995,062</b>	<b>25,560,196</b>	<b>INTEREST INCOME AND SHARIA INCOME - NET</b>
<b>PENDAPATAN PREMI DAN HASIL INVESTASI BEBAN KLAIM</b>		5,596,823 (4,255,262)	3,618,148 (2,485,134)	<b>PREMIUM INCOME AND INVESTMENTS RETURN CLAIMS EXPENSE</b>
<b>PENDAPATAN PREMI DAN HASIL INVESTASI - NETO</b>		<b>1,341,561</b>	<b>1,133,014</b>	<b>PREMIUM INCOME AND INVESTMENTS RETURN - NET</b>
<b>PENDAPATAN OPERASIONAL LAINNYA</b>				<b>OTHER OPERATING INCOME</b>
Provisi dan komisi lainnya		6,472,654	5,539,509	Other fee and commission
Penerimaan kembali aset yang telah dihapusbukukan		1,377,944	1,590,469	Recovery of assets written off
(Kerugian)/keuntungan dari aset keuangan yang dimiliki untuk diperdagangkan		(43,417)	21,904	(Loss)/gain from financial assets held for trading
Keuntungan dari penjualan aset keuangan yang diklasifikasikan tersedia untuk dijual dan dimiliki untuk diperdagangkan		646,026	279,273	Gain on sale of financial assets classified as available for sale and held for trading
Laba selisih kurs - neto		685,019	515,081	Foreign exchange gains - net
Lain-lain		824,457	618,793	Others
<b>TOTAL PENDAPATAN OPERASIONAL LAINNYA</b>		<b>9,962,683</b>	<b>8,565,029</b>	<b>TOTAL OTHER OPERATING INCOME</b>
<b>PEMBENTUKAN CADANGAN KERUGIAN PENURUNAN NILAI</b>	6,7,8,9,10 12,16,25b	<b>(7,853,131)</b>	<b>(7,336,259)</b>	<b>ALLOWANCE FOR IMPAIRMENT LOSSES</b>
<b>BEBAN OPERASIONAL LAINNYA</b>				<b>OTHER OPERATING EXPENSES</b>
Gaji dan tunjangan	40,43,46s	(8,833,954)	(7,365,834)	Salaries and employees' benefits
Umum dan administrasi	42	(6,211,925)	(5,758,344)	General and administrative
Beban promosi		(945,652)	(884,631)	Promotion expense
Premi penjaminan simpanan		(729,374)	(597,504)	Deposit guarantee premium
Lain-lain	41	(2,495,938)	(1,903,585)	Others
<b>TOTAL BEBAN OPERASIONAL LAINNYA</b>		<b>(19,216,843)</b>	<b>(16,509,898)</b>	<b>TOTAL OTHER OPERATING EXPENSES</b>
<b>LABA OPERASIONAL</b>		<b>14,229,332</b>	<b>11,412,081</b>	<b>OPERATING INCOME</b>
<b>PENDAPATAN BUKAN OPERASIONAL - NETO</b>		<b>73,573</b>	<b>54,067</b>	<b>NON-OPERATING INCOME - NET</b>
<b>LABA SEBELUM BEBAN PAJAK</b>		<b>14,302,905</b>	<b>11,466,148</b>	<b>INCOME BEFORE TAX EXPENSE</b>
<b>BEBAN PAJAK</b>				<b>TAX EXPENSE</b>
Kini		(2,959,750)	(3,033,413)	Current
Tangguhan		67,041	707,797	Deferred
<b>TOTAL BEBAN PAJAK</b>	27c	<b>(2,892,709)</b>	<b>(2,325,616)</b>	<b>TOTAL TAX EXPENSE</b>
<b>LABA TAHUN BERJALAN</b>		<b>11,410,196</b>	<b>9,140,532</b>	<b>INCOME FOR THE YEAR</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK**  
**LAPORAN LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAIN KONSOLIDASIAN (lanjutan)**  
**Untuk Tahun yang Berakhir Pada Tanggal  
31 Desember 2016**  
**(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**  
**(continued)**  
**For the Year Ended 31 December 2016**  
**(Expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		<i>INCOME FOR THE YEAR</i>
		2016	2015	
<b>LABA TAHUN BERJALAN</b>		<b>11,410,196</b>	<b>9,140,532</b>	
<b>PENDAPATAN KOMPREHENSIF LAIN:</b>				<i>OTHER COMPREHENSIVE INCOME:</i>
<b>Pos-pos yang tidak akan direklasifikasi ke laba rugi</b>				<i>Items that will not be reclassified to profit or loss</i>
Keuntungan revaluasi aset tetap	18	120,136	12,380,091	<i>Gain on revaluation of fixed assets</i>
Pengukuran kembali liabilitas imbalan kerja	43	231,693	101,002	<i>Remeasurement of post employment benefit</i>
Pajak penghasilan terkait		(47,125)	(202,272)	<i>Related income tax</i>
<b>Pos-pos yang akan direklasifikasi ke laba rugi</b>				<i>Items that will be reclassified to profit or loss</i>
Penyesuaian akibat penjabaran laporan keuangan dalam mata uang asing		6,213	17,464	<i>Translation adjustment of foreign currency financial statements</i>
Keuntungan/(kerugian) dari perubahan nilai aset keuangan dalam kelompok tersedia untuk dijual		733,885	(693,742)	<i>Gain/(loss) on changes in value of financial assets categorized as available-for-sale</i>
Pajak penghasilan terkait		(122,314)	119,472	<i>Related income tax</i>
<b>PENGHASILAN KOMPREHENSIF LAIN TAHUN BERJALAN SETELAH PAJAK</b>		<b>922,488</b>	<b>11,722,015</b>	<i>OTHER COMPREHENSIVE INCOME FOR THE YEAR AFTER TAXES</i>
<b>TOTAL LABA KOMPREHENSIF TAHUN BERJALAN</b>		<b>12,332,684</b>	<b>20,862,547</b>	<i>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</i>
<b>LABA TAHUN BERJALAN DIATRIBUSIKAN KEPADA:</b>				<i>INCOME FOR THE YEAR ATTRIBUTABLE TO:</i>
Pemilik entitas induk		11,338,748	9,066,581	<i>Equity holders of the parent entity</i>
Kepentingan nonpengendali		71,448	73,951	<i>Non-controlling interest</i>
<b>TOTAL</b>		<b>11,410,196</b>	<b>9,140,532</b>	<b>TOTAL</b>
<b>LABA KOMPREHENSIF TAHUN BERJALAN DIATRIBUSIKAN KEPADA:</b>				<i>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</i>
Pemilik entitas induk		12,259,504	20,788,596	<i>Equity holders of the parent entity</i>
Kepentingan nonpengendali		73,180	73,951	<i>Non-controlling interest</i>
<b>TOTAL</b>		<b>12,332,684</b>	<b>20,862,547</b>	<b>TOTAL</b>
<b>LABA PER SAHAM DASAR DAN DILUSIAN DIATRIBUSIKAN KEPADА PEMILIK ENTITAS INDUK (DALAM RUPIAH PENUH)</b>	44	<b>610</b>	<b>487</b>	<i>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (IN FULL RUPIAH AMOUNT)</i>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK**  
**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN**  
Untuk Tahun yang Berakhir Pada Tanggal 31 Desember 2016  
(Disajikan dalam jutaan Rupiah, Kecuali dinyatakan lain)

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For The Year Ended 31 December 2016  
(Expressed in millions of Rupiah, unless otherwise stated)

Rugi yang belum direalisasi atas efek-teks dan Obligasi Pemerintah dalam kelompok tersebut untuk dijual neto setelah pajak/ Unrealized losses on available-for-sale securities and Government Bonds, net of tax

		Saldo laba/Retained earnings *)		Dicadangkan/Appropriated		Total ekuitas pemilik entitas induk/Total equity owner's interest*		Kepentingan nonpengendali/ Non-controlling interest		Total ekuitas/ Total equity		Balance as of 31 December 2016			
Modal ditempatkan dan disetor/ Issued and fully paid-up capital		Transaksi dengan kepentingan nonpengendali/ Transactions with non-controlling interest		Cadangan umum dan walib/ General and legal reserves	Cadangan khusus/ Specific reserves	Tidak dicadangkan/ Unappropriated*)	Saham treasury shares								
Catatan/ Notes		Modal disetor/ Additional paid-in capital		Cadangan umum dan walib/ General and legal reserves	Cadangan khusus/ Specific reserves	Tidak dicadangkan/ Unappropriated*)	Saham treasury shares								
<b>Saldo per 31 Desember 2015</b>		<b>9,054,807</b>	<b>14,568,468</b>	<b>2,256,999</b>	<b>(2,516,968)</b>	<b>75,502</b>	<b>12,189,957</b>	<b>5,705,376</b>	<b>76,414,736</b>	<b>2,023,386</b>	<b>78,438,222</b>	<b>31 December 2015</b>	<b>Comprehensive income for the year</b>		
Laba komprehensif untuk tahun berjalan	8,13	-	-	630,501	6,213	95,533	-	11,527,257	-	12,259,504	73,180	12,332,684			
Saham treasury	34	-	-	-	-	-	-	-	749,979	-	749,979	-	Treasury shares		
Reklasifikasi cadangan khusus	34	-	-	-	-	-	-	(5,613,100)	5,613,100	-	-	-	Reclassification of specific reserves		
Reklasifikasi cadangan Cabang luar negeri	35,37	-	-	-	-	-	-	(92,276)	92,276	-	-	-	Reclassification of overseas branch/legality reserve		
Dividen tunai	35	-	-	-	-	-	-	(2,266,885)	-	(2,266,885)	-	(2,266,885)	Cash dividends		
<b>Saldo per 31 Desember 2016</b>		<b>9,054,807</b>	<b>14,568,468</b>	<b>2,256,999</b>	<b>(1,888,467)</b>	<b>81,715</b>	<b>12,285,490</b>	<b>2,778,412</b>	<b>-</b>	<b>48,019,910</b>	<b>-</b>	<b>87,157,334</b>	<b>2,096,666</b>	<b>89,254,000</b>	<b>31 December 2016</b>

\*) Saldo rugi sebesar Rp58.905.232 telah dilimpari dengan tambahan modal disetor, laba yang belum direalisasi atas efek-teks dalam kelompok tersedia untuk dijual, cadangan penilaian kembali aset, cadangan khusus dan cadangan umum dan walib pada saat kuaesi-reorganisasi BNI pada tanggal 30 Juni 2003 (lihat Catatan 1(e)).

\*\*) Termasuk di dalam saldo laba tidak dicadangkan adalah pengukuran kembali liabilitas imbalan kerja, neto setelah pajak sebesar Rp277.373.

) Accumulated losses of Rp58.905.232 has been eliminated against additional paid-in capital, unrealized gains on available-for-sale securities, assets revaluation reserves, specific reserves and general and legal reserves during BNI's quasi-reorganization as of 30 June 2003 (refer to Note 1(e)).  
\*) Included in unappropriated retained earnings is the remeasurement of post employment benefit, net of tax amounting to Rp277.373.

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**DAN ENTITAS ANAK**

**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN (lanjutan)**  
Untuk Tahun yang Berakhir Pada Tanggal 31 Desember 2016  
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**  
*For The Year Ended 31 December 2016*  
*(Expressed in millions of Rupiah, unless otherwise stated)*

Catatan/ Notes	Modal ditempatkan dan disebar penulis <i>Issued and fully paid-up capital</i>	Tambah modal disetor/ <i>Additional paid-in capital</i>	Transaksi dengan kepentingan nonpengendali/ <i>Transactions with non-controlling interest</i>	Cadangan revaluasi <i>Revaluation reserve</i>	Cadangan rumum <i>General reserves</i>	Cadangan khusus/ <i>Specific reserves</i>	Saham treasury/ <i>Treasury shares</i>	Total ekuitas pemilik entitas indikatif/ <i>Total equity of parent</i>	Kepentingan nonpengendali/ non-controlling interest	Total ekuitas/ Total equity	Saldo laba/Retained earnings <sup>a</sup>	
											Diadangkan/ <i>Appropriated</i>	Saldo per 31 Desember 2014
Rugi yang belum direalisasi atas efek-tek dan Obligasi Pemerintah dalam kelompok tersebut untuk dijual, neto setelah pajak/ <i>Unrealized losses on available- for-sale marketable securities and Government Bonds, net of tax</i>	9,054,807	14,568,468	2,256,999	(1,944,698)	58,038	-	2,778,412	3,909,726	28,390,021	-	59,071,773	1,949,535
Laba komprehensif untuk tahun berjalan	8,13	-	-	(574,270)	17,464	12,189,957	-	-	9,156,445	-	20,788,596	73,951
Pembelian saham treasury	34	-	-	-	-	-	-	-	(749,979)	-	(749,979)	-
Pembentukan cadangan khusus	35	-	-	-	-	-	-	1,795,650	(1,795,650)	-	-	-
Dividend tunai								(2,095,654)	(2,095,654)	-	(2,095,654)	(2,095,654)
Saldo per 31 Desember 2015								(749,879)	(749,879)	76,414,736	2,023,486	78,438,222
Rugi yang belum direalisasi atas efek-tek dan Obligasi Pemerintah dalam kelompok tersebut untuk dijual, neto setelah pajak/ <i>Unrealized losses on available- for-sale marketable securities and Government Bonds, net of tax</i>												Saldo as of 31 December 2014
Selisih kurs karena penyalahan laporan keuangan dalam mata uang asing/ <i>Exchange difference on translation of foreign financial statements</i>												Balance as of 31 December 2014
Rugi yang belum direalisasi atas efek-tek dan Obligasi Pemerintah dalam kelompok tersebut untuk dijual, neto setelah pajak/ <i>Unrealized losses on available- for-sale marketable securities and Government Bonds, net of tax</i>												Comprehensive income for the year
Selisih kurs karena penyalahan laporan keuangan dalam mata uang asing/ <i>Exchange difference on translation of foreign financial statements</i>												Purchase of treasury shares
Selisih kurs karena penyalahan laporan keuangan dalam mata uang asing/ <i>Exchange difference on translation of foreign financial statements</i>												Appropriation for specific reserves
Selisih kurs karena penyalahan laporan keuangan dalam mata uang asing/ <i>Exchange difference on translation of foreign financial statements</i>												Cash dividends
Selisih kurs karena penyalahan laporan keuangan dalam mata uang asing/ <i>Exchange difference on translation of foreign financial statements</i>												Balace as of 31 December 2015

Saldo rugi sebesar Rp58.905.232 telah dieiliminasi dengan tambahan modal diseler. laba yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual, catatangn kewilayaan khusus dan cadangan umum dan wajib pada saat kasi-reorganisasi BNI pada \*)

tanggal 30 Juni 2003 (lahir Catalan 1e).

Accumulated losses of Rp58 905 232 has been eliminated against additional paid-in capital, unrealized gains on available-for-sale securities, specific reserves, revaluation reserves, general and legal reserves during BNI's quasi- reorganization as of 30 June 2003 refer to

\*\*) Termasuk di dalam saldo laba tidak dicadangkan adalah denukurkan kembali likibilitas imbalan kerja neto setelah diajukan sebesar Rp88.864.

\*\*\*) Termasuk di dalam saldo laba tidak dicadangkan adalah remeasurement of post employment benefit amounting to Rp88.864.

Moving Faster Wins the Competition

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK  
LAPORAN ARUS KAS KONSOLIDASIAN  
Untuk Tahun yang Berakhir Pada Tanggal  
31 Desember 2016  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BANK NEGARA IN DONESIA (PERSERO) Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Years Ended 31 December 2016  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
	<b>2016</b>	<b>2015</b>	
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>			
Pendapatan bunga dan pendapatan syariah	42,679,256	36,334,620	<i>Interest income and sharia income</i>
Beban bunga dan beban syariah	(13,817,212)	(11,121,452)	<i>Interest expense and sharia expense</i>
Pendapatan premi	5,596,823	3,310,796	<i>Premium income</i>
Beban klaim	(4,255,262)	(2,485,134)	<i>Claims expenses</i>
Pendapatan operasional lainnya	9,612,498	11,974,988	<i>Other operating income</i>
Beban operasional lainnya	(20,816,407)	(20,290,342)	<i>Other operating expenses</i>
Pendapatan bukan operasional - neto	73,573	35,009	<i>Non-operating income - net</i>
Pembayaran pajak penghasilan	(3,583,629)	(3,470,990)	<i>Payment of income tax</i>
Pembayaran pajak final atas revaluasi aset tetap	-	(190,134)	<i>Payment of final tax from revaluation of fixed assets</i>
<b>Arus kas sebelum perubahan dalam aset dan liabilitas operasi</b>	<b>15,489,640</b>	<b>14,097,361</b>	<b><i>Cash flows before changes in operating assets and liabilities</i></b>
Perubahan dalam aset dan liabilitas operasi:			<i>Changes in operating assets and liabilities:</i>
Penurunan/(kenaikan) aset operasi:			<i>Decrease/(increase) in operating assets:</i>
Penempatan pada Bank Indonesia dan bank lain	(360,701)	(1,083,399)	<i>Placements with Bank Indonesia and other banks</i>
Efek-efek dan Obligasi			
Pemerintah yang diukur pada nilai wajar melalui laporan laba rugi	(1,263,681)	(1,130,054)	<i>Marketable securities and Government Bond at fair value through profit or loss</i>
Efek-efek yang dibeli dengan janji dijual kembali	14	(1,288,535)	<i>Securities purchased under agreements to resell</i>
Wesel ekspor dan tagihan lainnya		258,760	<i>Bills and other receivables</i>
Pinjaman yang diberikan	(67,170,243)	(48,482,868)	<i>Loans</i>
Tagihan akseptasi	(3,909,427)	1,631,640	<i>Acceptances receivable</i>
Beban dibayar di muka	15	(778,250)	<i>Prepaid expenses</i>
Aset lain-lain		456,981	<i>Other assets</i>
Kenaikan/(penurunan) liabilitas operasi:			<i>Increase/(decrease) in operating liabilities:</i>
Liabilitas segera	19	1,470,174	<i>Obligations due immediately</i>
Simpanan nasabah	20	61,516,204	<i>Deposits from customers</i>
Simpanan dari bank lain	21	5,487,124	<i>Deposits from other banks</i>
Beban yang masih harus dibayar	24	130,110	<i>Accrued expenses</i>
Imbalan kerja	43	(67,929)	<i>Employee benefits</i>
Liabilitas akseptasi	23	(1,829,721)	<i>Acceptances payable</i>
Utang pajak		25,252	<i>Taxes payable</i>
Liabilitas lain-lain		3,609,007	<i>Other liabilities</i>
Kenaikan dana syirkah temporer		3,647,366	<i>Increase deposits from temporary syirkah funds</i>
<b>Kas neto diperoleh dari kegiatan operasi</b>	<b>15,422,131</b>	<b>24,356,628</b>	<b><i>Net cash provided from operating activities</i></b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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consolidated financial statements taken as a whole.*

**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
DAN ENTITAS ANAK**  
**LAPORAN ARUS KAS KONSOLIDASIAN (lanjutan)**  
Untuk Tahun yang Berakhir Pada Tanggal  
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**PT BANK NEGARA INDONESIA (PERSERO) Tbk  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(continued)  
**For the Years Ended 31 December 2016**  
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	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
	Catatan/ Notes	2016	2015
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>			
(Pembelian)/penjualan efek-efek yang tersedia untuk dijual dan dimiliki hingga jatuh tempo - neto		(12,932,452)	3,485,158
Pembelian Obligasi Pemerintah - neto		(14,313,878)	(4,039,755)
Penambahan aset tetap		(2,171,589)	(3,022,124)
Hasil penjualan aset tetap	18	17,755	60,252
<b>Kas neto digunakan untuk aktivitas investasi</b>		<b>(29,400,164)</b>	<b>(3,516,469)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Purchases)/sales of marketable securities available-for-sale and held-to-maturity- net			
Purchases of Government Bond - net			
Acquisition of fixed assets			
Proceeds from sale of fixed assets			
			<b>Net cash used in investing activities</b>
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>			
Kenaikan pinjaman yang diterima		10,441,841	11,311,316
(Penurunan)/kenaikan efek-efek yang diterbitkan		(139,552)	712,636
Kenaikan efek-efek yang dijual dengan janji dibeli kembali		601,819	671,211
Pembayaran dividen		(2,266,885)	(2,695,654)
Hasil pembelian treasury stock		-	(749,979)
<b>Kas neto diperoleh dari kegiatan pendanaan</b>		<b>8,637,223</b>	<b>9,249,530</b>
			<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>
<b>(PENURUNAN)/PENINGKATAN NETO KAS DAN SETARA KAS</b>			
		<b>(5,340,810)</b>	<b>30,089,689</b>
<b>KAS DAN SETARA KAS PADA AWAL TAHUN</b>			
Pengaruh perubahan kurs mata uang asing		<b>83,607,533</b>	<b>53,512,006</b>
		17,428	5,838
<b>KAS DAN SETARA KAS PADA AKHIR TAHUN</b>		<b>78,284,151</b>	<b>83,607,533</b>
			<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>
			Effect of foreign currency exchange rate changes
			<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>
<b>KOMPONEN KAS DAN SETARA KAS:</b>			
Kas	4	11,167,643	12,890,427
Giro pada Bank Indonesia	5	30,146,853	30,932,177
Giro pada bank lain	6	6,299,767	8,999,699
Penempatan pada Bank Indonesia dan bank lain – jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan		30,669,888	30,785,230
<b>Total kas dan setara kas</b>		<b>78,284,151</b>	<b>83,607,533</b>
			<b>Total cash and cash equivalents</b>
Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.			
<i>The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.</i>			

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**1. INFORMASI UMUM**

**a. Pendirian Bank**

PT Bank Negara Indonesia (Persero) Tbk ("BNI" atau "Bank") pada awalnya didirikan di Indonesia sebagai bank sentral dengan nama "Bank Negara Indonesia" berdasarkan Peraturan Pemerintah Pengganti Undang-Undang No. 2 tahun 1946 tanggal 5 Juli 1946. Selanjutnya, berdasarkan Undang-Undang No. 17 tahun 1968, BNI ditetapkan menjadi "Bank Negara Indonesia 1946", dan statusnya menjadi Bank Umum Milik Negara.

Berdasarkan Peraturan Pemerintah No. 19 tahun 1992, tanggal 29 April 1992, telah dilakukan penyesuaian bentuk hukum BNI menjadi perusahaan perseroan terbatas (Persero). Penyesuaian bentuk hukum menjadi Persero, dinyatakan dalam Akta No. 131, tanggal 31 Juli 1992, dibuat di hadapan Muhami Salim, S.H., yang telah diumumkan dalam Berita Negara Republik Indonesia No. 73 tanggal 11 September 1992 Tambahan No. 1A.

Untuk memenuhi ketentuan Undang-Undang No. 40 Tahun 2007 tanggal 16 Agustus 2007 tentang Perseroan Terbatas, Anggaran Dasar BNI telah dilakukan penyesuaian. Penyesuaian tersebut dinyatakan dalam Akta No. 46 tanggal 13 Juni 2008 yang dibuat di hadapan Fathiah Helmi, S.H., notaris di Jakarta, berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa tanggal 28 Mei 2008 dan telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, dengan Surat Keputusan No. AHU-AH.01.02-50609 tanggal 12 Agustus 2008 dan telah diumumkan dalam Berita Negara Republik Indonesia No. 103 tanggal 23 Desember 2008 Tambahan No. 29015.

Perubahan terakhir Anggaran Dasar BNI dilakukan antara lain tentang penyusunan kembali seluruh Anggaran Dasar sesuai dengan Akta No. 35 tanggal 17 Maret 2015 Notaris Fathiah Helmi, S.H. telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, dengan surat keputusan No. AHU-AH.01.03-0776526 tanggal 14 April 2015.

Berdasarkan pasal 3 Anggaran Dasar BNI, ruang lingkup kegiatan BNI adalah melakukan usaha di bidang perbankan umum.

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**1. GENERAL INFORMATION**

**a. Establishment of the Bank**

*PT Bank Negara Indonesia (Persero) Tbk ("BNI" or "Bank") was originally established in Indonesia as the central bank under the name "Bank Negara Indonesia" based on Government Regulation in Lieu of Law No. 2 of 1946 dated 5 July 1946. Subsequently, by virtue of Law No. 17 of 1968, BNI became "Bank Negara Indonesia 1946", and changed its status to a state-owned commercial bank.*

*Based on Government Regulation No. 19 of 1992, dated 29 April 1992, BNI changed its legal status to a limited liability corporation (Persero). The change in legal status to become a limited liability corporation was covered by notarial deed No. 131, dated 31 July 1992 of Muhami Salim, S.H., and was published in Supplement No. 1A of the State Gazette No. 73 dated 11 September 1992.*

*In compliance with the Indonesian Limited Liability Company Law No. 40 Year 2007 dated 16 August 2007, BNI's Articles of Association has been amended. The amendment was covered by notarial deed No. 46 dated 13 June 2008 of Fathiah Helmi, S.H., a notary in Jakarta, as approved in the Extraordinary General Shareholders' Meeting on 28 May 2008 and approved by the Ministry of Laws and Human Rights of the Republic of Indonesia, in its decision letter No. AHU-AH.01.02-50609 dated 12 August 2008 and published in Supplement No. 29015 of the State Gazette No. 103 dated 23 December 2008.*

*The latest amendment of BNI's Articles of Association was made regarding, among other matters, realignment of the entire Articles of Association based on notarial deed No. 35 dated 17 March 2015 of Fathiah Helmi, S.H. and has been approved by the Ministry of Laws and Human Rights of the Republic of Indonesia, in its decision letter No. AHU-AH.01.03-0776526 dated 14 April 2015.*

*According to Article 3 of BNI's Articles of Association, BNI's scope of activity is to engage in general banking services.*

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**1. INFORMASI UMUM (lanjutan)**

**b. Penawaran Umum Perdana Saham**

Pada tanggal 28 Oktober 1996, BNI melakukan penawaran umum perdana atas 1.085.032.000 saham Seri B dengan nilai nominal sebesar Rp500 (nilai penuh) setiap saham dan harga penawaran setiap saham sebesar Rp850 (nilai penuh) kepada masyarakat di Indonesia. Saham yang ditawarkan tersebut mulai diperdagangkan di Bursa Efek Jakarta dan Surabaya (sekarang Bursa Efek Indonesia atau BEI) pada tanggal 25 November 1996.

**c. Penawaran Umum Saham Terbatas I**

Pada tanggal 30 Juni 1999, BNI melakukan Penawaran Umum Terbatas I dalam rangka penerbitan Hak Memesan Efek Terlebih Dahulu (HMETD) sebanyak 151.904.480.000 saham Seri C dengan nilai nominal sebesar Rp25 (nilai penuh) setiap saham. Setiap pemegang 1 saham lama berhak membeli 35 saham baru dengan harga Rp347,58 (nilai penuh) setiap saham. Dari penawaran umum ini, BNI meningkatkan modal sahamnya sebanyak 683.916.500 lembar saham Seri C yang diterbitkan kepada masyarakat umum pada tanggal 21 Juli 1999 dan terdaftar di Bursa Efek Jakarta dan Surabaya (sekarang BEI). BNI juga menerbitkan 151.220.563.500 lembar saham Seri C kepada Pemerintah Indonesia pada tanggal 7 April 2000 dan 30 Juni 2000 melalui program rekapitalisasi berdasarkan Peraturan Pemerintah No. 52 tahun 1999.

**d. Rekapitalisasi**

Pada tanggal 30 Maret 2000, Menteri Keuangan menyetujui rekapitalisasi BNI sebesar Rp61,8 triliun, yang meningkat sebesar Rp9 triliun dibandingkan dengan jumlah yang ditetapkan dalam Peraturan Pemerintah No. 52 tahun 1999. Sehubungan dengan peningkatan rekapitalisasi tersebut, yang telah disetujui melalui Peraturan Pemerintah No. 32 tahun 2000, BNI menerbitkan tambahan saham Seri C sebanyak 44.946.404.500 saham tanpa Hak Memesan Efek Terlebih Dahulu.

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**1. GENERAL INFORMATION (continued)**

**b. Initial Public Offering (IPO)**

On 28 October 1996, BNI undertook an initial public offering of 1,085,032,000 Class B shares with a par value per share of Rp500 (full amount) and offering price per share of Rp850 (full amount) to the public in Indonesia. The shares began trading on the Jakarta and Surabaya Stock Exchanges (currently Indonesia Stock Exchange or IDX) on 25 November 1996.

**c. Limited Public Offering I**

On 30 June 1999, BNI undertook a Limited Public Offering I ("LPO I") through the issuance of pre-emptive rights of 151,904,480,000 Class C shares with a par value per share of Rp25 (full amount). Each holder of 1 share was entitled to buy 35 new shares for Rp347.58 (full amount) per share. As a result of LPO I, BNI increased its capital by 683,916,500 Class C shares to the public on 21 July 1999 and the LPO I listed in the Jakarta and Surabaya Stock Exchanges (currently IDX). On 7 April 2000 and 30 June 2000, BNI also issued 151,220,563,500 Class C shares to the Government of Indonesia through the recapitalization program under the Government Regulation No. 52 year 1999.

**d. Recapitalization**

On 30 March 2000, the Ministry of Finance approved BNI's recapitalization amounting to Rp61.8 trillion, which was Rp9 trillion higher than the amount stated in the Government Regulation No. 52 year 1999. In connection with the increase in the recapitalization amount, which was approved in the Government Regulation No. 32 year 2000, BNI issued additional 44,946,404,500 Class C shares without pre-emptive rights.

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**1. INFORMASI UMUM (lanjutan)**

**d. Rekapitalisasi (lanjutan)**

Pada tanggal 20 Juli 2001, modal saham BNI berkurang sebanyak 1.965.701.500 saham Seri C sehubungan dengan pengembalian kelebihan dana rekapitalisasi kepada Pemerintah Indonesia. Pengembalian tersebut telah disetujui oleh pemegang saham dalam Rapat Umum Pemegang Saham Luar Biasa pada tanggal 25 Juni 2001.

**e. Kuasi-reorganisasi**

Untuk menghilangkan konsekuensi negatif karena dibebani dengan saldo rugi, BNI melakukan kuasi-reorganisasi sesuai keputusan Rapat Umum Pemegang Saham Luar Biasa ("RUPS-LB") tanggal 15 Desember 2003.

Penyesuaian kuasi-reorganisasi yang telah dibukukan pada tanggal 30 Juni 2003 adalah sebagai berikut:

Akumulasi kerugian	(58,905,232)
Cadangan umum dan wajib	432,952
Cadangan khusus	382,541
Selisih penilaian kembali aktiva tetap	1,190,598
Laba yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	58,660
Kenaikan penilaian kembali nilai wajar aktiva bersih	2,472,634
Tambahan modal disetor	54,367,847
	-

Anggaran Dasar BNI telah mengalami perubahan sehubungan dengan perubahan tambahan modal disetor karena adanya kuasi-reorganisasi sesuai dengan akta notaris Agung Prihatin, S.H., No. 42 tanggal 30 Desember 2003 dan telah disahkan oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat Keputusan No. C-29647.HT.01.07.TH.2003 tanggal 19 Desember 2003 dan diumumkan pada Berita Negara Republik Indonesia No. 1152 tanggal 30 Januari 2004, Tambahan No. 9.

**f. Penawaran Umum Saham Terbatas II**

Pada tanggal 30 Juli 2007, pada Rapat Umum Pemegang Saham Luar Biasa (RUPSLB), Pemegang Saham telah memutuskan untuk melakukan Penawaran Umum Terbatas II kepada para pemegang saham dalam rangka penerbitan sampai dengan sejumlah 1.992.253.110 saham Seri C baru dengan nilai nominal Rp375 (nilai penuh) setiap lembar saham.

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**1. GENERAL INFORMATION (continued)**

**d. Recapitalization (continued)**

On 20 July 2001, BNI's capital was reduced by 1,965,701,500 Class C shares in connection with the refund of excess recapitalization funds to the Government of Indonesia. The refund was approved by the shareholders at the Extraordinary General Shareholders' Meeting held on 25 June 2001.

**e. Quasi-reorganisation**

In order for BNI to eliminate the negative consequences of being burdened by accumulated losses, BNI undertook quasi-reorganisation as approved in the Extraordinary General Shareholders' Meeting ("RUPS-LB") on 15 December 2003.

The quasi-reorganisation adjustments which were booked on 30 June 2003 are as follows:

Akumulasi kerugian	(58,905,232)	Accumulated losses
Cadangan umum dan wajib	432,952	General and legal reserve
Cadangan khusus	382,541	Specific reserve
Selisih penilaian kembali aktiva tetap	1,190,598	Fixed assets revaluation reserve
Laba yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual	58,660	Unrealize gain on available for sale securities
Kenaikan penilaian kembali nilai wajar aktiva bersih	2,472,634	Revaluation uplift in the fair value of net assets
Tambahan modal disetor	54,367,847	Additional paid in capital
	-	

BNI's Articles of Association were amended to reflect the changes in additional paid-in capital as a result of quasi-reorganisation, based on notarial deed of Agung Prihatin, S.H., No. 42 dated 30 December 2003 which was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. C-29647.HT.01.07.TH.2003 dated 19 December 2003 and was published in the State Gazette No. 1152, Supplement No. 9 dated 30 January 2004.

**f. Limited Public Offering II**

On 30 July 2007, the Extraordinary General Shareholders' Meeting approved the issuance up to 1,992,253,110 new Class C shares through Limited Public Offering II with a par value per share of Rp375 (full amount).

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**1. INFORMASI UMUM (lanjutan)**

**f. Penawaran Umum Saham Terbatas II (lanjutan)**

Setiap pemegang 20 saham lama yang namanya tercatat dalam Daftar Pemegang Saham BNI pada tanggal 9 Agustus 2007 pukul 16.00 WIB mempunyai 3 HMETD, dimana setiap 1 HMETD memberikan hak kepada pemegangnya untuk membeli sebanyak 1 saham baru dengan harga pelaksanaan Rp2.025 (nilai penuh) setiap saham. Dari Penawaran Umum Terbatas II, BNI mendapatkan tambahan modal disetor sebesar Rp747.094 dan tambahan agio saham sebesar Rp3.287.218 dan biaya emisi penerbitan saham sebesar Rp195.280.

Perdagangan perdana dilaksanakan pada tanggal 13 Agustus 2007 di Bursa Efek Jakarta dan Bursa Efek Surabaya (sekarang BEI).

**g. Penawaran Umum Saham Terbatas III**

Pada tanggal 25 November 2010, dalam Rapat Umum Pemegang Saham Luar Biasa (RUPSLB), Pemegang Saham telah memutuskan antara lain untuk menyetujui peningkatan modal ditempatkan dan disetor BNI melalui Penawaran Umum Terbatas III (PUT III) dengan penerbitan HMETD sebesar 3.374.715.948 saham Seri C baru dengan nilai nominal Rp375 (nilai penuh) setiap lembar saham. HMETD tersebut dapat diperdagangkan di dalam dan di luar Bursa Efek Indonesia (BEI) mulai tanggal 10 Desember 2010 sampai dengan 16 Desember 2010, dengan memperhatikan ketentuan yang berlaku di bidang pasar modal. Dari PUT III tersebut, BNI mendapatkan tambahan modal disetor sebesar Rp1.265.519 dan tambahan agio saham, bersih setelah dikurangkan dengan biaya emisi penerbitan saham, sebesar Rp8.950.869.

**h. Organisasi dan Struktur Manajemen**

Susunan Dewan Komisaris dan Direksi BNI pada tanggal 31 Desember 2016 dan 2015 yang ditetapkan berdasarkan RUPS Tahunan BNI tanggal 10 Maret 2016 yang dinyatakan dengan Akta Notarial No 8 tanggal 10 Maret 2016 dan berdasarkan Rapat Umum Pemegang Saham (RUPS) Tahunan BNI tanggal 10 Maret 2016 yang dinyatakan dengan Akta Notarial No 8 tanggal 10 Maret 2016 adalah sebagai berikut:

*The original consolidated financial statements included herein are in the Indonesian language.*

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**1. GENERAL INFORMATION (continued)**

**f. Limited Public Offering II (continued)**

*Each owner of 20 old shares whose name was registered in the List of Shareholders of BNI as of 9 August 2007 at 16.00 WIB was entitled to 3 pre-emptive rights where each right entitles the owner to buy a new share at the price of Rp2,025 (full amount) per share. From the Limited Public Offering II, BNI raised Rp747,094 additional share capital and Rp3,287,218 additional paid-in capital and Rp195,280 shares issuance cost.*

*The initial trading took place on 13 August 2007 at the Jakarta Stock Exchange and Surabaya Stock Exchange (currently IDX).*

**g. Limited Public Offering III**

*On 25 November 2010, at the Extraordinary General Shareholders' Meeting, the shareholders decided, among other matters, to increase the issued and paid-up capital through limited public offering with pre-emptive right (LPO III) to shareholders for the issuance of 3,374,715,948 new Class C shares with a par value per share of Rp375 (full amount). Such pre-emptive rights can be traded inside and outside the Indonesia Stock Exchange (IDX) starting 10 December 2010 until 16 December 2010, with consideration to the existing capital market regulation. From the LPO III, BNI obtained Rp1,265,519 additional share capital and Rp8,950,869 additional paid-in capital, net of shares issuance cost.*

**h. Organizational and Management Structure**

*The composition of the Boards of Commissioners and Directors of BNI as of 31 December 2016 and 2015 in which based on BNI's Annual Stockholders' General Meeting Held on 10 March 2016, as stated under the Notarial Deed No. 8 dated 10 March 2016 and BNI's Annual Stockholders' General Meeting held on 10 March 2016, as stated under the Notarial Deed No. 8 dated 10 March 2016 are as follows:*

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**1. INFORMASI UMUM (lanjutan)**

**h. Organisasi dan Struktur Manajemen (lanjutan)**

		<b>2016</b>	<b>Board of Commissioners</b>
<b>Dewan Komisaris</b>		Hartadi A. Sarwono	President Commissioner/ Independent Commissioner
Komisaris Utama/		Pradjoto	Vice President Commissioner/ Independent Commissioner
Komisaris Independen		Anny Ratnawati	Independent Commissioner
Wakil Komisaris Utama/		Patanjari Siahaan	Independent Commissioner
Komisaris Independen		Revisiord Baswir	Independent Commissioner
Komisaris Independen		Bistik Simbolon	Commissioner
Komisaris Independen *)		Wahyu Kuncoro	Commissioner
Komisaris Independen *)		Joni Swastanto	Commissioner
Komisaris			
Komisaris *)			
Komisaris			

		<b>2015</b>	<b>Board of Commissioners</b>
<b>Dewan Komisaris</b>		-	President Commissioner/ Independent Commissioner
Komisaris Utama		Pradjoto	Vice President Commissioner/ Independent Commissioner
Wakil Komisaris Utama/		Anny Ratnawati	Independent Commissioner
Komisaris Independen		Jos Luhukay	Independent Commissioner
Komisaris Independen		Zulkifli Zaini	Independent Commissioner
Komisaris Independen		Daniel T. Sparringa	Independent Commissioner
Komisaris Independen		Patanjari Siahaan	Commissioner
Komisaris		Kiagus Ahmad Badaruddin	Commissioner
Komisaris		Revisiord Baswir	Commissioner
Komisaris			

		<b>2016</b>	<b>2015</b>	<b>Board of Directors</b>
<b>Direksi</b>		Achmad Baiquni	Achmad Baiquni	President Director
Direktur Utama		Suprajarto	Suprajarto	Vice President Director
Wakil Direktur Utama		Rico Budidarmo	Rico Budidarmo	Director
Direktur		Bob Tyasika Ananta	Bob Tyasika Ananta	Director
Direktur		Herry Sidharta	Herry Sidharta	Director
Direktur		Anggoro Eko Cahyo	Anggoro Eko Cahyo	Director
Direktur		Imam Budi Sarjito	Imam Budi Sarjito	Director
Direktur		Adi Sulistyowati	Adi Sulistyowati	Director
Direktur		Putrama Wahju Setyawan	Sutanto	Director
Direktur		Panji Irawan	-	Director

		<b>Komite Audit**)</b>	<b>Audit Committee**)</b>
Ketua		Anny Ratnawati	Chairman
Anggota		-	Member
Anggota		Bambang Ratmanto	Member
Anggota		Donnaria Silalahi	Member

- \* ) Efektif setelah mendapatkan persetujuan dari Otoritas Jasa Keuangan (OJK).
- \*\*) Pembentukan Komite Audit Bank telah dilakukan sesuai dengan peraturan OJK No.55/POJK.04/2015 tanggal 29 Desember 2015.

Jumlah pegawai BNI adalah sebagai berikut (tidak diaudit):

The number of employees of BNI are as follows (unaudited):

	<b>Tetap/ Permanent</b>	<b>Tidak tetap/ Non-permanent</b>	<b>Total</b>	2016	2015
2016	24,272	4,118	28,390	2016	2015
2015	23,820	3,055	26,875		

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**1. INFORMASI UMUM (lanjutan)**

**h. Organisasi dan Struktur Manajemen (lanjutan)**

Kantor pusat BNI berlokasi di Jl. Jend. Sudirman Kav. 1, Jakarta. Pada tanggal 31 Desember 2016, BNI memiliki 196 kantor cabang, 944 kantor layanan serta 829 outlet lainnya (31 Desember 2015: 169 kantor cabang, 911 kantor layanan serta 729 outlet lainnya) (tidak diaudit). Selain itu, jaringan BNI juga meliputi 5 kantor cabang luar negeri yaitu Singapura, Hong Kong, Tokyo, London dan Seoul serta 1 kantor perwakilan di New York.

**i. Entitas Anak**

BNI mempunyai kepemilikan langsung pada Entitas Anak berikut:

Nama Perusahaan/ Company Name	Kegiatan Usaha/ Business Activity	Tahun Mulai Beroperasi Komersial/ Year Started Commercial Operations	Percentase Kepemilikan/ Percentage of Ownership		Total Aset/ Total Assets	
			2016	2015	2016	2015
PT BNI Life Insurance	Asuransi jiwa/ Life insurance	1997	60.00%	60.00%	13,062,865	9,915,762
PT BNI Multifinance	Pembiayaan/ Financing	1983	99.99%	99.98%	516,791	178,478
PT BNI Securities dan Entitas Anak/and Subsidiary	Sekuritas/Securities	1995	75.00%	75.00%	987,266	765,438
BNI Remittance Ltd.	Jasa keuangan/ Financial services	1998	100.00%	100.00%	7,130	5,431
PT Bank BNI Syariah	Perbankan/Banking	2010	99.90%	99.90%	28,314,175	23,017,667

Semua Entitas Anak BNI berkedudukan di Jakarta, kecuali BNI Remittance Ltd. berkedudukan di Hong Kong.

**PT BNI Life Insurance (“BNI Life”)**

BNI Life didirikan dengan nama PT Asuransi Jiwasraya berdasarkan Akta Notaris No. 24 tanggal 28 November 1996. Pada tanggal 26 November 2004, PT Asuransi Jiwasraya telah mengubah nama menjadi PT BNI Life Insurance.

Sesuai dengan pasal 3 Anggaran Dasar BNI Life, ruang lingkup kegiatan BNI Life adalah menjalankan usaha-usaha dalam bidang asuransi jiwa termasuk usaha asuransi jiwa dengan prinsip syariah. BNI Life memperoleh izin usaha sebagai perusahaan asuransi jiwa berdasarkan Keputusan Menteri Keuangan Republik Indonesia No. Kep-305/KMK.01/7/1997 tanggal 7 Juli 1997.

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**1. GENERAL INFORMATION (continued)**

**h. Organizational and Management Structure (continued)**

BNI's head office is located at Jl. Jend. Sudirman Kav. 1, Jakarta. As of 31 December 2016, BNI has 196 domestic branches, 944 sub-branches and 829 other outlets (31 December 2015: 169 domestic branches, 911 sub-branches and 729 other outlets) (unaudited). In addition, BNI's network also includes 5 overseas branches located in Singapore, Hong Kong, Tokyo, London and Seoul and 1 agency in New York.

**i. Subsidiaries**

BNI has direct ownership in the following Subsidiaries:

All of the Subsidiaries of BNI are domiciled in Jakarta, except for BNI Remittance Ltd. which is domiciled in Hong Kong.

**PT BNI Life Insurance (“BNI Life”)**

BNI Life was founded under the name PT Asuransi Jiwasraya based on Notarial Deed No. 24 dated 28 November 1996. On 26 November 2004, PT Asuransi Jiwasraya changed its name to PT BNI Life Insurance.

In accordance with article 3 of BNI Life's Articles of Association, the scope of BNI Life's activities is to engage in life insurance business including life insurance business under sharia principle. BNI Life obtained its operating license as a life insurance company based on the Ministry of Finance of the Republic of Indonesia Decree No. Kep-305/KMK.017/1997 dated 7 July 1997.

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**1. INFORMASI UMUM (lanjutan)**

**i. Entitas Anak (lanjutan)**

**PT BNI Life Insurance (“BNI Life”) (lanjutan)**

Pada bulan Desember 2007, BNI telah meningkatkan penyertaannya pada BNI Life dari 59,78% menjadi 69,11%.

Pada tanggal 29 Juli 2008, BNI memberikan pinjaman subordinasi kepada BNI Life sebesar Rp50.000 yang dapat dikonversikan menjadi modal saham. Pada tahun 2008, BNI juga memberikan tambahan setoran modal kepada BNI Life sebesar Rp50.000.

Pada bulan Januari 2009, pinjaman subordinasi tersebut dikonversikan menjadi modal saham yang secara efektif meningkatkan investasi BNI dari 69,11% menjadi 85,11%. Tambahan investasi telah diaktakan dengan Akta Notaris Fathiah Helmi, S.H., No. 3 tanggal 6 Januari 2009 dan telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU.07779.AH.01.02.Tahun 2009 tanggal 16 Maret 2009.

Pada 9 Desember 2011, BNI meningkatkan investasi yang dimiliki pada BNI Life senilai Rp149.999 yang meningkatkan kepemilikan BNI dari 85,11% menjadi 91,52%.

Pada bulan September 2012 BNI mengakuisisi 8,47% saham yang dimiliki oleh kepentingan nonpengendali dengan imbalan pembelian sebesar Rp93.330 sehingga BNI memiliki 99,99% modal saham BNI Life. Selisih antara nilai pembayaran dan nilai buku BNI Life pada tanggal transaksi sebesar Rp62.862 disajikan dalam ekuitas sebagai akun “Transaksi dengan kepentingan nonpengendali”.

Pada tahun 2013, BNI mengumumkan kemitraan strategis dengan Sumitomo Life Insurance Company (“Sumitomo Life”). Kemitraan strategis ini dilakukan melalui akuisisi 40% saham BNI Life oleh Sumitomo Life senilai Rp4,2 triliun.

Pada tanggal 4 Desember 2013, BNI Life telah menerima uang muka sebesar 15% dari nilai akuisisi saham atau ekivalen sebesar Rp630.000.

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**1. GENERAL INFORMATION (continued)**

**i. Subsidiaries (continued)**

**PT BNI Life Insurance (“BNI Life”) (continued)**

*In December 2007, BNI increased its investment in BNI Life from 59.78% to 69.11%.*

*On 29 July 2008, BNI granted subordinated loan to BNI Life amounting to Rp50,000 which can be converted to capital stock. In 2008, BNI also injected additional paid-up capital to BNI Life amounting to Rp50,000.*

*In January 2009, the subordinated loan was converted to capital stock which effectively increased BNI's investment from 69.11% to 85.11%. The additional investment was notarized by Notarial Deed No.3 dated 6 January 2009 of Fathiah Helmi, S.H., and has been approved by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU.07779.AH.01.02.Tahun 2009 dated 16 March 2009.*

*On 9 December 2011, BNI increased its investment in BNI Life by Rp149,999 which increased BNI's ownership from 85.11% to 91.52%.*

*In September 2012, BNI acquired 8.47% of shares owned by a non-controlling interest for a purchase consideration of Rp93,330 thereby BNI now holds 99.99% of the equity share capital of BNI Life. The difference between the consideration paid and the book value of BNI Life at the transaction date amounted to Rp62,862 was presented in equity as “Transactions with non-controlling interest”.*

*In 2013, BNI announced a new strategic partnership with Sumitomo Life Insurance Company (“Sumitomo Life”). The new strategic partnership is through acquisition of 40% shares of BNI Life by Sumitomo Life amounted to Rp4.2 trillion.*

*On 4 December 2013, BNI Life has received advance payment of 15% from the total acquisition shares value or equivalent to Rp630,000.*

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**1. INFORMASI UMUM (lanjutan)**

i. **Entitas Anak (lanjutan)**

**PT BNI Life Insurance (“BNI Life”) (lanjutan)**

Pada tanggal 11 Maret 2014, BNI Life telah menerima persetujuan dari OJK mengenai Persetujuan Rencana Perubahan Kepemilikan Saham melalui surat No. S-20/D.05/2014. Pada tanggal 27 Maret 2014, sisa nilai akuisisi saham sebesar Rp3.570.000 telah disetor penuh oleh Sumitomo Life. Seluruh penerimaan dari Sumitomo Life setelah dikurangi dengan biaya transaksi dicatat di dalam akun “transaksi dengan kepentingan nonpengendali”.

Pada tanggal 3 April 2014, akuisisi ini telah diselesaikan dan diaktakan dengan Akta Notaris No.7 dan telah mendapatkan persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU.01557.40.21.2014 tanggal 29 April 2014. Akuisisi ini mengakibatkan kepemilikan saham BNI di BNI Life terdilusi dari sebelumnya 99,99% menjadi 60%.

Kantor pusat BNI Life berlokasi di BNI Life Tower, The Land Mark Center Lantai 21 Jl. Jenderal Sudirman No. 1, Jakarta 12910. Pada tanggal 31 Desember 2016 dan 2015, BNI Life memiliki 17 kantor pemasaran dan 47 kantor pemasaran mandiri yang tersebar di beberapa kota di Indonesia dan memiliki karyawan sebanyak 820 orang pada tanggal 31 Desember 2016 (31 Desember 2015: 696 karyawan) (tidak diaudit).

**PT BNI Multifinance (“BNI Multifinance”)**

Sesuai dengan Pasal 3 Anggaran Dasar BNI Multifinance, ruang lingkup kegiatan Perusahaan adalah menjalankan kegiatan dalam bidang pembiayaan investasi, pembiayaan modal kerja, pembiayaan multi guna dan sewa operasi.

Dalam Rapat Umum Pemegang Saham tanggal 19 Juni 2008, yang telah diaktakan dengan Akta Notaris Ariani Lakhsmijati Rachim, S.H., No. 20 tanggal 23 Desember 2008, pemegang saham telah memberikan persetujuan atas rencana kuasi-reorganisasi BNI Multifinance per tanggal 31 Juli 2008 yang efektif berlaku sejak tanggal 7 Juli 2008.

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**1. GENERAL INFORMATION (continued)**

i. **Subsidiaries (continued)**

**PT BNI Life Insurance (“BNI Life”)  
(continued)**

On 11 March 2014, BNI Life has received approval from OJK, concerning the changes of share ownership plan in its letter No.S-20/D.05/2014. On 27 March 2014, the remaining acquisition value amounting to Rp3.570,000 has been fully paid by Sumitomo Life. The total cash received from Sumitomo Life after deducted by the transaction cost is recorded as “transactions with non-controlling interest”.

On 3 April 2014, the acquisition has been completed and notarized by Notarial Deed No.7 and was approved by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU.01557.40.21.2014 dated 29 April 2014. This acquisition diluted BNI’s ownership in BNI Life from 99.99% to 60%.

BNI Life head office is located in BNI Life Tower, The Land Mark Center 21<sup>st</sup> floor Jl. Jenderal Sudirman No. 1, Jakarta 12910. As of 31 December 2016 and 2015, BNI Life has 17 marketing offices and 47 personal marketing offices located in various cities in Indonesia and has 820 employees as of 31 December 2016 (31 December 2015: 696 employees) (unaudited).

**PT BNI Multifinance (“BNI Multifinance”)**

In accordance with Article 3 of BNI Multifinance’s Articles of Association, the scope of the Company’s activities involves investment financing, working capital financing, multipurpose financing and operation lease.

In the General Shareholders’ Meeting on 19 June 2008, as covered in the Notarial Deed No. 20 dated 23 December 2008 of Ariani Lakhsmijati Rachim, S.H., the shareholders approved the planned quasi-reorganization of BNI Multifinance as of 31 July 2008 which became effective on 7 July 2008.

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**1. INFORMASI UMUM (lanjutan)**

i. Entitas Anak (lanjutan)

**PT BNI Multifinance (“BNI Multifinance”)  
(lanjutan)**

Berikut adalah mutasi saldo tambahan modal disetor yang terjadi sebelum dan setelah kuasi-reorganisasi:

**Tambahan modal disetor/  
Additional paid-in capital**

<b>Saldo per 31 Juli 2008 (sebelum kuasi-reorganisasi)</b>	<b>387,939</b>	<b>Balance as of 31 July 2008 (before the quasi-reorganization)</b>
Penurunan nilai nominal saham		Decrease in par value of shares
Eliminasi dalam rangka kuasi-reorganisasi		Elimination related to quasi-reorganization
Koreksi atas pajak tangguhan	(15,208)	Correction of deferred tax
Selisih penilaian kembali aset dan liabilitas	(1,473)	Revaluation of assets and liabilities
Saldo defisit	(370,033)	Deficit
<b>Saldo per 31 Juli 2008 (setelah kuasi-reorganisasi)</b>	<b>1,225</b>	<b>Balance as of 31 July 2008 (after the quasi-reorganization)</b>

Sesuai keputusan pemegang saham BNI Multifinance tanggal 7 Juni 2013, telah disetujui penambahan penyertaan BNI di BNI Multifinance dengan mengkonversi pinjaman subordinasi menjadi penyertaan sebesar Rp75.000.

Atas konversi pinjaman subordinasi tersebut menyebabkan penyertaan BNI pada BNI Multifinance menjadi sebesar Rp95.414 (1.908.279.707 lembar saham dengan nilai nominal Rp50 (nilai penuh) per lembar saham).

Perubahan terakhir Anggaran Dasar BNI Multifinance dilakukan antara lain tentang penyusunan kembali Anggaran Dasar dan penambahan modal ditempatkan dan disetor Perusahaan sebesar Rp203.000.000.000 dan seluruhnya sejumlah penerbitan 4.060.000.000 saham Perusahaan oleh PT Bank Negara Indonesia (Persero) Tbk sesuai dengan Akta No. 90 tanggal 23 Juni 2016 Notaris I Gede Buda Gunamanta, S.H. telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, dengan Surat Keputusan No. AHU-AH.01.03-0060863 tanggal 24 Juni 2016.

Kantor pusat BNI Multifinance berlokasi di Gedung BNI Life Insurance, lantai 5, Jl. Aipda KS. Tubun No. 67, Jakarta 10260. Pada tanggal 31 Desember 2016 dan 2015, BNI Multifinance memiliki 8 outlet cabang tersebar di beberapa kota di Indonesia dan memiliki karyawan sebanyak 85 orang pada tanggal 31 Desember 2016 (31 Desember 2015: 82 karyawan) (tidak diaudit).

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**1. GENERAL INFORMATION (continued)**

i. Subsidiaries (continued)

**PT BNI Multifinance (“BNI Multifinance”)  
(continued)**

*The following are the movements of additional paid-in capital that occurred before and after quasi-reorganization:*

<b>Tambahan modal disetor/ <u>Additional paid-in capital</u></b>	<b>Balance as of 31 July 2008 (before the quasi-reorganization)</b>
Penurunan nilai nominal saham	Decrease in par value of shares
Eliminasi dalam rangka kuasi-reorganisasi	Elimination related to quasi-reorganization
Koreksi atas pajak tangguhan	Correction of deferred tax
Selisih penilaian kembali aset dan liabilitas	Revaluation of assets and liabilities
Saldo defisit	Deficit
<b>Saldo per 31 Juli 2008 (setelah kuasi-reorganisasi)</b>	<b>1,225</b>
	<b>Balance as of 31 July 2008 (after the quasi-reorganization)</b>

*In accordance with decisions of BNI Multifinance’s shareholders on 7 June 2013, it was approved to increase BNI’s investment in BNI Multifinance by converting subordinated loans into equity amounting to Rp75,000.*

*As a result of the above subordinated loans conversion, BNI’s investment in BNI Multifinance becoming Rp95,414 (1,908,279,707 shares with a nominal value of Rp50 (full amount) per share).*

*The latest amendment of BNI Multifinance’s Articles of Association was made regarding, among other matters and increase in issued and fully paid capital amounting Rp203,000,000,000 and issuance of 4,060,000,000 shares contributed by PT Bank Negara Indonesia (Persero) Tbk, based on Notarial Deed No.90 dated 23 June 2016 of I Gede Buda Gunamanta, S.H. and has been approved by the Ministry of Laws and Human Rights of the Republic of Indonesia, in its Decision Letter No. AHU-AH.01.03-0060863 dated 24 June 2016.*

*BNI Multifinance head office is located in Gedung BNI Life Insurance, 5<sup>th</sup> floor, Jl. Aipda KS. Tubun No. 67, Jakarta 10260. As of 31 December 2016 and 2015, BNI Multifinance has 8 counters located in various cities in Indonesia and has 85 employees as of 31 December 2016 (31 December 2015: 82 employees) (unaudited).*

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**1. INFORMASI UMUM (lanjutan)**

**i. Entitas Anak (lanjutan)**

**PT BNI Securities (“BNI Securities”) dan Entitas Anak**

BNI Securities didirikan berdasarkan Akta Notaris No. 22 tanggal 12 April 1995 dari Koesbiono Sarmanhadi, S.H., di Jakarta. Akta tersebut kemudian diubah dengan akta No. 39 dari notaris yang sama tanggal 3 Mei 1995. Akta pendirian dan perubahannya disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. C2-6278.HT.01.01.Th.95 tanggal 19 Mei 1995, serta diumumkan dalam Berita Negara Republik Indonesia No. 55 tanggal 11 Juli 1995, Tambahan No. 5804.

Berdasarkan Pasal 3 dari Anggaran Dasar BNI Securities, ruang lingkup kegiatan usahanya meliputi perdagangan efek, termasuk didalamnya bertindak sebagai penjamin dan penasehat investasi dan kegiatan lain yang berhubungan dengan kegiatan tersebut dengan memperhatikan peraturan Otoritas Jasa Keuangan (OJK), dahulu Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam dan LK) dan peraturan perundang-undangan lain yang berlaku.

Pada bulan Juli 2011, SBI Securities Co. Ltd. memberikan dana untuk penanaman modal di BNI Securities yang mengurangi kepemilikan BNI di BNI Securities dari 99,85% menjadi 75%.

BNI Securities memiliki 99,90% dari jumlah saham PT BNI Asset Management (“BNI Asset Management”), entitas anak yang didirikan tanggal 28 Maret 2011 dan bergerak di bidang manajemen dan penasehat investasi.

BNI Asset Management merupakan hasil pemekaran usaha (*spin-off*) Divisi Manajemen Investasi BNI Securities. Proses pendiriannya telah disetujui dalam Rapat Umum Pemegang Saham Luar Biasa BNI Securities tanggal 1 Maret 2011. Pemekaran usaha tersebut dilakukan dengan mengacu kepada Peraturan Bapepam dan LK No. V.D.11 sebagai lampiran dalam surat keputusan Ketua Bapepam dan LK No. Kep-480/BL/2009 tentang Pedoman Pelaksanaan Fungsi-fungsi Manajer Investasi.

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**1. GENERAL INFORMATION (continued)**

**i. Subsidiaries (continued)**

**PT BNI Securities (“BNI Securities”) and Subsidiary**

BNI Securities was established by virtue of Notarial Deed No. 22 dated 12 April 1995 of Koesbiono Sarmanhadi, S.H., in Jakarta. The deed was amended by notarial deed No. 39 dated 3 May 1995 of the same notary. The deeds of establishment and amendment thereon were approved by the Decision Letter of the Ministry of Justice of the Republic of Indonesia No. C2-6278.HT.01.01.Th.95 dated 19 May 1995 and was published in the State Gazette No. 55 dated 11 July 1995, Supplement No. 5804.

In accordance with Article 3 of BNI Securities' Articles of Association, the scope of its business activities comprises securities trading, including investment underwriting and advisory investment and other related activities allowed by Financial Service Authority (OJK), previously the Capital Market and Financial Institutions Supervisory Agency (Bapepam and LK) and other regulations.

In July 2011, SBI Securities Co. Ltd. made an equity investment in BNI Securities which reduced BNI ownership in BNI Securities from 99.85% to 75%.

BNI Securities owns 99.90% of the total share capital of PT BNI Asset Management (“BNI Asset Management”), a subsidiary established on 28 March 2011 and engaged in investment management and advisory activities.

BNI Asset Management was established from the spin-off of the Investment Management Division of BNI Securities. The spin-off was approved during BNI Securities Shareholders' Extraordinary General Meeting dated 1 March 2011. The spin-off was conducted in accordance with Bapepam and LK Regulation No. V.D.11 as attached in the decree of the Chairman of Bapepam and LK No. Kep-480/BL/2009 regarding the Guidelines for Investment Manager's Functions.

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**1. INFORMASI UMUM (lanjutan)**

**i. Entitas Anak (lanjutan)**

**PT BNI Securities (“BNI Securities”) dan  
Entitas Anak (lanjutan)**

Kantor pusat BNI Securities berlokasi di Sudirman Plaza Indofood Tower, lantai 16, Jl. Jenderal Sudirman Kav. 76-78, Jakarta 12910, Indonesia. Pada tanggal 31 Desember 2016, BNI Securities memiliki 52 outlet cabang yang tersebar di beberapa kota di Indonesia (2015: 53 outlet cabang) dan memiliki karyawan sebanyak 308 orang pada tanggal 31 Desember 2016 (31 Desember 2015: 311 karyawan) (tidak diaudit).

**BNI Remittance Ltd. (dahulu BNI Nakertrans)**

BNI telah menambah modalnya sebesar HKD7.434.944 (nilai penuh) setara dengan Rp10.000 pada tanggal 11 Juni 2009 yang dicatat menggunakan metode biaya. Kantor pusat BNI Remittance Ltd. berada di Causeway Bay, Hong Kong dan memiliki karyawan sebanyak 8 orang pada tanggal 31 Desember 2016 dan 2015.

**PT Bank BNI Syariah (“BNI Syariah”)**

BNI Syariah didirikan dengan Akta Pendirian Nomor 160 tanggal 22 Maret 2010 yang dibuat di hadapan Aulia Taufani, S.H., sebagai Pengganti Sutjipto, S.H., notaris di Jakarta. Akta Pendirian tersebut telah memperoleh pengesahan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat No. AHU-15574.AH.01.01.Tahun 2010 tanggal 25 Maret 2010.

BNI Syariah adalah bank umum syariah yang merupakan hasil pemekaran usaha (*spin-off*) Unit Usaha Syariah BNI (“UUS BNI”). Proses pendiriannya telah disetujui oleh Rapat Umum Pemegang Saham Luar Biasa BNI tanggal 5 Oktober 2009 sesuai akta No. 37 Notaris Fathiah Helmi, S.H. Pemekaran usaha dilakukan dengan mengacu kepada PBI No. 11/10/PBI/2009 tentang Unit Usaha Syariah dengan cara mendirikan bank umum syariah baru.

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**i. Subsidiaries (continued)**

**PT BNI Securities (“BNI Securities”) and  
Subsidiary (continued)**

*BNI Securities head office is located in Sudirman Plaza Indofood Tower, 16<sup>th</sup> floor, Jl. Jenderal Sudirman Kav. 76-78, Jakarta 12910, Indonesia. As of 31 December 2016, BNI Securities has 52 counters located in various cities in Indonesia (2015: 53 outlets) and has 308 employees as of 31 December 2016 (31 December 2015: 311 employees) (unaudited).*

**BNI Remittance Ltd. (formerly BNI Nakertrans)**

*On 11 June 2009 BNI increased its capital by HKD7,434,944 (full amount) equivalent to Rp10,000, which was recorded using the cost method. The main office of BNI Remittance Ltd. is located in Causeway Bay, Hong Kong and has 8 employees as of 31 December 2016 and 2015.*

**PT Bank BNI Syariah (“BNI Syariah”)**

*BNI Syariah was established based on Establishment Deed No. 160 dated 22 March 2010 which was notarized by Aulia Taufani, S.H., as the substitute of Sutjipto, S.H., notary in Jakarta. The Establishment Deed was approved by the Ministry of Laws and Human Rights of the Republic of Indonesia through Letter No. AHU-15574.AH.01.01.Tahun 2010 dated 25 March 2010.*

*BNI Syariah is a general sharia bank as a result of the spin-off of the Sharia Business Unit of BNI (“UUS BNI”). The establishment process was approved at the Shareholders’ Extraordinary General Meeting of BNI held on 5 October 2009 in accordance with the deed No. 37 of Notary Fathiah Helmi, S.H. The spin-off was conducted in accordance with PBI No. 11/10/PBI/2009 regarding Sharia Business Unit by establishing a new general sharia bank.*

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**1. INFORMASI UMUM (lanjutan)**

i. **Entitas Anak (lanjutan)**

**PT Bank BNI Syariah ("BNI Syariah") (lanjutan)**

Pemberitahuan atas rancangan *spin-off* kepada karyawan, nasabah dan pihak ketiga telah diumumkan di surat kabar nasional pada tanggal 12 Agustus 2009 sedangkan pemberitahuan atas rencana pengalihan hak dan liabilitas UUS BNI telah diumumkan di surat kabar nasional pada tanggal 15 Februari 2010. Pendirian tersebut dilakukan dengan izin Bank Indonesia melalui dua tahap yaitu persetujuan izin prinsip usaha dan izin usaha. Pada tanggal 8 Februari 2010 BNI Syariah telah mendapatkan izin prinsip dari Bank Indonesia untuk melaksanakan pemisahan UUS Bank BNI berdasarkan surat No. 12/2/DpG/Dpbs. Pemisahan UUS BNI dilakukan dengan Akta Pemisahan Nomor 159 tanggal 22 Maret 2010 yang dibuat di hadapan Aulia Taufani, S.H. sebagai pengganti Sutjipto, S.H., notaris di Jakarta.

Pada tanggal 21 Mei 2010, BNI Syariah memperoleh izin usaha dari Bank Indonesia, berdasarkan Keputusan Gubernur Bank Indonesia No. 12/41/KEP.GBI/2010 tentang Pemberian Izin Usaha PT Bank BNI Syariah. Selanjutnya pemisahan terjadi secara efektif pada tanggal 19 Juni 2010, yakni saat pertama kalinya BNI Syariah melakukan kegiatan usaha, sebagaimana yang dilaporkan kepada Bank Indonesia dengan surat No. Dir/1/03 tanggal 19 Juni 2010 perihal Laporan Pelaksanaan Pembukaan Bank Umum Syariah Hasil Pemisahan.

BNI Syariah menjalankan operasional sebagai bank devisa sejak tanggal 9 Juli 2010 berdasarkan Salinan Surat Keputusan Deputi Gubernur Bank Indonesia No. 12/5/KEP.DpG/2010 tertanggal 9 Juli 2010.

Sehubungan dengan telah beroperasinya BNI Syariah, maka Bank Indonesia pada tanggal 27 Agustus 2010 mencabut izin usaha UUS Bank BNI melalui keputusan Deputi Gubernur Bank Indonesia No.12/7/KEP.DpG/2010 tentang pencabutan izin usaha Unit Usaha Syariah PT Bank Negara Indonesia (Persero) Tbk.

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**1. GENERAL INFORMATION (continued)**

i. **Subsidiaries (continued)**

**PT Bank BNI Syariah ("BNI Syariah") (continued)**

The announcement to the employees, customers and third parties regarding the planned spin-off was made through a national newspaper on 12 August 2009 while the announcement regarding the transfer of the rights and obligations of UUS BNI was made through a national newspaper on 15 February 2010. The establishment was approved by Bank Indonesia in two stages, which are the approval of the business license in principle and the business license. On 8 February 2010, BNI Syariah received its license in principle from Bank Indonesia to conduct the separation of UUS BNI based on Bank Indonesia letter No. 12/2/DpG/Dpbs. The separation of UUS BNI was made under Separation Deed No. 159 dated 22 March 2010 which was notarized by Aulia Taufani, S.H., as the substitute of Sutjipto, S.H., notary in Jakarta.

On 21 May 2010, BNI Syariah received its business license from Bank Indonesia, based on the Decision Letter No. 12/41/KEP.GBI/2010 of the Governor of Bank Indonesia regarding the approval of the business license of PT Bank BNI Syariah. The separation became effective on 19 June 2010, in which BNI Syariah started its operational activity, as reported to Bank Indonesia under letter No. Dir/1/03 dated 19 June 2010 regarding the Report on the Implementation of the Opening of General Sharia Bank Resulting from the Spin-Off.

BNI Syariah started its operational activities as a foreign exchange bank on 9 July 2010 based on the Copy of the Decision Letter No. 12/5/KEP.DpG/2010 of the Deputy Governor of Bank Indonesia dated 9 July 2010.

As BNI Syariah has commenced its operations, UUS BNI's business license was revoked pursuant to the Decision Letter No.12/7/KEP.DpG/2010 of the Deputy Governor of Bank Indonesia dated 27 August 2010 regarding the revocation of the business license of the Sharia Business Unit of PT Bank Negara Indonesia (Persero) Tbk.

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**1. INFORMASI UMUM (lanjutan)**

**i. Entitas Anak (lanjutan)**

**PT Bank BNI Syariah (“BNI Syariah”)  
(lanjutan)**

Berdasarkan Keputusan Para Pemegang Saham sebagai pengganti Rapat Umum Pemegang Saham Luar Biasa BNI Syariah pada tanggal 18 September 2014 sesuai dengan Akta Notarial No. 53, BNI dan BNI Life masing-masing menambah modal ditempatkan dan disetor penuh sebesar Rp500.000.000.000 (nilai penuh) dan Rp500.000.000 (nilai penuh), secara tunai dengan mengeluarkan saham dari modal dasar sejumlah 500.500 lembar saham dengan nilai nominal Rp1.000.000 (nilai penuh) per saham.

Penambahan modal saham ini telah mendapatkan persetujuan dari OJK berdasarkan Surat OJK melalui Pelaksana Harian (Plh) Kepala Departemen Pengawasan Bank I No. S-67/PB.31/2014 tanggal 25 Agustus 2014 perihal Persetujuan Tambahan Penyertaan Modal oleh BNI dan BNI Life pada BNI Syariah.

Penambahan setoran modal ini telah mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusan No. AHU-06781.40.21.2014 Perihal Penerimaan Pemberitahuan Perubahan Anggaran Dasar BNI Syariah.

Kantor pusat BNI Syariah berlokasi di Gedung Tempo Pavillion 1, Jl. HR Rasuna Said Kav. 11, Kuningan, Jakarta 12950 - Indonesia. Pada tanggal 31 Desember 2016, BNI Syariah memiliki 68 kantor cabang, 171 kantor cabang pembantu dan 86 outlet lainnya yang tersebar di beberapa kota di Indonesia (31 Desember 2015: 49 kantor cabang dan 98 kantor cabang pembantu) dan memiliki karyawan sebanyak 4.450 orang pada tanggal 31 Desember 2016 (31 Desember 2015: 4.297 karyawan) (tidak diaudit).

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**1. GENERAL INFORMATION (continued)**

**i. Subsidiaries (continued)**

**PT Bank BNI Syariah (“BNI Syariah”)  
(continued)**

Based on Decision from Shareholders as a replacement of Extraordinary General Shareholders' Meeting of BNI Syariah dated 18 September 2014 in accordance with Notarial Deed No. 53, BNI and BNI Life have increased the issued and fully paid capital amounted to Rp500,000,000,000 (full amount) and Rp500,000,000 (full amount), respectively, in cash through the issuance of shares from authorized capital amounted to 500,500 shares with nominal value of Rp1,000,000 (full amount) per share.

The additional share capital has been approved by OJK based on OJK Letter through Daily Executive Bank Supervision Department I No. S-67/PB.31/2014 dated 25 August 2014, regarding the Approval of Additional Capital from BNI and BNI Life on to BNI Syariah.

This additional capital has been approved by Ministry of Laws and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-06781.40.21.2014 regarding The Acceptance of Notification on the Amendment of BNI Syariah's Articles of Association.

BNI Syariah's head office is located in Gedung Tempo Pavillion 1, Jl. HR Rasuna Said Kav. 11, Kuningan, Jakarta 12950 - Indonesia. As of 31 December 2016, BNI Syariah has 68 branches, 171 sub-branches and 86 other outlets located in various cities in Indonesia (31 December 2015: 49 branches and 98 sub-branches) and has 4,450 employees as of 31 December 2016 (31 December 2015: 4,297 employees) (unaudited).

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING**

Laporan keuangan konsolidasian BNI dan Entitas Anak ("Grup") ini diselesaikan dan diotorisasi untuk terbit oleh Direksi pada tanggal 20 Januari 2017.

Kebijakan akuntansi utama yang diterapkan dalam penyusunan laporan keuangan konsolidasian BNI dan Entitas Anak ("Grup") adalah seperti dijabarkan dibawah ini:

**a. Dasar penyusunan laporan keuangan konsolidasian**

Laporan keuangan konsolidasian disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan Peraturan Bapepam dan LK No. VIII.G.7 Lampiran Keputusan Ketua Bapepam dan LK No. KEP-347/BL/2012 tanggal 25 Juni 2012 tentang "Pedoman Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik".

Entitas Anak, BNI Syariah, yang beroperasi dalam bidang perbankan dengan prinsip syariah menyajikan laporan keuangan sesuai dengan prinsip akuntansi syariah sesuai dengan PSAK No. 101 (Revisi 2014) tentang "Penyajian Laporan Keuangan Syariah", PSAK No. 102 (Revisi 2013) tentang "Akuntansi Murabahah", PSAK No. 105 tentang "Akuntansi Mudharabah", PSAK No. 106 tentang "Akuntansi Musyarakah", PSAK No. 107 tentang "Akuntansi Ijarah" dan PSAK No. 110 (Revisi 2015) tentang "Akuntansi Sukuk", Pedoman Akuntansi Perbankan Syariah Indonesia (PAPSI Revisi 2013) dan standar akuntansi keuangan lain yang ditetapkan Ikatan Akuntan Indonesia.

Laporan keuangan konsolidasian telah disajikan berdasarkan konsep harga perolehan, yang dimodifikasi oleh revaluasi tanah dan bangunan, aset keuangan tersedia untuk dijual dan aset dan liabilitas keuangan (termasuk instrumen derivatif) yang diukur pada nilai wajar melalui laporan laba rugi, serta disusun dengan dasar akrual, kecuali bagi hasil dari pembiayaan *Mudharabah* dan *musyarakah* dan laporan arus kas konsolidasian.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of BNI and Subsidiaries ("Group") were completed and authorised for issuance by the Board of Directors on 20 January 2017.

The principal accounting policies adopted in preparing the consolidated financial statements of BNI and Subsidiaries ("Group") are set out below:

**a. Basis of preparation of the consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards, and Bapepam and LK regulation No. VIII.G.7 Attachment of the Chairman of Bapepam and LK's decree No. KEP-347/BL/2012 dated 25 June 2012, "Guidelines for Financial Statements Presentation and Disclosure for Issuer or Public Companies".

A Subsidiary, BNI Syariah, which is engaged in sharia banking presents financial statements in conformity with sharia accounting principles in accordance with SFAS No. 101 (Revised 2014), "Presentation of Sharia Financial Statements", SFAS No. 102 (Revised 2013) "Accounting for Murabahah", SFAS No. 105 "Accounting for Mudharabah", SFAS No. 106 "Accounting for Musyarakah", SFAS No. 107 "Accounting for Ijarah" and SFAS No. 110 (Revised 2015) "Accounting for Sukuk", Accounting Guidelines for Indonesian Sharia Banking (PAPSI Revised 2013) and other Statements of Financial Accounting Standards established by the Indonesian Institute of Accountants.

The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and liabilities (including derivative instruments) at fair value through profit or loss, and under the accrual basis of accounting, except for profit sharing for *Mudharabah* and *musyarakah* financing and consolidated statements of cash flows.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**a. Dasar penyusunan laporan keuangan konsolidasian (lanjutan)**

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas dalam aktivitas operasi, investasi dan pendanaan. Kas dan setara kas terdiri dari kas, giro pada Bank Indonesia dan giro pada bank lain, penempatan pada bank lain dan Sertifikat Bank Indonesia yang jatuh tempo dalam waktu 3 bulan atau kurang sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

Mata uang pelaporan yang digunakan dalam laporan keuangan konsolidasian adalah mata uang Rupiah (Rp). Angka-angka yang disajikan dalam laporan keuangan konsolidasian, kecuali bila dinyatakan secara khusus, adalah dibulatkan dalam jutaan Rupiah.

**b. Perubahan Pernyataan Standar Akuntansi Keuangan dan Interpretasi Standar Akuntansi Keuangan**

Pada tanggal 1 Januari 2016, Grup menerapkan pernyataan standar akuntansi keuangan ("PSAK") dan interpretasi standar akuntansi keuangan ("ISAK") baru dan revisi yang efektif sejak tanggal tersebut. Perubahan kebijakan akuntansi Grup telah dibuat seperti yang disyaratkan, sesuai dengan ketentuan transisi dalam masing-masing standar dan interpretasi.

Penerapan standar dan interpretasi baru atau revisi, yang relevan dengan operasi Grup dan memberikan dampak pada laporan keuangan konsolidasian, adalah sebagai berikut:

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**a. Basis of preparation of the consolidated financial statements (continued)**

*The consolidated statements of cash flows are prepared in the direct method with cash flows classified into operating, investing and financing activities. Cash and cash equivalents consist of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with other banks and Certificates of Bank Indonesia maturing within 3 months from the date of acquisition, along they are not pledged as collateral for borrowings nor restricted.*

*The reporting currency used for the consolidated financial statements is the Indonesian Rupiah (Rp). Unless otherwise stated, all figures presented in the consolidated financial statements are rounded off to millions of Rupiah.*

**b. Changes to Statements of Financial Accounting Standards and Interpretations of Statements of Financial Accounting Standards**

*On 1 January 2016, the Group adopted new and revised statements of financial accounting standards ("SFAS") and interpretations of statements of financial accounting standards ("ISFAS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards and interpretations.*

*The adoption of the new or revised standards and interpretations, which are relevant to the Group's operations and resulted in an effect on the consolidated financial statements, are as follows:*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**b. Perubahan Pernyataan Standar Akuntansi Keuangan dan Interpretasi Standar Akuntansi Keuangan (lanjutan)**

- PSAK Syariah 110 – Akuntansi Sukuk

Sesuai dengan perubahan pada PSAK Syariah 110 – Akuntansi Sukuk mengenai penambahan kategori “Diukur pada Nilai Wajar melalui Penghasilan Komprehensif Lain” dalam klasifikasi akuntansi investasi Sukuk yang disajikan dengan ketentuan sebagai berikut:

- Selisih antara biaya perolehan dan nilai nominal Sukuk diamortisasi secara garis lurus selama jangka waktu Sukuk
- Selisih antara nilai wajar dan nilai tercatat dari investasi Sukuk diakui sebagai Penghasilan Komprehensif Lain

Penerapan dari standar dan interpretasi baru berikut, tidak menimbulkan perubahan substansial terhadap kebijakan akuntansi Grup dan tidak berdampak signifikan terhadap jumlah yang dilaporkan pada periode berjalan atau periode sebelumnya:

- Amandemen PSAK 1 Penyajian Laporan Keuangan tentang Prakarsa Pengungkapan
- Amandemen PSAK 4: Laporan Keuangan Tersendiri tentang Metode Ekuitas dalam Laporan Keuangan Tersendiri
- Amandemen PSAK 65: Laporan Keuangan Konsolidasian tentang Entitas Investasi: Penerapan Pengecualian Konsolidasi
- Amandemen PSAK 66: Pengaturan Bersama tentang Akuntansi Akuisisi Kepentingan dalam Operasi Bersama
- ISAK 30: Pungutan

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**b. Changes to Statements of Financial Accounting Standards and Interpretations of Statements of Financial Accounting Standards (continued)**

- SFAS Sharia 110 – Accounting for Sukuk

According to changes on SFAS Sharia 110 – Accounting for Sukuk regarding addition of “Fair Value through Other Comprehensive Income” (FVOCI) category in classification of Accounting for Sukuk Investment that is presented as:

- Difference between acquisition cost and principal amortized on a straight line basis over the term of Sukuk
- Difference between fair value and carrying amount of FVOCI Sukuk recognized as Other Comprehensive Income

The adoption of these new and revised standards and interpretation did not result in substansial changes to Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods:

- Amendments to SFAS 1: Presentation of Financial Statements regarding Disclosure Initiative
- Amendments to SFAS 4: Separate Financial Statements regarding equity method on Separate Financial Statement
- Amendments to SFAS 65: Consolidated Financial Statements regarding Exception Application Consolidation for Investment Entities
- Amendments to SFAS 66: Joint Arrangement regarding accounting for acquisition of interest in joint operation
- ISFAS 30: Levies

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan**

**(i) Klasifikasi**

Grup mengklasifikasikan aset keuangannya berdasarkan kategori sebagai berikut pada saat pengakuan awal:

- Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu aset keuangan yang ditetapkan demikian pada saat pengakuan awal dan aset keuangan yang diklasifikasikan dalam kelompok yang diperdagangkan;
- Pinjaman yang diberikan dan piutang;
- Aset keuangan dimiliki hingga jatuh tempo;
- Aset keuangan tersedia untuk dijual.

Liabilitas keuangan diklasifikasikan kedalam kategori sebagai berikut pada saat pengakuan awal:

- Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu liabilitas keuangan yang ditetapkan demikian pada saat pengakuan awal dan liabilitas keuangan yang telah diklasifikasikan dalam kelompok diperdagangkan;
- Liabilitas keuangan lain.

**Aset dan liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi**

Kelompok aset dan liabilitas diukur pada nilai wajar melalui laporan laba rugi adalah aset dan liabilitas keuangan dimiliki untuk diperdagangkan yang diperoleh atau dimiliki Grup terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau dimiliki sebagai bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama untuk memperoleh laba jangka pendek atau *position taking*.

Derivatif juga dikategorikan dalam kelompok ini, kecuali derivatif yang ditetapkan sebagai instrumen lindung nilai efektif. Aset dan liabilitas dalam kelompok ini dicatat pada nilai wajar dalam laporan posisi keuangan konsolidasian dengan keuntungan atau kerugian diakui pada laporan laba rugi.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities**

**(i) Classification**

*The Group classifies its financial assets in the following categories at initial recognition:*

- *Financial assets at fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial assets designated as such upon initial recognition and financial assets held for trading;*
- *Loans and receivables;*
- *Held-to-maturity financial assets;*
- *Available-for-sale financial assets.*

*Financial liabilities are classified into the following categories at initial recognition:*

- *Financial liabilities at fair value through profit or loss, which has 2 (two) sub-classifications, i.e. those designated as such upon initial recognition and those classified as held for trading;*
- *Other financial liabilities.*

**Financial assets and liabilities at fair value through profit or loss**

*The sub-classification of financial assets and liabilities at fair value through profit or loss consists of financial assets and liabilities held for trading which the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.*

*Derivatives are also categorized under this sub-classification unless they are designated as effective hedging instruments. Assets and liabilities classified under this category are carried at fair value in the consolidated statement of financial position, with any gains or losses being recognized in the profit or loss.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

**(i) Klasifikasi (lanjutan)**

**Pinjaman yang diberikan dan piutang**

Pinjaman yang diberikan dan piutang adalah aset keuangan non derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif, kecuali:

- yang dimaksudkan oleh Grup untuk dijual segera dalam waktu dekat, yang diklasifikasikan dalam kelompok diperdagangkan, serta yang pada saat pengakuan awal ditetapkan sebagai diukur pada nilai wajar melalui laporan laba rugi;
- yang pada saat pengakuan awal ditetapkan dalam kelompok investasi tersedia untuk dijual; atau
- dalam hal Grup mungkin tidak akan memperoleh kembali investasi awal secara substansial kecuali yang disebabkan oleh penurunan kualitas pinjaman yang diberikan dan piutang, yang diklasifikasikan dalam kelompok tersedia untuk dijual.

**Aset keuangan dimiliki hingga jatuh tempo**

Aset keuangan dimiliki hingga jatuh tempo terdiri dari aset keuangan non derivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan dimana Grup mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo. Aset keuangan yang dimiliki untuk periode yang tidak dapat ditentukan tidak dikategorikan dalam klasifikasi ini.

**Aset keuangan tersedia untuk dijual**

Kategori tersedia untuk dijual terdiri dari aset keuangan non derivatif yang ditentukan sebagai tersedia untuk dijual atau tidak diklasifikasikan sebagai salah satu dari kategori aset keuangan lain. Setelah pengukuran awal, aset keuangan tersedia untuk dijual diukur menggunakan nilai wajar dengan keuntungan atau kerugian diakui pada laba rugi komprehensif (yang merupakan bagian dari ekuitas) sampai dengan aset keuangan dihentikan pengakuannya atau sampai aset keuangan dinyatakan mengalami penurunan nilai dimana akumulasi laba atau rugi sebelumnya dilaporkan dalam ekuitas dilaporkan dalam laporan laba rugi.

*The original consolidated financial statements included herein are in the Indonesian language.*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

**(i) Classification (continued)**

**Loans and receivables**

*Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:*

- *those that the Group intends to sell immediately or in the short term, which are classified as held for trading, and those that the Group upon initial recognition designates as of fair value through profit or loss;*
- *those that the Group upon initial recognition designates as available-for-sale investments; or*
- *those for which the Group may not recover substantially all of its initial investment, other than because of loans and receivables deterioration, which shall be classified as available-for-sale.*

**Held-to-maturity financial assets**

*Held-to-maturity financial assets consist of quoted non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. Financial assets intended to be held for an undetermined period are not included in this classification.*

**Available-for-sale-financial assets**

*The available-for-sale category consists of non-derivative financial assets that are designated as available-for-sale or are not classified in one of the other categories of financial assets. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognized in other comprehensive income (as part of equity) until the financial assets is derecognized or until the financial assets is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

**(i) Klasifikasi (lanjutan)**

Aset keuangan tersedia untuk dijual  
(lanjutan)

Pendapatan bunga dihitung menggunakan suku bunga efektif dan keuntungan atau kerugian yang timbul akibat dari perubahan nilai tukar dari instrumen utang diakui pada laporan laba rugi. Untuk instrumen ekuitas, keuntungan atau kerugian yang timbul dan perubahan nilai tukar diakui pada laba rugi komprehensif (yang merupakan bagian dari ekuitas).

Liabilitas keuangan lain

Liabilitas keuangan lainnya merupakan liabilitas keuangan yang tidak dimiliki untuk dijual atau ditentukan sebagai nilai wajar melalui laporan laba rugi saat pengakuan liabilitas.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

**(i) Classification (continued)**

Available-for-sale-financial assets (continued)

Interest income is calculated using the effective interest rate and gains or losses arising from changes in exchange rate from debt instruments are recognized in the profit or loss. For equity instruments, gains and losses arising from change in exchange rate are recognized in other comprehensive income (as part of equity).

Other financial liabilities

Other financial liabilities pertain to financial liabilities that are not held for trading nor designated as fair value through profit or loss upon recognition of the liability.

<b>Kategori yang didefinisikan oleh PSAK 55 (Revisi 2014)/ Category as defined by SFAS 55 (Revised 2014)</b>	<b>Golongan (ditentukan oleh Grup)/ Class (as determined by the Group)</b>	<b>Subgolongan/ Subclasses</b>
Aset keuangan/ Financial assets	Aset keuangan dalam kelompok diperdagangkan/Financial assets held for trading	Efek-efek/Marketable securities
		Obligasi Pemerintah/ Government Bonds
		Tagihan derivatif - Tidak terkait lindung nilai/Derivative receivables – Non hedging related
		Kas/Cash
		Kas pada vendor/Cash in vendor
		Giro pada Bank Indonesia/Current accounts with Bank Indonesia
		Giro pada bank lain/Current accounts with other banks
		Penempatan pada bank lain dan Bank Indonesia/Placements with other banks and Bank Indonesia
		Efek-efek yang dibeli dengan janji dijual kembali/Securities purchased under agreements to resell
		Wesel ekspor dan tagihan lainnya/Bills and other receivables
Pinjaman yang diberikan dan piutang/Loans and receivables	Efek-efek yang dibeli dengan janji dijual kembali/Securities purchased under agreements to resell	Tagihan akseptasi/Acceptance receivables
		Pinjaman yang diberikan/Loans
		Aset lain-lain/Other assets
		Piutang lain-lain/Other receivables
Aset keuangan dimiliki hingga jatuh tempo/Held-to-maturity investments	Aset keuangan dimiliki hingga jatuh tempo/Held-to-maturity investments	Piutang bunga/Interest receivables
		Lain-lain/Others
		Efek-efek/Marketable securities
Aset keuangan tersedia untuk dijual/Available-for-sale financial assets	Aset keuangan tersedia untuk dijual/Available-for-sale financial assets	Obligasi Pemerintah/ Government Bonds
		Efek-efek/Marketable securities
		Penyertaan saham/Equity investments

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

**(i) Klasifikasi (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

**(i) Classification (continued)**

Kategori yang didefinisikan oleh PSAK 55 (Revisi 2014)/ <i>Category as defined by SFAS 55 (Revised 2014)</i>		Golongan (ditentukan oleh Grup)/ <i>Class</i> <i>(as determined by the Group)</i>	Subgolongan/ <i>Subclasses</i>
	Derivatif lindung nilai/Hedging derivatives	Lindung nilai atas nilai arus kas/Hedging instruments in cash flow hedges	Tagihan derivatif - terkait lindung nilai atas arus kas/Derivative receivables - hedging instruments in cash flow hedges related
Liabilitas keuangan/ <i>Financial liabilities</i>	Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi/Financial liabilities at fair value through profit or loss	Liabilitas keuangan dalam kelompok diperdagangkan/Financial liabilities held for trading	Liabilitas derivatif - tidak terkait lindung nilai/Derivative payables - non hedging related
		Liabilitas segera/Obligation due immediately	
		Simpanan nasabah/Deposits from customers	
		Simpanan dari bank lain/Deposits from other banks	
		Efek-efek yang dijual dengan janji dibeli kembali/Securities sold under agreements to repurchase	
		Liabilitas akseptasi/Acceptance payables	
		Beban yang masih harus dibayar/Accrued expenses	
		Setoran jaminan/Security deposit	
		Utang bunga/Interest payable	
		Liabilitas lain-lain/Other liabilities	Utang nasabah/Payable to customers
			Lain-lain/Others
		Efek-efek yang diterbitkan/Marketable securities issued	
		Pinjaman yang diterima/Borrowings	
	Derivatif lindung nilai/Hedging derivatives	Lindung nilai atas nilai arus kas/Hedging instruments in cash flow hedges	Liabilitas derivatif - Terkait lindung nilai atas arus kas/Derivative payables - Hedging instruments in cash flow hedges related
Kontrak jaminan keuangan/ <i>Financial guarantee contract</i>	Letters of credit yang tidak dapat dibatalkan/Irrevocable letters of credit		
	Garansi bank yang diberikan/Bank Guarantees issued		
	Standby letters of credit		

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

**(ii) Pengakuan awal**

- a. Pembelian atau penjualan aset keuangan yang memerlukan penyerahan aset dalam kurun waktu yang telah ditetapkan oleh peraturan dan kebiasaan yang berlaku di pasar (pembelian secara reguler) diakui pada tanggal perdagangan, yaitu tanggal Grup berkomitmen untuk membeli atau menjual aset.
- b. Aset keuangan dan liabilitas keuangan pada awalnya diukur pada nilai wajarnya. Dalam hal aset keuangan atau liabilitas keuangan tidak diklasifikasikan sebagai nilai wajar melalui laporan laba rugi, nilai wajar tersebut ditambah/dikurangi biaya transaksi yang dapat diatribusikan secara langsung dengan perolehan atau penerbitan aset keuangan atau liabilitas keuangan.

Grup, pada pengakuan awal, dapat menetapkan aset keuangan dan liabilitas keuangan tertentu sebagai nilai wajar melalui laporan laba rugi (opsi nilai wajar). Opsi nilai wajar dapat digunakan hanya bila memenuhi ketetapan sebagai berikut:

- penetapan sebagai opsi nilai wajar mengurangi atau mengeliminasi ketidak-konsistensi pengukuran dan pengakuan (*accounting mismatch*) yang dapat timbul; atau
- aset keuangan dan liabilitas keuangan merupakan bagian dari portofolio instrumen keuangan yang risikonya dikelola dan dilaporkan kepada manajemen kunci berdasarkan nilai wajar; atau
- aset keuangan dan liabilitas keuangan terdiri dari kontrak utama dan derivatif melekat yang harus dipisahkan, tetapi tidak dapat mengukur derivatif melekat secara terpisah.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

**(ii) Initial recognition**

- a. Purchase or sale of financial assets that requires delivery of assets within a time frame established by regulation or convention in the market (regular purchases) is recognized on the trade date, i.e., the date that the Group commits to purchase or sell the assets.
- b. Financial assets and financial liabilities are initially recognized at fair value. For those financial assets or financial liabilities not classified as fair value through profit or loss, the fair value is added/deducted with directly attributable transaction costs to the issuance of financial assets or liabilities.

The Group, upon initial recognition, may designate certain financial assets and liabilities, at fair value through profit or loss (fair value option). The fair value option is only applied when the following conditions are met:

- the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or
- the financial assets and liabilities are part of a portfolio of financial instruments, the risks of which are managed and reported to key management on a fair value basis; or
- the financial assets and liabilities consist of a host contract and an embedded derivative that must be bifurcated, but unable to measure the embedded derivative separately.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

**(iii) Pengukuran setelah pengakuan awal**

Aset keuangan dalam kelompok tersedia untuk dijual dan aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi diukur pada nilai wajarnya.

Pinjaman yang diberikan dan piutang serta aset keuangan dimiliki hingga jatuh tempo dan liabilitas keuangan lainnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

**(iv) Penghentian pengakuan**

**a. Aset keuangan dihentikan pengakuannya jika:**

- Hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau
- Grup telah mentransfer haknya untuk menerima arus kas yang berasal dari aset tersebut atau menanggung liabilitas untuk membayarkan arus kas yang diterima tersebut secara penuh tanpa penundaan berarti kepada pihak ketiga dibawah kesepakatan pelepasan, dan antara (a) Grup telah mentransfer secara substansial seluruh risiko dan manfaat atas aset, atau (b) Grup tidak mentransfer maupun tidak memiliki secara substansial seluruh risiko dan manfaat atas aset, tetapi telah mentransfer kendali atas aset.

Ketika Grup telah mentransfer hak untuk menerima arus kas dari aset atau telah memasuki kesepakatan pelepasan dan tidak mentransfer serta tidak mempertahankan secara substansial seluruh risiko dan manfaat atas aset atau tidak mentransfer kendali atas aset, aset diakui sebesar keterlibatan Grup yang berkelanjutan atas aset tersebut.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

**(iii) Subsequent measurement**

*Available-for-sale financial assets and financial assets and liabilities held at fair value through profit or loss are measured at fair value.*

*Loans and receivables and held-to-maturity financial assets and other financial liabilities are measured at amortized cost using the effective interest rate method.*

**(iv) Derecognition**

**a. Financial assets are derecognized when:**

- the contractual rights to receive cash flows from the financial assets have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flow in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

*When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

**(iv) Penghentian pengakuan (lanjutan)**

a. Aset keuangan dihentikan pengakuannya jika: (lanjutan)

Pinjaman yang diberikan dihapusbukukan ketika tidak terdapat prospek yang realistik mengenai pengembalian pinjaman atau hubungan normal antara Grup dan debitur telah berakhir. Pinjaman yang tidak dapat dilunasi tersebut dihapusbukukan dengan mendebit cadangan kerugian penurunan nilai.

b. Liabilitas keuangan dihentikan pengakuannya jika liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluarsa.

Jika suatu liabilitas keuangan yang ada digantikan dengan liabilitas yang lain oleh pemberi pinjaman yang sama pada keadaan yang secara substansial berbeda, atau berdasarkan suatu liabilitas yang ada yang secara substansial telah diubah, maka pertukaran atau modifikasi tersebut diperlakukan sebagai penghentian pengakuan liabilitas awal dan pengakuan liabilitas baru, dan perbedaan nilai tercatat masing-masing diakui dalam laporan laba rugi.

**(v) Pengakuan pendapatan dan beban**

a. Pendapatan dan beban bunga atas aset tersedia untuk dijual serta aset keuangan dan liabilitas keuangan yang dicatat berdasarkan biaya perolehan diamortisasi, diakui pada laporan laba rugi dengan menggunakan metode suku bunga efektif.

b. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar aset keuangan dan liabilitas keuangan yang diklasifikasikan sebagai diukur pada nilai wajar melalui laporan laba rugi diakui pada laporan laba rugi.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

**(iv) Derecognition (continued)**

a. *Financial assets are derecognized when: (continued)*

*Loans are written off when there is no realistic prospect of collection in the near future or the normal relationship between the Group and the borrowers have ceased to exist. When a loan is deemed uncollectible, it is written off against the related allowance for impairment losses.*

b. *Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expired.*

*Where an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.*

**(v) Income and expense recognition**

a. *Interest income and expense on available-for-sale assets and financial assets and liabilities measured at amortized cost, are recognized in the profit or loss using the effective interest rate method.*

b. *Gains and losses arising from changes in the fair value of the financial assets and liabilities classified as fair value through profit or loss are included in the profit or loss.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

(v) Pengakuan pendapatan dan beban (lanjutan)

b. (lanjutan)

Keuntungan dan kerugian yang timbul dari perubahan nilai wajar atas aset keuangan yang diklasifikasikan dalam kelompok tersedia untuk dijual diakui secara langsung dalam laporan laba rugi komprehensif (merupakan bagian dari ekuitas) sampai aset keuangan tersebut dihentikan pengakuannya atau adanya penurunan nilai, kecuali keuntungan atau kerugian akibat perubahan nilai tukar untuk instrumen utang.

Pada saat aset keuangan dihentikan pengakuannya atau dilakukan penurunan nilai, keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam ekuitas harus diakui pada laporan laba rugi.

(vi) Reklasifikasi aset keuangan

Grup tidak diperkenankan untuk mereklasifikasi setiap instrumen keuangan dari atau ke klasifikasi yang diukur pada nilai Wajar melalui Laba Rugi, jika pada pengakuan awal instrumen keuangan tersebut ditetapkan sebagai diukur pada nilai Wajar melalui Laba Rugi.

Grup tidak boleh mengklasifikasikan aset keuangan sebagai investasi dimiliki hingga jatuh tempo, jika dalam tahun berjalan atau dalam kurun waktu 2 tahun sebelumnya, telah menjual atau mereklasifikasi investasi dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan sebelum jatuh tempo (lebih dari jumlah yang tidak signifikan dibandingkan dengan jumlah nilai investasi dimiliki hingga jatuh tempo), kecuali penjualan atau reklasifikasi tersebut dimana:

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

(v) Income and expense recognition (continued)

b. (continued)

Gains and losses arising from changes in the fair value of available-for-sale financial assets other than foreign exchange gains or losses on debt instrument are recognized directly in other comprehensive income (as part of equity), until the financial asset is derecognized or impaired, except gain or loss arising from changes in exchanges rate for debt instrument.

When a financial asset is derecognized or impaired, the cumulative gains or losses previously recognized in equity are recognized in profit or loss.

(vi) Reclassification of financial assets

The Group is not allowed to reclassify any financial instrument out of or into the Fair Value through Profit and Loss, if the initial recognition of financial instrument is determined as measured at Fair Value through Profit and Loss.

The Group can not classify any financial assets as held-to-maturity investments, if the entity has, during the current financial year or during the 2 preceding financial years, sold or reclassified a significant amount of held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that:

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

**(vi) Reklasifikasi aset keuangan (lanjutan)**

- a. dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali di mana perubahan suku bunga tidak akan berpengaruh secara signifikan terhadap nilai wajar aset keuangan tersebut;
- b. terjadi setelah Grup telah memperoleh secara substansial seluruh jumlah pokok aset keuangan tersebut sesuai jadwal pembayaran atau Grup telah memperoleh pelunasan dipercepat; atau
- c. terkait dengan kejadian tertentu yang berada di luar kendali Grup, tidak berulang, dan tidak dapat diantisipasi secara wajar oleh Grup.

Reklasifikasi aset keuangan dari kelompok dimiliki hingga jatuh tempo ke kelompok tersedia untuk dijual dicatat sebesar nilai wajarnya. Keuntungan atau kerugian yang belum direalisasi tetap dilaporkan dalam komponen ekuitas sampai aset keuangan tersebut dihentikan pengakuannya, dan pada saat itu keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam ekuitas harus diakui sebagai laba/rugi tahun berjalan.

Reklasifikasi aset keuangan dari kelompok tersedia untuk dijual ke kelompok dimiliki hingga jatuh tempo dicatat pada nilai tercatat. Keuntungan atau kerugian yang belum direalisasi harus diamortisasi menggunakan suku bunga efektif sampai dengan tanggal jatuh tempo instrumen tersebut.

**(vii) Saling hapus**

Aset keuangan dan liabilitas keuangan saling hapus buku dan nilai netonya disajikan dalam laporan posisi keuangan konsolidasian jika, dan hanya jika Grup memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan adanya maksud untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara bersamaan.

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**c. Financial assets and liabilities (continued)**

**(vi) Reclassification of financial assets (continued)**

- a. are so close to maturity or the financial asset's repurchase date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- b. occur after the Group has collected substantially all of the original principal of the financial assets through scheduled payments or prepayments; or
- c. are attributable to an isolated event that is beyond the Group's control, is non-recurring and could not have been reasonably anticipated by the Group.

Reclassifications of financial assets from held-to-maturity classification to available-for-sale are recorded at fair value. The unrealized gains or losses are recorded in equity section until the financial assets are derecognized, at which time the accumulative gain or loss previously recognized in equity shall be recognized as current year profit/loss.

Reclassification of financial assets from available-for-sale to held-to-maturity classification are recorded at carrying amount. The unrealized gains or losses are amortised by using effective interest rate up to the maturity date of that instrument.

**(vii) Offsetting**

Financial assets and liabilities are set off and the net amount is presented in the consolidated statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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**c. Aset dan liabilitas keuangan (lanjutan)**

**(vii) Saling hapus (lanjutan)**

Hal yang berkekuatan hukum harus tidak kontingen atas peristiwa di masa depan dan harus dapat dipaksakan di dalam situasi bisnis yang normal, peristiwa kegagalan atau kebangkrutan dari entitas atas seluruh pihak lawan.

Pendapatan dan beban disajikan dalam jumlah neto hanya jika diperkenankan oleh standar akuntansi.

**(viii) Pengukuran biaya diamortisasi**

Biaya perolehan diamortisasi dari aset keuangan atau liabilitas keuangan adalah jumlah aset keuangan atau liabilitas keuangan yang diukur pada saat pengakuan awal dikurangi pembayaran pokok pinjaman, ditambah atau dikurangi amortisasi kumulatif menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai pengakuan awal dan nilai jatuh temponya, dan dikurangi penurunan nilai.

**(ix) Pengukuran nilai wajar**

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam suatu transaksi teratur antara pelaku pasar pada tanggal pengukuran.

Jika tersedia, Grup mengukur nilai wajar dari suatu instrumen dengan menggunakan harga kuotasi di pasar aktif untuk instrumen terkait. Suatu pasar dianggap aktif bila harga yang dikuotasikan tersedia sewaktu-waktu dari bursa, pedagang efek (*dealer*), perantara efek (*broker*), kelompok industri, badan pengawas (*pricing service or regulatory agency*), dan merupakan transaksi pasar aktual dan teratur terjadi yang dilakukan secara wajar. Nilai wajar dapat diperoleh dari *Interdealer Market Association (IDMA)* atau harga pasar atau harga yang diberikan oleh *broker (quoted price)* dari *Bloomberg* atau *Reuters* pada tanggal pengukuran.

Jika pasar untuk instrumen keuangan tidak aktif, Grup menetapkan nilai wajar dengan menggunakan teknik penilaian.

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**c. Financial assets and liabilities (continued)**

**(vii) Offsetting (continued)**

*The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.*

*Income and expenses are presented on a net basis only when permitted by the accounting standards.*

**(viii) Amortized cost measurement**

*The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.*

**(ix) Fair value measurement**

*Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.*

*When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transaction on an arm's length basis. The fair value can be obtained from IDMA's (Interdealer Market Association) quoted market prices or broker's quoted price from Bloomberg or Reuters on the measurement date.*

*If a market for a financial instrument is not active, the Group establishes fair value using a valuation technique.*

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**c. Aset dan liabilitas keuangan (lanjutan)**

**(ix) Pengukuran nilai wajar (lanjutan)**

Grup menggunakan beberapa teknik penilaian yang digunakan secara umum untuk menentukan nilai wajar dari instrumen keuangan dengan tingkat kompleksitas yang rendah, seperti opsi nilai tukar dan swap mata uang. Input yang digunakan dalam teknik penilaian untuk instrumen keuangan di atas adalah data pasar yang diobservasi.

Untuk instrumen yang lebih kompleks, Grup menggunakan model penilaian internal, yang pada umumnya berdasarkan teknik dan metode penilaian yang umumnya diakui sebagai standar industri. Model penilaian terutama digunakan untuk menilai kontrak derivatif yang ditransaksikan melalui pasar *over-the-counter*, *unlisted debt securities* (termasuk surat utang dengan derivatif melekat) dan instrumen utang lainnya yang pasarnya tidak aktif.

Untuk instrumen keuangan yang tidak mempunyai harga pasar, estimasi atas nilai wajar efek-efek ditetapkan dengan mengacu pada nilai wajar instrumen lain yang substansinya sama atau dihitung berdasarkan arus kas yang diharapkan terhadap aset neto efek-efek tersebut.

Hasil dari suatu teknik penilaian merupakan sebuah estimasi atau perkiraan dari suatu nilai yang tidak dapat ditentukan dengan pasti, dan teknik penilaian yang digunakan mungkin tidak dapat menggambarkan seluruh faktor yang relevan atas posisi yang dimiliki Grup. Dengan demikian, penilaian disesuaikan dengan faktor tambahan seperti *model risk*, risiko likuiditas dan risiko kredit *counterparty*. Berdasarkan kebijakan teknik penilaian nilai wajar, pengendalian dan prosedur yang diterapkan, manajemen berkeyakinan bahwa penyesuaian atas penilaian tersebut di atas diperlukan dan dianggap tepat untuk menyajikan secara wajar nilai dari instrumen keuangan yang diukur berdasarkan nilai wajar dalam laporan posisi keuangan konsolidasian. Data harga dan parameter yang digunakan didalam prosedur pengukuran pada umumnya telah direview dan disesuaikan jika diperlukan, khususnya untuk perkembangan atas pasar terkini.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

**(ix) Fair value measurement (continued)**

*The Group uses widely recognized valuation models for determining fair values of financial instruments of lower complexity, such as exchange value options and currency swaps. For these financial instruments, inputs into models are generally market-observable.*

*For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value derivatives transacted in the over-the-counter market, unlisted debt securities (including those with embedded derivatives) and other debt instruments for which markets were or have become illiquid.*

*For financial instruments with no quoted market price, a reasonable estimate of the fair value is determined by reference to the fair value of another instrument which substantially has the same characteristics or calculated based on the expected cash flows of the underlying net asset base of the marketable securities.*

*The output of a valuation technique is an estimation or approximation of a value that cannot be determined with certainty, and the valuation technique employed may not fully reflect all factors relevant to the positions that the Group holds. Valuations are therefore adjusted, with additional factors such as model risk, liquidity risk and counterparty credit risk. Based on the established fair value valuation technique policy, related controls and procedures applied, management believes that these valuation adjustments are necessary and considered appropriate to fairly state the values of financial instruments measured at fair value in the consolidated statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed and adjusted, if necessary, particularly in view of the current market developments.*

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**c. Aset dan liabilitas keuangan (lanjutan)**

**(ix) Pengukuran nilai wajar (lanjutan)**

Pada saat nilai wajar dari *unlisted equity instruments* tidak dapat ditentukan dengan handal, instrumen tersebut dinilai sebesar biaya perolehan dikurangi dengan penurunan nilai. Nilai wajar atas pinjaman yang diberikan dan piutang, serta liabilitas kepada bank dan nasabah ditentukan menggunakan nilai berdasarkan arus kas kontraktual, dengan mempertimbangkan kualitas kredit, likuiditas dan biaya.

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hirarki nilai wajar, berdasarkan tingkatan sebagai berikut:

- Tingkat 1: Harga kuotasi (tidak disesuaikan) dari pasar aktif untuk aset atau liabilitas yang identik.
- Tingkat 2: Input selain harga yang dikutip dari pasar yang disertakan pada tingkat 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung (yaitu sebagai suatu harga) atau secara tidak langsung (sebagai turunan dari harga).
- Tingkat 3: Input untuk aset atau liabilitas yang tidak didasarkan pada data pasar yang dapat diobservasi (informasi yang tidak dapat diobservasi).

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**(ix) Fair value measurement (continued)**

*In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment value. The fair value for loans and receivables as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.*

*All assets and liabilities which fair value is measured or disclosed in the financial statements can be classified in fair value hierarchy levels, based on following level:*

- *Level 1: Quoted price (unadjusted) in active markets for identical assets or liabilities.*
- *Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as a price) or indirectly (as derived from price).*
- *Level 3: input for asset or liabilities based on unobservable inputs for the asset or liability.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

- (x) Cadangan kerugian penurunan nilai atas aset keuangan

Pada setiap tanggal laporan posisi keuangan konsolidasian, Grup mengevaluasi apakah terdapat bukti obyektif bahwa aset keuangan yang tidak dicatat pada nilai wajar melalui laporan laba rugi telah mengalami penurunan nilai. Aset keuangan mengalami penurunan nilai jika bukti obyektif menunjukkan bahwa peristiwa yang merugikan telah terjadi setelah pengakuan awal aset keuangan, dan peristiwa tersebut berdampak pada arus kas masa datang atas aset keuangan yang dapat diestimasi secara handal.

Kriteria yang digunakan oleh Grup untuk menentukan bukti obyektif dari penurunan nilai adalah sebagai berikut:

- a) kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam;
- b) pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga;
- c) pihak pemberi pinjaman, dengan alasan ekonomi atau hukum sehubungan dengan kesulitan keuangan yang dialami pihak peminjam, memberikan keringanan (konsesi) pada pihak peminjam yang tidak mungkin diberikan jika pihak peminjam tidak mengalami kesulitan tersebut;
- d) terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya;
- e) hilangnya pasar aktif dari aset keuangan akibat kesulitan keuangan; atau
- f) data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang dari kelompok aset keuangan sejak pengakuan awal aset dimaksud, meskipun penurunannya belum dapat diidentifikasi terhadap aset keuangan secara individual dalam kelompok aset tersebut, termasuk:

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

- (x) Allowance for impairment losses on financial assets

At each consolidated statement of financial position date, the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The criterias used by the Group to determine that there is objective evidence of impairment include:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the lender would not otherwise consider;
- d) it becomes probable that the borrower will enter into bankruptcy or other financial reorganisation;
- e) the disappearance of an active market for that financial asset because of financial difficulties; or
- f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease has yet been identified individually in the portfolio, including:

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

(x) Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)

- 1) memburuknya status pembayaran pihak peminjam dalam kelompok tersebut; dan
- 2) kondisi ekonomi nasional atau lokal yang berkorelasi dengan wanprestasi atas aset dalam kelompok tersebut.

Estimasi periode antara terjadinya peristiwa dan teridentifikasinya kerugian ditentukan oleh manajemen untuk setiap portofolio yang diidentifikasi. Pada umumnya, periode tersebut bervariasi antara 3 sampai 12 bulan, untuk kasus tertentu diperlukan periode yang lebih lama.

Grup pertama kali menentukan apakah aset keuangan signifikan secara individual. Apabila aset keuangan signifikan secara individual, maka Grup akan menentukan apakah terdapat bukti obyektif penurunan nilai secara individual atas aset keuangan. Jika Grup menentukan tidak terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, terlepas aset keuangan tersebut signifikan atau tidak, maka Grup memasukkan aset tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang serupa dan menilai penurunan nilai kelompok tersebut secara kolektif. Aset keuangan yang penurunan nilainya dilakukan secara individual, dan untuk itu kerugian penurunan nilai telah diakui atau tetap diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi

Perhitungan penurunan nilai secara individu

Bank menetapkan pinjaman yang diberikan yang harus dievaluasi penurunan nilainya secara individual, jika memenuhi salah satu kriteria di bawah ini:

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(x) Allowance for impairment losses on financial assets (continued)

- 1) adverse changes in the payment status of borrowers in the portfolio; and
- 2) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The estimated period between the occurrence of the event and identification of loss is determined by management for each identified portfolio. In general, the periods used vary between 3 to 12 months, for exceptional cases, longer periods are needed.

The Group first assesses whether the financial asset is individually significant. If the financial asset considered individually significant, the Group will determine whether there is an objective evidence of individual impairment exist or not. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

A) Financial assets carried at amortised cost

Individual impairment calculation

The Bank determines that loans should be evaluated for impairment through individual evaluation if one of the following criterias is met:

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**c. Aset dan liabilitas keuangan (lanjutan)**

(x) Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)

A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Perhitungan penurunan nilai secara individual (lanjutan)

1. Pinjaman yang diberikan yang secara individual memiliki nilai signifikan dan memiliki bukti obyektif penurunan nilai; atau
2. Pinjaman yang diberikan yang direstrukturisasi yang secara individual memiliki nilai signifikan.

Berdasarkan kriteria di atas, Bank melakukan penilaian secara individual untuk: (a) Pinjaman yang diberikan dalam segmen pasar korporasi dan usaha menengah dengan kolektibilitas kurang lancar, diragukan dan macet; atau (b) Pinjaman yang diberikan dalam segmen pasar korporasi dan usaha menengah yang direstrukturisasi.

Jumlah kerugian penurunan nilai diukur berdasarkan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang (tanpa memperhitungkan kerugian penurunan nilai dimasa datang yang belum terjadi) yang didiskontokan menggunakan tingkat suku bunga efektif awal dari aset keuangan tersebut. Nilai tercatat aset tersebut dikurangi melalui akun cadangan kerugian penurunan nilai dan beban kerugian diakui pada laporan laba rugi. Jika pinjaman yang diberikan atau aset keuangan dimiliki hingga jatuh tempo memiliki suku bunga variabel, maka tingkat diskonto yang digunakan untuk mengukur setiap kerugian penurunan nilai adalah suku bunga efektif yang berlaku yang ditetapkan dalam kontrak.

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**c. Financial assets and liabilities (continued)**

(x) Allowance for impairment losses on financial assets (continued)

A) Financial assets carried at amortised cost (continued)

Individual impairment calculation (continued)

1. Loans which individually have significant value and objective evidence of impairment; or
2. Restructured loans which individually have significant value.

Based on the above criterias, the Bank performs individual assessment for: (a) Corporate and middle loans which collectibility classified as substandard, doubtful and loss; or (b) Restructured corporate and middle loans.

The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance for impairment loss account and the amount of the loss is recognised in the profit or loss. If a loan or held-to-maturity financial assets has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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**c. Aset dan liabilitas keuangan (lanjutan)**

(x) Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)

A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Perhitungan penurunan nilai secara individual (lanjutan)

Jika persyaratan pinjaman yang diberikan, piutang atau efek-efek yang dimiliki hingga jatuh tempo dinegosiasi ulang atau dimodifikasi karena debitur atau penerbit mengalami kesulitan keuangan, maka penurunan nilai diukur dengan suku bunga efektif awal yang digunakan sebelum persyaratan diubah.

Perhitungan nilai kini dari estimasi arus kas masa datang atas aset keuangan dengan agunan mencerminkan arus kas yang dapat dihasilkan dari pengambilalihan agunan dikurangi biaya-biaya untuk memperoleh dan menjual agunan, terlepas apakah pengambilalihan tersebut berpeluang terjadi atau tidak.

Perhitungan penurunan nilai secara kolektif

Bank menetapkan pinjaman yang diberikan yang harus dievaluasi penurunan nilainya secara kolektif, jika memenuhi salah satu kriteria di bawah ini:

1. Pinjaman yang diberikan yang secara individual memiliki nilai tidak signifikan;
2. Pinjaman yang diberikan yang secara individual memiliki nilai signifikan namun tidak memiliki bukti obyektif penurunan nilai; atau
3. Pinjaman yang diberikan yang direstrukturisasi yang secara individual memiliki nilai tidak signifikan.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

(x) Allowance for impairment losses on financial assets (continued)

A) Financial assets carried at amortised cost (continued)

Individual impairment calculation (continued)

If the terms of the loans, receivables or held-to-maturity marketable securities are renegotiated or otherwise modified because of financial difficulties of the borrower or issuer, impairment is measured using the original effective interest rate before the modification of terms.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Collective impairment calculation

The Bank determines loans to be evaluated for impairment through collective evaluation if one of the following criterias is met:

1. Loans which individually have insignificant value;
2. Loans which individually have significant value but there is no objective evidence of impairment; or
3. Restructured loans which individually have insignificant value.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

(x) Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)

A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Perhitungan penurunan nilai secara kolektif (lanjutan)

Berdasarkan kriteria di atas, penilaian secara kolektif dilakukan untuk: (a) Pinjaman yang diberikan dalam segmen pasar korporasi dan usaha menengah dengan kolektibilitas lancar dan dalam perhatian khusus serta tidak direstrukturisasi; atau (b) Pinjaman yang diberikan dalam segmen pasar usaha kecil dan konsumen.

Cadangan kerugian penurunan nilai atas pinjaman yang diberikan yang dinilai secara kolektif dihitung berdasarkan pengalaman kerugian historis. Pengalaman kerugian historis disesuaikan menggunakan dasar data yang dapat diobservasi untuk mencerminkan efek dari kondisi saat ini terhadap Bank dan menghilangkan efek dari masa lalu yang sudah tidak berlaku saat ini. Pinjaman yang diberikan dikelompokan berdasarkan karakteristik risiko kredit yang sama antara lain dengan mempertimbangkan segmentasi dan tunggakan debitur.

Bank menggunakan metode analisis model statistik seperti, *migration analysis method* dan *roll rates analysis method*, untuk menilai cadangan kerugian penurunan nilai.

Bank menerapkan *roll rate method* untuk pinjaman kartu kredit dengan menggunakan data historis selama 3 tahun dalam menghitung *Probability of Default (PD)* dan *Loss Given Default (LGD)*. Untuk pinjaman selain kartu kredit, Bank menerapkan *migration analysis method* dengan menggunakan data historis selama 5 tahun dalam menghitung PD dan LGD.

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**c. Financial assets and liabilities (continued)**

(x) Allowance for impairment losses on financial assets (continued)

A) *Financial assets carried at amortised cost (continued)*

Collective impairment calculation (continued)

*Based on the above criterias, the Bank performs collective assessment for: (a) Corporate and middle loans which collectibility classified as current and special mention, and have never been restructured; or (b) Retail and consumer loans.*

*Calculation of allowance for impairment losses on loans are collectively evaluated on the basis of historical loss experience. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions affecting the Bank and to remove the effects of conditions in the historical period that do not currently exist. Financial assets are grouped on the basis of similar credit risk characteristics by considering the segmentation and past due status of the debtors, among others.*

*The Bank applies statistical model analysis method, which are migration analysis and roll rate analysis methods, to assess the allowance for impairment losses.*

*The Bank applies roll rate method for credit card loans using 3 years historical data to compute the Probability of Default (PD) and Loss Given Default (LGD). For loans other than credit card loans, the Bank applies migration analysis method using 5 years historical data to compute the PD and LGD.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

- (x) Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)

A) Aset keuangan yang dicatat berdasarkan biaya perolehan diamortisasi (lanjutan)

Perhitungan penurunan nilai secara kolektif (lanjutan)

Grup menggunakan nilai wajar agunan sebagai dasar arus kas masa datang apabila memenuhi salah satu kondisi berikut:

1. Kredit bersifat *collateral dependent*, yaitu jika pelunasan kredit hanya bersumber dari agunan; atau
2. Pengambilalihan agunan kemungkinan besar terjadi dan didukung dengan perjanjian legal pengikatan agunan.

Sebagai panduan praktis, Grup dapat mengukur penurunan nilai berdasarkan nilai wajar instrumen dengan menggunakan harga pasar yang dapat diobservasi. Kerugian yang terjadi diakui pada laporan laba rugi dan dicatat pada akun cadangan kerugian penurunan nilai sebagai pengurang terhadap aset keuangan yang dicatat pada biaya perolehan diamortisasi. Pendapatan bunga atas aset keuangan yang mengalami penurunan nilai tetap diakui atas dasar suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam pengukuran kerugian penurunan nilai.

Ketika peristiwa yang terjadi setelah penurunan nilai menyebabkan jumlah kerugian penurunan nilai berkurang, kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan dan pemulihannya tersebut diakui pada laporan laba rugi.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

- (x) Allowance for impairment losses on financial assets (continued)

A) Financial assets carried at amortised cost (continued)

Collective impairment calculation (continued)

The Group uses the fair value of collateral as the basis for future cash flow if one of the following conditions is met:

1. Loans are collateral dependent, i.e. if the source of loans repayment is only from the collateral; or
2. Foreclosure of collateral is most likely to occur and supported by legally binding collateral agreement.

As a practical guideline, the Group may measure impairment on the basis of an instrument's fair value using an observable market price. Losses are recognized in the profit or loss and reflected in an allowance for impairment losses account against financial assets carried at amortised cost. Interest income on the impaired financial assets continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss previously recognized is reversed through profit or loss.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

(x) Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)

B) Aset keuangan yang tersedia untuk dijual

Untuk aset keuangan yang tersedia untuk dijual, pada setiap tanggal laporan posisi keuangan konsolidasian, Bank mengevaluasi apakah terdapat bukti obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai.

Dalam hal instrumen ekuitas yang diklasifikasikan sebagai aset keuangan yang tersedia untuk dijual, penurunan yang signifikan atau penurunan jangka panjang atas nilai wajar investasi, di bawah biaya perolehannya merupakan bukti obyektif terjadinya penurunan nilai dan menyebabkan pengakuan kerugian penurunan nilai. Kerugian penurunan nilai atas efek-efek yang tersedia untuk dijual diakui dengan mengeluarkan kerugian kumulatif yang telah diakui secara langsung dalam ekuitas ke dalam laporan laba rugi komprehensif konsolidasian.

Jika pada periode berikutnya, nilai wajar instrumen utang yang diklasifikasikan dalam kelompok tersedia untuk dijual meningkat dan peningkatan tersebut dapat secara obyektif dihubungkan dengan peristiwa yang terjadi setelah pengakuan kerugian nilai pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian, maka kerugian penurunan nilai tersebut harus dipulihkan dan diakui pada periode terjadinya.

Kerugian penurunan nilai yang diakui dalam laba rugi atas investasi ekuitas yang diklasifikasikan sebagai tersedia untuk dijual tidak dapat dibalik melalui laba rugi.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

(x) Allowance for impairment losses on financial assets (continued)

B) Financial assets classified as available-for-sale

For financial assets classified as available-for-sale, the Bank assesses at each consolidated statement of financial position date whether there is an objective evidence that a financial asset or a group of financial assets is impaired.

In the case of equity instruments classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of the investment below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. Impairment losses on available-for-sale marketable securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the consolidated statement of comprehensive income.

If in a subsequent period, the fair value of debt instrument classified as available-for-sale securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in consolidated profit or loss and other comprehensive income, the impairment loss is reversed and recognized in the period it occurred.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available - for - sale shall not be reversed through profit or loss.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**c. Aset dan liabilitas keuangan (lanjutan)**

(x) Cadangan kerugian penurunan nilai atas aset keuangan (lanjutan)

C) Penerimaan kembali atas aset keuangan yang telah dihapusbukukan

Ketika pinjaman yang diberikan tidak tertagih, pinjaman yang diberikan tersebut dihapus buku dengan menjurnal balik cadangan kerugian penurunan nilai. Pinjaman yang diberikan tersebut dapat dihapus buku setelah semua prosedur yang diperlukan telah dilakukan dan jumlah kerugian telah ditentukan.

Penerimaan kembali atas aset keuangan yang telah dihapusbukukan pada tahun berjalan dikreditkan dengan menyesuaikan akun cadangan kerugian penurunan nilai. Penerimaan kembali atas aset keuangan yang telah dihapusbukukan pada tahun sebelumnya dicatat sebagai pendapatan operasional selain bunga.

Sehubungan dengan kepatuhan terhadap Bank Indonesia (OJK), Bank menerapkan Peraturan Bank Indonesia No.14/15/PBI/2012 tanggal 24 Oktober 2012 tentang "Penilaian Kualitas Aset Bank Umum" dan Peraturan Otoritas Jasa Keuangan (POJK) No.11/POJK.03/2015 tanggal 21 Agustus 2015 tentang "Ketentuan Kehati-hatian dalam Rangka Stimulus Perekonomian Nasional bagi Bank Umum" yang berlaku sampai dengan 21 Agustus 2017.

**d. Prinsip konsolidasian**

Laporan keuangan konsolidasian meliputi laporan keuangan BNI beserta seluruh Entitas Anak yang berada di bawah pengendalian BNI.

Dalam hal pengendalian terhadap Entitas Anak dimulai atau diakhiri dalam suatu tahun berjalan, maka hasil usaha Entitas Anak yang diperhitungkan ke dalam laporan keuangan konsolidasian hanya sebatas hasil pada saat pengendalian tersebut mulai diperoleh atau hingga saat pengendalian itu berakhir.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial assets and liabilities (continued)**

(x) Allowance for impairment losses on financial assets (continued)

C) Recoveries of written-off financial assets

When a loan is uncollectible, it is written off against the related allowance for impairment loss. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

The recoveries of written-off financial assets in the current year are credited by adjusting the allowance for impairment losses accounts. Recoveries of written-off financial assets from previous years are recorded as operational income other than interest income.

In compliance with Bank Indonesia (OJK), Bank implements Bank Indonesia Regulation No.14/15/PBI/2012 dated 24 October 2012 about "Assessment of Commercial Banks' Asset Quality" and Regulation of the Financial Services Authority (POJK) No.11/POJK.03/2015 dated 21 August 2015 on "Prudential Provisions in relation to the National Economic Stimulus for Commercial Banks" which is valid until August 21, 2017.

**d. Principles of consolidation**

The consolidated financial statements include the financial statements of BNI and all its Subsidiaries that are controlled by BNI.

Where Subsidiaries either began or ceased to be controlled during the year, the results of operations of those Subsidiaries are included in the consolidated financial statements only from the date that the control has commenced or up to the date that the control has ceased.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**d. Prinsip konsolidasian (lanjutan)**

Entitas anak adalah seluruh entitas (termasuk entitas bertujuan khusus) dimana Grup memiliki kekuasaan untuk mengatur kebijakan keuangan dan operasional atas entitas anak, biasanya melalui kepemilikan lebih dari setengah hak suara. Keberadaan dan dampak dari hak suara potensial yang saat ini dapat dilaksanakan atau dikonversi, dipertimbangkan ketika menilai apakah Grup mengendalikan entitas lain. Grup juga menilai keberadaan pengendalian ketika Grup tidak memiliki lebih dari 50% hak suara namun dapat mengatur kebijakan keuangan dan operasional secara *de-facto*. Pengendalian *de-facto* dapat timbul ketika jumlah hak suara yang dimiliki Grup, secara relatif terhadap jumlah dan penyebaran kepemilikan hak suara pemegang saham lain memberikan Grup kemampuan untuk mengendalikan kebijakan keuangan dan operasi, serta kebijakan lainnya.

Seluruh saldo dan transaksi termasuk keuntungan/kerugian yang belum direalisasi antara BNI dan Entitas Anak yang signifikan dieliminasi untuk mencerminkan posisi keuangan dan hasil usaha konsolidasian BNI dan Entitas Anak sebagai satu kesatuan usaha.

Laporan keuangan konsolidasian disusun dengan menggunakan kebijakan akuntansi yang sama untuk peristiwa dan transaksi sejenis dalam kondisi yang sama. Apabila laporan keuangan Entitas Anak menggunakan kebijakan akuntansi yang berbeda dari kebijakan akuntansi yang digunakan dalam laporan keuangan konsolidasian, maka dilakukan penyesuaian yang diperlukan terhadap laporan keuangan Entitas Anak tersebut.

Kepentingan nonpengendali disajikan di ekuitas dalam laporan posisi keuangan konsolidasian dan dinyatakan sebesar proporsi pemegang saham nonpengendali atas laba tahun berjalan dan ekuitas. Entitas Anak tersebut sesuai dengan persentase kepemilikan pemegang saham nonpengendali pada Entitas Anak tersebut.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Principles of consolidation (continued)**

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial, operating and other policies.

All significant balances and transactions, including unrealized gains/losses among BNI and Subsidiaries are eliminated to reflect the consolidated financial position and results of operations of BNI and its Subsidiaries as a single entity.

The consolidated financial statements are prepared using uniform accounting policies for transactions and events in similar circumstances. If the Subsidiaries' financial statements use accounting policies different from those adopted in the consolidated financial statements, appropriate adjustments are made to the Subsidiaries' financial statements.

The non-controlling interest is presented in the equity of the consolidated statement of financial position and represents the non-controlling stockholders' proportionate share in the income for the year and equity of the Subsidiaries based on the percentage of ownership of the non-controlling stockholders in the Subsidiaries.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

e. Transaksi dalam mata uang asing dan penjabaran

Transaksi dalam mata uang asing

BNI dan Entitas Anak yang berdomisili di Indonesia menyelenggarakan pembukunya dalam mata uang Rupiah, kecuali untuk BNI Remittance yang pembukuan akuntansinya dilakukan dalam Dollar Amerika Serikat. Transaksi-transaksi dalam mata uang selain Rupiah yang terjadi di sepanjang tahun dicatat dengan nilai kurs yang berlaku pada saat terjadinya transaksi yang bersangkutan.

Pada tanggal laporan posisi keuangan konsolidasian, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam mata uang Rupiah dengan menggunakan kurs tengah Reuters pada pukul 16:00 WIB. Keuntungan atau kerugian yang timbul sebagai akibat dari penjabaran aset dan liabilitas moneter dalam mata uang asing dicatat dalam laporan laba rugi komprehensif konsolidasian tahun berjalan.

Penjabaran aset dan liabilitas dalam mata uang asing (lanjutan)

Pada tanggal 31 Desember 2016 dan 2015, kurs mata uang asing yang digunakan untuk penjabaran mata uang asing terhadap Rupiah adalah sebagai berikut (dalam Rupiah penuh):

	2016	2015
1 Pound Sterling Inggris	16,555	20,439
1 Euro	14,176	15,057
1 Dolar Amerika Serikat	13,473	13,785
1 Dolar Hong Kong	1,737	1,779
1 Yen Jepang	115	115

Penjabaran laporan keuangan sehubungan dengan konsolidasian laporan cabang BNI yang berkedudukan di luar negeri

Cabang BNI yang berkedudukan di luar negeri menyelenggarakan pembukunya dalam mata uang negara tempat kedudukannya.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

e. Foreign currency transactions and translations

Transactions denominated in foreign currencies

BNI and its Subsidiaries domiciled in Indonesia maintain their accounting records in Rupiah, except for BNI Remittance which its accounting records is maintained in United States Dollar. Transactions during the year involving currencies other than Rupiah are recorded at the rates of exchange prevailing at the time the transactions were made.

At consolidated statement of financial position date, all monetary assets and liabilities denominated in foreign currencies are translated to Rupiah using the Reuters middle rate at 16:00 Western Indonesian Time (WIB). The resulting gains or losses from the translation of monetary assets and liabilities in foreign currencies are recognized in the consolidated statement of comprehensive income for the current year.

Translation of assets and liabilities denominated in foreign currencies (continued)

As of 31 December 2016 and 2015, the foreign currency exchange rates used for translation of foreign currencies to Rupiah are as follows (amounts in full Rupiah):

British Pound Sterling 1
Euro 1
United States Dollar 1
Hong Kong Dollar 1
Japanese Yen 1

Translation of financial statements relating to consolidation of BNI branches domiciled outside of Indonesia

BNI's branches domiciled outside of Indonesia maintain their accounting records in their respective domestic currencies.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**e. Transaksi dalam mata uang asing dan penjabaran (lanjutan)**

Untuk tujuan konsolidasian, laporan keuangan cabang BNI tersebut dijabarkan ke dalam mata uang Rupiah dengan cara sebagai berikut:

- Saldo akun-akun aset, liabilitas, komitmen dan kontinjenси dijabarkan dengan menggunakan kurs *spot* Reuters jam 16:00 WIB pada tanggal laporan posisi keuangan konsolidasian;
- Saldo akun-akun laba rugi setiap bulannya dijabarkan dengan menggunakan kurs *spot* Reuters jam 16:00 WIB rata-rata untuk bulan yang bersangkutan. Saldo untuk tahun berjalan merupakan jumlah dari penjabaran bulanan tersebut;
- Akun ekuitas dijabarkan dengan menggunakan kurs historis; dan
- Selisih yang timbul sebagai akibat dari penjabaran ini disajikan di laporan posisi keuangan konsolidasian sebagai bagian dari ekuitas pada akun "Selisih Kurs karena Penjabaran Laporan Keuangan dalam Mata Uang Asing".

**f. Giro pada bank lain dan Bank Indonesia**

Giro pada bank lain dan Bank Indonesia diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Giro pada bank lain dan Bank Indonesia dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi cadangan kerugian penurunan nilai.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

Entitas Anak yang menjalankan kegiatan usaha dengan prinsip syariah, giro pada Bank Indonesia dan bank lain dinyatakan sebesar saldo giro dikurangi dengan cadangan kerugian penurunan nilai.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e. Foreign currency transactions and translations (continued)**

For consolidation purposes, the financial statements of such branches domiciled outside of Indonesia are translated into Rupiah as follows:

- Assets, liabilities, commitments and contingencies accounts are translated using the Reuters spot rates at 16:00 WIB at the consolidated statement of financial position date;
- Revenues and expenses accounts are translated on a monthly basis using the average month-end Reuters spot rate at 16:00 WIB. The balances for the year represent the sum of those monthly translations;
- Equity accounts are recorded using the historical rates; and
- Differences arising from translation are presented in the consolidated statement of financial position balance as part of equity under "Exchange Difference on Translation of Foreign Currency Financial Statements".

**f. Current accounts with other banks and Bank Indonesia**

The current accounts with other banks and Bank Indonesia are classified as loans and receivables. Current accounts with other banks and Bank Indonesia are stated at amortized cost using the effective interest rate method less allowance for impairment losses.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

Subsidiary that engages in sharia banking presents current accounts with Bank Indonesia and other banks at their outstanding balance net of allowance for impairment losses.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**g. Penempatan pada bank lain dan Bank Indonesia**

Penempatan pada bank lain dan Bank Indonesia terdiri dari Fasilitas Simpanan Bank Indonesia (FASBI), *call money* dan deposito berjangka.

Penempatan pada bank lain dan Bank Indonesia diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Penempatan pada bank lain dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi cadangan kerugian penurunan nilai.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

**h. Efek-efek dan Obligasi Pemerintah**

Efek-efek yang dimiliki terdiri dari Sertifikat Bank Indonesia (SBI), tagihan tresuri asing, unit penyertaan reksa dana, obligasi dan instrumen utang lainnya yang diperdagangkan di pasar uang dan pasar modal.

Obligasi Pemerintah terdiri dari Obligasi Rekapitalisasi Pemerintah yang diterbitkan kepada BNI dan bank lainnya berkaitan dengan program rekapitalisasi Pemerintah dan obligasi lainnya yang diterbitkan oleh Pemerintah Indonesia dan negara lainnya yang tidak berkaitan dengan program rekapitalisasi yang diperoleh melalui pasar perdana dan sekunder.

Pada saat pengakuan awal, efek-efek dan Obligasi Pemerintah dicatat sesuai dengan kategorinya yaitu aset keuangan tersedia untuk dijual, aset keuangan dimiliki hingga jatuh tempo atau nilai wajar melalui laporan laba rugi serta disajikan sebesar nilai wajarnya

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

Surat Berharga Syariah adalah surat bukti investasi berdasarkan prinsip syariah yang lazim diperdagangkan di pasar uang syariah dan/atau pasar modal syariah antara lain obligasi syariah (sukuk) dan surat berharga lainnya berdasarkan prinsip syariah.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**g. Placements with other banks and Bank Indonesia**

Placements with other banks and Bank Indonesia consist of Bank Indonesia Deposit Facility (FASBI), *call money* and time deposits.

Placements with other banks and Bank Indonesia are classified as loans and receivables. Placements with other banks are stated at amortized cost using the effective interest rate method less allowance for impairment losses.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

**h. Marketable securities and Government Bonds**

Marketable securities consist of Certificates of Bank Indonesia (SBI), foreign treasury bills, mutual fund units, bonds and other debt instruments traded in the money market and stock exchanges.

Government Bonds consist of Government Recapitalization Bonds issued to BNI and other banks with respect to the recapitalization program of the Government and other bonds issued by the Government of Indonesia and other countries, that are not related to the recapitalization program, acquired through the primary and secondary markets.

At initial recognition, the securities and Government Bonds are recorded according to their category, i.e., available-for-sale financial assets, held-to-maturity financial assets or at fair value through profit or loss and initially measured at fair value

Refer to Note 2c for the accounting policies of financial assets and liabilities.

Sharia Securities are proof of investment based on sharia principles that are commonly traded in the sharia money market and/or sharia capital markets, including sharia bonds (sukuk) and other securities following sharia principles.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**h. Efek-efek dan Obligasi Pemerintah (lanjutan)**

Sejak tanggal 1 Januari 2016, Bank menentukan klasifikasi investasi pada surat berharga, khususnya sukuk, berdasarkan model usaha yang ditentukan berdasarkan klasifikasi sesuai PSAK No. 110 (Revised 2015) tentang "Akuntansi Sukuk" sebagai berikut:

- 1) Surat berharga diukur pada biaya perolehan disajikan sebesar biaya perolehan (termasuk biaya transaksi) yang disesuaikan dengan premi dan/atau diskonto yang belum diamortisasi. Premi dan diskonto diamortisasi selama periode hingga jatuh tempo.
- 2) Surat berharga diukur pada nilai wajar melalui laba rugi, yang dinyatakan sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam laporan laba rugi tahun yang bersangkutan.
- 3) Surat berharga yang diukur pada nilai wajar melalui penghasilan komprehensif lainnya. Surat berharga disajikan sebesar nilai wajar. Keuntungan atau kerugian yang belum direalisasi akibat kenaikan atau penurunan nilai wajarnya disajikan dalam penghasilan komprehensif lain. Premi dan diskonto diamortisasi selama periode hingga jatuh tempo.

Penyisihan kerugian wajib diakui sesuai dengan pedoman dari Bank Indonesia dan disajikan sebagai pengurang saldo investasi pada surat berharga.

**i. Efek-efek yang dibeli/dijual dengan janji dijual/dibeli kembali**

Efek-efek yang dibeli dengan janji untuk dijual kembali diklasifikasikan sebagai pinjaman yang diberikan dan piutang.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h. Marketable securities and Government Bonds (continued)**

Since 1 January 2016, the Bank defined the classification of Investment in marketable securities, specifically sukuk, based on business model in accordance with SFAS No. 110 (Revised 2015) on "Accounting for Sukuk" as follows:

- 1) At cost securities are stated at cost (including transaction costs), adjusted by unamortised premium and/or discount. Premium and discount are amortised over the period until maturity.
- 2) At fair value securities are stated at fair values through profit or loss. Unrealised gains or losses from the increase or decrease in fair values are presented in current year profit or loss.
- 3) At fair value through other comprehensive income securities are measured at fair value. Unrealized gains or losses from the increase or decrease in fair value are presented in other comprehensive income. Premium and discount are amortized over the period until maturity.

Allowance for possible losses are recognised in accordance with the guidelines of Bank Indonesia and are stated as a deduction of investments in marketable securities.

**i. Securities purchased/sold under agreements to resell/repurchase**

Securities purchased under agreements to resell are classified as loans and receivables.

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**i. Efek-efek yang dibeli/dijual dengan janji dijual/dibeli kembali (lanjutan)**

Efek-efek yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset dalam laporan posisi keuangan konsolidasian sebesar jumlah penjualan kembali dikurangi dengan pendapatan bunga yang belum diamortisasi dan cadangan kerugian penurunan nilai. Selisih antara harga beli dan harga jual kembali diperlakukan sebagai pendapatan bunga yang ditangguhkan, dan diakui sebagai pendapatan selama periode sejak efek-efek tersebut dibeli hingga dijual menggunakan suku bunga efektif.

Efek-efek yang dijual dengan janji untuk dibeli kembali diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

Efek-efek yang dijual dengan janji untuk dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan konsolidasian sebesar jumlah pembelian kembali, dikurangi dengan bunga dibayar di muka yang belum diamortisasi. Selisih antara harga jual dan harga beli kembali diperlakukan sebagai bunga dibayar di muka dan diakui sebagai beban bunga selama jangka waktu sejak efek-efek tersebut dijual hingga dibeli kembali menggunakan metode suku bunga efektif.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

**j. Wesel ekspor dan tagihan lainnya**

Wesel ekspor dan tagihan lainnya terdiri atas tagihan dari *Letters of Credit* dan Surat Kredit Berdokumen Dalam Negeri (SKBDN) kepada eksportir.

Wesel ekspor dan tagihan lainnya dicatat pada biaya perolehan diamortisasi setelah dikurangi cadangan kerugian penurunan nilai.

Wesel ekspor dan tagihan lainnya diklasifikasikan sebagai pinjaman yang diberikan dan piutang.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**i. Securities purchased/sold under agreements to resell/repurchase (continued)**

Securities purchased under agreements to resell are presented as assets in the consolidated statement of financial position, at the resale price net of unamortized interest income and allowance for impairment losses. The difference between the purchase price and the resale price is treated as unearned interest income, and recognized as income over the period starting from when those securities are purchased until they are sold using effective interest rate method.

Securities sold under agreements to repurchase are classified as financial liabilities measured at amortized cost.

Securities sold under agreements to repurchase are presented as liabilities in the consolidated statement of financial position, at the repurchase price, net of unamortized prepaid interest. The difference between the selling price and the repurchase price is treated as prepaid interest and recognized as interest expense over the period starting from when those securities are sold until they are repurchased using effective interest rate method.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

**j. Bills and other receivables**

Bills and other receivables consist of receivables from Letters of Credit and Domestic Documentary Letters of Credit to exporters.

Bills and other receivables are stated at amortized cost less allowance for impairment losses.

Bills and other receivables are classified as loans and receivables.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**k. Instrumen keuangan derivatif**

Dalam melakukan usaha bisnisnya, BNI melakukan transaksi instrumen keuangan derivatif seperti kontrak berjangka mata uang asing, swap mata uang asing, swap atas suku bunga, dan transaksi spot untuk mengelola eksposur pada risiko pasar seperti risiko mata uang dan risiko tingkat suku bunga.

Instrumen keuangan derivatif diakui di laporan posisi keuangan konsolidasian pada nilai wajar. Setiap kenaikan nilai wajar kontrak derivatif dicatat sebagai asset apabila memiliki nilai wajar positif dan sebagai liabilitas apabila memiliki nilai wajar negatif.

Tagihan dan liabilitas derivatif diklasifikasikan sebagai aset dan liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

Keuntungan atau kerugian yang terjadi dari perubahan nilai wajar diakui dalam laporan laba rugi konsolidasian.

Nilai wajar instrumen derivatif ditentukan berdasarkan diskonto arus kas dan model penentu harga atau harga yang diberikan oleh broker (*quoted price*) atas instrumen lainnya yang memiliki karakteristik serupa.

Kontrak berjangka mata uang asing, swap mata uang asing dan cross currency swap dan tingkat suku bunga swap dilakukan untuk tujuan pendanaan dan perdagangan.

**I. Pinjaman yang diberikan**

Pinjaman yang diberikan adalah penyediaan uang atau tagihan yang dapat disetarakan dengan itu, berdasarkan persetujuan atau kesepakatan pinjam-mempinjam dengan debitur yang mewajibkan debitur untuk melunasi utang dan bunganya setelah jangka waktu tertentu, dan tagihan yang berasal dari fasilitas trade finance yang telah jatuh tempo yang belum diselesaikan dalam waktu 15 hari.

Pinjaman yang diberikan diklasifikasikan sebagai pinjaman yang diberikan dan piutang.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**k. Derivative financial instruments**

*In the normal course of its business, BNI enters into transactions involving derivative financial instruments such as foreign currency forward contracts, foreign currency swaps, interest rate swaps, and spot transactions to manage exposures on market risks, such as currency risk and interest rate risks.*

*Derivatives financial instruments are recognized in the consolidated statement of financial position at fair value. Each increase in fair value derivative contract is carried as asset when the fair value is positive and as liability when the fair value is negative*

*Derivatives receivable and payable are classified as financial assets and liabilities at fair value through profit or loss.*

*Gains or losses resulting from fair value changes are recognized in the consolidated profit or loss.*

*The fair value of derivative instruments is determined based on discounted cash flows and pricing models or quoted prices from brokers of other instruments with similar characteristics.*

*Foreign currency forward contracts, foreign currency swaps, and cross currency and interest rate swaps are for funding and trading purposes.*

**I. Loans**

*Loans represent funds provided or receivables that can be considered as equivalents thereof, based on agreements or financing contracts with borrowers, where borrowers are required to repay their debts with interest after a specified period, and matured trade finance facilities which have not been settled within 15 days.*

*Loans are classified as loans and receivables.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**I. Pinjaman yang diberikan (lanjutan)**

Pinjaman yang diberikan pada awalnya diukur pada nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan biaya tambahan untuk memperoleh aset keuangan tersebut, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi dengan cadangan kerugian penurunan nilai.

Pinjaman sindikasi dan pinjaman penerusan dicatat sesuai dengan porsi pinjaman yang risikonya ditanggung oleh Grup.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

**Restrukturisasi kredit**

Restrukturisasi kredit meliputi modifikasi persyaratan kredit, konversi kredit menjadi saham atau instrumen keuangan lainnya dan/atau kombinasi dari keduanya.

Untuk restrukturisasi kredit bermasalah dengan cara konversi kredit yang diberikan menjadi saham atau instrumen keuangan lainnya, kerugian dari restrukturisasi kredit diakui hanya apabila nilai wajar penyeertaan saham atau instrumen keuangan yang diterima dikurangi estimasi biaya untuk menjualnya, adalah kurang dari nilai tercatat kredit yang diberikan.

**Pinjaman berdasarkan prinsip syariah**

Pinjaman yang diberikan meliputi pembiayaan syariah yang terutama terdiri dari piutang syariah, pembiayaan *Mudharabah* dan pembiayaan *musyarakah*.

Piutang syariah adalah tagihan yang timbul dari transaksi berdasarkan akad-akad *ijarah*, *murabahah* dan *qardh*.

*Ijarah* adalah sewa menyewa atas suatu barang dan/atau jasa antara pemilik objek sewa termasuk kepemilikan hak pakai atas objek sewa dengan penyewa untuk mendapatkan imbalan atas objek sewa yang disewakan. *Ijarah muntahiyah bittamlik* adalah sewa menyewa antara pemilik objek sewa dan penyewa untuk mendapatkan imbalan atas obyek sewa yang disewakan dengan opsi perpindahan hak milik objek sewa baik dengan jual beli atau pemberian (*hibah*) pada saat tertentu sesuai akad sewa.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Loans (continued)**

*Loans are initially measured at fair value plus transaction costs that are directly attributable and additional costs to obtain financial assets, and after initial recognition are measured at amortized cost based on the effective interest rate method less allowance for impairment losses.*

*Syndicated loans and two step loans are recorded according to the proportion of risks borne by the Group.*

*Refer to Note 2c for the accounting policies of financial assets and liabilities.*

**Loan restructuring**

*Loan restructuring may involve a modification of the terms of the loans, conversion of loans into equity or other financial instruments and/or a combination of both.*

*For non performing loan restructuring which involves a conversion of loans into equity or other financial instruments, a loss on loan restructuring is recognized only if the fair value of the equity investments or other financial instruments received, reduced by estimated costs to sell the equity or other financial instruments, is less than the carrying value of the loan.*

**Sharia financing**

*Loans include sharia financing, which consists mainly of sharia receivables, Mudharabah financing and musyarakah financing.*

*Sharia receivables arise from transactions based on ijarah, murabahah, and qardh agreements.*

*Ijarah is a leasing arrangement of goods and/or services between the owner of a leased object (lessor) and lessee including the right to use the leased object, for the purpose of obtaining a return on the leased object. Ijarah muntahiyah bittamlik is a leasing arrangement between the lessor and lessee to obtain profit on the leased object being leased with an option to transfer ownership of the leased object through purchase/sale or giving (hibah) at certain time according to the lease agreement (akad).*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**I. Pinjaman yang diberikan (lanjutan)**

Pinjaman berdasarkan prinsip syariah (lanjutan)

Murabahah adalah transaksi penjualan barang dengan menyatakan harga perolehan dan keuntungan (marjin) yang disepakati oleh penjual dan pembeli.

Piutang murabahah pada awalnya diukur pada nilai bersih yang dapat direalisasi ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan biaya tambahan untuk memperoleh aset keuangan tersebut, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode tingkat imbal hasil efektif dikurangi cadangan kerugian penurunan nilai.

Pada setiap tanggal laporan posisi keuangan, Bank mengevaluasi apakah terdapat bukti obyektif bahwa piutang *murabahah* yang tidak dicatat pada nilai wajar melalui laporan laba rugi telah mengalami penurunan nilai. Piutang *murabahah* mengalami penurunan nilai jika bukti obyektif menunjukkan bahwa peristiwa yang merugikan telah terjadi setelah pengakuan awal, dan peristiwa tersebut berdampak pada arus kas masa datang yang dapat diestimasi secara handal.

Kriteria yang digunakan oleh Bank untuk menentukan bukti obyektif dari penurunan nilai adalah sebagai berikut:

- a) kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam;
- b) pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau marjin;
- c) pihak pemberi pinjaman, dengan alasan ekonomi atau hukum sehubungan dengan kesulitan keuangan yang dialami pihak peminjam, memberikan keringanan (konsesi) pada pihak peminjam yang tidak mungkin diberikan jika pihak peminjam tidak mengalami kesulitan tersebut;
- d) terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya;
- e) hilangnya pasar aktif dari aset keuangan akibat kesulitan keuangan; atau

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Loans (continued)**

Sharia financing (continued)

*Murabahah is sales transaction for goods that provides the purchase price and margin agreed by both buyer and seller.*

*Murabahah receivables are initially measured at net realizable value plus transaction costs that are directly attributable and additional costs to obtain financial assets, and after initial recognition are measured at amortized cost based on effective rate of return method less allowance for impairment losses.*

*At each statement of financial position date, the Bank assesses whether there is objective evidence that Murabahah receivables not carried at fair value through profit or loss are impaired. Murabahah receivables are impaired when objective evidence demonstrates that loss event has occurred after the initial recognition, and the loss event has an impact on the future cash flows that can be estimated reliably.*

*The criteria used by the Bank to determine that there is objective evidence of impairment include:*

- a) *significant financial difficulty of the issuer or obligor;*
- b) *a breach of contract, such as a default or delinquency in principal or margin payments;*
- c) *the lender, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the lender would not otherwise consider;*
- d) *it becomes probable that the borrower will enter into bankruptcy or other financial reorganisation;*
- e) *the disappearance of an active market for that financial asset because of financial difficulties; or*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**I. Pinjaman yang diberikan (lanjutan)**

Pinjaman berdasarkan prinsip syariah (lanjutan)

f) data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang dari kelompok aset keuangan sejak pengakuan awal aset dimaksud, meskipun penurunannya belum dapat diidentifikasi terhadap aset keuangan secara individual dalam kelompok aset tersebut, termasuk:

- 1) memburuknya status pembayaran pihak peminjam dalam kelompok tersebut; dan
- 2) kondisi ekonomi nasional atau lokal yang berkorelasi dengan wanprestasi atas aset dalam kelompok tersebut.

Estimasi periode antara terjadinya peristiwa dan teridentifikasinya kerugian ditentukan oleh manajemen untuk setiap portofolio yang diidentifikasi. Pada umumnya, periode tersebut bervariasi antara 3 sampai 12 bulan, untuk kasus tertentu diperlukan periode yang lebih lama.

Bank pertama kali menentukan apakah piutang *murabahah* jumlahnya signifikan secara individual. Apabila piutang *murabahah* jumlahnya signifikan secara individual, maka Bank akan menentukan apakah terdapat bukti obyektif penurunan nilai secara individual atas piutang *murabahah*. Jika Bank menentukan tidak terdapat bukti obyektif mengenai penurunan nilai atas piutang *murabahah* yang dinilai secara individual, terlepas piutang *murabahah* tersebut signifikan atau tidak, maka Bank memasukkan aset tersebut ke dalam kelompok piutang *murabahah* yang memiliki karakteristik risiko kredit yang serupa dan menilai penurunan nilai kelompok tersebut secara kolektif. Piutang *murabahah* yang penurunan nilainya dilakukan secara individual, dan untuk itu kerugian penurunan nilai telah diakui atau tetap diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Loans (continued)**

Sharia financing (continued)

f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease has not yet been identified individually in the portfolio, including:

- 1) adverse changes in the payment status of borrowers in the portfolio; and
- 2) national or local conditions that correlate with defaults on the assets in the portfolio.

The estimated period between the occurrence of the event and identification of loss is determined by management for each identified portfolio. In general, the periods used vary between 3 months to 12 months; in exceptional cases, longer periods are warranted.

The Bank first assesses whether the *Murabahah* receivables is individually significant. If the *Murabahah* receivables considered individually significant, the Bank will determine that objective of evidence of impairment exist or not. If the Bank determines that no objective evidence of impairment exists for an individually assessed *Murabahah* receivables, whether significant or not, it includes the asset in a group of *Murabahah* receivables with similar credit risk characteristics and collectively assesses them for impairment. *Murabahah* receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**I. Pinjaman yang diberikan (lanjutan)**

Pinjaman berdasarkan prinsip syariah (lanjutan)

Pinjaman *qardh* adalah pinjam meminjam dana tanpa imbalan yang diperjanjikan dengan kewajiban pihak peminjam mengembalikan pokok pinjaman secara sekaligus atau cicilan dalam jangka waktu tertentu. Pinjaman *qardh* meliputi *hawalah* dan *rahn*.

*Hawalah* merupakan akad pemindahan utang piutang nasabah kepada Bank dan atas transaksi ini Bank mendapat *ujrah* (imbalan) dan diakui pada saat diterima.

*Rahn* merupakan transaksi menggadaikan barang atau harta dari nasabah kepada Bank dengan uang sebagai gantinya. Barang atau harta yang digadaikan tersebut dinilai sesuai harga pasar dikurangi persentase tertentu dan sebagai imbalannya Bank mendapatkan *ujrah* (imbalan) dan diakui berdasarkan basis akrual.

Pinjaman *qardh* diakui sebesar jumlah dana yang dipinjamkan pada saat terjadinya. Kelebihan penerimaan dari pinjaman atas *qardh* yang dilunasi diakui sebagai pendapatan pada saat terjadinya. Pinjaman *qardh* disajikan sebesar saldoanya dikurangi penyisihan kerugian. Bank menetapkan penyisihan kerugian *qardh* berdasarkan penelaahan atas masing-masing saldo.

Pembiayaan *Mudharabah* adalah penanaman dana dari pemilik dana (*shahibul maal*) kepada pengelola dana (*mudharib*) untuk melakukan kegiatan usaha tertentu, dengan menggunakan bagi laba (*profit sharing*) atau metode bagi hasil usaha (*gross profit margin*) antara kedua belah pihak berdasarkan nisbah yang telah disepakati sebelumnya. Bank mengenakan bagi hasil berdasarkan metode bagi hasil usaha (*gross profit margin*).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Loans (continued)**

Sharia financing (continued)

Funds of *qardh* is borrowing funds without an agreed commitment of benefits where the borrower is obligated to repay the principal simultaneously or in installments in certain periods. Funds of *qardh* consists of *hawalah* and *rahn*.

*Hawalah* is a transfer of debt from the indebted parties (customers) to the Bank and for this transaction the Bank obtained an *ujrah* (fee) and is recognised upon receipt.

*Rahn* is the pawn of goods or assets from customers to the Bank with the money as compensation. Goods or assets being pawned are valued in accordance with the market price less a certain percentage and in exchange for the Bank to obtain *ujrah* (benefits) and are recognised based on accrual basis.

Funds of *qardh* is recognised at the amount lent at the transaction date. Any excess amount paid by the borrower in repaying a *qardh* is recognised as revenue upon realization. Funds of *qardh* is stated at its outstanding balance less allowance for possible losses. The Bank provides allowance for possible losses on *qardh* based on the review quality of the individual outstanding balances.

*Mudharabah* financing is investment of funds from the owner of funds (*shahibul maal*) to the fund manager (*mudharib*) to conduct certain business activity, with profit sharing or net revenue sharing method between the two parties based on a mutually agreed predetermined ratio. The Bank uses profit sharing scheme based on gross profit margin method.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**I. Pinjaman yang diberikan (lanjutan)**

Pinjaman berdasarkan prinsip syariah (lanjutan)

Pembiayaan *Mudharabah* dinyatakan sebesar saldo pembiayaan dikurangi dengan penyiihan kerugian. Bank menetapkan penyiihan kerugian sesuai dengan kualitas pembiayaan berdasarkan penelaahan atas masing-masing saldo pembiayaan. Apabila sebagian pembiayaan *Mudharabah* hilang sebelum dimulainya usaha karena adanya kerusakan atau sebab lainnya tanpa adanya kelalaian atau kesalahan pihak pengelola dana, maka rugi tersebut mengurangi saldo pembiayaan *Mudharabah* dan diakui sebagai kerugian Bank. Apabila sebagian pembiayaan *Mudharabah* hilang setelah dimulainya usaha tanpa adanya kelalaian atau kesalahan pengelola dana, maka rugi tersebut diperhitungkan pada saat bagi hasil. Kerugian pembiayaan *mudharabah* akibat kelalaian atau kesalahan pengelola dana dibebankan pada pengelola dana dan tidak mengurangi saldo pembiayaan *mudharabah*.

Pembiayaan *musyarakah* adalah akad kerjasama antara dua pihak atau lebih untuk suatu usaha tertentu, dimana masing-masing pihak memberikan kontribusi dana dengan ketentuan bahwa keuntungan dibagi berdasarkan kesepakatan, sedangkan kerugian berdasarkan porsi kontribusi dana. Dana tersebut meliputi kas atau aset non-kas yang diperkenankan oleh syariah.

Pembiayaan *musyarakah* dinyatakan sebesar saldo pembiayaan dikurangi dengan saldo penyiihan kerugian. Bank menetapkan penyiihan kerugian sesuai dengan kualitas pembiayaan berdasarkan penelaahan atas masing-masing saldo pembiayaan.

**m. Kontrak jaminan keuangan**

Kontrak jaminan keuangan adalah kontrak yang mengharuskan penerbit untuk melakukan pembayaran yang ditetapkan untuk mengganti uang pemegang kontrak atas kerugian yang terjadi karena debitur tertentu gagal untuk melakukan pembayaran pada saat jatuh tempo, sesuai dengan ketentuan dari instrumen hutang. Jaminan keuangan tersebut diberikan kepada bank-bank, lembaga keuangan dan badan-badan lainnya atas nama debitur untuk menjamin kredit dan fasilitas-fasilitas perbankan lainnya.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Loans (continued)**

Sharia financing (continued)

*Mudharabah financing is stated at the outstanding balance, net of allowance for possible losses. The Bank provides allowance for possible losses based on the financing quality as determined by a review of each account. In the event that a portion of the mudharabah financing is lost prior to the start of operations due to damage or any other reasons without negligence or error on the part of the fund manager, the loss shall be deducted from mudharabah financing balance and shall be recognised as a loss by the Bank. If part of financing is lost after the commencement of business without negligence or fault of the fund manager, such loss is calculated during profit sharing. Loss on mudharabah financing due to negligence or error on the part of the fund manager is charged to the fund manager and not deducted from the mudharabah financing balance.*

*Musyarakah financing is an agreement between two or more parties for a particular business, in which each party contributes funds provided that the profits are divided according to the agreement, while losses are based on the portion of fund contributions. The fund consists of cash or non-cash assets allowed by sharia.*

*Musyarakah financing is stated at outstanding balance, net of allowance for possible losses. The Bank provides allowance for possible losses based on the financing quality as determined by a review of each account.*

**m. Financial guarantee contracts**

*Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor defaulted to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other institutions on behalf of customers to secure loans and other banking facilities.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**m. Kontrak jaminan keuangan (lanjutan)**

Jaminan keuangan diakui awalnya sebesar nilai wajar pada tanggal jaminan diberikan. Nilai wajar dari jaminan keuangan pada saat dimulainya transaksi pada umumnya sama dengan provisi yang diterima untuk jaminan diberikan dengan syarat dan kondisi normal. Setelah pengakuan awal, liabilitas atas jaminan tersebut diukur pada jumlah yang lebih tinggi antara jumlah awal, dikurangi amortisasi provisi dan estimasi terbaik dari jumlah yang diharapkan akan terjadi untuk menyelesaikan jaminan tersebut. Estimasi ini ditentukan berdasarkan pengalaman transaksi yang sejenis dan kerugian historis masa lalu, dilengkapi dengan penilaian manajemen. Pendapatan provisi yang diperoleh diamortisasi selama jangka waktu jaminan menggunakan metode garis lurus.

Setelah pengakuan awal kontrak, jaminan keuangan dicatat pada nilai yang lebih tinggi antara nilai wajar amortisasi dengan *present value* atas pembayaran kewajiban yang diharapkan akan terjadi (ketika pembayaran atas jaminan menjadi *probable*).

Cadangan kerugian penurunan nilai atas kontrak jaminan keuangan yang memiliki risiko kredit dihitung berdasarkan kerugian historis.

**n. Tagihan dan liabilitas akseptasi**

Tagihan akseptasi diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Liabilitas akseptasi diklasifikasikan sebagai liabilitas keuangan lainnya.

Tagihan dan liabilitas akseptasi dinyatakan sebesar biaya perolehan diamortisasi. Tagihan akseptasi disajikan setelah dikurangi cadangan kerugian penurunan nilai.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

**o. Penyertaan saham**

Penyertaan saham merupakan penanaman dana dalam bentuk saham pada perusahaan non-publik yang bergerak di bidang jasa keuangan untuk tujuan jangka panjang.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**m. Financial guarantee contracts (continued)**

Financial guarantees are initially recognised at fair value on the date the guaranteee was given. The fair value of a financial guarantee at inception is likely to equal the premium received because all guaranteees are agreed on arm's length terms. Subsequent to initial recognition, the bank's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is amortised over the period of guarantees using the straight line method.

Subsequently they are measured at the higher of amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

Allowances for impairment on financial guarantee contracts with credit risk are calculated based on historical experience.

**n. Acceptances receivable and payable**

Acceptances receivable are classified as loans and receivables. Acceptances payable are classified as other financial liabilities.

Acceptances receivable and payable are stated at amortized cost. Acceptances receivable are stated net of allowance for impairment losses.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

**o. Equity investments**

Equity investments represent investments in the form of shares of stock, in non-public companies engaged in financial services held for long-term purposes.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**o. Penyertaan saham (lanjutan)**

Investasi dalam saham yang diklasifikasikan sebagai aset keuangan tersedia untuk dijual dicatat sebesar biaya perolehan setelah pengakuan awalnya karena terdiri dari efek ekuitas tanpa harga kuotasi yang nilai wajarnya tidak dapat diukur secara andal, kecuali untuk investasi dalam saham tertentu yang memiliki harga kuotasi dicatat sebesar nilai wajar setelah pengakuan awalnya.

Investasi dimana BNI mempunyai persentase kepemilikan 20% sampai dengan 50% atau di perusahaan asosiasi dimana Bank mempunyai pengaruh signifikan dicatat dengan metode ekuitas. Dengan metode ekuitas, investasi dicatat sebesar biaya perolehan dan disesuaikan dengan bagian BNI atas laba atau rugi neto perusahaan asosiasi sesuai dengan jumlah persentase kepemilikan dan dikurangi dengan penerimaan dividen sejak tanggal perolehan.

Investasi dengan persentase kepemilikan dibawah 20% dan tidak memiliki pengaruh yang signifikan dicatat dengan metode biaya dikurangi dengan cadangan kerugian penurunan nilai.

Penyertaan saham dengan metode biaya terdiri dari efek ekuitas tanpa harga kuotasi yang nilai wajarnya tidak dapat diukur secara handal, diklasifikasikan sebagai investasi tersedia untuk dijual dan diukur dengan menggunakan biaya perolehan dikurangi dengan penurunan nilai.

**p. Aset tetap dan penyusutan**

Grup menerapkan kebijakan akuntansi model revaluasi untuk aset tetap berupa tanah dan bangunan. Untuk aset tetap selain tanah dan bangunan menggunakan model biaya.

Tanah dan bangunan disajikan sebesar nilai wajar, dikurangi akumulasi penyusutan untuk bangunan. Penilaian terhadap tanah dan bangunan dilakukan oleh penilai independen eksternal yang telah memiliki sertifikasi. Penilaian atas aset tersebut dilakukan secara berkala untuk memastikan bahwa nilai wajar aset yang direvaluasi tidak berbeda secara material dengan nilai tercatatnya. Akumulasi penyusutan pada tanggal revaluasi dieliminasi terhadap nilai tercatat bruto aset, dan nilai netonya disajikan kembali sebesar nilai revaluasian aset tetap.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**o. Equity investments (continued)**

*Investments in shares classified as available for sale financial asset is carried at cost after its initial recognition as its consist unquoted equity securities whose fair value cannot be reliably measured, except for certain investment in shares that has quote price which accounted for at fair value after initial recognition.*

*Investments in which BNI has an ownership interest of 20% to 50% or in associated company in which the Bank has significant influence are recorded based on the equity method. Under equity method, investments are stated at cost and adjusted for BNI's share in net income or losses of the associated companies based on its percentage of ownership and reduced by dividends received since the date of acquisition.*

*Investments with an ownership interest below 20% and have no significant influence are carried at cost reduced by an allowance for impairment losses.*

*Equity investments at cost method consist of unquoted equity shares whose fair value can not be reliably measured, are classified as available-for-sale investments and are carried at cost less impairment.*

**p. Fixed assets and depreciation**

*Group applies revaluation model as accounting policy for land and buildings. For fixed assets other than land and buildings, it applies cost model.*

*Land and buildings are shown at fair value, less subsequent depreciation for buildings. Valuation of land and buildings are performed by external independent valuers with certain qualification. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**p. Aset tetap dan penyusutan (lanjutan)**

Kenaikan nilai tercatat yang timbul dari revaluasi tanah dan bangunan dicatat sebagai "Cadangan Revaluasi Aset" dan disajikan sebagai "Pendapatan Komprehensif Lain". Penurunan nilai tercatat yang timbul dari revaluasi dicatat sebagai beban pada tahun berjalan. Apabila aset tersebut memiliki saldo "Keuntungan Revaluasi Aset Tetap" yang disajikan sebagai "Pendapatan Komprehensif Lain", maka selisih penurunan nilai tercatat tersebut dibebankan terhadap "Keuntungan Revaluasi Aset Tetap" dan sisanya diakui sebagai beban tahun berjalan.

Aset tetap selain tanah dan bangunan disajikan sebesar harga perolehan dikurangi dengan akumulasi penyusutan.

Biaya perolehan termasuk biaya penggantian bagian aset tetap saat biaya tersebut terjadi, jika memenuhi kriteria pengakuan.

Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria untuk dikapitalisasi diakui dalam laporan laba rugi pada saat terjadinya. Pada setiap akhir tahun buku, nilai residu, umur manfaat, dan metode penyusutan ditelaah kembali dan jika sesuai dengan keadaan, disesuaikan secara prospektif.

Semua aset tetap kecuali tanah, disusutkan berdasarkan metode garis lurus selama estimasi masa manfaat aset tersebut sebagai berikut:

<b>Tahun/Years</b>		
Bangunan	15	<i>Buildings</i>
Perlengkapan kantor dan kendaraan bermotor	5	<i>Office equipment and motor vehicles</i>
Perlengkapan kantor terdiri dari perabotan dan perlengkapan, instalasi, Anjungan Tunai Mandiri (ATM), perangkat lunak dan perangkat keras komputer, peralatan komunikasi dan peralatan kantor lainnya.		<i>Office equipment consists of furniture and fixtures, installation, Automatic Teller Machines (ATM), computer software and hardware, communication and other office equipment.</i>

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**p. Fixed assets and depreciation (continued)**

*Increases in the carrying amount arising on revaluation of land and buildings recorded in "Asset Revaluation Reserve" and presented as "Other Comprehensive Income". Decreasing in carrying amount as the result of revaluation is recorded as expense in the current year. If the asset does have balance on its "Gain of Revaluation of Fixed Assets", loss from revaluation of fixed asset is charged to "Gain of Revaluation of Fixed Assets" which presented as "Other Comprehensive Income" and the rest of the amount is charged to current year's expenses.*

*Fixed assets besides land and buildings are stated at historical cost less accumulated depreciation.*

*Cost includes the replacement cost of a part of the fixed assets when the expenditure meets the criteria for recognition.*

*All maintenance and repair costs which do not fulfill the capitalization criteria, are recognized in profit or loss upon occurrence. At each financial year end, the assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively as appropriate.*

*All fixed assets, except land, are depreciated using the straight-line method over their expected useful lives as follows:*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**p. Aset tetap dan penyusutan (lanjutan)**

Se semua biaya yang terjadi sehubungan dengan perolehan hak atas tanah, diakui sebagai biaya perolehan hak atas tanah. Biaya pengurusan legal hak atas tanah ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan aset tanah. Biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomis tanah, mana yang lebih pendek.

Hak atas tanah tidak disusutkan kecuali terdapat bukti sebaliknya yang mengindikasikan bahwa perpanjangan atau pembaruan hak atas tanah kemungkinan besar atau pasti tidak diperoleh.

Apabila nilai tercatat aset lebih besar dari nilai yang dapat diperoleh kembali, nilai tercatat aset diturunkan menjadi sebesar nilai yang dapat diperoleh kembali, yang ditentukan sebagai nilai tertinggi antara harga jual neto dan nilai yang dipakai.

Apabila aset tetap tidak digunakan lagi atau dijual, maka nilai perolehan dan akumulasi penyusutannya dihapuskan dari akun tersebut. Keuntungan atau kerugian yang terjadi diakui dalam laporan laba rugi.

Akumulasi biaya konstruksi aset tetap dikapitalisasi dan dicatat sebagai "Aset dalam Penyelesaian". Biaya tersebut direklasifikasi ke akun aset tetap yang terkait pada saat proses konstruksi atau pemasangan telah selesai.

**q. Agunan yang diambil alih**

Agunan yang diambil alih disajikan dalam akun "Aset Lain-lain".

Agunan yang diambil alih diakui sebesar nilai neto yang dapat direalisasi atau sebesar nilai *outstanding* kredit yang diberikan, mana yang lebih rendah. Nilai neto yang dapat direalisasi adalah nilai wajar agunan yang diambil alih dikurangi dengan estimasi biaya untuk menjual agunan tersebut. Selisih lebih saldo kredit di atas nilai neto yang dapat direalisasi dari agunan yang diambil alih dibebankan ke dalam akun cadangan kerugian penurunan nilai aset. Selisih antara nilai agunan yang diambil alih dengan hasil penjualan diakui sebagai keuntungan atau kerugian pada saat penjualan.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**p. Fixed assets and depreciation (continued)**

All costs incurred in connection with the acquisition of land right are recognized as the acquisition cost of land right. The legal cost incurred when the land was first acquired is recognized as part of the acquisition cost of land right. Extension or renewal of the maintenance cost of legal rights over land is recognized as an intangible asset and amortized over the life of legal rights or economic life of the land, whichever is shorter.

Land right is not depreciated unless there is contrary evidence indicating that the extension or renewal of land right is likely or definitely not obtainable.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount, which is determined as the higher of the net selling price or value in use.

When fixed assets are retired or disposed of, their costs and the related accumulated depreciation are derecognized from the accounts. Any resulting gain or loss is recognized in profit or loss.

The accumulated costs of construction of fixed assets are capitalized and recognized as "Construction in progress". These costs are reclassified to the related fixed asset account when the construction or installation is completed.

**q. Foreclosed collaterals**

Foreclosed collaterals are included in the "Other Assets" account.

Foreclosed collaterals are stated at net realizable value or stated at loan outstanding amount, whichever is lower. Net realizable value is the fair value of the foreclosed collaterals less the estimated costs to sell the assets. The excess of loan receivable over the net realizable value of the foreclosed collateral is charged to allowance for impairment losses. The difference between the recorded amount of the foreclosed collateral and the proceeds from the sale of such collateral is recorded as a gain or loss at the time of sale.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**q. Agunan yang diambil alih (lanjutan)**

Beban-beban yang berkaitan dengan pemeliharaan agunan yang diambil alih dibebankan dalam laporan laba rugi pada saat terjadinya.

Bila terjadi penurunan nilai yang bersifat permanen, maka nilai tercatatnya dikurangi untuk mengakui penurunan tersebut dan kerugiannya dibebankan dalam laporan laba rugi.

**r. Liabilitas segera**

Liabilitas segera dicatat pada saat liabilitas kepada masyarakat maupun kepada bank lain timbul.

Akun ini diklasifikasikan sebagai liabilitas keuangan lain dan dihitung berdasarkan biaya perolehan diamortisasi.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

Tabungan merupakan simpanan nasabah di BNI dan Entitas Anak yang bergerak di bidang perbankan yang penarikannya hanya dapat dilakukan melalui *counter* dan Anjungan Tunai Mandiri (ATM) atau dengan cara pemindahbukuan melalui SMS Banking, Phone Banking dan Internet Banking jika memenuhi persyaratan yang disepakati, tetapi penarikan tidak dapat dilaksanakan dengan menggunakan cek atau instrumen setara lainnya.

Deposito berjangka merupakan simpanan nasabah di BNI dan Entitas Anak yang bergerak di bidang perbankan yang penarikannya hanya dapat dilakukan pada waktu tertentu sesuai dengan perjanjian antara nasabah dengan BNI dan Entitas Anak yang bergerak di bidang perbankan.

Termasuk di dalam simpanan adalah simpanan syariah yang terdiri dari giro wadiah. Giro wadiah merupakan giro wadiah *yad adh-dhamanah* yakni titipan dana pihak lain dimana pemilik dana mendapatkan bonus berdasarkan kebijakan BNI Syariah. Giro wadiah dicatat sebesar nilai titipan pemegang giro wadiah.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**q. Foreclosed collaterals (continued)**

Maintenance and repair costs related to foreclosed collaterals are charged as an expense in profit or loss when incurred.

If there is permanent decline in value, the carrying amount of foreclosed collaterals is written down to recognise such permanent decline in value and any such write-down is recognized in profit or loss.

**r. Obligations due immediately**

Obligations due immediately are recorded at the time obligations to public customers or other banks arise.

This account is classified as other financial liabilities and is measured at amortized cost.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

Savings account represent deposits of customers in BNI and a Subsidiary engaged in banking that may only be withdrawn over the counter and via ATMs or funds transfers by SMS Banking, Phone Banking and Internet Banking when certain agreed conditions are met, but which may not be withdrawn by cheque or other equivalent instruments.

Time deposits represent customer's deposits in BNI and a Subsidiary engaged in banking that may be withdrawn at a certain time based on the agreement between the depositor and BNI and a Subsidiary engaged in banking.

Deposits include sharia deposits consist of wadiah deposit. Wadiah deposit is a wadiah *yad adh-dhamanah* deposits in which the depositor is entitled to receive bonus income based on the policy of BNI Syariah. Wadiah demand deposits are stated at the amount payable to customers.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**r. Liabilitas segera (lanjutan)**

Simpanan nasabah diklasifikasikan sebagai liabilitas keuangan lain yang diukur dengan biaya perolehan diamortisasi menggunakan metode suku bunga efektif kecuali simpanan syariah yang dinyatakan sebesar nilai liabilitas BNI Syariah kepada nasabah. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan simpanan nasabah dikurangkan dari jumlah simpanan yang diterima.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

**s. Simpanan dari bank lain**

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain baik lokal maupun luar negeri, dalam bentuk giro, *inter-bank call money* dengan periode jatuh tempo menurut perjanjian kurang dari atau 90 hari, deposito berjangka, dan sertifikat deposito.

Di dalam simpanan dari bank lain termasuk simpanan syariah dalam bentuk giro *wadiah*.

Simpanan dari bank lain diklasifikasikan sebagai liabilitas keuangan lain yang diukur dengan biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif kecuali simpanan syariah yang dinyatakan sebesar nilai liabilitas BNI Syariah kepada nasabah. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan simpanan dari bank lain dikurangkan dari jumlah simpanan yang diterima.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

**t. Efek-efek yang diterbitkan**

Efek-efek yang diterbitkan terdiri dari obligasi yang diterbitkan oleh Grup.

Efek-efek yang diterbitkan diklasifikasikan sebagai liabilitas keuangan lain yang diukur dengan biaya perolehan diamortisasi. Biaya tambahan yang dapat diatribusikan secara langsung dengan penerbitan efek dikurangkan dari jumlah efek-efek yang diterbitkan.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**r. Obligations due immediately (continued)**

Deposits from customers are classified as other financial liabilities which are measured at amortized cost using effective interest rate method except sharia deposits which is stated at the amount payable by BNI Syariah to customers. Incremental costs directly attributable to the acquisition of deposits from customers are deducted from the amount of deposits.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

**s. Deposits from other banks**

Deposits from other banks represent liabilities to local and overseas banks, in the form of current accounts, inter-bank call money with original maturities of 90 days or less, time deposits and certificates of deposits.

Deposits from other banks include sharia deposits in the form of wadiah demand deposits.

Deposits from other banks are classified as other financial liabilities which are measured at amortised cost using effective interest rate method except sharia deposits which is stated at the amounts payable by BNI Syariah to the customers. Incremental costs directly attributable to the acquisition of deposits from other banks are deducted from the amount of deposits.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

**t. Securities issued**

Securities issued consist of bonds issued by the Group.

Securities issued are classified as other financial liabilities which are measured at amortized cost. Incremental costs directly attributable to the issuance of marketable securities are deducted from the amount of securities issued.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**t. Efek-efek yang diterbitkan (lanjutan)**

Obligasi yang diterbitkan dicatat sebesar nilai nominal dikurangi saldo diskonto yang belum diamortisasi. Biaya-biaya yang terjadi sehubungan dengan penerbitan obligasi dicatat sebagai pengurang hasil emisi dan diamortisasi selama jangka waktu obligasi dengan menggunakan metode suku bunga efektif.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

**u. Pinjaman yang diterima**

Pinjaman diterima merupakan dana yang diterima dari bank lain, Bank Indonesia atau pihak lain dengan liabilitas pembayaran kembali sesuai dengan persyaratan perjanjian pinjaman.

Pinjaman diterima diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal pinjaman diterima dan biaya transaksi merupakan bagian tidak terpisahkan dari metode suku bunga efektif.

Lihat Catatan 2c untuk kebijakan akuntansi atas aset dan liabilitas keuangan.

**v. Dana syirkah temporer**

Dana syirkah temporer merupakan investasi dengan akad *mudharabah mutlaqah*, yaitu pemilik dana (*shahibul maal*) memberikan kebebasan kepada pengelola dana (*mudharib/BNI Syariah*) dalam pengelolaan investasinya dengan keuntungan dibagikan sesuai kesepakatan. Dana syirkah temporer terdiri dari giro *mudharabah*, tabungan *mudharabah*, deposito *mudharabah* dan sukuk *mudharabah*.

Giro dan tabungan *mudharabah* merupakan investasi yang bisa ditarik kapan saja (*on call*) atau sesuai dengan persyaratan tertentu yang disepakati. Giro dan tabungan *mudharabah* dinyatakan sebesar saldo tabungan nasabah di Bank.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**t. Securities issued (continued)**

Bonds issued are presented at nominal value net of unamortized discount. Costs incurred related to the bond issuance are presented as deduction from the proceeds of bonds issued and amortized over the term of the bonds using the effective interest rate method.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

**u. Borrowings**

Borrowings are funds received from other bank, Bank Indonesia or other parties with payment obligation based on borrowings agreement.

Borrowings are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of borrowings and transaction costs are an integral part of the effective interest rate method.

Refer to Note 2c for the accounting policies of financial assets and liabilities.

**v. Temporary syirkah funds**

Temporary syirkah funds represent investments from other parties conducted on the basis *mudharabah mutlaqah* contract in which the owners of the funds (*shahibul maal*) grant freedom to the fund manager (*mudharib/BNI Syariah*) in the management of their investments with profit distributed based on the contract. Temporary syirkah funds consist of *mudharabah current accounts*, *mudharabah saving deposits*, *mudharabah time deposits* and *mudharabah sukuk issued*.

*Mudharabah current accounts and saving deposits represent investment which could be withdrawn anytime (*on call*) or can be withdrawn based on certain agreed terms. Mudharabah current accounts and savings deposits are stated based on the customer's savings deposit balance in Bank.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**v. Dana syirkah temporer (lanjutan)**

Deposito *mudharabah* merupakan investasi yang hanya bisa ditarik pada waktu tertentu sesuai dengan perjanjian antara pemegang deposito *mudharabah* dengan Bank. Deposito *mudharabah* dinyatakan sebesar nilai nominal sesuai dengan perjanjian antara pemegang deposito dengan Bank.

Sukuk *mudharabah* yang diterbitkan merupakan sukuk yang menggunakan akad *mudharabah*. Sukuk *mudharabah* diakui pada saat entitas menjadi pihak yang terikat dengan ketentuan penerbitan sukuk *mudharabah*. Sukuk *mudharabah* diakui sebesar nilai nominal. Biaya transaksi diakui secara terpisah dari sukuk *mudharabah*. Biaya transaksi untuk penerbitan sukuk *mudharabah* disajikan dalam aset sebagai biaya yang ditangguhkan dan diamortisasi sepanjang jangka waktu sukuk menggunakan garis lurus. Penerbitan sukuk dan perdagangan sukuk berdasarkan akad syariah, termasuk adanya aset/aktivitas yang mendasari. Pemilik sertifikat sukuk *mudharabah* mendapatkan bagi hasil.

Dana *syirkah* temporer tidak dapat digolongkan sebagai kewajiban. Hal ini karena BNI Syariah tidak berkewajiban untuk mengembalikan jumlah dana awal dari pemilik dana kecuali akibat kelalaian atau wanprestasi ketika mengalami kerugian. Di sisi lain dana *syirkah* temporer tidak dapat digolongkan sebagai ekuitas karena mempunyai waktu jatuh tempo dan pemilik dana tidak mempunyai hak kepemilikan yang sama dengan pemegang saham seperti hak *voting* dan hak atas realisasi keuntungan yang berasal dari aset lancar dan aset non-investasi (*current and other non-investment accounts*).

Pemilik dana *syirkah* temporer mendapatkan imbalan bagi hasil sesuai dengan *nisbah* yang ditetapkan.

Hak nasabah atas bagi hasil dana *syirkah* temporer merupakan bagian bagi hasil milik nasabah yang didasarkan pada prinsip *mudharabah* atas hasil pengelolaan dana mereka oleh Bank. Pendapatan yang dibagikan adalah yang telah diterima (*cash basis*).

Pembagian hasil usaha dilakukan berdasarkan prinsip bagi hasil usaha yaitu dari pendapatan Bank yang diterima berupa laba kotor (*gross profit margin*).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**v. Temporary syirkah funds (continued)**

*Mudharabah time deposits represent investment that can only be withdrawn at a certain time based on the agreement between the customer and the Bank. Mudharabah time deposits are stated at nominal amount as agreed between the deposit holder and the Bank.*

*Mudharabah sukuk issued is a sukuk using the contract of mudharabah. Sukuk mudharabah is recognized when the entity becomes party of issuance contract mudharabah sukuk. Sukuk mudharabah is recognized at nominal value. Transaction costs are recognised separately from the sukuk mudharabah. Transaction costs for the issuance of sukuk mudharabah presented in assets as deferred expenses and amortized over the term of sukuk using straight-line method. Sukuk issuance and trading of sukuk based on the principles of sharia, including any underlying assets/activities. The holders of mudharabah sukuk certificate receive profit sharing.*

*Temporary syirkah fund cannot be classified as liability. This was due to the BNI Syariah does not have any liability to return the initial fund to the owners, except for losses due to BNI Syariah's management negligence or default of loss is incurred. On the other hand, temporary syirkah fund cannot be classified as shareholders' equity, because of the maturity period and the depositors do not have the same rights as the shareholders' such as voting rights and the rights of realised gain from current assets and other non-investment accounts.*

*The owner of temporary syirkah funds receives a return from the profit sharing based on a predetermined ratio.*

*Third parties' share on returns of temporary syirkah funds represents customer's share on the Bank's income derived from the management of their funds by the Bank under mudharabah principles. Income that will be distributed is the cash received (cash basis) from the share.*

*The distribution of revenue is based on profit sharing scheme on the Bank's gross profit margin.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**v. Dana syirkah temporer (lanjutan)**

Pendapatan marjin dan bagi hasil atas pembiayaan yang diberikan dan atas aset produktif lainnya akan dibagikan kepada nasabah penyimpan dana dan Bank sesuai dengan proporsi dana yang dipakai dalam pembiayaan yang diberikan dan aset produktif lainnya. Selanjutnya, pendapatan marjin dan bagi hasil yang tersedia untuk nasabah tersebut kemudian dibagikan ke nasabah penabung dan deposan sebagai *shahibul maal* dan Bank sebagai *mudharib* sesuai porsi *nisbah* bagi hasil yang telah disepakati bersama sebelumnya. Pendapatan marjin dan bagi hasil dari pembiayaan dan aset produktif lainnya yang memakai dana Bank, seluruhnya menjadi milik Bank, termasuk pendapatan dari investasi Bank berbasis imbalan.

**w. Pendapatan bunga dan pendapatan syariah, beban bunga dan beban syariah**

Pendapatan dan beban bunga untuk semua instrumen keuangan yang dikenakan suku bunga diakui pada laporan laba rugi dengan menggunakan metode suku bunga efektif.

Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari aset keuangan atau liabilitas keuangan (atau, jika lebih tepat, digunakan periode yang lebih singkat) untuk memperoleh nilai tercatat neto dari instrumen keuangan atau liabilitas keuangan. Pada saat menghitung suku bunga efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, tetapi tidak mempertimbangkan kerugian kredit di masa mendatang. Perhitungan ini mencakup seluruh komisi, provisi, dan bentuk lain diterima oleh para pihak dalam kontrak yang merupakan bagian tidak terpisahkan dari suku bunga efektif, biaya transaksi, dan seluruh premi atau diskon lainnya.

Kredit yang pembayaran angsuran pokok atau bunganya telah lewat 90 hari atau lebih setelah jatuh tempo, atau kredit yang pembayarannya secara tepat waktu diragukan, secara umum diklasifikasikan sebagai kredit yang mengalami penurunan nilai (*impairment*).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**v. Temporary syirkah funds (continued)**

Margin income and profit sharing on financing facilities and other earning assets are distributed to fund owners and the Bank based on proportion of fund used in the financing and other earning assets. Margin income and profit sharing income allocated to the fund owners are then distributed to fund owners and depositors as *shahibul maal* and the Bank as *mudharib* based on a predetermined ratio (*nisbah*). Margin income and profit sharing from financing facilities and other earning assets using the Bank's funds, are entirely shared for the Bank, including income from the Bank's fee-based transactions.

**w. Interest income and sharia income, interest expense and sharia expense**

Interest income and expense for all interest-bearing financial instruments are recognized in profit or loss using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial assets and financial liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses. This calculation includes all commissions, fees, and other forms received by the parties in the contract are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Loans for which the principal or interest has been past due for 90 days or more, or where reasonable doubt exists as to its timely collection, are generally classified as impaired loans.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**w. Pendapatan bunga dan pendapatan syariah, beban bunga dan beban syariah (lanjutan)**

Jika aset keuangan atau kelompok aset keuangan serupa telah diturunkan nilainya sebagai akibat kerugian penurunan nilai, maka pendapatan bunga yang diperoleh setelahnya diakui berdasarkan suku bunga efektif yang digunakan untuk mendiskonto arus kas masa datang dalam menghitung kerugian penurunan nilai.

Pendapatan dan beban bunga termasuk pendapatan dan beban syariah. Pendapatan syariah terdiri dari marjin *murabahah*, pendapatan *ijarah* (sewa), bagi hasil pembiayaan *mudharabah* dan *musyarakah* serta pendapatan *qardh*. Beban syariah terdiri dari beban bagi hasil *mudharabah* dan beban bonus *wadiah*.

Marjin *Murabahah* dan pendapatan *ijarah* diakui selama periode akad berdasarkan konsep akrual. Pendapatan bagi hasil pembiayaan *mudharabah* dan *Musyarakah* diakui pada saat diterima atau dalam periode terjadinya hak bagi hasil sesuai porsi bagi hasil (*nisbah*) yang disepakati. Pendapatan dari transaksi *qardh* diakui pada saat diterima.

Beban syariah merupakan bagi hasil untuk dana pihak ketiga dengan menggunakan prinsip bagi hasil berdasarkan porsi bagi hasil (*nisbah*) yang telah disepakati sebelumnya yang didasarkan pada prinsip *mudharabah mutlaqah*.

**x. Pendapatan provisi dan komisi**

Pendapatan provisi dan komisi yang berkaitan langsung dengan kegiatan pinjaman, atau pendapatan provisi dan komisi yang berhubungan dengan jangka waktu tertentu, diamortisasi sesuai dengan jangka waktu kontrak menggunakan metode suku bunga efektif dan diklasifikasikan sebagai bagian dari pendapatan bunga pada laporan laba rugi.

Pendapatan provisi dan komisi yang tidak berkaitan dengan kegiatan pemberian kredit atau suatu jangka waktu diakui sebagai pendapatan pada saat terjadinya transaksi sebagai pendapatan operasional lainnya.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**w. Interest income and sharia income, interest expense and sharia expense (continued)**

If a financial asset or group of similar financial assets' value has diminished as a result of impairment losses, interest income subsequently obtained is recognized based on the effective interest rate used to discount future cash flows in calculating impairment losses.

Interest income and expense include sharia income and expense. Sharia income represents profit from murabahah margin, lease income from ijarah, profit sharing from mudharabah and musyarakah financing and income from qardh. Sharia expenses consist of mudharabah profit sharing expenses and wadiah bonus expenses.

Murabahah margin and ijarah income are recognized over the period of the agreement based on accrual basis. Mudharabah and musyarakah income is recognized when cash is received or in a period where the right of revenue sharing is due based on agreed portion (*nisbah*). Qardh income is recognized upon receipt.

Sharia expense represents revenue sharing for third party fund using the revenue sharing principle based on pre-determined nisbah in accordance with mudharabah mutlaqah principle.

**x. Fees and commission income**

Fees and commissions directly related to lending activities, or fee and commission income which relates to a specific period, is amortized over the term of contract using the effective interest rate method and classified as part of interest income in profit or loss.

Fees and commissions income which are not related to lending activities or a specific period are recognised as revenues on the transaction date as other operating income.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**y. Kontrak asuransi**

Kontrak asuransi adalah kontrak yang diterbitkan oleh perusahaan asuransi dimana pada saat penerbitan polis perusahaan asuransi menerima risiko asuransi yang signifikan dari pemegang polis.

Risiko asuransi adalah kemungkinan untuk membayar manfaat yang signifikan kepada pemegang polis apabila suatu kejadian yang diasuransikan terjadi dibandingkan dengan manfaat minimum yang akan dibayarkan apabila risiko yang diasuransikan tidak terjadi. Skenario-skenario yang diperhatikan adalah skenario yang mengandung unsur komersial.

BNI Life mendefinisikan risiko asuransi yang signifikan sebagai kemungkinan membayar manfaat pada saat terjadinya suatu kejadian yang diasuransikan, yang setidaknya 10% lebih besar dari manfaat yang dibayarkan jika kejadian yang diasuransikan tidak terjadi. Jika suatu kontrak asuransi tidak mengandung risiko asuransi yang signifikan, maka kontrak tersebut diklasifikasikan sebagai kontrak investasi. Ketika sebuah kontrak telah diklasifikasi sebagai kontrak asuransi, reklasifikasi terhadap kontrak tersebut tidak dapat dilakukan kecuali ketentuan perjanjian kemudian diamandemen.

BNI Life menerbitkan kontrak asuransi untuk produk asuransi tradisional dan produk asuransi yang dikaitkan dengan investasi. Kedua jenis produk ini mempunyai risiko asuransi yang signifikan.

Produk-produk dari BNI Life dibagi berdasarkan kategori utama sebagai berikut:

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**y. Insurance contract**

*Insurance contract is contract issued by insurance company which accepts significant insurance risk from policyholder upon the issuance of the policy.*

*Significant insurance risk is the possibility of paying significantly more benefit to the policyholder upon the occurrence of insured event compared to the minimum benefit payable in a scenario where the insured event does not occur. Scenarios considered are those with commercial substance.*

*BNI Life defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event of at least 10% more than the benefits payable if the insured event did not occur. If the insurance contract does not contain significant insurance risk, the contract will be deemed as an investment contract. Once a contract has been classified as an insurance contract, no reclassification is subsequently performed unless the terms of the agreement are later amended.*

*BNI Life issues insurance contracts for traditional insurance product and investment-linked insurance product. Both of these products, have significant insurance risk.*

*BNI Life's products may be divided into the following main categories:*

Tipe polis/ <i>Policy type</i>	Deskripsi manfaat/ <i>Description of benefits</i>
1) Produk Tradisional/ <i>Traditional Products</i>	Produk yang memberikan perlindungan untuk menutupi risiko kematian, kecelakaan, penyakit kritis, dan kesehatan dari pemegang polis. Jumlah uang pertanggungan akan dibayarkan pada saat terjadinya risiko yang ditanggung / <i>Products which provide protection to cover the risk of death, accident, critical illness, and health of the insured. The basic sum insured will be paid upon the occurrence of the risks covered.</i>

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**  
**y. Kontrak asuransi (lanjutan)**

Tipe polis/ Policy type	Deskripsi manfaat/ Description of benefits
2) Produk asuransi yang dikaitkan dengan investasi/ <i>Investment linked insurance products</i>  Produk asuransi unit link/ <i>Unit-linked insurance products</i> .	Produk yang memberikan manfaat untuk risiko kematian dari uang pertanggungan dan akumulasi nilai tunai yang berasal dari pengembangan premi yang dibayar / <i>Products which provide benefit to cover the risk of death, from sum insured and accumulated cash value from investment yield from paid premium.</i>  Nilai dana investasi akan dihitung berdasarkan tingkat pengembalian investasi yang diterima dari aset dasar tergantung dari tipe fund yang dipilih oleh pemegang polis / <i>The investment fund value will be measured based on the yield of return from the underlying assets depend on the fund type which is chosen by the policyholders.</i>

BNI Life memisahkan komponen deposit dari kontrak unit link seperti yang syaratkan oleh PSAK 62 hanya jika kondisi-kondisi dibawah ini terpenuhi:

- BNI Life dapat mengukur komponen "deposit" secara terpisah (termasuk opsi penyerahan melekat, yaitu tanpa memperhitungkan komponen "asuransi"); dan
- Kebijakan akuntansi BNI Life tidak mensyaratkan untuk mengakui semua hak dan kewajiban yang timbul dari komponen "deposit".

Karena hanya kondisi pertama di atas terpenuhi, maka BNI Life tidak memisahkan komponen deposit dari kontrak unit link.

Pengujian kecukupan liabilitas

Untuk asuransi jiwa, liabilitas kepada pemegang polis khususnya kewajiban untuk klaim masa depan diuji untuk menentukan apakah liabilitas tersebut cukup untuk menutupi semua arus kas keluar di masa depan termasuk semua manfaat yang dijamin dan manfaat tambahan yang dijamin, manfaat partisipasi yang tidak dijamin (jika ada), semua biaya untuk penerbitan polis dan pemeliharaan polis, serta mencerminkan arus kas masuk masa depan, yaitu premi yang diterima di masa depan.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**  
**y. Insurance contract (continued)**

*BNI Life unbundles the deposit component of unit-linked contract as required by PSAK 62 only when both of the following conditions are met:*

- *BNI Life can measure separately the "deposit" component (including any embedded surrender option, i.e. without taking into account the "insurance" component); and*
- *BNI Life's accounting policies do not otherwise require to recognise all obligations and rights arising from the "deposit" component.*

*Since only the first conditions above is met, therefore BNI Life does not unbundles the deposit component of unit-linked contract.*

Liability adequacy tests

*For life insurance, the liabilities to policyholder in particular the liabilities for future claim is tested to determine whether they are sufficient to cover all related future cash out flow include all guaranteed benefit and guaranteed embedded additional benefit, non-guaranteed participation benefit feature (if any), all the expense for policies issuance and maintaining the policies, as well as reflecting the future cash inflow, i.e. premium receipt in the future.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**y. Kontrak asuransi (lanjutan)**

Pengujian kecukupan liabilitas (lanjutan)

Liabilitas dihitung berdasarkan diskonto dari arus kas untuk semua arus kas yang terkait yaitu arus kas keluar dan arus kas masuk seperti yang disebutkan di atas dengan menggunakan seperangkat asumsi aktuaria berdasarkan estimasi terbaik terkini yang ditetapkan oleh aktuaris BNI Life, termasuk asumsi mortalitas/morbiditas, *lapse*, biaya dan inflasi serta marjin atas risiko pemburukan.

BNI Life menerapkan metode *Gross Premium Reserve* dalam perhitungan cadangan premi atas manfaat polis masa depan kepada pemegang polis dengan menggunakan asumsi aktuaria berdasarkan asumsi estimasi terbaik dan marjin atas risiko pemburukan, sehingga pengujian kecukupan liabilitas tidak diperlukan lagi.

Pengakuan pendapatan premi

Pendapatan premi kontrak jangka pendek diakui sebagai pendapatan selama periode risiko sesuai dengan proporsi jumlah proteksi asuransi yang diberikan. Pendapatan premi kontrak jangka panjang diakui sebagai pendapatan pada saat polis jatuh tempo.

BNI Life menghitung premi yang belum merupakan pendapatan dengan menggunakan metode amortisasi harian.

Premi yang belum merupakan pendapatan hanya diterapkan terhadap premi yang mempunyai risiko (asuransi jangka warga, kecelakaan diri dan kesehatan) yang diperbarui setiap tahunnya.

Kenaikan (penurunan) premi yang belum merupakan pendapatan diakui dalam laporan laba rugi tahun berjalan.

Pendapatan premi yang diterima sebelum jatuh tempo polis dicatat sebagai titipan premi di laporan posisi keuangan konsolidasian.

*Ujrah/fee* yang diterima oleh BNI Life diakui sebagai pendapatan dalam laporan laba rugi.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**y. Insurance contract (continued)**

Liability adequacy tests (continued)

The liabilities are calculated based on discounted cash flow basis for all related cash flows i.e. both of cash outflows and cash inflows as mentioned above using a set of most recent best estimate actuarial assumptions which is set by the BNI Life's actuary, covering assumptions on mortality/morbidity, *lapse*, expense and inflation as well as margin for adverse deviation.

BNI Life applies the Gross Premium Reserve method to calculate the policyholder liabilities based on actuarial assumptions which is based on best estimate assumptions and margin for adverse deviation, therefore, the liability adequacy testing is no longer required.

Premium income recognition

Premium income from short duration insurance contracts is recognised as revenue over the period of risk coverage in proportion to the amounts of insurance protection provided. Premium income from long duration contracts are recognised as revenue when the policy is due.

BNI Life calculates unearned premium income using daily amortisation method.

Unearned premiums only apply for premiums that have yearly renewable term which have risk component only (term life, personal accident, and health insurance).

Increase (decrease) in unearned premiums is recognised in the current year's profit or loss.

Premium income received before the due date of the respective policies are reported as premium deposits in the consolidated statement of financial position.

*Ujrah/fee* received by BNI Life is recognised as income in profit or loss.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

y. Kontrak asuransi (lanjutan)

Reasuransi

BNI Life mereasuransikan sebagian porsi risikonya kepada perusahaan reasuransi. Jumlah premi yang dibayar atau porsi premi atas transaksi reasuransi prospektif diakui sesuai dengan proporsi jumlah proteksi reasuransi yang diterima.

Aset reasuransi termasuk saldo yang diharapkan dibayarkan oleh perusahaan reasuransi untuk membagi liabilitas manfaat polis masa depan, membagi estimasi liabilitas klaim, dan membagi premi yang belum merupakan pendapatan. Jumlah manfaat yang ditanggung oleh reasuradur diperkirakan secara konsisten sesuai dengan liabilitas yang terkait dengan polis reasuransi.

BNI Life menyajikan aset reasuransi secara terpisah sebagai aset atas liabilitas manfaat polis masa depan, premi yang belum merupakan pendapatan dan estimasi liabilitas klaim.

Jika aset reasuransi mengalami penurunan nilai, BNI Life mengurangi nilai tercatat dan mengakui kerugian penurunan nilai tersebut dalam laporan laba rugi. Aset reasuransi mengalami penurunan nilai jika ada bukti obyektif, sebagai akibat dari suatu peristiwa yang terjadi setelah pengakuan awal aset reasuransi, bahwa BNI Life tidak dapat menerima seluruh jumlah di bawah syarat-syarat kontrak, dan dampak pada jumlah yang akan diterima dari reasuradur dapat diukur secara andal.

Klaim dan manfaat polis

Klaim dan manfaat polis terdiri dari klaim yang telah diselesaikan, klaim dalam proses penyelesaian dan estimasi atas klaim yang telah terjadi namun belum dilaporkan (IBNR). Klaim dan manfaat polis diakui sebagai beban pada saat terjadinya liabilitas untuk memberikan proteksi. Klaim reasuransi yang diperoleh dari BNI Life reasuradur diakui dan dicatat sebagai pengurang klaim dan manfaat polis pada periode yang sama dengan periode pengakuan klaim dan manfaat polis.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

y. *Insurance contract (continued)*

Reinsurance

*BNI Life reinsurance a portion of its risk with reinsurance companies. The amount of premium paid or portion of premium from prospective reinsurance transactions is recognised over the reinsurance contract in proportion with the protection received.*

*Reinsurance assets include balances expected to be recovered from reinsurance companies for ceded liabilities for future policy benefits, ceded estimated claim liabilities and ceded unearned premiums. Recoveries amount from reinsurers are estimated in a manner consistent with the liability associated with the reinsured policy.*

*BNI Life present separately reinsurance assets as assets of liabilities for future policy benefits, unearned premiums and estimated claim liabilities.*

*If a reinsurance asset is impaired, BNI Life deducted the carrying amount accordingly and recognises that impairment loss in the profit and loss. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that BNI Life may not receive all amounts due to it under the terms of the contract, and the impact on the amounts that BNI Life will receive from the reinsurer can be reliably measured.*

Claims and policy benefits

*Claims and policy benefits consist of settled claims, claims that are still in process of completion and estimated of claims incurred but not yet reported (IBNR). Claims and policy benefits are recognised as expenses when the liabilities to cover claims are incurred. Reinsurance claims recoveries from reinsurance companies are recognised and recorded as deduction from claims and policy benefits consistent in the same period with the claims and policy benefits recognition.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**y. Kontrak asuransi (lanjutan)**

Klaim dan manfaat polis (lanjutan)

Total klaim dalam penyelesaian, termasuk klaim yang telah terjadi namun belum dilaporkan, dinyatakan berdasarkan estimasi menggunakan teknik perhitungan teknis oleh aktuaris yang dilaporkan sebagai bagian dari "Estimasi liabilitas klaim" dalam laporan posisi keuangan konsolidasian. Perubahan dalam estimasi liabilitas klaim, sebagai hasil dari evaluasi lebih lanjut dan perbedaan antara estimasi klaim dengan klaim yang dibayarkan, diakui sebagai biaya tambahan atau pengurang biaya pada periode terjadinya perubahan.

Liabilitas manfaat polis masa depan

Liabilitas manfaat polis masa depan merupakan nilai kini estimasi manfaat polis masa depan yang akan dibayarkan kepada pemegang polis atau ahli warisnya dikurangi dengan nilai kini dari estimasi premi masa depan yang akan diterima dari pemegang polis dan diakui pada saat pengakuan pendapatan premi. Liabilitas manfaat polis masa depan ditentukan dan dihitung dengan menggunakan rumus tertentu oleh aktuaris BNI Life atau aktuaris independen yang terdaftar.

BNI Life menghitung liabilitas manfaat polis masa depan dengan menggunakan metode *Gross Premium Reserve* yang mencerminkan nilai kini estimasi pembayaran seluruh manfaat yang diperjanjikan termasuk seluruh opsi yang disediakan, nilai kini estimasi seluruh biaya yang dikeluarkan dan penerimaan premi di masa depan.

Kenaikan/(penurunan) liabilitas manfaat polis masa depan diakui dalam laba rugi tahun berjalan.

Untuk produk unit link, liabilitas kepada pemegang unit link diakui pada saat penerimaan dana dikonversi menjadi unit setelah dikurangi biaya-biaya dan akan bertambah atau berkurang sesuai dengan nilai aset bersih efektif yang berlaku.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**y. Insurance contract (continued)**

Claims and policy benefits (continued)

*Total claims in process, including claims incurred but not yet reported, are stated at estimated amounts determined based on the actuarial technical insurance calculations which is reported as part of "Estimated claim liabilities" in the consolidated statement of financial position. Changes in estimated claim liabilities as a result of further evaluation and the difference between estimated claims and paid claims are recognised as addition to or deduction from expenses in the period the changes occurred.*

Liabilities for future policy benefits

*The liabilities for future policy benefits represent the present value of estimated future policy benefits to be paid to policyholders or their heirs less present value of estimated future premiums to be received from the policyholders and recognised consistently with the recognition of premium income. The liabilities for future policy benefits are determined and computed based on certain formula by BNI Life's actuary or registered independent actuary.*

*BNI Life calculates the liability for future policy benefits using Gross Premium Reserve method that reflects the present value of estimated payments of all the guaranteed benefits including all the embedded options available, the present value of all estimated handling costs incurred and the future premium receipt.*

*Increase/(decrease) for future policy benefits is recognised in the current year's profit and loss.*

*For unit-linked products, the liability to unit-linked policyholders is recognised at the time the funds received are converted into units, net of related expenses and will increase or decrease in accordance with effective net asset value.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**y. Kontrak asuransi (lanjutan)**

Liabilitas manfaat polis masa depan (lanjutan)

Penerimaan dana dari nasabah untuk produk unit link non syariah diakui sebagai pendapatan premi bruto di laporan laba rugi. Liabilitas kepada pemegang polis unit link diakui di laporan posisi keuangan konsolidasian yang termasuk di dalam liabilitas manfaat polis masa depan sebesar jumlah yang diterima setelah dikurangi dengan bagian premi yang merupakan pendapatan Entitas Anak, disertai dengan pengakuan kenaikan liabilitas kepada pemegang polis unit link di laba rugi.

Setiap bunga, keuntungan atau kerugian dari kenaikan atau penurunan nilai pasar investasi dicatat sebagai pendapatan atau beban, disertai dengan pengakuan kenaikan atau penurunan liabilitas manfaat polis masa depan di laporan laba rugi dan liabilitas manfaat polis masa depan di laporan posisi keuangan konsolidasian.

Penerimaan dana dari nasabah untuk produk unit link Syariah diakui sebagai liabilitas manfaat polis masa depan di laporan posisi keuangan konsolidasian sebesar jumlah yang diterima setelah dikurangi bagian fee untuk Entitas Anak dalam rangka mengelola pendapatan dari produk unit link.

**z. Perpajakan**

Beban pajak terdiri dari pajak kini dan pajak tangguhan. Pajak diakui dalam laporan laba rugi, kecuali jika pajak tersebut terkait dengan transaksi atau kejadian yang diakui di pendapatan komprehensif lain atau langsung diakui ke ekuitas. Dalam hal ini, pajak tersebut masing-masing diakui dalam pendapatan komprehensif lain atau ekuitas.

Beban pajak kini dihitung berdasarkan peraturan perpajakan yang berlaku pada tanggal pelaporan keuangan. Manajemen secara periodik mengevaluasi posisi yang dilaporkan di Surat Pemberitahuan Tahunan (SPT) sehubungan dengan situasi dimana aturan pajak yang berlaku membutuhkan interpretasi. Jika perlu, manajemen menentukan provisi berdasarkan jumlah yang diharapkan akan dibayar kepada otoritas pajak.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**y. Insurance contract (continued)**

Liabilities for future policy benefits (continued)

Funds received from customers for non-sharia unit-linked products are recognised as gross premiums income in the statement of profit and loss. Liabilities to unit-linked policyholders are recognised in the consolidated statement of financial position which is included in the liabilities for future policy benefits for the amount received net of the portion of premium representing Subsidiary's revenue, with corresponding profit or loss recognition for the increase in liabilities to unit-linked policyholders.

Any interest, gain or loss due to increases or decreases in market value of investments are recorded as income or expense, with a corresponding recognition of increase or decrease liabilities for future policy benefits in the profit or loss and liabilities for future policy benefits in the consolidated statement of financial position.

Funds received from customers for Sharia unit linked products is recognized as liabilities for future policy benefit in the statements of financial position for the amount received net of the portion representing the Subsidiary's fees in managing the unit-linked product revenue

**z. Taxation**

The tax expense comprises current and deferred tax. Tax are recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**z. Perpajakan (lanjutan)**

Pajak penghasilan tangguhan diakui, dengan menggunakan metode posisi keuangan untuk semua perbedaan temporer antara dasar pengenaan pajak aset dan liabilitas dengan nilai tercatatnya pada laporan keuangan konsolidasian. Namun, liabilitas pajak penghasilan tangguhan tidak diakui jika berasal dari pengakuan awal *goodwill* atau pada saat pengakuan awal aset dan liabilitas yang timbul dari transaksi selain kombinasi bisnis yang pada saat transaksi tersebut tidak mempengaruhi laba rugi akuntansi dan laba rugi kena pajak. Pajak penghasilan tangguhan ditentukan dengan menggunakan tarif pajak yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan dan diharapkan diterapkan ketika aset pajak penghasilan tangguhan direalisasi atau liabilitas pajak penghasilan tangguhan diselesaikan.

Aset pajak penghasilan tangguhan diakui hanya jika besar kemungkinan jumlah penghasilan kena pajak di masa depan akan memadai untuk dikompensasi dengan perbedaan temporer yang masih dapat dimanfaatkan.

Aset dan liabilitas pajak penghasilan tangguhan dapat saling hapus apabila terdapat hak yang berkekuatan hukum untuk melakukan saling hapus antara aset pajak kini dengan liabilitas pajak kini dan apabila aset dan liabilitas pajak penghasilan tangguhan dikenakan oleh otoritas perpajakan yang sama, baik atas entitas kena pajak yang sama ataupun berbeda dan adanya niat untuk melakukan penyelesaian saldo-saldo tersebut secara neto.

Koreksi terhadap kewajiban perpajakan diakui saat surat ketetapan pajak diterima atau jika mengajukan keberatan, pada saat keputusan atas keberatan tersebut telah ditetapkan.

**aa. Imbalan kerja**

**Imbalan kerja jangka pendek**

Imbalan kerja jangka pendek diakui pada saat terutang kepada karyawan.

**Imbalan pensiun dan imbalan pasca-kerja lainnya**

BNI memiliki program pensiun imbalan pasti dan iuran pasti.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**z. Taxation (continued)**

Deferred income tax is recognised, using the financial position method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted as at reporting period and is expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Corrections to taxation obligations are recorded when an assessment is received or, if appealed against, when the appeal has been decided

**aa. Employee benefits**

**Short-term employee benefits**

Short-term employee benefits are recognised when they accrued to the employees.

**Pension benefits and other post-employment**

BNI has defined benefit and defined contribution pension plans.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**aa. Imbalan kerja (lanjutan)**

**Imbalan pensiun dan imbalan pasca-kerja lainnya (lanjutan)**

Program pensiun imbalan pasti adalah program pensiun yang menetapkan jumlah imbalan pensiun yang akan diterima oleh karyawan pada saat pensiun, yang biasanya tergantung pada satu faktor atau lebih, seperti umur, masa kerja, dan jumlah kompensasi. Program ini dikelola oleh Dana Pensiun PT Bank Negara Indonesia (Persero) Tbk ("Dana Pensiun").

Program pensiun iuran pasti adalah program pensiun dimana Bank akan membayar iuran tetap kepada sebuah entitas yang terpisah (dana pensiun) dan tidak memiliki liabilitas hukum atau konstruktif untuk membayar kontribusi lebih lanjut. Program ini dikelola oleh Dana Pensiun Lembaga Keuangan PT Bank Negara Indonesia (Persero) Tbk ("DPLK").

BNI diharuskan menyediakan imbalan pensiun minimum yang diatur dalam UU No. 13/2003, yang merupakan liabilitas imbalan pasti. Jika imbalan pensiun sesuai dengan UU No. 13/2003 lebih besar, selisih tersebut diakui sebagai bagian dari liabilitas imbalan pensiun.

Karena UU Ketenagakerjaan menentukan rumus tertentu untuk menghitung jumlah minimal imbalan pensiun, pada dasarnya program pensiun berdasarkan UU Ketenagakerjaan adalah program imbalan pasti.

Sehubungan dengan program imbalan pasti, liabilitas diakui pada laporan posisi keuangan sebesar nilai kini kewajiban imbalan pasti pada akhir periode pelaporan dikurangi nilai wajar aset program. Kewajiban imbalan pasti dihitung setiap tahun oleh aktuaris yang independen dengan menggunakan metode *projected unit credit*. Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskontokan arus kas keluar yang diestimasi dengan menggunakan tingkat bunga Obligasi Pemerintah (dikarenakan saat ini tidak ada pasar aktif untuk obligasi perusahaan yang berkualitas tinggi) yang didenominasikan dalam Rupiah dimana imbalan akan dibayarkan dan memiliki jangka waktu jatuh tempo mendekati jangka waktu kewajiban pensiun.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**aa. Employee benefits (continued)**

**Pension benefits and other post-employment benefits (continued)**

A defined benefit pension plan is a pension plan that defines an amount of pension that will be received by the employee on becoming entitled to a pension, which usually depends on one or more factors such as age, years of service and compensation. This plan is managed by Dana Pensiun PT Bank Negara Indonesia (Persero) Tbk ("Dana Pensiun").

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity (pension fund) and has no legal or constructive obligation to pay further contributions. This plan is managed by Dana Pensiun Lembaga Keuangan PT Bank Negara Indonesia (Persero) Tbk ("DPLK").

BNI is required to provide minimum pension benefits as stipulated in the Law No. 13/2003 which represents an underlying defined benefit obligation. If the pension benefits based on Law No. 13/2003 are higher, the difference is recorded as part of the overall pension benefits obligation.

Since the Labor Law sets the formula for determining the minimum amount of benefits, in substance pension plans under the Labor Law represent defined benefit plans.

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government Bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in Rupiah in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**aa. Imbalan kerja (lanjutan)**

**Imbalan pensiun dan imbalan pasca-kerja lainnya (lanjutan)**

Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui pendapatan komprehensif lainnya pada saat terjadinya.

Biaya jasa lalu diakui segera dalam laporan laba rugi.

Keuntungan dan kerugian dari kurtailmen atau penyelesaian program manfaat pasti diakui di laba rugi ketika kurtailmen atau penyelesaian tersebut terjadi.

Grup juga memberikan imbalan pasca kerja lainnya, seperti uang penghargaan dan uang pisah. Imbalan berupa uang penghargaan diberikan apabila karyawan bekerja hingga mencapai usia pensiun. Sedangkan imbalan berupa uang pisah, dibayarkan kepada karyawan yang mengundurkan diri secara sukarela, setelah memenuhi minimal masa kerja tertentu. Imbalan ini dihitung dengan menggunakan metodologi yang sama dengan metodologi yang digunakan dalam perhitungan program pensiun imbalan pasti.

**Imbalan jangka panjang lainnya**

Imbalan jangka panjang lainnya seperti cuti berimbalan jangka panjang, imbalan cacat permanen dan penghargaan jubilee dihitung dengan menggunakan metode *projected unit credit* dan didiskontokan ke nilai kini. Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial diakui dalam laporan laba rugi.

**ab. Laba per saham dasar**

Laba per saham dasar dihitung dengan membagi laba tahun berjalan yang tersedia bagi pemegang saham biasa (laba residual) dengan jumlah rata-rata tertimbang lembar saham biasa yang beredar selama tahun berjalan.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**aa. Employee benefits (continued)**

**Pension benefits and other post-employment benefits (continued)**

*Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.*

*Past-service costs are recognised immediately in profit or loss.*

*Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the curtailment or settlement occurs.*

*The Group also provides other post-employment benefits, such as service pay and separation pay. The service pay benefit vests when the employees reach their retirement age. The separation pay benefit is paid to employees in the case of voluntary resignation, subject to a minimum number of years of service. These benefits have been accounted for using the same methodology as for the defined benefit pension plan.*

**Other long-term benefits**

*Other long-term employee benefits such as long service leave, permanent disability benefit and jubilee awards are calculated using the projected unit credit method and discounted to present value. Actuarial gains and losses arising from experience adjustments and change in actuarial assumption are charged are credited to profit or loss.*

**ab. Basic earnings per share**

*Basic earnings per share is computed by dividing income for the year available to shareholders of ordinary shares (residual income) by the weighted average number of ordinary shares outstanding during the current year.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**ac. Transaksi dengan pihak-pihak berelasi**

BNI dan Entitas Anak melakukan transaksi dengan pihak - pihak berelasi seperti yang didefinisikan dalam PSAK 7 tentang "Pengungkapan Pihak-pihak Berelasi" dan Peraturan Bapepam-LK No. KEP-347/BL/2012 tanggal 25 Juni 2012 tentang "Pedoman Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik" yang didefinisikan antara lain:

- (i) perusahaan di bawah pengendalian BNI dan Entitas Anak;
- (ii) perusahaan asosiasi;
- (iii) investor yang memiliki hak suara, yang memberikan investor tersebut suatu pengaruh yang signifikan;
- (iv) perusahaan di bawah pengendalian investor yang dijelaskan dalam Catatan iii di atas;
- (v) karyawan kunci dan anggota keluarganya; dan
- (vi) entitas yang dikendalikan, dikendalikan bersama atau dipengaruhi secara signifikan oleh Pemerintah yaitu Menteri Keuangan atau Pemerintah Daerah yang merupakan pemegang saham dari entitas.

Semua transaksi signifikan dengan pihak-pihak berelasi, telah diungkapkan pada catatan atas laporan keuangan konsolidasian.

**ad. Dividen**

Pembagian dividen kepada para pemegang saham diakui sebagai liabilitas dalam laporan keuangan konsolidasian pada periode ketika dividen tersebut disetujui oleh para pemegang saham.

**ae. Pelaporan segmen**

BNI dan Entitas Anak menentukan dan menyajikan segmen operasi berdasarkan informasi yang secara internal diberikan kepada pengambil keputusan operasional.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ac. Transactions with related parties**

*BNI and Subsidiaries enter into transactions with parties which are defined as related parties in accordance with Statement of Financial Accounting Standards (SFAS) No. 7 regarding "Related Party Disclosures" and Regulation of the Capital Market Supervisory Board and Financial Institution (Bapepam-LK) No. KEP-347/BL/2012 regarding "Guidelines for Financial Statements Presentation and Disclosure of Issuers or Public Companies", which are defined, among others, as:*

- (i) entities under the control of BNI and Subsidiaries;
- (ii) associated companies;
- (iii) investors with voting rights that gives them significant influence;
- (iv) entities controlled by investors under Note iii above;
- (v) key employees and family members; and
- (vi) entity that is controlled, jointly controlled or significantly influenced by Government, which is defined as the Minister of Finance or Provincial Government who has share ownership in the entity.

*All significant transactions with related parties have been disclosed in notes to the consolidated financial statements.*

**ad. Dividends**

*Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are approved by the shareholders.*

**ae. Segment reporting**

*BNI and its Subsidiaries determine and present operating segments based on the information that is internally provided to the chief operating decision maker.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)**

**ae. Pelaporan segmen (lanjutan)**

Grup mengidentifikasi segmen operasi sebagai suatu komponen dari entitas:

- a) yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama);
- b) hasil operasinya dikaji ulang secara reguler oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- c) tersedia informasi keuangan yang dapat dipisahkan.

Grup mengungkapkan segmen operasionalnya berdasarkan segmen usaha yang meliputi Korporasi, Komersial dan Kecil, Konsumen dan Ritel, Tresuri dan Institusi Keuangan, Kantor Pusat dan Entitas Anak.

**af. Biaya emisi penerbitan saham**

Biaya-biaya emisi efek yang terjadi sehubungan dengan penawaran saham kepada masyarakat (termasuk penerbitan hak memesan efek terlebih dahulu) dikurangkan langsung dari hasil emisi dan disajikan sebagai pengurang pada akun "Tambah Modal Disetor - Neto", sebagai bagian dari Ekuitas pada laporan posisi keuangan konsolidasian.

**ag. Saham treasuri**

Ketika entitas Grup membeli modal saham ekuitas entitas (saham treasuri), imbalan yang dibayar, termasuk biaya tambahan yang secara langsung dapat diatribusikan (dikurangi pajak penghasilan) dikurangkan dari ekuitas yang diatribusikan kepada pemilik ekuitas entitas sampai saham tersebut dibatalkan atau diterbitkan kembali. Ketika saham biasa tersebut selanjutnya diterbitkan kembali, imbalan yang diterima, dikurangi biaya tambahan transaksi yang terkait dan dampak pajak penghasilan yang terkait dimasukkan kepada ekuitas yang dapat diatribusikan kepada pemilik ekuitas entitas.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**ae. Segment reporting (continued)**

*The Group defines an operating segment as a component of an entity:*

- a) *that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);*
- b) *whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and*
- c) *for which discrete financial information is available.*

*The Group discloses its operating segments based on operating segments that consist of Corporate, Commercial and Small, Consumer and Retail, Treasury and Financial Institution, Head Office and Subsidiaries.*

**af. Shares issuance costs**

*Costs related to the public offering of shares (including pre-emptive rights issue) are deducted from the proceeds and presented as a deduction of "Additional Paid-In Capital - Net" account, under Equity section in the consolidated statement of financial position.*

**ag. Treasury shares**

*When any Group entity purchases the entity's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the entity's equity holders until the shares are cancelled or reissued. When ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's equity holders.*

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**3. PENGUNAAN ESTIMASI DAN  
PERTIMBANGAN AKUNTANSI YANG PENTING**

Beberapa estimasi dan asumsi dibuat dalam rangka penyusunan laporan keuangan konsolidasian dimana dibutuhkan pertimbangan manajemen dalam menentukan metodologi yang tepat untuk penilaian aset dan liabilitas.

Manajemen membuat estimasi dan asumsi yang berimplikasi pada pelaporan nilai aset dan liabilitas atas tahun keuangan satu tahun kedepan. Semua estimasi dan asumsi yang diharuskan oleh PSAK adalah estimasi terbaik yang didasarkan pada standar yang berlaku. Estimasi dan pertimbangan dievaluasi secara terus menerus dan berdasarkan pengalaman masa lalu dan faktor-faktor lain termasuk harapan atas kejadian yang akan datang.

Walaupun estimasi dan asumsi ini dibuat berdasarkan pengetahuan terbaik manajemen atas kejadian dan tindakan saat ini, hasil yang timbul mungkin berbeda dengan estimasi dan asumsi semula.

Sumber utama ketidakpastian estimasi:

a. Cadangan kerugian penurunan nilai aset keuangan

Kondisi spesifik *counterparty* yang mengalami penurunan nilai dalam pembentukan cadangan kerugian atas aset keuangan dievaluasi secara individu berdasarkan estimasi terbaik manajemen atas nilai kini arus kas yang diharapkan akan diterima. Dalam mengestimasi arus kas tersebut, manajemen membuat pertimbangan tentang situasi keuangan *counterparty* dan nilai realisasi bersih dari setiap agunan. Setiap aset yang mengalami penurunan nilai dinilai sesuai dengan manfaat yang ada, dan strategi penyelesaian serta estimasi arus kas yang diperkirakan dapat diterima.

Perhitungan cadangan penurunan nilai kolektif meliputi kerugian kredit yang melekat dalam portofolio aset keuangan dengan karakteristik ekonomi yang sama ketika terdapat bukti objektif penurunan nilai terganggu, tetapi penurunan nilai secara individu belum dapat diidentifikasi. Dalam menilai kebutuhan untuk cadangan kolektif, manajemen mempertimbangkan faktor-faktor seperti kualitas kredit dan jenis produk. Guna membuat estimasi cadangan yang diperlukan, manajemen membuat asumsi untuk menentukan kerugian yang melekat, dan untuk menentukan parameter input yang diperlukan, berdasarkan pengalaman masa lalu dan kondisi ekonomi saat ini. Keakuratan penyisihan tergantung pada seberapa baik estimasi arus kas masa depan untuk cadangan *counterparty* tertentu dan asumsi model dan parameter yang digunakan dalam menentukan cadangan kolektif.

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**3. USE OF CRITICAL ACCOUNTING ESTIMATES  
AND JUDGMENTS**

*Certain estimates and assumptions are made in the preparation of the consolidated financial statements these where require management judgement in determining the appropriate methodology for valuation of assets and liabilities.*

*Management makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with SFAS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis, and are based on past experiences and other factors, including expectations with regard to future events.*

*Although these estimates and assumption are based on management's best knowledge of current events and activities, actual result may differ from those estimates and assumptions.*

*Key sources of estimation uncertainty:*

a. Allowances for impairment losses of financial assets

*In the calculation of allowance for impairment losses of financial assets, the specific condition of impaired counterparty is individually evaluated based on management's best estimate of the present value of the expected cash flows to be received. In estimating these cash flows, management makes judgements about the counterparty's financial situation and the net realizable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimated cash flows considered recoverable.*

*Collectively assessed impairment allowances cover credit losses inherent in portfolios of financial assets with similar economic characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified. In assessing the need for collective allowances, management considers factors such as credit quality and type of product. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experiences and current economic conditions. The accuracy of the allowances depends on how well these estimate future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.*

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**3. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING (lanjutan)**

b. Menentukan nilai wajar instrumen keuangan

Dalam menentukan nilai wajar aset keuangan dan liabilitas yang tidak mempunyai harga pasar, Grup menggunakan teknik penilaian seperti yang dijelaskan dalam Catatan 2c. Untuk instrumen keuangan yang jarang diperdagangkan dan memiliki informasi harga yang terbatas, nilai wajar menjadi kurang objektif dan membutuhkan berbagai tingkat penilaian tergantung pada likuiditas, konsentrasi, faktor ketidakpastian pasar, asumsi harga dan risiko lainnya.

Masukan (*input*) untuk model ini berasal dari data pasar yang bisa diamati. Bila data pasar yang bisa diamati tersebut tidak tersedia, manajemen mempertimbangkan masukan dan asumsi diperlukan untuk menentukan nilai wajar. Pertimbangan tersebut mencakup *feedback* model atas likuiditas volatilitas untuk transaksi derivatif dan tingkat diskonto yang berjangka waktu panjang, tingkat pelunasan dipercepat dan asumsi tingkat gagal bayar.

c. Imbalan kerja karyawan

*Present value* atas imbalan kerja karyawan tergantung dari banyaknya faktor yang dipertimbangkan oleh aktuaris berdasarkan beberapa asumsi. Perubahan atas asumsi-asumsi tersebut akan mempengaruhi *carrying amount* atas imbalan kerja karyawan.

Asumsi yang digunakan dalam menentukan biaya atau pendapatan untuk imbalan kerja termasuk tingkat diskonto. Grup menentukan tingkat diskonto yang tepat pada setiap akhir tahun. Ini merupakan tingkat suku bunga yang digunakan untuk menentukan nilai kini atas arus kas masa depan yang diestimasi akan digunakan untuk membayar imbalan kerja. Dalam menentukan tingkat diskonto yang tepat, Grup mempertimbangkan tingkat suku bunga atas Obligasi Pemerintah yang mempunyai jatuh tempo yang menyerupai jangka waktu imbalan kerja karyawan.

Asumsi kunci liabilitas pensiun lainnya sebagian ditentukan berdasarkan kondisi pasar saat ini.

d. Pertimbangan signifikan diperlukan dalam menentukan provisi perpajakan

Grup menentukan provisi perpajakan berdasarkan estimasi atas kemungkinan adanya tambahan beban pajak. Jika hasil akhir dari hal ini berbeda dengan jumlah yang dicatat semula, maka perbedaan tersebut akan berdampak terhadap laba/rugi.

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**3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)**

b. Determining fair values of financial instruments

In determining the fair value for financial assets and financial liabilities for which there is no observable market price, the Group uses the valuation techniques as described in Note 2c. For financial instruments that are traded infrequently and a lack of price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The input for this model comes from observable market data. When observable market data are not available, management considers necessary inputs and assumptions to determine the fair value. The above considerations include liquidity and volatility feedback model for derivative transactions and long term discount rate, the level of early payment and the level of default assumption.

c. Employee benefit

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of employee benefit obligations.

The assumptions used in determining the net cost (income) for employee benefits include the discount rate. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of Government Bonds that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for pension obligations are partly based on current market conditions.

d. Significant judgement is required in determining the provision for taxes

Group provides for tax provision based on estimates whether the additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the profit/loss.

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**3. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING (lanjutan)**

Sumber utama ketidakpastian estimasi (lanjutan)

e. Liabilitas asuransi untuk kontrak asuransi

Cadangan teknis Entitas Anak dicatat di laporan posisi keuangan konsolidasian sebagai bagian dari "Liabilitas lain-lain" berdasarkan perhitungan teknis asuransi dengan menggunakan asumsi-asumsi aktuarial yaitu asumsi estimasi terbaik dan marjin atas risiko pemburukan. Termasuk dalam cadangan teknis adalah liabilitas manfaat polis masa depan, estimasi liabilitas klaim, dan premi yang belum merupakan pendapatan. Entitas Anak menggunakan metode *Gross Premium Reserve* yang menghitung liabilitas manfaat polis masa depan berdasarkan asumsi estimasi terbaik dan marjin atas risiko pemburukan.

f. Aset Pajak Tangguhan

Aset pajak tangguhan diakui atas jumlah pajak penghasilan terpulihkan (*recoverable*) pada periode mendatang sebagai akibat perbedaan temporer yang boleh dikurangkan. Justifikasi manajemen diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan waktu yang tepat dan tingkat laba fiskal di masa mendatang sejalan dengan strategi rencana perpajakan ke depan.

g. Revaluasi Aset Tetap

Revaluasi aset tetap Bank bergantung pada pemilihan asumsi yang digunakan oleh penilai independen dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain: tingkat diskonto, nilai tukar, tingkat inflasi dan tingkat kenaikan pendapatan dan biaya. Bank berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan dalam asumsi yang ditetapkan Bank dapat mempengaruhi secara material nilai aset tetap yang direvaluasi.

h. Konsolidasian Entitas Terstruktur

Dalam menentukan tingkat pengendalian yang dimiliki, Grup mempertimbangkan apakah entitas tersebut memenuhi definisi Entitas Terstruktur yang dijabarkan dalam Catatan 2d dan apakah Bank, secara substansi, mengendalikan entitas tersebut.

Ketika Grup, secara substansi, mengendalikan entitas terstruktur tersebut, entitas tersebut dikonsolidasikan oleh Bank.

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**3. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)**

*Key sources of estimation uncertainty (continued)*

e. *Insurance liabilities on insurance contracts*

*Technical reserves of the Subsidiary recorded in the consolidated consolidated statement of financial position as part of "Other liabilities" are calculated based on insurance technical calculation using certain actuarial assumptions which are based on best estimate assumptions and margin for adverse risk. Included in the technical reserves are liability for future policy benefits, estimated claim liabilities, and unearned premium income. The Subsidiary uses Gross Premium Reserve method in calculating liability for future policy benefits which are based on best estimate assumptions and margin for adverse risk.*

f. *Deferred Tax Asset*

*Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing on level of future taxable profits together with future strategic planning.*

g. *Fixed Asset Revaluation*

*The Bank's fixed assets revaluation depends on its selection of certain assumptions used by the independent appraisal in calculating such amounts. Those assumptions include among others, discount rate, exchange rate, inflation rate and revenue and cost increase rate. The Bank believes that its assumptions are reasonable and appropriate and significant differences in the Bank's assumptions may materially affect the valuation of its fixed assets.*

h. *Consolidation of Structured Entities*

*In determining the degree of control exercised, the Group considers whether these entities meet the definition of Structured Entities as set out in Note 2d and whether the Bank, in substance, controls such entities.*

*When the Group, in substance, controls the entity to which the financial assets have been transferred, the entity is consolidated by the Bank.*

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**3. PENGGUNAAN ESTIMASI DAN  
PERTIMBANGAN AKUNTANSI YANG PENTING  
(lanjutan)**

Sumber utama ketidakpastian estimasi (lanjutan)

i. Penurunan nilai aset non-keuangan

Bank mengevaluasi penurunan nilai aset apabila terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat aset tidak dapat dipulihkan kembali. Faktor-faktor penting yang dapat menyebabkan penelaahan penurunan nilai adalah sebagai berikut:

- a) Performa yang tidak tercapai secara signifikan terhadap ekspektasi historis atau proyeksi hasil operasi di masa yang akan datang;
- b) perubahan yang signifikan dalam cara penggunaan aset atau strategi bisnis secara keseluruhan; dan
- c) industri atau tren ekonomi yang secara signifikan bernilai negatif.

Bank mengakui kerugian penurunan nilai apabila nilai tercatat aset melebihi nilai yang dapat dipulihkan. Jumlah terpulihkan adalah nilai yang lebih tinggi antara nilai wajar dikurang biaya untuk menjual dengan nilai pakai aset (atau unit penghasil kas). Jumlah terpulihkan diestimasi untuk aset individual atau, jika tidak memungkinkan, untuk unit penghasil kas yang mana aset tersebut merupakan bagian daripada unit tersebut.

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**3. USE OF CRITICAL ACCOUNTING ESTIMATES  
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*Key sources of estimation uncertainty (continued)*

*i. Impairment of non-financial assets*

*The Bank assesses impairment of assets whenever events or changes in circumstances that would indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:*

- a) significant underperformance relative to expected historical or projected future operating results;
- b) significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- c) significant negative industry or economic trends.

*The Bank recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.*

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**4. KAS**

Kas terdiri dari :

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Rupiah	10,440,299	12,298,469	Rupiah
Mata uang asing			Foreign currencies
Dolar Amerika Serikat	322,618	351,883	United States Dollar
Dolar Singapura	146,903	108,359	Singapore Dollar
Yuan China	65,434	6,507	Chinese Yuan
Euro	45,893	29,594	Euro
Real Arab Saudi	37,828	19,729	Saudi Arabian Real
Dolar Australia	32,722	15,644	Australian Dollar
Ringgit Malaysia	18,924	27,731	Malaysian Ringgit
Dolar Hong Kong	18,017	11,318	Hong Kong Dollar
Yen Jepang	17,868	13,559	Japanese Yen
Pound Sterling Inggris	12,099	3,994	Great Britain Pound Sterling
United Arab Emirates Dirham	2,733	1,149	United Arab Emirates Dirham
Brunei Dollar	2,142	900	Brunei Dollar
Franc Swiss	1,221	546	Swiss Franc
South Korean Won	1,164	411	South Korean Won
Dolar Taiwan	1,001	152	Taiwan Dollar
Dolar Kanada	687	373	Canadian Dollar
Thailand Baht	90	109	Thailand Baht
	727,344	591,958	
<b>Total</b>	<b>11,167,643</b>	<b>12,890,427</b>	<b>Total</b>

Saldo dalam mata uang Rupiah termasuk uang pada mesin ATM (Anjungan Tunai Mandiri) sejumlah Rp3.280.343 dan Rp1.264.525 masing-masing pada tanggal 31 Desember 2016 dan 2015.

The Rupiah balance includes cash in ATMs (Automatic Teller Machines) of Rp3,280,343 and Rp1,264,525 as of 31 December 2016 and 2015, respectively.

**5. GIRO PADA BANK INDONESIA**

**5. CURRENT ACCOUNTS WITH BANK INDONESIA**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Rupiah	23,905,301	26,725,601	Rupiah
Dolar Amerika Serikat	6,241,552	4,206,576	United States Dollar
<b>Total</b>	<b>30,146,853</b>	<b>30,932,177</b>	<b>Total</b>

Bank dan Entitas Anak dipersyaratkan untuk memiliki Giro Wajib Minimum (GWM) dalam mata uang Rupiah dalam kegiatannya sebagai bank umum dan syariah, serta GWM dalam mata uang asing dalam kegiatannya melakukan transaksi mata uang asing.

The Bank and Subsidiaries are required to maintain minimum statutory reserves (GWM) in Rupiah for conventional and sharia banking and statutory reserves in foreign currencies for foreign exchange transactions.

Pada tanggal 31 Desember 2016 dan 2015, Giro Wajib Minimum (GWM) Grup telah sesuai dengan Peraturan Bank Indonesia (PBI) No. 15/15/PBI/2013 tanggal 24 Desember 2013 tentang Giro Wajib Minimum Bank Umum Dalam Rupiah dan Valuta Asing Bagi Bank Umum Konvensional sebagaimana telah diubah beberapa kali dengan PBI No. 18/3/PBI/2016 tanggal 15 Maret 2016 dan PBI/14/PBI/2016 tanggal 18 Agustus 2016 yang masing-masing sebesar:

As of 31 December 2016 and 2015, the Group's Minimum Statutory Reserve complies with Bank Indonesia (BI) Regulation No. 15/15/PBI/2013 dated 24 December 2013 which have been further amended with PBI No. 18/3/PBI/2016 dated 15 March 2016 and PBI No. 18/14/PBI/2016 dated 18 August 2016 concerning Minimum Statutory Reserve of Commercial Banks with BI in Rupiah and foreign currency which are as follows:

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**5. GIRO PADA BANK INDONESIA (lanjutan)**

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**5. CURRENT ACCOUNTS WITH BANK INDONESIA  
(continued)**

	<i>31 Desember/December</i>		
	<i>2016</i>	<i>2015</i>	<i>Rupiah</i>
Rupiah			
- GWM Primer	6.50%	7.50%	Primary Minimum Statutory Reserve -
- GWM Sekunder	4.00%	4.00%	Secondary Minimum -
Mata uang asing	8.00%	8.00%	Statutory Reserve
			Foreign Currencies

GWM Primer adalah simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia. GWM Sekunder adalah cadangan minimum yang wajib dipelihara oleh Bank berupa SBI, Surat Utang Negara (SUN), Surat Berharga Syariah Negara (SBSN) dan/atau *excess reserve* yang merupakan kelebihan saldo Rekening Giro Rupiah Bank dari GWM Primer dan GWM *Loan to Funding Ratio* (LFR). GWM LFR adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, jika LFR Bank dibawah minimum LFR target Bank Indonesia (80%) atau jika di atas maksimum LFR target BI (92%) dan Kewajiban Penyediaan Modal Minimum (KPMM) Bank lebih kecil dari KPMM Insentif BI sebesar 14%.

*Primary Minimum Statutory Reserve is a minimum reserve that should be maintained by the Bank in Current Accounts with Bank Indonesia. Secondary Minimum Statutory Reserve is the minimum reserves that should be maintained by the Bank, comprised of Certificates of Bank Indonesia (SBI), Government Debenture Debt (SUN), Sharia Government Securities (SBSN), and/or excess reserve which represent the excess reserve of the Bank's Current Accounts in Rupiah over the Primary Minimum Statutory Reserve and the Minimum Statutory Reserve on Loan to Funding Ratio (LFR). The Minimum Statutory Reserve on LFR is the additional reserve that should be maintained by the Bank in the form of Current Accounts with Bank Indonesia, if the Bank's LFR is below the minimum of LFR targeted by Bank Indonesia (80%) or if the Bank's LFR above the maximum of LFR targeted by BI (92%) and the Capital Adequacy Ratio (CAR) is below BI requirement of 14%.*

Rasio Giro Wajib Minimum untuk rekening Rupiah dan mata uang asing (BNI saja) pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar:

*The ratio of the Minimum Statutory Reserve requirement (BNI only) for its Rupiah and foreign currencies accounts as of 31 December 2016 and 2015, are as follows:*

	<i>31 Desember/December</i>		
	<i>2016</i>	<i>2015</i>	
Rupiah			
- GWM Primer	6.77%	9.23%	Primary Minimum Statutory Reserve -
- GWM Sekunder	10.56%	14.82%	Secondary Minimum -
Mata uang asing	8.01%	8.01%	Statutory Reserve
			Foreign currencies

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**6. GIRO PADA BANK LAIN**

**a. Berdasarkan mata uang**

	31 Desember/December		<i>Rupiah</i>
	2016	2015	
<b>Rupiah</b>	350,212	299,405	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Dolar Amerika Serikat	2,782,390	2,960,824	United States Dollar
Dolar Singapura	944,083	1,415,447	Singapore Dollar
Euro	824,025	1,133,605	Euro
Yen Jepang	586,698	824,676	Japanese Yen
Yuan China	503,295	2,129,675	Chinese Yuan
Dolar Hong Kong	151,546	116,251	Hong Kong Dollar
Swiss Franc	44,091	21,232	Swiss Franc
Pound Sterling Inggris	33,349	21,749	Great Britain Pound Sterling
United Arab Emirates Dirham	32,601	31,231	United Arab Emirates Dirham
Dolar Australia	19,983	35,832	Australian Dollar
Dolar Kanada	18,141	8,908	Canadian Dollar
South Korean Won	9,026	-	South Korean Won
Baht Thailand	326	332	Thailand Baht
Real Arab Saudi	1	520	Saudi Arabian Real
Ringgit Malaysia	-	12	Malaysian Ringgit
	5,949,555	8,700,294	
Total	6,299,767	8,999,699	<i>Total</i>
Cadangan kerugian penurunan nilai	(1,748)	(906)	<i>Allowance for impairment losses</i>
<b>Neto</b>	<b>6,298,019</b>	<b>8,998,793</b>	<b>Net</b>

**b. Berdasarkan hubungan**

	31 Desember/December		<i>Related parties</i>
	2016	2015	
<b>Pihak berelasi</b>			<i>Rupiah</i>
Rupiah	5,083	261	<i>Foreign currencies</i>
Mata uang asing	1,650,415	1,469,256	
Total pihak berelasi	1,655,498	1,469,517	<i>Total related parties</i>
<b>Pihak ketiga</b>			<b>Third parties</b>
Rupiah	345,129	299,144	<i>Rupiah</i>
Mata uang asing	4,299,140	7,231,038	<i>Foreign currencies</i>
Total pihak ketiga	4,644,269	7,530,182	<i>Total third parties</i>
Total	6,299,767	8,999,699	<i>Total</i>
Cadangan kerugian penurunan nilai	(1,748)	(906)	<i>Allowance for impairment losses</i>
<b>Neto</b>	<b>6,298,019</b>	<b>8,998,793</b>	<b>Net</b>

**c. Berdasarkan kolektibilitas Bank Indonesia**

Seluruh giro pada bank lain pada tanggal-tanggal 31 Desember 2016 dan 2015 diklasifikasikan lancar.

**c. By Bank Indonesia collectibility**

All current accounts with other banks as of 31 December 2016 and 2015 were classified as current.

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**6. GIRO PADA BANK LAIN (lanjutan)**

**d. Cadangan kerugian penurunan nilai**

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

	<i>31 Desember/December</i>		
	<i>2016</i>	<i>2015</i>	
Saldo awal	906	1,589	<i>Beginning balance</i>
Penyisihan/(pembalikan) selama tahun berjalan	7,375	(632)	<i>Allowance/(reversal) during the year</i>
Penyesuaian karena penjabaran laporan keuangan	(6,533)	(51)	<i>Foreign exchange translation adjustment</i>
<b>Saldo akhir</b>	<b>1.748</b>	<b>906</b>	<b><i>Ending balance</i></b>

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai di atas telah memadai.

**d. Allowance for impairment losses**

*The movements in the allowance for impairment losses are as follows:*

*Management believes that the allowance for impairment losses is adequate.*

**e. Tingkat suku bunga per tahun**

	<i>Dolar Amerika Serikat/ United States Dollar %</i>	<i>Yuan China/ Chinese Yuan %</i>	
2016	0.01 - 0.68	0.70	2016
2015	0.01 - 0.25	0.00	2015

**7. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA**

**a. Berdasarkan jenis dan mata uang**

**7. PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA**

**a. By type and currency**

	<i>31 Desember/December</i>		
	<i>2016</i>	<i>2015</i>	
<b>Rupiah</b>			<b>Rupiah</b>
Bank Indonesia - FASBI	17,912,502	2,294,069	Bank Indonesia - FASBI
Call Money			Call Money
PT Bank Sumitomo Mitsui Indonesia	470,000	250,000	PT Bank Sumitomo Mitsui Indonesia
Lembaga Pembiayaan Ekspor Indonesia	400,000	250,000	Lembaga Pembiayaan Ekspor Indonesia
Standard Chartered Bank Jakarta	200,000	-	Standard Chartered Bank Jakarta
PT Bank Pembangunan Daerah Riau	150,000	100,000	PT Bank Pembangunan Daerah Riau
PT Bank Bukopin Tbk	100,000	-	PT Bank Bukopin Tbk
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	100,000	450,000	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
BPD Yogyakarta	100,000	-	BPD Yogyakarta
BPD Sulawesi Tengah	100,000	-	BPD Sulawesi Tengah
BPD Kalimantan Selatan	100,000	-	BPD Kalimantan Selatan
BPD Sumatera Selatan	100,000	-	BPD Sumatera Selatan
BPD Jambi	85,000	-	BPD Jambi
PT Bank Victoria International Tbk	75,000	-	PT Bank Victoria International Tbk
PT Bank Pembangunan Daerah Jawa Timur Tbk	65,000	-	PT Bank Pembangunan Daerah Jawa Timur Tbk
BPD Bali	55,000	-	BPD Bali
BPD Aceh Syariah	50,000	-	BPD Aceh Syariah
PT Bank Pan Indonesia Tbk	-	400,000	PT Bank Pan Indonesia Tbk

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**7. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA (lanjutan)**

a. Berdasarkan jenis dan mata uang (lanjutan)

**7. PLACEMENTS WITH OTHER BANKS AND BANK INDONESIA (continued)**

a. By type and currency (continued)

	31 Desember/December		
	2016	2015	
<b>Rupiah (lanjutan)</b>			<b>Rupiah (continued)</b>
PT Bank Mandiri (Persero) Tbk	-	200,000	PT Bank Mandiri (Persero) Tbk
PT Bank KEB Hana Indonesia	-	200,000	PT Bank KEB Hana Indonesia
PT Bank Nationalnobu Tbk	-	140,000	PT Bank Nationalnobu Tbk
PT Bank ICBC Indonesia	-	150,000	PT Bank ICBC Indonesia
Lain-lain	66,000	175,000	Others
<i>Negotiable Certificate of Deposit</i>			<i>Negotiable Certificate of Deposit</i>
PT Bank Tabungan Negara Tbk	295,733	-	PT Bank Tabungan Negara Tbk
PT Bank Mandiri (Persero) Tbk	199,579	-	PT Bank Mandiri (Persero) Tbk
PT Bank Sumitomo Mitsui Indonesia	98,341	-	PT Bank Sumitomo Mitsui Indonesia
PT Bank Mizuho Indonesia	92,286	-	PT Bank Mizuho Indonesia
Lain-lain	97,499	-	Others
Deposito berjangka	1,106,500	2,224,256	Time deposits
	22,018,440	6,833,325	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Bank Indonesia - FASBI	9,511,585	22,952,025	Bank Indonesia - FASBI
<i>Call Money</i>			<i>Call Money</i>
PT Bank BNP Paribas Indonesia	269,450	275,700	PT Bank BNP Paribas Indonesia
PT Bank Mizuho Indonesia	202,088	-	PT Bank Mizuho Indonesia
PT Bank ANZ Indonesia	155,768	304,649	PT Bank ANZ Indonesia
National Bank of Canada, London	67,362	-	National Bank of Canada, London
PT Bank Pan Indonesia Tbk	-	275,700	PT Bank Pan Indonesia Tbk
Deutsche Bank AG, Singapore	-	1,220,639	Deutsche Bank AG, Singapore
Credit Industriel Et Commercial, Singapore	-	318,428	Credit Industriel Et Commercial, Singapore
PT Bank DBS Indonesia	-	275,700	PT Bank DBS Indonesia
Banco do Brasil S.A., London	-	234,345	Banco do Brasil S.A., London
PT Bank Rakyat Indonesia (Persero) Tbk	-	179,205	PT Bank Rakyat Indonesia (Persero) Tbk
Hongkong Shanghai Bank Corp., London	-	132,853	Hongkong Shanghai Bank Corp., London
Lain-lain	19,944	207,464	Others
Deposito berjangka			Time deposits
KEB Hana Bank, Seoul	512,718	-	KEB Hana Bank, Seoul
KB Kookmin Bank, Seoul	224,162	-	KB Kookmin Bank, Seoul
Woori Bank, Seoul	189,946	-	Woori Bank, Seoul
DZ Bank AG, Singapore	155,419	-	DZ Bank AG, Singapore
Oversea Chinese Banking Corp., Hongkong	134,725	206,775	Oversea Chinese Banking Corp., Hongkong
HSH Nordbank AG, Singapore	134,725	-	HSH Nordbank AG, Singapore
Lain-lain	65,836	-	Others
	11,643,728	26,583,483	
Total	33,662,168	33,416,808	Total
Cadangan kerugian penurunan nilai	(500)	-	Allowance for impairment losses
<b>Neto</b>	<b>33,661,668</b>	<b>33,416,808</b>	<b>Net</b>

Perincian penempatan pada bank lain dan Bank Indonesia berdasarkan mata uang adalah sebagai berikut:

Placements with other banks and Bank Indonesia based on currencies are as follows:

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**7. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA (lanjutan)**

a. Berdasarkan jenis dan mata uang (lanjutan)

	31 Desember/December		
	2016	2015	
Rupiah	22,018,440	6,833,325	Rupiah
Mata uang asing			Foreign currencies
Dolar Amerika Serikat	11,197,650	24,911,563	United States Dollar
Korean Won	405,440	-	Korean Won
Pound Sterling Inggris	20,694	132,854	Great Britain Pound Sterling
Yuan China	19,944	1,539,066	Chinese Yuan
	11,643,728	26,583,483	
Total Cadangan kerugian penurunan nilai	33,662,168	33,416,808	Total Allowance for impairment losses
(500)		-	
<b>Neto</b>	<b>33,661,668</b>	<b>33,416,808</b>	<b>Net</b>

b. Berdasarkan hubungan

b. By relationship

	31 Desember/December		
	2016	2015	
Pihak berelasi Rupiah			Related parties Rupiah
Call Money	495,311	200,000	Call Money
Deposito berjangka	172,032	542,916	Time deposits
	667,343	742,916	
Mata uang asing			Foreign currencies
Call Money	-	310,162	Call Money
Deposito berjangka	45,683	-	Time deposits
Total pihak berelasi	713,026	1,053,078	Total related party
Pihak ketiga Rupiah			Third parties Rupiah
Bank Indonesia - FASBI	17,912,502	2,294,069	Bank Indonesia - FASBI
Call Money	2,504,127	2,115,000	Call Money
Deposito berjangka	934,468	1,681,340	Time deposits
	21,351,097	6,090,409	
Mata uang asing			Foreign currencies
Bank Indonesia - FASBI	9,511,585	22,952,025	Bank Indonesia - FASBI
Call Money	714,612	3,114,521	Call Money
Deposito berjangka	1,371,848	206,775	Time deposits
	11,598,045	26,273,321	
Total pihak ketiga	32,949,142	32,363,730	Total third party
Total Cadangan kerugian penurunan nilai	33,662,168	33,416,808	Total Allowance for impairment losses
(500)		-	
<b>Neto</b>	<b>33,661,668</b>	<b>33,416,808</b>	<b>Net</b>

c. Berdasarkan kolektibilitas Bank Indonesia

c. By Bank Indonesia collectibility

Seluruh penempatan pada bank lain dan Bank Indonesia pada tanggal-tanggal 31 Desember 2016 dan 2015 diklasifikasikan sebagai lancar.

All placements with other banks and Bank Indonesia as of 31 December 2016 and 2015 were classified as current.

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**7. PENEMPATAN PADA BANK LAIN DAN BANK INDONESIA (lanjutan)**

**d. Cadangan kerugian penurunan nilai**

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

	31 Desember/December		
	2016	2015	
Saldo awal		-	Beginning balance
Penyisihan/(pembalikan) selama tahun berjalan	500	(2,109)	Allowance/(reversal) during the year
<b>Saldo akhir</b>	<b>500</b>	<b>-</b>	<b>Ending balance</b>

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai di atas telah memadai.

Management believes that the allowance for impairment losses is adequate.

**e. Penempatan pada bank lain yang digunakan sebagai jaminan**

Tidak terdapat penempatan pada bank lain yang digunakan sebagai jaminan pada tanggal 31 Desember 2016 dan 2015.

**e. Placements with other banks pledged as collateral**

There were no placements with other banks pledged as collateral as 31 December 2016 and 2015.

**f. Tingkat suku bunga per tahun**

	Rupiah %	Dolar Amerika Serikat/ United States Dollar %	Pound Sterling Inggris/ Great Britain Pound Sterling %	Won Korea/ Korean Won %	Yuan China/ Chinese Yuan %	
2016	3.90 - 10.00	0.01 - 1.77	0.00	1.25 - 1.35	1.53	2016
2015	5.50 - 11.25	0.32 - 0.60	0.00	0.00 - 0.00	0.00	2015

**8. EFEK-EFEK**

**a. Berdasarkan jenis dan mata uang**

**8. MARKETABLE SECURITIES**

**a. By type and currency**

	31 Desember/December					
	2016	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	
<b>Nilai wajar melalui laporan laba rugi</b>						
Rupiah						
Reksadana	2,391,964	2,396,516	2,343,703	2,089,679		Rupiah
Obligasi subordinasi	1,158,357	1,159,118	734,250	767,161		Mutual funds
Obligasi	779,221	779,566	640,982	593,668		Subordinated bonds
Efek lainnya	353,138	350,413	116,998	155,896		Bonds
	4,682,680	4,685,613	3,835,933	3,606,404		Other securities
<b>Mata uang asing</b>						
Reksadana	32,862	33,220	20,081	21,807		Foreign currencies
Obligasi	-	-	68,925	75,997		Mutual funds
	32,862	33,220	89,006	97,804		Bonds
<b>Total nilai wajar melalui laporan laba rugi</b>	<b>4,715,542</b>	<b>4,718,833</b>	<b>3,924,939</b>	<b>3,704,208</b>		<b>Total fair value through profit or loss</b>

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**8. EFEK-EFEK (lanjutan)**

**a. Berdasarkan jenis dan mata uang (lanjutan)**

	31 Desember/December			
	2016	2015	2016	2015
	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value
<b>Tersedia untuk dijual</b>				
<b>Rupiah</b>				
Sertifikat Bank Indonesia	4,000,000	3,848,014	1,100,000	1,057,766
Sertifikat Deposito Bank Indonesia	1,100,000	1,095,683	900,000	887,938
Reksadana	886,050	888,913	720,025	724,022
Obligasi	2,881,000	2,832,901	569,000	557,255
Obligasi subordinasi	654,000	664,438	209,950	209,229
<i>Negotiable Certificates of Deposits</i>	-	-	170,000	164,876
	<b>9,521,050</b>	<b>9,329,949</b>	<b>3,668,975</b>	<b>3,601,086</b>
<b>Mata uang asing</b>				
Sertifikat Bank Indonesia	6,709,305	6,681,806	-	-
Obligasi	1,087,720	1,068,055	1,154,587	1,080,793
Reksadana	-	-	26,311	36,938
	<b>7,797,025</b>	<b>7,749,861</b>	<b>1,180,898</b>	<b>1,117,731</b>
<b>Total tersedia untuk dijual</b>	<b>17,318,075</b>	<b>17,079,810</b>	<b>4,849,873</b>	<b>4,718,817</b>
<b>Dimiliki hingga jatuh tempo</b>				
<b>Rupiah</b>				
Obligasi, setelah dikurangi premi yang belum diamortisasi sebesar Rp849 pada tanggal 31 Desember 2016 dan Rp2,849 pada tanggal 31 Desember 2015	2,037,999	2,037,150	1,428,043	1,340,509
Obligasi subordinasi	-	-	140,000	144,895
	<b>2,037,999</b>	<b>2,037,150</b>	<b>1,568,043</b>	<b>1,485,404</b>
<b>Mata uang asing</b>				
Obligasi	20,154	20,064	55,180	55,374
<b>Total dimiliki hingga jatuh tempo</b>	<b>2,058,153</b>	<b>2,057,214</b>	<b>1,623,223</b>	<b>1,540,778</b>
<b>Total efek-efek</b>	<b>24,091,770</b>	<b>23,855,857</b>	<b>10,398,035</b>	<b>9,963,803</b>
Cadangan kerugian penurunan nilai		(91,107)		(36,309)
<b>Efek-efek - neto</b>		<b>23,764,750</b>		<b>9,927,494</b>

Perincian efek-efek berdasarkan mata uang adalah sebagai berikut:

Marketable securities based on currencies are as follow:

	31 Desember/December	
	2016	2015
<b>Rupiah</b>	<b>16,052,712</b>	<b>8,692,894</b>
<b>Mata uang asing</b>		
Dolar Amerika Serikat	7,803,145	1,270,909
<b>Total</b>	<b>23,855,857</b>	<b>9,963,803</b>
Cadangan kerugian penurunan nilai	(91,107)	(36,309)
<b>Neto</b>	<b>23,764,750</b>	<b>9,927,494</b>

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**8. EFEK-EFEK (lanjutan)**

**a. Berdasarkan jenis dan mata uang (lanjutan)**

Harga pasar efek-efek dalam kelompok tersedia untuk dijual berkisar antara 99,51% - 102,83%, dan berkisar antara 93,82% - 102,61% masing-masing dari nilai nominal pada tanggal 31 Desember 2016 dan 2015. BNI mengakui adanya keuntungan atau kerugian yang belum direalisasi atas peningkatan atau penurunan nilai pasar efek-efek dalam kelompok tersedia untuk dijual (neto setelah pajak) sebesar Rp9,264 (rugi) dan Rp84,590 (rugi) masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015.

**b. Berdasarkan hubungan**

**8. MARKETABLE SECURITIES (continued)**

**a. By type and currency (continued)**

*The market value of the available-for-sale securities as of 31 December 2016 and 2015, ranged between 99.51% - 102.83%, and between 93.82% - 102.61% of the nominal amounts, respectively. BNI recognized the unrealized gains or loss from increase or decrease in the market value of marketable securities categorized as available-for-sale (net of taxes) in the amount of Rp9,264 (loss) and Rp84,590 (loss) for the period and year ended 31 December 2016 and 2015, respectively.*

**b. By relationship**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Pihak berelasi</b>			<b>Related parties</b>
Rupiah	4,278,041	871,211	Rupiah
Mata uang asing	408,544	485,093	Foreign currencies
Total pihak berelasi	4,686,585	1,356,304	Total related parties
<b>Pihak ketiga</b>			<b>Third parties</b>
Rupiah	11,774,671	7,821,683	Rupiah
Mata uang asing	7,394,601	785,816	Foreign currencies
Total pihak ketiga	19,169,272	8,607,499	Total third parties
Total Cadangan kerugian penurunan nilai	23,855,857	9,963,803	Total Allowance for impairment losses
<b>Neto</b>	<b>23,764,750</b>	<b>9,927,494</b>	<b>Net</b>

**c. Berdasarkan penerbit**

**c. By issuer**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Korporasi	8,951,757	5,725,280	Corporates
Bank	3,278,597	2,292,820	Banks
Bank Indonesia	11,625,503	1,945,703	Bank Indonesia
Total Cadangan kerugian penurunan nilai	23,855,857	9,963,803	Total Allowance for impairment losses
<b>Neto</b>	<b>23,764,750</b>	<b>9,927,494</b>	<b>Net</b>

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**8. EFEK-EFEK (lanjutan)**

**d. Berdasarkan peringkat**

2016					
	Peringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying Value		
<b>Nilai wajar melalui laporan laba rugi</b>			<b>Fair value through profit or loss</b>		
<b>Rupiah</b>				<b>Rupiah</b>	
Reksadana	-	-	2,396,516	Mutual funds	
Obligasi	Beragam/Various	Beragam/Various	779,566	Bonds	
Obligasi subordinasi	Beragam/Various	Beragam/Various	1,159,118	Subordinated bonds	
Efek lainnya	Beragam/Various	Beragam/Various	350,413	Other securities	
			<u>4,685,613</u>		
<b>Mata uang asing</b>				<b>Foreign currencies</b>	
Reksadana	-	-	33,220	Mutual funds	
<b>Total nilai wajar melalui laporan laba rugi</b>			<u>4,718,833</u>	<b>Total fair value through profit and loss</b>	
<b>Tersedia untuk dijual</b>				<b>Available-for-sale</b>	
<b>Rupiah</b>				<b>Rupiah</b>	
Sertifikat Bank Indonesia	-	-	3,848,014	Certificates of Bank Indonesia	
Sertifikat Deposito Bank Indonesia	-	-	1,095,683	Certificates Deposits of Bank Indonesia	
Reksadana	-	-	888,913	Mutual funds	
Obligasi subordinasi	Beragam/Various	Beragam/Various	664,438	Subordinated bonds	
Obligasi				Bonds	
Bank BRI 25/05/19	Pefindo	idAAA	199,750	Bank BRI 25/05/19	
Bank Mandiri Thp I Th 2016 Seri C	Pefindo	idAAA	171,681	Bank Mandiri Thp I Th 2016 Seri C	
PNM Tahap II Th 2016 Seri A	Pefindo	idA	147,764	PNM Tahap II Th 2016 Seri A	
PNM Tahap II Th 2016 Seri B	Pefindo	idA+	135,656	PNM Tahap II Th 2016 Seri B	
Bank Panin Tahap II Th 2016	Pefindo	idAA	115,162	Bank Panin Tahap II Th 2016	
Bank BRI 01/12/19	Pefindo	idAAA	100,906	Bank BRI 01/12/19	
Medco Energi Internasional Bond III Tahun 2012	Pefindo	idAAA	100,030	Medco Energi Internasional Bond III Tahun 2012	
BBJ MTN-BJB	Pefindo	idAA-	100,000	BBJ MTN-BJB	
Bank Resona Perdana VI Th 2016	Pefindo	AA(idn)	100,000	Bank Resona Perdana VI Th 2016	
LPEI BEXI-2023	Pefindo	idAAA	99,414	LPEI BEXI-2023	
Mandiri/8.5B	Pefindo	idAAA	94,717	Mandiri/8.5B	
LPEI BEXI-2019	Pefindo	idAA-	93,551	LPEI BEXI-2019	
Bank Sulselbar Tahap II Th 2016	Pefindo	idA+	93,002	Bank Sulselbar Tahap II Th 2016	
Adira Finance Tahap I th 2016	Pefindo	idAA-	92,738	Adira Finance Tahap I th 2016	
Sarana Multigriya Financial Thp VI 2016	Pefindo	idAA+	77,548	Sarana Multigriya Financial VI 2016	
Waskita Karya thp II th 2016	Pefindo	idA-	73,516	Waskita Karya thp II th 2016	
Bank BTN BTN-8A/8/19N	Pefindo	idAA+	71,853	Bank BTN BTN-8A/8/19N	
Bank UOB Indonesia I Tahun 2015 Seri C	Pefindo	idAA-	71,239	Bank UOB Indonesia I Tahun 2015 Seri C	
LPEI BEXI-2021	Pefindo	idAAA	68,219	LPEI BEXI-2021	
Maybank Finance Thp III Th 2016 B	Pefindo	AA(idn)	68,044	Maybank Finance Thp III Th 2016 B	
Indosat VIII Tahun 2012 Seri A	Pefindo	idAA+	59,915	Indosat VIII Tahun 2012 Seri A	
Maybank Finance Thp II Th 2016 B	Pefindo	AA(idn)	53,798	Maybank Finance Thp II Th 2016 B	

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**8. EFEK-EFEK (lanjutan)**

**d. Berdasarkan peringkat (lanjutan)**

			2016		Available-for-sale (continued)
	Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying Value		Rupiah (continued)
<b>Tersedia untuk dijual (lanjutan)</b>					
<b>Rupiah</b>					
Maybank Finance Thp II Th 2016 A	Pefindo	AA+(idn)	40,811	Maybank Finance Thp II Th 2016 A	
Adira Finance Tahap I th 2015	Pefindo	idAA+	39,278	Adira Finance Thp IV th 2016 Seri C	
Bank Panin Tahap I Th 2016	Pefindo	idAAA	39,040	Bank Panin Tahap I Th 2016	
Indosat Tahap I Tahun 2014 Seri C	Pefindo	idAA+	35,416	Indosat Tahap I Tahun 2014 Seri C	
Angkasa Pura I 2016 Seri B	Pefindo	idAAA(sy)	34,794	Angkasa Pura I 2016 Seri B	
Indosat tahap I Th 2014 Seri B	Pefindo	idAA+	25,967	Indosat tahap I Th 2014 Seri B	
Jasa Marga JMXIV-20-U	Pefindo	AAA(idn)	24,738	Jasa Marga JMXIV-20-U	
Indosat Tahap II	Pefindo	idAAA	20,782	Indosat Tahap II	
BII Finance Thp I Th 2015 Seri A	Pefindo	AA+(idn)	20,365	BII Finance Thp I Th 2015 Seri A	
Bank Panin Tahap I Th 2012	Pefindo	AA+(idn)	20,140	Bank Panin Tahap I Th 2012	
Indosat tahap I Th 2014 Seri D	Pefindo	idAA	20,067	Indosat tahap I Th 2014 Seri D	
Bank CIMB Niaga BNGAIJ-IB	Pefindo	idAA	19,938	Bank CIMB Niaga BNGAIJ-IB B	
Pelindo I Gerbang Nusantara				Pelindo I Gerbang Nusantara	
Th 2016 Seri B	Pefindo	AA(idn)	19,807	Th 2016 Seri B	
Indosat tahap II Th 2015 Seri B	Pefindo	idAAA	17,992	Indosat tahap II Th 2015 Seri B	
Telkom Tahap I	Pefindo	idAA-	15,457	Telkom Tahap I	
Mitra Adiperkasa Tahap I	Pefindo	AAA(idn)	15,430	Mitra Adiperkasa Tahap I	
Mandiri Tunas Finance Thp II 2016 Seri B	Pefindo	idAAA	15,004	Mandiri Tunas Finance 2016 Seri B	
Waskita Karya Tahap I Th 2016	Pefindo	idAA+	14,865	Waskita Karya Tahap I Th 2016	
Indosat Tahap IV Th 2016 Seri E	Pefindo	AA+(idn)	14,394	Indosat Tahap IV Th 2016 Seri E	
Indosat Tahap II Th 2015 Seri C	Pefindo	idAA+	10,206	Indosat Tahap II Th 2015 Seri C	
Bank Exim Tahap VII 2016 Seri C	Pefindo	idAA+	10,127	Bank Exim Tahap VII 2016 Seri C	
Bank BTN Tahap I	Pefindo	AA(idn)	10,039	Bank BTN Tahap I	
Lainnya	Beragam/Various	Beragam/Various	159,741	Others	
			<b>9,329,949</b>		
<b>Mata uang asing</b>				<b>Foreign currencies</b>	
Sertifikat Bank Indonesia Obligasi	Beragam/Various	Beragam/Various	6,681,806	Certificates of Bank Indonesia Bonds	
Pelindo II	S&P	BB+	267,103	Pelindo II	
Pertamina	S&P	BB+	70,838	Pertamina	
Bank Boston USA	Moodys	Ba1	67,309	Bank Boston USA	
Suntrust USA	Moodys	Baa2	67,305	Suntrust USA	
Huntington USA	Moodys	Baa2	66,742	Huntington USA	
Bank of America	Moodys	Baa3	60,805	Bank of America	
Corestates Cap III / Wells Fargo	Fitch	BBB+	60,623	Corestates Cap III / Wells Fargo	
M&T Bank USA	Moodys	Baa2	60,054	M&T Bank USA	
JP Morgan Chase USA	Moodys	Baa2	58,934	JP Morgan Chase USA	
EIBINDO	S S&P	BB+	54,033	EIBINDO	
Hutch Whamp Int 09 Ltd	Fitch	AA-	45,250	Hutch Whamp Int 09 Ltd	
Bangkok Bank Pub Co	Fitch	AA-	43,100	Bangkok Bank Pub Co	
Korea Development Bank	Moodys	Aa2	33,577	Korea Development Bank	
ICBC Asia Ltd	Moodys	Baa2	28,608	ICBC Asia Ltd	
CIMB Bank Bhd	S&P	A-	26,985	CIMB Bank Bhd	
Shinhan Bank	S&P	A+	26,880	Shinhan Bank	
Pertamina 2023	Moodys	Baa3	26,827	Pertamina 2023	
Amresco USA	Moodys	A3	2,891	Amresco USA	
Lainnya	Beragam/Various	Beragam/Various	191	Others	
			<b>7,749,861</b>		
<b>Total tersedia untuk dijual</b>			<b>17,079,810</b>	<b>Total available for sale</b>	

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**8. EFEK-EFEK (lanjutan)**

**d. Berdasarkan peringkat (lanjutan)**

2016				
	Peringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying Value	Held-to-maturity
<b>Dimiliki hingga jatuh tempo</b>				
<b>Rupiah</b>				<b>Rupiah Bonds</b>
Obligasi				
Protelindo I 2014	Fitch	idAAA	500,000	Protelindo I 2014
PT Intan Baruprana Finance	Pefindo	idBBB-	300,000	PT Intan Baruprana Finance
Bank Panin Thp I Th 2016	Pefindo	idAAA	200,320	Bank Panin Thp I Th 2016
Bumi Serpong Damai Thp I				Bumi Serpong Damai Thp I
Thn 2016 Seri A	Pefindo	idAA-	150,240	Thn 2016 Seri A
Garuda Indonesia 1A	Fitch	idBBB+	136,000	Garuda Indonesia 1A
BTN-IA/2015	Fitch	BBB+(idn)	120,000	BTN-IA/2015
Indosat	Pefindo	idAAA(sy)	50,000	Indosat
Sukuk Mudharabah Maybank Thp II	Pefindo	idAAA(sy)	50,000	Sukuk Mudharabah Maybank Thp II
Sukuk Mudharabah BSM 2016	Pefindo	idAA-(sy)	50,000	Sukuk Mudharabah BSM 2016
Sukuk Mudharabah BRIS 2016	Pefindo	idA+(sy)	46,000	Sukuk Mudharabah BRIS 2016
Maybank Indonesia Thp II Thn 2016	Fitch	idAAA	40,064	Maybank Indonesia Thp II Thn 2016
Mandiri Tunas Finance Tahap II	Pefindo			Mandiri Tunas Finance Tahap II
Th 2016 Seri B	Pefindo	idAA+	35,056	Th 2016 Seri B
Bank Per mata Thp I Th 2013	Pefindo	idAA+	32,189	Bank Per mata Thp I Th 2013
BII Tahap II Tahun 2012 seri B	Pefindo	idAAA	30,300	BII Tahap II Tahun 2012 seri B
Sukuk Ijarah Indosat Thp IV 2016 Seri B	Pefindo	idAAA(sy)	30,000	Indosat Thp IV 2016 Seri B
Adira Multifinance	Pefindo	idAAA(sy)	25,000	Adira Multifinance
Muamalat 2012	Pefindo	idA-(sy)	24,368	Muamalat 2012
Indosat Thp II Th 2015 Seri C	Pefindo	idAAA	20,052	Indosat Thp II Th 2015 Seri C
Maybank Finance Thp III Th 2016 Seri B	Pefindo	AA+(idn)	20,004	Maybank Finance Thp III Th 2016
Sukuk Ijarah Indosat Thp IV 2016 Seri A	Pefindo	idAAA(sy)	20,000	Indosat Thp IV 2016 Seri A
Indosat V/2012	Pefindo	idAAA(sy)	16,920	Indosat V/2012
Bank BTPN Tahap II Tahun 2012 Seri B	Pefindo	idAA+	15,168	Bank BTPN Tahap II Th.2012 Seri B
Sukuk Ijarah BKLTJ I Summarecon				Sukuk Ijarah BKLTJ I Summarecon
Agung Thp II 2014	Pefindo	A+	15,000	Agung Thp II 2014
PLN II/2007	Pefindo	idAAA(sy)	14,000	PLN II/2007
Sukuk Mudharabah II Mayora Indah	Pefindo	idAA-(sy)	12,990	Sukuk Mudharabah II Mayora Indah
Bank Panin III Tahun 2010	Pefindo	idAAA	10,101	Bank Panin III Tahun 2010
Bank Muamalat 2013	Pefindo	idA-(sy)	10,000	Bank Muamalat 2013
XI Axiatra Thp I Thn 2015 Seri B	Pefindo	AAA	8,000	XI Axiatra Thp I Thn 2015 Seri B
Lainnya	Beragam/Various	Beragam/Various	55,378	Others
			2,037,150	
<b>Mata uang asing</b>				<b>Foreign currencies Bonds</b>
Obligasi				
Majapahit Holding BV	Pefindo	AAA	20,064	Majapahit Holding BV
<b>Total dimiliki hingga jatuh tempo</b>			<b>2,057,214</b>	<b>Total held-to-maturity securities</b>
<b>Total efek-efek</b>			<b>23,855,857</b>	<b>Total marketable securities</b>
Cadangan kerugian penurunan nilai			(91,107)	Allowance for impairment losses
<b>Efek-efek - neto</b>			<b>23,764,750</b>	<b>Marketable securities - net</b>

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**8. EFEK-EFEK (lanjutan)**

**d. Berdasarkan peringkat (lanjutan)**

			2015		
	Pemeringkat/ Agencies	Peringkat/ Rating		Nilai tercatat/ Carrying Value	
<b>Nilai wajar melalui laporan laba rugi</b>					
Rupiah					<b>Fair value through profit or loss</b>
Reksadana	-			2,089,679	Rupiah
Obligasi subordinasi	Beragam/Various	Beragam/Various		767,161	Mutual funds
Obligasi	Beragam/Various	Beragam/Various		593,668	Subordinated bonds
Efek lainnya	Beragam/Various	Beragam/Various		155,896	Bonds
				<u>3,606,404</u>	Other securities
Mata uang asing					<b>Foreign currencies</b>
Reksadana	-			21,807	Mutual funds
Obligasi	Beragam/Various	Beragam/Various		75,997	Bonds
				<u>97,804</u>	
<b>Total nilai wajar melalui laporan laba rugi</b>				<b>3,704,208</b>	<b>Total fair value through profit and loss</b>
<b>Tersedia untuk dijual</b>					
Rupiah					<b>Available-for-sale</b>
Sertifikat Bank Indonesia	-	-		1,057,766	Rupiah
Sertifikat Deposito Bank Indonesia	-	-		887,938	Certificates of Bank Indonesia
Reksadana	-	-		724,022	Certificates Deposits of Bank Indonesia
<i>Negotiable Certificates of Deposits</i>	-	-		164,876	Mutual funds
Obligasi subordinasi	Beragam/Various	Beragam/Various		209,229	<i>Negotiable Certificates of Deposits</i>
Obligasi					Subordinated bonds
Medco Energi Internasional Bond III Tahun 2012	Pefindo	idAA-		96,864	Bonds
OCBC NISP 1C 2016	Pefindo	idAAA		74,828	Medco Energi Internasional Bond III Tahun 2012
Bank UOB Indonesia I Tahun 2015 Seri C	Pefindo	idAAA		48,309	OCBC NISP 1C 2016
Bank BII Bonds II Seri B 2012	Pefindo	idAA-		29,915	Bank UOB Indonesia I Tahun 2015 Seri C
Bank BTPN 3A-2013	Pefindo	idAA-		29,538	Bank BII Bonds II Seri B 2012
Indosat Tahap II Tahun 2015 Seri C					Bank BTPN 3A-2013
Obligasi Jasa Marga XIV		idAA		23,456	Indosat Tahap II Tahun 2015 Seri C
Indosat Tahap II Tahun 2015 Seri E				19,766	Obligasi Jasa Marga XIV
CIMB Niaga Auto Finance Tahun 2012 Seri B	Pefindo	idAAA		19,325	Indosat Tahap II Tahun 2015 Seri E
Indosat Tahap II Tahun 2015 Seri B	Pefindo	idAAA		17,869	CIMB Niaga Auto Finance Tahun 2012 Seri B
Bank Tabungan Negara Seri XII	Pefindo	idAA		17,444	Indosat Tahap II Tahun 2015 Seri B
OCBC NISP Tahap I Tahun 2013 Seri C	Pefindo	idAAA		15,963	Bank Tabungan Negara Seri XII
Telkom Tahap I Tahun 2015 Seri B	Pefindo	idAAA		14,690	OCBC NISP Tahap I Tahun 2013 Seri C
Indosat VIII Tahun 2012 Seri A	Pefindo	idAAA		10,430	Telkom Tahap I Tahun 2015 Seri B
Perum Pegadaian Tahap I Tahun 2013 Seri B	Pefindo	idAAA			Indosat VIII Tahun 2012 Seri A
Obligasi Berkelanjutan I Danareksa Tahap II Seri A	Pefindo	idA		7,995	Perum Pegadaian Tahap I Tahun 2013 Seri B
Indosat Tahap I Tahun 2015 Seri B	Pefindo	idAAA		4,982	Obligasi Berkelanjutan I Danareksa Tahap II Seri A
Mitra Adiperkasa Tahap III Tahun 2014 Seri A	Pefindo	idAA-		4,976	Indosat Tahap I Tahun 2015 Seri B
Bank BTN Tahap I Tahun 2015 Seri B	Pefindo	idAA-		4,801	Mitra Adiperkasa Tahap III Tahun 2014 Seri A
PLN Tahap II Tahun 2013	Pefindo	idAAA		4,748	Bank BTN Tahap I Tahun 2015 Seri B
Bank BTN Tahap I Tahun 2015 Seri C	Fitch	AA(idn)		4,744	PLN Tahap II Tahun 2013
PT Perkebunan Nusantara X Tahun 2013	Pefindo	idBBB+		4,573	Bank BTN Tahap I Tahun 2015 Seri C
Lainnya	Beragam/Various	Beragam/Various		22,719	PT Perkebunan Nusantara X Tahun 2013
				<u>3,601,086</u>	Others
<b>Mata uang asing</b>					<b>Foreign currencies</b>
Reksadana	-	-		36,938	Mutual funds
Obligasi					Bonds
Pelindo II	S&P	BB+		273,066	Pelindo II
Pertamina 2023	S&P	BB+		73,135	Pertamina 2023
PT Pertamina Persero	Moodys	Baa3		62,894	PT Pertamina Persero
Merrill Lynch USA	Moodys	Baa3		59,315	Merrill Lynch USA

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**8. EFEK-EFEK (lanjutan)**

**d. Berdasarkan peringkat (lanjutan)**

	2015			
	Peringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying Value	
<b>Tersedia untuk dijual (lanjutan)</b>				<b>Available-for-sale (continued)</b>
<b>Mata uang asing (lanjutan)</b>				<b>Foreign currencies (continued)</b>
M&T Bank USA	Moodys	Baa2	58,974	M&T Bank USA
Wachovia Bank USA	Fitch	BBB+	58,626	Wachovia Bank USA
Bank Boston USA	Moodys	Ba1	58,242	Bank Boston USA
JP Morgan Chase USA	Moodys	Baa2	57,035	JP Morgan Chase USA
Suntrust USA	Moodys	Baa2	55,571	Suntrust USA
EIBINDO	S&P	BB+	55,554	EIBINDO
Huntington USA	Moodys	Baa2	53,719	Huntington USA
Hutch Whamp Int 09 Ltd	Fitch	A-	47,907	Hutch Whamp Int 09 Ltd
Bangkok Bank, Bangkok	Fitch	BBB+	44,674	Bangkok Bank, Bangkok
Korea Development Bank	Moodys	Aa3	34,094	Korea Development Bank
ICBC Asia	Moodys	Baa2	29,605	ICBC Asia
CIMB Bank BHD	S&P	A-	27,628	CIMB Bank BHD
Shinhan Bank	S&P	A	27,278	Shinhan Bank
Lainnya	Beragam/Various	Beragam/Various	3,476	Others
			1,117,731	
<b>Total tersedia untuk dijual</b>			<b>4,718,817</b>	<b>Total available for sale</b>
<b>Dimiliki hingga jatuh tempo</b>				<b>Held-to-maturity</b>
<b>Rupiah</b>				<b>Rupiah</b>
Obligasi subordinasi	Beragam/Various	Beragam/Various	144,895	Subordinated bonds
Obligasi				Bonds
Obligasi I Protelindo tahun 2014	Fitch	AA-(idn)	500,000	Obligasi I Protelindo tahun 2014
MTN I Intan Baruprana Finance 2014	ICRA	(Idr)BBB+	300,000	MTN I Intan Baruprana Finance 2014
Obligasi Berkelaanjutan Garuda				Obligasi Berkelaanjutan Garuda
Indonesia Tahap 1	Fitch	BBB+(idn)	136,000	Indonesia Tahap 1
Obligasi Berkelaanjutan II Bank BTN				Obligasi Berkelaanjutan II Bank BTN
Tahap I Seri A	Fitch	AA(idn)	120,000	Tahap I Seri A
Sukuk Ijarah Berkelaanjutan I Indosat				Sukuk Ijarah Berkelaanjutan I Indosat
Tahap II Tahun 2015 Seri B	Pefindo	idAAA(sy)	50,000	Tahap II Tahun 2015 Seri B
Sukuk Ijarah XL Axiatra Tahap I				Sukuk Ijarah XL Axiatra Tahap I
Tahun 2015	Pefindo	AAA(idn)	50,000	Tahun 2015
Obligasi Berkelaanjutan I Bank BII				Obligasi Berkelaanjutan I Bank BII
Tahap II Tahun 2012 SR B	Fitch	AA+(idn)	29,358	Tahap II Tahun 2012 SR B
Sukuk Mudharabah Berkelaanjutan II				Sukuk Mudharabah Berkelaanjutan II
Adira Finance Tahap I Tahun 2015	Pefindo	idAAA(sy)	25,000	Adira Finance Tahap I Tahun 2015
Sukuk Ijarah Indosat V Tahun 2012	Pefindo	idAAA(sy)	18,889	Sukuk Ijarah Indosat V Tahun 2012
Sukuk Ijarah Berkelaanjutan I				Sukuk Ijarah Berkelaanjutan I
Summarecon Agung	Pefindo	idA+(sy)	15,000	Summarecon Agung
Tahap II 2014				Tahap II 2014
Obligasi Berkelaanjutan I Bank BTPN				Obligasi Berkelaanjutan I Bank BTPN
Tahap II Tahun 2012 Seri B	Fitch	AA+(idn)	14,952	Tahap II Tahun 2012 Seri B
Sukuk Ijarah PLN II Tahun 2007	Pefindo	idAAA(sy)	14,000	Sukuk Ijarah PLN II Tahun 2007
Obligasi Berkelaanjutan I Bank Panin I				Obligasi Berkelaanjutan I Bank Panin I
Tahun 2012	Pefindo	idAA	10,002	Tahun 2012
Sukuk Mudharabah II Mayora Indah				Sukuk Mudharabah II Mayora Indah
Tahun 2012	Pefindo	idAA-(sy)	12,964	Tahun 2012
Obligasi Berkelaanjutan Adira				Obligasi Berkelaanjutan Adira
Dinamika Tahap 1 Tahun 2011	Pefindo	idAAA	5,006	Dinamika Tahap 1 Tahun 2011
Obligasi PLN VIII Tahun 2006 Seri A	Pefindo	idAAA	5,000	Obligasi PLN VIII Tahun 2006 Seri A
Obligasi Berkelaanjutan I Bank CIMB				Obligasi Berkelaanjutan I Bank CIMB
Niaga Tahap I Tahun 2012	Fitch	AAA(idn)	4,896	Niaga Tahap I Tahun 2012
Obligasi Perum Pegadaian XI Tahun				Obligasi Perum Pegadaian XI Tahun
2006 Seri B	Pefindo	idAA+	3,024	2006 Seri B
Lainnya	Beragam/Various	Beragam/Various	26,418	Others
			1,485,404	
<b>Mata uang asing</b>				<b>Foreign currencies</b>
Obligasi				Bonds
Majapahit Holding BV	Pefindo	AA+	55,374	Majapahit Holding BV
<b>Total dimiliki hingga jatuh tempo</b>			<b>1,540,778</b>	<b>Total held-to-maturity securities</b>
<b>Total efek-efek</b>			9,963,803	<b>Total marketable securities</b>
Cadangan kerugian penurunan nilai			(36,309)	Allowance for impairment losses
<b>Efek-efek - neto</b>			<b>9,927,494</b>	<b>Marketable securities - net</b>

Underlying asset utama dari reksa dana yang dimiliki oleh Grup adalah deposit dan Obligasi Pemerintah.

The main underlying assets of the Group's mutual funds consist of deposits and government bonds.

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**8. EFEK-EFEK (lanjutan)**

e. Berdasarkan kolektibilitas Bank Indonesia

	31 Desember/December			
	2016		2015	
	Pokok/ Principal	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Pokok/ Principal	Cadangan kerugian penurunan nilai/ Allowance for impairment losses
Lancar	23,230,984	6,078	9,610,622	2,586
Kurang lancar	624,692	85,021	353,000	33,723
Macet	181	8	181	-
	<b>23,855,857</b>	<b>91,107</b>	<b>9,963,803</b>	<b>36,309</b>

Pass  
Substandard  
Loss

f. Cadangan kerugian penurunan nilai

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

f. Allowance for impairment losses

Movements in the allowance for impairment losses are as follows:

	31 Desember/December		<i>Beginning balance</i>
	2016	2015	
Saldo awal	36,309	5,002	
Penyisihan selama tahun berjalan	55,290	27,633	<i>Allowance during the year</i>
Penyesuaian karena penjabaran mata uang asing	(492)	3,674	<i>Foreign exchange translation adjustments</i>
<b>Saldo akhir</b>	<b>91,107</b>	<b>36,309</b>	<b>Ending balance</b>

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai di atas telah memadai.

Management believes that the allowance for impairment losses is adequate.

g. Tingkat suku bunga per tahun

g. Annual interest rates

	Rupiah %	Dolar Amerika Serikat/ United States Dollar %	Contractual Rate: 2016 2015
Suku Bunga Kontrak:			
2016	6.05 - 13.60	0.88 - 7.75	
2015	0.09 - 13.60	0.08 - 13.10	
Suku Bunga Efektif:			<i>Effective Interest Rate:</i>
2016	6.05 - 11.36	0.86 - 10.10	2016
2015	6.85 - 12.75	0.86 - 10.10	2015

**9. WESEL EKSPOR DAN TAGIHAN LAINNYA**

**9. BILLS AND OTHER RECEIVABLES**

a. Berdasarkan jenis dan mata uang

a. By type and currency

	31 Desember/December		<i>Rupiah</i> <i>Domestic Documentary Letters of Credit</i> <i>Export Bills</i> <i>Other receivables:</i> <i>Open account financing -</i>
	2016	2015	
<b>Rupiah</b>			
Surat Keterangan Berdokumen Dalam Negeri (SKBDN)	663,853	393,323	
Wesel Ekspor	95,106	190,481	
Tagihan lainnya:			
- Open account financing	4,788,652	2,771,480	
	<b>5,547,611</b>	<b>3,355,284</b>	

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**9. WESEL EKSPOR DAN TAGIHAN LAINNYA (lanjutan)**

a. Berdasarkan jenis dan mata uang (lanjutan)

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Wesel Ekspor	2,238,423	1,587,892	Export Bills
Surat Keterangan Berdokumen Dalam Negeri (SKBDN)	-	351	Domestic Documentary Letters of Credit
Tagihan lainnya:			Other receivables:
- Open account financing	84,557	79,506	Open account financing -
- Tagihan transaksi L/C Sight	728,472	3,834,790	L/C Sight receivables -
	3,051,452	5,502,539	
Total	8,599,063	8,857,823	<b>Total</b>
Cadangan kerugian penurunan nilai	(31,268)	(26,379)	Allowance for impairment losses
<b>Neto</b>	<b>8,567,795</b>	<b>8,831,444</b>	<b>Net</b>

Perincian wesel ekspor dan tagihan lainnya berdasarkan mata uang adalah sebagai berikut:

Bills and other receivables based on currencies are as follows:

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>	5,547,611	3,355,284	<b>Rupiah</b>
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Dolar Amerika Serikat	2,397,451	5,073,755	United States Dollar
Yuan Cina	647,113	427,166	Chinese Yuan
Yen Jepang	4,713	1,248	Japanese Yen
Euro	2,175	370	Euro
	3,051,452	5,502,539	
Total	8,599,063	8,857,823	<b>Total</b>
Cadangan kerugian penurunan nilai	(31,268)	(26,379)	Allowance for impairment losses
<b>Neto</b>	<b>8,567,795</b>	<b>8,831,444</b>	<b>Net</b>

b. Berdasarkan hubungan

b. By relationship

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Pihak berelasi</b>			<b>Related parties</b>
Rupiah	5,152,134	2,895,868	Rupiah
Mata uang asing	53,464	351	Foreign currencies
Total pihak berelasi	5,205,598	2,896,219	Total related parties
<b>Pihak ketiga</b>			<b>Third parties</b>
Rupiah	395,477	459,416	Rupiah
Mata uang asing	2,997,988	5,502,188	Foreign currencies
Total pihak ketiga	3,393,465	5,961,604	Total third parties
Total	8,599,063	8,857,823	<b>Total</b>
Cadangan kerugian penurunan nilai	(31,268)	(26,379)	Allowance for impairment losses
<b>Neto</b>	<b>8,567,795</b>	<b>8,831,444</b>	<b>Net</b>

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**9. WESEL EKSPOR DAN TAGIHAN LAINNYA  
(lanjutan)**

**c. Berdasarkan kolektibilitas Bank Indonesia**

**9. BILLS AND OTHER RECEIVABLES (continued)**

**c. By Bank Indonesia collectibility**

	31 Desember/December				Pass	
	2016		2015			
	Pokok/ Principal	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Pokok/ Principal	Cadangan kerugian penurunan nilai/ Allowance for impairment losses		
Lancar	8,599,063	(31,268)	8,857,823	(26,379)		

**d. Cadangan kerugian penurunan nilai**

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

**d. Allowance for impairment losses**

*Movements in the allowance for impairment losses are as follows:*

	31 Desember/December		<i>Beginning balance Allowance during the year Foreign exchange translation adjustment</i>	<i>Ending balance</i>
	2016	2015		
Saldo awal	26,379	1,061		
Penyisihan selama tahun berjalan	21,133	31,346		
Penyesuaian karena penjabaran mata uang asing	(16,244)	(6,028)		
<b>Saldo akhir</b>	<b>31,268</b>	<b>26,379</b>		

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk tersebut telah memadai.

*Management believes that the above allowance for impairment losses is adequate.*

**e. Tingkat suku bunga per tahun**

**e. Annual interest rates**

	Rupiah %	Dollar Amerika Serikat/ United States %	Euro %	2016 2015
	Rupiah %	Dollar %	Euro %	
2016	8.21 - 9.21	0.80 - 6.32	1.00 - 3.00	
2015	0.00 - 9.00	0.00 - 2.00	-	

**10. TAGIHAN AKSEPTASI**

**10. ACCEPTANCES RECEIVABLE**

**a. Berdasarkan pihak dan mata uang**

**a. By party and currency**

	31 Desember/December		<i>Total Allowance for impairment losses</i>	<i>Net</i>
	2016	2015		
<b>Rupiah</b>				
Debitur non-bank	7,812,796	2,085,978		
Bank	32,875	185,265		
	7,845,671	2,271,243		
<b>Mata uang asing</b>				
Debitur non-bank	6,025,646	8,227,851		
Bank	937,911	400,707		
	6,963,557	8,628,558		
Total	14,809,228	10,899,801		
Cadangan kerugian penurunan nilai	(84,834)	(79,188)		
<b>Neto</b>	<b>14,724,394</b>	<b>10,820,613</b>		

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**10. TAGIHAN AKSEPTASI (lanjutan)**

**a. Berdasarkan pihak dan mata uang (lanjutan)**

Perincian tagihan akseptasi berdasarkan mata uang adalah sebagai berikut:

	31 Desember/December		<i>Rupiah</i>
	2016	2015	
<b>Rupiah</b>	<b>7,845,671</b>	<b>2,271,243</b>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Dolar Amerika Serikat	6,636,637	7,962,493	United States Dollar
Dolar Singapura	159,823	86,554	Singapore Dollar
Euro	120,321	182,671	Euro
Yen Jepang	42,637	80,589	Japanese Yen
Pound Sterling Inggris	2,462	4,335	Great Britain Pound Sterling
Yuan Cina	1,677	311,916	Chinese Yuan
	6,963,557	8,628,558	
<b>Total</b>	<b>14,809,228</b>	<b>10,899,801</b>	<b>Total</b>
Penyisihan kerugian penurunan nilai	(84,834)	(79,188)	Allowance for impairment losses
<b>Neto</b>	<b>14,724,394</b>	<b>10,820,613</b>	<b>Net</b>

**b. Berdasarkan hubungan**

**b. By relationship**

	31 Desember/December		<i>Related parties</i>
	2016	2015	
<b>Pihak berelasi</b>			<i>Rupiah</i>
Rupiah	2,544,188	681,051	<i>Foreign currencies</i>
Mata uang asing	571,520	555,823	
<b>Total pihak berelasi</b>	<b>3,115,708</b>	<b>1,236,874</b>	<b>Total related parties</b>
<b>Pihak ketiga</b>			<b>Third parties</b>
Rupiah	5,301,483	1,590,192	<i>Rupiah</i>
Mata uang asing	6,392,037	8,072,735	<i>Foreign currencies</i>
<b>Total pihak ketiga</b>	<b>11,693,520</b>	<b>9,662,927</b>	<b>Total third parties</b>
<b>Total</b>	<b>14,809,228</b>	<b>10,899,801</b>	<b>Total</b>
Cadangan kerugian penurunan nilai	(84,834)	(79,188)	Allowance for impairment losses
<b>Neto</b>	<b>14,724,394</b>	<b>10,820,613</b>	<b>Net</b>

**c. Berdasarkan kolektibilitas Bank Indonesia**

**c. By Bank Indonesia collectibility**

	31 Desember/December				<i>Current Special mention Substandard</i>	
	2016		2015			
	<i>Pokok/ Principal</i>	<i>Cadangan kerugian penurunan nilai/ Allowance for impairment losses</i>	<i>Pokok/ Principal</i>	<i>Cadangan kerugian penurunan nilai/ Allowance for impairment losses</i>		
Lancar	14,809,228	(84,834)	10,820,668	(52,511)		
Dalam perhatian khusus	-	-	2,496	(849)		
Kurang lancar	-	-	76,637	(25,828)		
	<b>14,809,228</b>	<b>(84,834)</b>	<b>10,899,801</b>	<b>(79,188)</b>		

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**10. TAGIHAN AKSEPTASI (lanjutan)**

**d. Cadangan kerugian penurunan nilai**

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

	<b>31 Desember/December</b>		<i>Beginning balance (Reversal)/allowance (during the year) Foreign exchange translation adjustment</i>	<i>Ending balance</i>
	<b>2016</b>	<b>2015</b>		
Saldo awal (Pembalikan)/penyisihan selama tahun berjalan	79,188	64,622		
Penyesuaian karena penjabaran mata uang asing	(47,654)	45,695		
<b>Saldo akhir</b>	<b>53,300</b>	<b>(31,129)</b>		
	<b>84,834</b>	<b>79,188</b>		

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk tersebut telah memadai.

**10. ACCEPTANCES RECEIVABLE (continued)**

**d. Allowance for impairment losses**

*The movements in the allowance for impairment losses are as follows:*

*Management believes that the above allowance for impairment losses is adequate.*

**11. TAGIHAN DAN LIABILITAS DERIVATIF**

Dalam melakukan usaha bisnis, BNI melakukan transaksi instrumen keuangan derivatif seperti kontrak berjangka mata uang asing, swap mata uang asing, swap atas suku bunga dan transaksi spot untuk keperluan pembiayaan, perdagangan dan lindung nilai.

**11. DERIVATIVES RECEIVABLE AND PAYABLE**

*In the normal course of business, BNI enters into transactions involving derivative financial instruments such as foreign currency forward contracts, currency swaps, interest rate swaps and spot transactions for financing, trading and hedging purposes.*

**a. Berdasarkan jenis dan mata uang**

**a. By type and currency**

<b>Instrumen</b>	<b>Jumlah nosional mata uang asing (jumlah penuh)/ Notional amount foreign currency (full amount)</b>	<b>2016</b>		<b>Instruments</b>
		<b>Tagihan derivatif/ Derivatives receivable</b>	<b>Liabilitas derivatif/ Derivatives payable</b>	
<b>Terkait Nilai Tukar</b>				
Kontrak berjangka - beli USD	134,933,000	31,595	(4,167)	Forward contract - buy USD
Kontrak berjangka - jual JPY	169,411,600	717	(544)	Forward contract - sell JPY
USD	72,923,045	2,804	(1,753)	USD
<b>Swap mata uang asing - beli</b>				
EUR	25,089,206	-	(13,284)	Foreign currency swaps - buy EUR
USD	1,169,798,000	35,807	(15,102)	USD
<b>Swap mata uang asing - jual</b>				
AUD	1,500,000	-	(1)	Foreign currency swaps - sell AUD
CNY	86,929,579	1,538	-	CNY
EUR	25,000,000	4,149	-	EUR
GBP	500,000	142	-	GBP
USD	1,548,264,901	33,393	(297,957)	USD
SGD	826,565	-	(13)	SGD
HKD	69,758,088	-	(55)	HKD
<b>Spot mata uang asing - beli</b>				
EUR	2,000,000	211	-	Foreign currency spots - buy EUR
USD	92,815,000	1,316	(218)	USD
<b>Spot mata uang asing - jual</b>				
EUR	2,000,000	59	-	Foreign currency spots - sell EUR
USD	81,650,000	177	(559)	USD

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**11. TAGIHAN DAN LIABILITAS DERIVATIF  
(lanjutan)**

a. Berdasarkan jenis dan mata uang (lanjutan)

Instrumen	Jumlah nosisional mata uang asing (jumlah penuh)/ <i>Notional amount foreign currency (full amount)</i>	Nilai wajar/Fair values		<i>Instruments</i>
		Tagihan derivatif/ <i>Derivatives receivable</i>	Liabilitas derivatif/ <i>Derivatives payable</i>	
<b>Terkait Nilai Tukar dan Suku Bunga</b>				
Swap mata uang asing dan suku bunga USD	187,930,905	89,165	(77,217)	Cross currency swaps and interest rate USD
Swap atas suku bunga USD	740,000,000	48,791	-	Interest rate swaps USD
		<b>249,864</b>	<b>(410,870)</b>	
<b>2015</b>				
Instrumen	Jumlah nosisional mata uang asing (jumlah penuh)/ <i>Notional amount foreign currency (full amount)</i>	Nilai wajar/Fair values		<i>Instruments</i>
		Tagihan derivatif/ <i>Derivatives receivable</i>	Liabilitas derivatif/ <i>Derivatives payable</i>	
<b>Terkait Nilai Tukar</b>				
Kontrak berjangka - beli JPY	120,318,000	-	(200)	Forward contract - buy JPY
USD	15,239,874	189	(4,987)	USD
Kontrak berjangka - jual USD	121,994,892	15,319	(1,636)	Forward contract - sell USD
Swap mata uang asing - beli CNY	109,363,588	2,085	-	Foreign currency swaps - buy CNY
HKD	11,624,748	21	(35)	HKD
JPY	4,213,017,080	-	(280)	JPY
USD	576,175,874	17,103	(144,717)	USD
Swap mata uang asing - jual AUD	2,500,000	-	(374)	Foreign currency swaps - sell AUD
USD	839,818,772	196,720	(20,681)	USD
Spot mata uang asing - beli EUR	2,100,000	-	(41)	Foreign currency spots - buy EUR
USD	56,793,472	149	(580)	USD
Spot mata uang asing - jual EUR	2,100,000	43	-	Foreign currency spots - sell EUR
USD	46,796,896	361	(93)	USD
<b>Terkait Nilai Tukar dan Suku Bunga</b>				
Swap mata uang asing dan suku bunga USD	338,815,726	208,711	(987,933)	Cross currency swaps and interest rate USD
		<b>440,701</b>	<b>(1,161,557)</b>	

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**11. TAGIHAN DAN LIABILITAS DERIVATIF (lanjutan)**

**b. Berdasarkan hubungan**

**11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)**

**b. By relationship**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Tagihan derivatif</b>			<b>Derivatives receivables</b>
<b>Pihak berelasi</b>			<b>Related parties</b>
Mata uang asing	48,105	118,902	Foreign currencies
Total pihak berelasi	48,105	118,902	Total related parties
<b>Pihak ketiga</b>			<b>Third parties</b>
Mata uang asing	201,759	321,799	Foreign currencies
Total pihak ketiga	201,759	321,799	Total third parties
<b>Total</b>	<b>249,864</b>	<b>440,701</b>	<b>Total</b>
<b>Liabilitas derivatif</b>			<b>Derivatives payable</b>
<b>Pihak berelasi</b>			<b>Related parties</b>
Mata uang asing	10,979	2,745	Foreign currencies
Total pihak berelasi	10,979	2,745	Total related parties
<b>Pihak ketiga</b>			<b>Third parties</b>
Mata uang asing	399,891	1,158,812	Foreign currencies
Total pihak ketiga	399,891	1,158,812	Total third parties
<b>Total</b>	<b>410,870</b>	<b>1,161,557</b>	<b>Total</b>

Berdasarkan hasil penelaahan dan evaluasi manajemen Bank, seluruh tagihan derivatif pada tanggal 31 Desember 2016 dan 2015 digolongkan lancar.

Based on the Bank's management review and evaluation, all derivatives receivables as of 31 December 2016 and 2015 were classified as current.

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**12. PINJAMAN YANG DIBERIKAN**

Informasi mengenai pinjaman yang diberikan kepada pihak-pihak berelasi diungkapkan pada Catatan 46h.

**a. Berdasarkan jenis dan mata uang**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>			<b>Rupiah</b>
Modal kerja	140,296,949	124,065,512	Working capital
Investasi	80,482,524	59,552,179	Investment
Konsumen	73,343,599	64,034,181	Consumer
Sindikasi	38,072,462	28,661,601	Syndicated
Karyawan	3,318,245	3,312,696	Employee
Program pemerintah	650,539	771,899	Government programs
	<b>336,164,318</b>	<b>280,398,068</b>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Modal kerja	34,420,711	28,313,176	Working capital
Investasi	14,622,259	13,159,453	Investment
Sindikasi	7,908,922	4,078,102	Syndicated
Konsumen	155,401	151,129	Consumer
Karyawan	3,781	5,221	Employee
	<b>57,111,074</b>	<b>45,707,081</b>	
Total	<b>393,275,392</b>	<b>326,105,149</b>	<b>Total</b>
Cadangan kerugian penurunan nilai	<b>(16,680,865)</b>	<b>(12,038,618)</b>	<b>Allowance for impairment losses</b>
<b>Neto</b>	<b>376,594,527</b>	<b>314,066,531</b>	<b>Net</b>

Perincian pinjaman yang diberikan berdasarkan mata uang adalah sebagai berikut:

Loans to related parties are disclosed in Note 46h.

**a. By type and currency**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>			<b>Rupiah</b>
336,164,318	280,398,068		
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Dolar Amerika Serikat	54,737,407	45,316,557	United States Dollar
Yuan China	1,509,320	-	Chinese Yuan
Yen Jepang	528,202	123,515	Japanese Yen
Euro	102,152	43,342	Euro
Dolar Singapura	101,904	89,845	Singapore Dollar
Dolar Hong Kong	75,190	75,393	Hong Kong Dollar
Pound Sterling Inggris	56,809	58,429	Great Britain Pound Sterling
Won Korea	90	-	Korean Won
	<b>57,111,074</b>	<b>45,707,081</b>	
Total	<b>393,275,392</b>	<b>326,105,149</b>	<b>Total</b>
Penyisihan kerugian penurunan nilai	<b>(16,680,865)</b>	<b>(12,038,618)</b>	<b>Allowance for impairment losses</b>
<b>Neto</b>	<b>376,594,527</b>	<b>314,066,531</b>	<b>Net</b>

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**12. PINJAMAN YANG DIBERIKAN (lanjutan)**

**b. Berdasarkan hubungan**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Pihak berelasi</b>			<b>Related parties</b>
<b>Rupiah</b>			<b>Rupiah</b>
Sindikasi	31,253,012	18,364,950	Syndicated
Modal kerja	28,611,167	10,850,765	Working capital
Investasi	5,471,602	12,235,836	Investment
Karyawan	32,212	30,981	Employee
Konsumen	23,883	53,020	Consumer
	65,391,876	41,535,552	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Modal kerja	9,392,983	3,695,770	Working capital
Investasi	3,408,723	3,186,040	Investment
	12,801,706	6,881,810	
Total pihak berelasi	78,193,582	48,417,362	<i>Total related parties</i>
<b>Pihak ketiga</b>			<b>Third parties</b>
<b>Rupiah</b>			<b>Rupiah</b>
Modal kerja	111,685,782	113,214,747	Working capital
Investasi	75,010,922	47,316,343	Investment
Konsumen	73,319,716	63,981,161	Consumer
Sindikasi	6,819,450	10,296,651	Syndicated
Karyawan	3,286,033	3,281,715	Employee
Program pemerintah	650,539	771,899	Government programs
	270,772,442	238,862,516	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Modal kerja	25,027,728	24,617,406	Working capital
Investasi	11,213,536	9,973,413	Investment
Sindikasi	7,908,922	4,078,102	Syndicated
Konsumen	155,401	151,129	Consumer
Karyawan	3,781	5,221	Employee
	44,309,368	38,825,271	
Total pihak ketiga	315,081,810	277,687,787	<i>Total third parties</i>
Total	393,275,392	326,105,149	<b>Total</b>
Cadangan kerugian penurunan nilai	(16,680,865)	(12,038,618)	<i>Allowance for impairment losses</i>
<b>Neto</b>	<b>376,594,527</b>	<b>314,066,531</b>	<b>Net</b>

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**12. PINJAMAN YANG DIBERIKAN (lanjutan)**

c. Berdasarkan sektor ekonomi

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>			<b>Rupiah</b>
Perdagangan, restoran dan hotel	59,308,474	47,906,357	Trading, restaurants and hotels
Perindustrian	58,115,271	55,371,820	Manufacturing
Pertanian	39,866,141	28,117,344	Agriculture
Jasa dunia usaha	29,581,444	23,939,820	Business services
Pengangkutan, pergudangan dan komunikasi	20,021,846	22,747,753	Transportation, warehousing and communications
Listrik, gas dan air	20,254,818	11,503,246	Electricity, gas and water
Konstruksi	19,588,019	12,854,704	Construction
Jasa pelayanan sosial	10,060,457	8,325,420	Social services
Pertambangan	2,966,458	2,439,529	Mining
Lain-lain	76,401,390	67,192,077	Others
	336,164,318	280,398,068	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Perindustrian	14,975,009	11,016,933	Manufacturing
Pertambangan	11,217,984	12,353,941	Mining
Jasa dunia usaha	9,018,513	5,168,196	Business services
Listrik, gas dan air	6,751,651	5,989,133	Electricity, gas and water
Pertanian	3,261,439	769,449	Agriculture
Perdagangan, restoran dan hotel	2,272,842	2,050,049	Trading, restaurants and hotels
Pengangkutan, pergudangan dan komunikasi	2,183,177	1,060,821	Transportation, warehousing and communications
Jasa pelayanan sosial	1,186,073	344,540	Social services
Konstruksi	491,162	179,895	Construction
Lain-lain	5,753,224	6,774,124	Others
	57,111,074	45,707,081	
Total	393,275,392	326,105,149	<b>Total</b>
Cadangan kerugian penurunan nilai	(16,680,865)	(12,038,618)	Allowance for impairment losses
<b>Neto</b>	<b>376,594,527</b>	<b>314,066,531</b>	<b>Net</b>

d. Berdasarkan penilaian secara kolektif dan  
individual

**d. By assessment as collective and  
individual**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Individual			<b>Individual</b>
Kolektif	21,046,895	11,088,520	Collective
	372,228,497	315,016,629	
Total	393,275,392	326,105,149	<b>Total</b>
Cadangan kerugian penurunan nilai	(16,680,865)	(12,038,618)	Allowance for impairment losses
<b>Neto</b>	<b>376,594,527</b>	<b>314,066,531</b>	<b>Net</b>

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**12. PINJAMAN YANG DIBERIKAN (lanjutan)**

e. Berdasarkan kolektibilitas Bank Indonesia

	31 Desember/December			
	2016		2015	
	Pokok/ Principal	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Pokok/ Principal	Cadangan kerugian penurunan nilai/ Allowance for impairment losses
Lancar	369,622,882	(4,922,769)	307,862,525	(4,394,115)
Dalam perhatian khusus	12,008,235	(2,099,659)	9,533,014	(1,965,618)
Kurang lancar	1,593,966	(867,910)	2,722,628	(1,306,213)
Diragukan	838,648	(526,856)	848,223	(310,942)
Macet	9,211,661	(8,263,671)	5,138,759	(4,061,730)
	<b>393,275,392</b>	<b>(16,680,865)</b>	<b>326,105,149</b>	<b>(12,038,618)</b>

Current  
Special mention  
Substandard  
Doubtful  
Loss

f. Pinjaman bermasalah dan cadangan kerugian penurunan nilai berdasarkan sektor ekonomi

**f. Non-performing loans and allowance for impairment losses by economic sector**

	31 Desember/December			
	2016		2015	
	Pokok/ Principal	Cadangan kerugian penurunan nilai/ Allowance for impairment losses	Pokok/ Principal	Cadangan kerugian penurunan nilai/ Allowance for impairment losses
Perindustrian	2,755,974	(2,649,062)	1,791,522	(1,288,138)
Pengangkutan, perdagangan dan komunikasi	1,566,562	(1,329,041)	587,746	(288,944)
Perdagangan, restoran dan hotel	2,163,729	(1,628,930)	1,844,724	(1,211,834)
Pertambangan	1,135,756	(1,107,551)	1,285,364	(875,341)
Jasa dunia usaha	974,171	(920,697)	550,354	(198,517)
Konstruksi	465,468	(428,515)	543,933	(454,377)
Pertanian	240,758	(186,568)	239,869	(192,309)
Jasa pelayanan sosial	70,653	(56,527)	268,681	(193,373)
Listrik, gas dan air	138,929	(132,602)	12,691	(3,052)
Lain-lain	2,132,275	(1,218,944)	1,584,726	(973,000)
<b>Total</b>	<b>11,644,275</b>	<b>(9,658,437)</b>	<b>8,709,610</b>	<b>(5,678,885)</b>

**Total**

Rasio kredit bermasalah BNI dan Entitas Anak secara gross (sebelum dikurangi cadangan kerugian penurunan nilai) pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar 2,96% dan 2,67% (rasio untuk BNI saja 2,96% dan 2,70% masing-masing pada tanggal tanggal 31 Desember 2016 dan 2015), sedangkan rasio kredit bermasalah BNI dan Entitas Anak secara neto pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar 0,50% dan 0,93% (rasio untuk BNI saja 0,44% dan 0,91% masing-masing pada tanggal 31 Desember 2016 dan 2015).

The non-performing loans ratio of BNI and Subsidiaries on a gross basis, (before deducting the allowance for impairment losses), as of 31 December 2016 and 2015, were 2.96% and 2.67%, respectively (the ratios for BNI only were 2.96% and 2.70% as of 31 December 2016 and 2015, respectively), while the non-performing loans ratio of BNI and Subsidiaries on a net basis as of 31 December 2016 and 2015, were 0.50% and 0.93%, respectively (the ratios for BNI only were 0.44% and 0.91% as of 31 December 2016 and 2015, respectively).

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**12. PINJAMAN YANG DIBERIKAN (lanjutan)**

**g. Tingkat suku bunga per tahun**

	Rupiah %	Dolar Amerika Serikat/ United States Dollar %	Euro %	Dolar Singapura/ Singapore Dollar %	Contractual rates 2016 2015
Bunga kontrak					
2016	4.00 - 22.00	2.25 - 9.00	0.75	6.50 - 7.00	
2015	4.09 - 22.00	5.00 - 7.25	2.50	7.00	
Bunga efektif					Effective interest rate
2016	6.72 - 30.36	2.52 - 9.60	0.75	7.10 - 7.25	2016
2015	7.20 - 41.12	4.68 - 7.08	2.50	7.10 - 7.25	2015

**h. Pinjaman yang direstrukturisasi**

Berikut ini adalah jenis dan jumlah kredit yang telah direstrukturisasi per 31 Desember 2016 dan 2015:

**h. Restructured loans**

*Below is the type and amount of restructured loans as of 31 December 2016 and 2015:*

	31 Desember/December		
	2016	2015	Total
Perpanjangan jangka waktu kredit	5,284,867	3,179,700	<i>Extension of loan maturity dates</i>
Perpanjangan jangka waktu dan penurunan suku bunga kredit	11,400,256	6,344,553	<i>Extension of loan maturity dates and reduction of interest rates</i>
Perpanjangan jangka waktu kredit, penurunan suku bunga kredit, dan program restrukturisasi lain-lain*)	14,747,549	11,183,043	<i>Extension of loan maturity dates, reduction of interest rates and other restructuring programs*)</i>
<b>Total</b>	<b>31,432,672</b>	<b>20,707,296</b>	

\*) Program restrukturisasi lain-lain terutama terdiri dari penambahan fasilitas kredit, Perjanjian Pengakuan Utang (PPH) dan Interest Balloon Payment (IBP).

\*) Other restructuring scheme mainly includes additions of loan facilities, debt recognition agreements (PPH) and Interest Balloon Payments (IBP).

Jumlah kredit yang telah direstrukturisasi dan dalam kategori kredit bermasalah pada tanggal 31 Desember 2016 dan 2015, masing-masing sebesar Rp2.940.364 dan Rp3.781.510.

*Restructured loans which are categorized as non-performing loan amounted to Rp 2,940,364 and Rp3,781,510, as of 31 December 2016 and 2015, respectively.*

**i. Pinjaman sindikasi**

Pinjaman sindikasi merupakan pinjaman yang diberikan kepada debitur berdasarkan perjanjian pembiayaan bersama dengan bank-bank lain.

Keikutsertaan BNI dalam pinjaman sindikasi dengan bank-bank lain adalah sebesar Rp45.981.384 dan Rp32.739.703 masing-masing pada tanggal 31 Desember 2016 dan 2015.

**i. Syndicated loans**

*Syndicated loans represent loans provided to debtors based on syndication agreements with other banks.*

*BNI's participation in syndicated loans with other banks amounted to Rp45,981,384 and Rp32,739,703 as of 31 December 2016 and 2015, respectively.*

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**12. PINJAMAN YANG DIBERIKAN (lanjutan)**

**i. Pinjaman sindikasi (lanjutan)**

Persentase bagian BNI dalam pinjaman sindikasi, dimana BNI bertindak sebagai pimpinan sindikasi adalah sebagai berikut:

	31 Desember/December		% Participation
	2016	2015	
% Partisipasi	0.25% - 93.35%	27.00% - 55.00%	

Keikutsertaan BNI dalam pinjaman sindikasi, dimana BNI bertindak sebagai anggota sindikasi adalah sebagai berikut:

	31 Desember/December		% Participation
	2016	2015	
% Partisipasi	0.00% - 64.43%	0.03% - 64.43%	

**j. Cadangan kerugian penurunan nilai**

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

**j. Allowance for impairment losses**

*The movements in the allowance for impairment losses are as follows:*

	2016			<i>Beginning balance</i>
	<i>Individu/ Individual</i>	<i>Kolektif/ Collective</i>	<i>Total</i>	
Saldo awal	4,775,280	7,263,338	12,038,618	
Penyisihan selama tahun berjalan	4,403,923	3,223,184	7,627,107	<i>Allowance during the year</i>
Penerimaan kembali pinjaman yang telah dihapusbukukan	17,966	127,607	145,573	<i>Recovery of written off loans</i>
Penghapusan selama tahun berjalan	(1,040,894)	(2,142,691)	(3,183,585)	<i>Write-offs during the year</i>
Penyesuaian karena penjabaran mata uang asing	7,973	45,179	53,152	<i>Foreign exchange translation adjustment</i>
<b>Saldo akhir</b>	<b>8,164,248</b>	<b>8,516,617</b>	<b>16,680,865</b>	<b><i>Ending balance</i></b>

	2015			<i>Beginning balance</i>
	<i>Individu/ Individual</i>	<i>Kolektif/ Collective</i>	<i>Total</i>	
Saldo awal	2,807,221	4,163,074	6,970,295	
Penyisihan selama tahun berjalan	2,204,722	5,014,092	7,218,814	<i>Allowance during the year</i>
Penerimaan kembali pinjaman yang telah dihapusbukukan	81,666	104,421	186,087	<i>Recovery of written off loans</i>
Penghapusan selama tahun berjalan	(335,078)	(2,131,027)	(2,466,105)	<i>Write-offs during the year</i>
Penyesuaian karena penjabaran mata uang asing	16,749	112,778	129,527	<i>Foreign exchange translation adjustment</i>
<b>Saldo akhir</b>	<b>4,775,280</b>	<b>7,263,338</b>	<b>12,038,618</b>	<b><i>Ending balance</i></b>

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai di atas telah memadai.

*Management believes that the allowance for impairment losses above is adequate.*

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**12. PINJAMAN YANG DIBERIKAN (lanjutan)**

**k. Kredit dihapusbukukan**

Kredit yang telah dihapusbukukan oleh BNI dicatat sebagai kredit ekstra-kontabel di dalam rekening administratif.

**I. Fasilitas pembiayaan dengan perusahaan pembiayaan**

BNI memiliki perjanjian pembiayaan dengan beberapa lembaga pembiayaan untuk membiayai kepemilikan kendaraan bermotor sebesar Rp5.161.870 dan Rp5.430.504 masing-masing pada tanggal 31 Desember 2016 dan 2015.

Perjanjian pembiayaan hak *recourse* di atas, dengan perusahaan pembiayaan terkait adalah sebesar 100% masing-masing pada tanggal 31 Desember 2016 dan 2015 dari jumlah kredit yang diberikan berdasarkan perjanjian pembiayaan tersebut. Apabila terjadi wanprestasi atas debitur, BNI memiliki hak *recourse* terhadap perusahaan pembiayaan yang terkait.

**m. Informasi pokok lainnya sehubungan dengan pinjaman yang diberikan**

Grup memiliki agunan atas pinjaman yang diberikan dalam bentuk kas, deposito, agunan yang diikat dengan hipotik, garansi serta jaminan dalam bentuk aset lainnya.

Pinjaman yang diberikan dalam pembiayaan syariah masing-masing sebesar Rp20.493.610 dan Rp17.767.590 pada tanggal 31 Desember 2016 dan 2015.

Pinjaman karyawan adalah pinjaman yang diberikan kepada karyawan dengan tingkat bunga sebesar 3% - 4% per tahun yang ditujukan untuk pembelian rumah dan keperluan lainnya dengan jangka waktu berkisar antara 1 tahun sampai 18 tahun. Pembayaran pokok pinjaman dan bunga dilunasi melalui pemotongan gaji setiap bulan.

Kredit Program Pemerintah terdiri dari Kredit Likuiditas Bank Indonesia (KLBI), Kredit Ketahanan Pangan (KKP), Two Steps Loan (TSL), Kredit Usaha Pembibitan Sapi (KUPS), dan Revitalisasi Perkebunan yang dapat didanai sebagian dan/atau seluruhnya oleh Pemerintah.

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**12. LOANS (continued)**

**k. Loans written off**

*The loans written off by BNI are recorded as extra-comptable in the administrative account.*

**I. Financing arrangements with multi-finance companies**

*BNI has financing arrangements with several multi-finance companies with respect to motor vehicles financing amounted to Rp5,161,870 and Rp5,430,504 as of 31 December 2016 and 2015, respectively.*

*As of 31 December 2016 and 2015, the above recourse arrangements with the respective multi-finance companies were 100% of the total loans under repetitive financing arrangements. In case of default by the borrowers, BNI has recourse against the respective multi-finance companies.*

**m. Other significant information relating to loans**

*The Group holds collateral against loans in the form of cash, deposits, registered mortgages, guarantees and other assets held as collaterals.*

*Loans include sharia receivables amounting to Rp20,493,610 and Rp17,767,590 as of 31 December 2016 and 2015, respectively.*

*Loans to employees which carried interest rate of 3% - 4% per annum are intended for purchase of houses and other necessities with 1 year to 18 years time period. The loan principal and interest payments are settled through monthly payroll deductions.*

*Government Program Loans consist of Kredit Likuiditas Bank Indonesia (KLBI), Kredit Ketahanan Pangan (KKP), Two Steps Loan (TSL), Kredit Usaha Pembibitan Sapi (KUPS) and Revitalisasi Perkebunan which were partially and/or fully funded by the Government.*

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**12. PINJAMAN YANG DIBERIKAN (lanjutan)**

**m. Informasi pokok lainnya sehubungan dengan pinjaman yang diberikan (lanjutan)**

Pada tanggal 31 Desember 2016 dan 2015, tidak terdapat pelanggaran maupun pelampaunan Batas Maksimum Pemberian Kredit (BMPK) kepada pihak berelasi dan pihak ketiga sesuai dengan peraturan yang ditetapkan Bank Indonesia.

Rasio kredit usaha mikro dan kecil terhadap jumlah kredit yang diberikan BNI per 31 Desember 2016 dan 2015 masing-masing adalah sebesar 8,43% dan 7,13%, sedangkan bila rasio tersebut ditambahkan dengan kredit menengah maka rasionalya menjadi sebesar 17,70% dan 16,00% masing-masing untuk tanggal 31 Desember 2016 dan 2015.

**13. OBLIGASI PEMERINTAH**

**a. Berdasarkan jenis dan mata uang**

**12. LOANS (continued)**

**m. Other significant information relating to loans (continued)**

As at 31 December 2016 and 2015, there was not any breach nor violation of Legal Lending Limit (LLL) to related parties and third parties as required by Bank Indonesia regulations.

The micro and small scale loans to total loans ratio for BNI and the small scale loans to total loans ratio for BNI as of 31 December 2016 and 2015 is 8.43% and 7.13%, respectively, whereas if that ratio is added with middle scale loans, the ratio will become 17.70% and 16.00% as of 31 December 2016 and 2015, respectively.

**13. GOVERNMENT BONDS**

**a. By type and currency**

	31 Desember/December				<i>Fair value through profit or loss</i>	
	2016		2015			
	Nilai Nominal/ Nominal Value	Nilai Tercatat/ Carrying Value	Nilai Nominal/ Nominal Value	Nilai Tercatat/ Carrying Value		
<b>Nilai wajar melalui laporan laba rugi</b>						
<b>Rupiah</b>					<i>Rupiah</i>	
Tingkat bunga tetap	650,429	660,239	295,815	289,918	Fixed rate	
Tingkat bunga mengambang	43,500	44,227	6,500	6,053	Floating rate	
	693,929	704,466	302,315	295,971		
<b>Mata uang asing</b>					<i>Foreign currencies</i>	
Tingkat bunga tetap	1,347	1,353	161,285	160,791	Fixed rate	
<b>Total nilai wajar melalui laporan laba rugi</b>	<b>695,276</b>	<b>705,819</b>	<b>463,600</b>	<b>456,762</b>	<i>Total fair value through profit or loss</i>	
<b>Tersedia untuk dijual</b>						
<b>Rupiah</b>					<i>Rupiah</i>	
Tingkat bunga tetap	16,142,268	15,697,378	13,857,459	12,692,682	Fixed rate	
Tingkat bunga mengambang	8,507,370	8,485,787	12,645,950	12,598,921	Floating rate	
	24,649,638	24,183,165	26,503,409	25,291,603		
<b>Mata uang asing</b>					<i>Foreign currencies</i>	
Tingkat bunga tetap	18,365,451	18,604,617	9,024,808	9,046,210	Fixed rate	
Tingkat bunga mengambang	821,823	872,558	-	-	Floating rate	
	19,187,274	19,477,175	9,024,808	9,046,210		
<b>Total tersedia untuk dijual</b>	<b>43,836,912</b>	<b>43,660,340</b>	<b>35,528,217</b>	<b>34,337,813</b>	<i>Total available-for-sale</i>	
<b>Dimiliki hingga jatuh tempo</b>						
<b>Rupiah</b>					<i>Held-to-maturity Rupiah</i>	
Tingkat bunga tetap, setelah diskonto/premi yang belum diamortisasi, sebesar Rp459,994 per 31 Desember 2016 dan Rp559,801 per 31 Desember 2015	14,905,825	14,445,831	12,851,762	12,239,428	Fixed rate, net of unamortized discount/premium of Rp459,994 as of 31 December 2016 and Rp559,801 as of 31 December 2015	
Tingkat bunga mengambang	2,000	2,140	2,000	2,191	Floating rate	
	14,907,825	14,447,971	12,853,762	12,241,619		

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**13. OBLIGASI PEMERINTAH (lanjutan)**

**a. Berdasarkan jenis dan mata uang (lanjutan)**

	31 Desember/December			
	2016		2015	
	Nilai Nominal/ Nominal Value	Nilai Tercatat/ Carrying Value	Nilai Nominal/ Nominal Value	Nilai Tercatat/ Carrying Value
<b>Dimiliki hingga jatuh tempo (lanjutan)</b>				
<b>Mata uang asing</b>				
Tingkat bunga tetap, setelah diskonto/ premi yang belum diamortisasi sebesar Rp75.665 per 31 Desember 2016 dan Rp7 per 31 Desember 2015 Tingkat bunga mengambang	3,799,117 309,868	3,874,782 317,427	186,133 -	186,125 -
	4,108,985	4,192,209	186,133	186,125
<b>Total dimiliki hingga jatuh tempo</b>	<b>19,016,810</b>	<b>18,640,180</b>	<b>13,039,895</b>	<b>12,427,744</b>
<b>Total Obligasi Pemerintah</b>	<b>63,548,998</b>	<b>63,006,339</b>	<b>49,031,712</b>	<b>47,222,319</b>
<i>Held-to-maturity (continued)</i>				
<i>Foreign currencies</i>				
				Fixed rate, net of unamortized discount/premium of Rp75,665 as of 31 December 2016 and Rp7 as of 31 December 2015 Floating rate
<i>Total held-to-maturity</i>				
<i>Total Government Bonds</i>				

Jumlah nominal Obligasi Pemerintah yang diterima BNI dari program rekapitalisasi masing-masing sebesar Rp8.498.370 dan Rp11.902.950 pada tanggal 31 Desember 2016 dan 2015.

Jumlah Obligasi Pemerintah yang dikelompokkan sebagai tersedia untuk dijual dan dijual selama tahun berjalan adalah sebagai berikut:

	Total dijual/ Sold	Kepada pihak ketiga/ To third parties		Year ended 31 December 2016
		Nilai nominal/ Nominal value	Harga jual/ Selling price	
Tahun yang berakhir pada tanggal 31 Desember 2016	6,584,091	5,387,178	5,698,791	Year ended 31 December 2016
Tahun yang berakhir pada tanggal 31 Desember 2015	1,701,074	1,644,373	1,718,582	Year ended 31 December 2015

Jumlah Obligasi Pemerintah yang telah jatuh tempo dalam tahun 2016 dan 2015 adalah sebesar masing-masing Rp4.490.443 (nilai nominal) dan Rp704.468 (nilai nominal).

Untuk obligasi tingkat bunga mengambang, harga pasar Obligasi Pemerintah berkisar antara 99,62% sampai dengan 99,85% dan antara 69,97% sampai dengan 109,53% masing-masing pada tanggal 31 Desember 2016 dan 2015 dari nilai nominal.

The total outstanding nominal amount of Government Bonds received by BNI from the recapitalization program amounted to Rp8,498,370 and Rp11,902,950 as of 31 December 2016 and 2015, respectively.

The total available-for-sale Government Bonds sold during the current year were as follows:

Total Government Bonds which have matured amounted to Rp4,490,443 (nominal value) and Rp704,468 (nominal value) during 2016 and 2015, respectively.

For floating interest rate bonds, the market price of Government Bonds ranged from 99.62% to 99.85% and from 69.97% to 109.53% of the nominal value as of 31 December 2016 and 2015, respectively, of the nominal amounts.

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**13. OBLIGASI PEMERINTAH (lanjutan)**

**a. Berdasarkan jenis dan mata uang (lanjutan)**

Untuk tingkat bunga tetap, harga pasar Obligasi Pemerintah berkisar antara 84,45% sampai dengan 122,41% dan antara 72,18% sampai dengan 140,77% masing-masing pada tanggal 31 Desember 2016 dan 2015.

BNI mengakui adanya keuntungan atau kerugian yang belum direalisasi atas penurunan nilai pasar Obligasi Pemerintah dalam kelompok tersedia untuk dijual (neto setelah pajak) sebesar Rp981.697 (rugi) dan Rp489.680 (rugi) masing-masing pada tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 yang dicatat pada bagian ekuitas laporan posisi keuangan konsolidasian.

Pada tanggal 31 Desember 2016 dan 2015 Obligasi pemerintah dengan tingkat bunga tetap dengan jumlah nominal Rp4.373.950 dan Rp3.782.950 telah dijual dengan janji dibeli kembali hingga jatuh tempo sehingga klasifikasinya berubah dari tersedia untuk dijual menjadi dimiliki hingga jatuh tempo (lihat Catatan 22).

**b. Berdasarkan kisaran tanggal jatuh tempo dan jenis bunga**

31 Desember/December			
	2016	2015	
Diperdagangkan Obligasi tingkat bunga tetap	05/03/2017 - 15/04/2043	27/02/2016 - 15/04/2043	Trading Fixed rate bonds
Tersedia untuk dijual Obligasi tingkat bunga tetap	06/01/2017 - 15/05/2033	15/01/2016 - 15/04/2043	Available-for-sale Fixed rate bonds
Obligasi tingkat bunga mengambang	25/02/2017 - 25/07/2020	25/03/2016 - 25/07/2020	Floating rate bonds
Dimiliki hingga jatuh tempo Obligasi tingkat bunga tetap	15/04/2017 - 15/05/2037	27/02/2016 - 15/02/2044	Held-to-maturity Fixed rate bonds

**c. Tingkat suku bunga tetap tahunan**

	Rupiah %	Dolar Amerika Serikat/ United States Dollar %	Dolar Singapura/ Singapore Dollar %	Contractual interest rate: 2016 2015
Suku bunga kontrak:				
2016	4.87 - 12.04	0.63 - 7.75	2.25 - 3.25	
2015	4.45 - 12.90	0.25 - 11.63	2.25 - 3.25	
Suku bunga efektif:				Effective interest rate: 2016 2015
2016	4.87 - 12.04	0.55 - 4.72	0.97 - 1.89	
2015	6.60 - 12.15	0.06 - 6.15	1.08 - 1.64	

**13. GOVERNMENT BONDS (continued)**

**a. By type and currency (continued)**

For fixed interest rate bonds, the market price of Government Bonds ranged from 84.45% to 122.41% and from 72.18% to 140.77% as of 31 December 2016 and 2015, respectively.

BNI recognized the unrealized gains or losses from the decrease in the market value of the Government Bonds categorized as available-for-sale (net of taxes) in the amount of Rp981,697 (loss) and Rp489,680 (loss) for years ended 31 December 2016 and 2015, respectively, both recorded in the equity section of the consolidated statement of financial position.

As of 31 December 2016 and 2015 the fixed rate government bonds has been sold under agreements to repurchase to maturity with nominal amount to Rp4,373,950 and Rp3,782,950 therefore the classification changes from available-for-sale to held-to-maturity (refer to Note 22).

**b. Based on maturity date and type of interest rate**

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**13. OBLIGASI PEMERINTAH (lanjutan)**

**d. Tingkat suku bunga mengambang tahunan**

Tingkat suku bunga per tahun/  
*Annual interest rates*

	2016	2015	2016	2015
	6.28% - 6.56%	5.31% - 8.75%		

**14. EFEK-EFEK YANG DIBELI DENGAN JANJI DIJUAL KEMBALI**

Efek-efek yang dibeli dengan janji dijual kembali pada tanggal 31 Desember 2016 dan 2015 terdiri dari:

**14. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL**

*Securities purchased under agreements to resell as of 31 December 2016 and 2015 are as follows:*

2016							
Counterparty	Jenis Sekuritas/ Type of Securities	Nilai Nominal/ Nominal Amount	Tanggal Dimulai/ Start Date	Tanggal Jatuh Tempo/ Maturity Date	Liabilitas Penjualan Kembali/ Resale Liabilities	Pendapatan Bunga yang Belum Direalisasi/ Unrealized Interest	Nilai Tercatat/ Carrying Value
<b>Pihak ketiga/Third parties</b>							
PT Bank Jabar Banten Tbk	OBN	125,000	15/12/2016	16/01/2017	111,686	338	111,348
PT Bank Jabar Banten Tbk	OBN	250,000	20/12/2016	20/01/2017	221,492	871	220,621
PT Bank Jabar Banten Tbk	OBN	250,000	21/12/2016	23/01/2017	224,225	1,088	223,137
PT Bank Jabar Banten Tbk	OBN	250,000	22/12/2016	24/01/2017	229,102	1,235	227,867
PT Bank Jabar Banten Tbk	OBN	250,000	22/12/2016	24/01/2017	229,102	1,235	227,867
PT Bank Jabar Banten Tbk	OBN	350,000	23/12/2016	06/01/2017	314,768	349	314,419
Bank Indonesia	Sukuk	107,084	07/12/2016	04/01/2017	107,858	387	107,471
Bank Indonesia	Sukuk	109,357	14/12/2016	11/01/2017	109,925	284	109,641
Bank Indonesia	Sukuk	122,184	21/12/2016	18/01/2017	122,572	193	122,379
		<b>1,813,625</b>			<b>1,670,730</b>	<b>5,980</b>	<b>1,664,750</b>

2015							
Counterparty	Jenis Sekuritas/ Type of Securities	Nilai Nominal/ Nominal Amount	Tanggal Dimulai/ Start Date	Tanggal Jatuh Tempo/ Maturity Date	Liabilitas Penjualan Kembali/ Resale Liabilities	Pendapatan Bunga yang Belum Direalisasi/ Unrealized Interest	Nilai Tercatat/ Carrying Value
<b>Pihak ketiga/Third parties</b>							
PT Bank Jabar Banten Tbk	OBN	200,000	21/12/2015	01/02/2016	180,782	1,272	179,510
PT Bank Jabar Banten Tbk	OBN	200,000	21/12/2015	01/02/2016	198,099	1,394	196,705
		<b>400,000</b>			<b>378,881</b>	<b>2,666</b>	<b>376,215</b>

Efek-efek yang dibeli dengan janji dijual kembali tersebut di atas diklasifikasikan sebagai lancar.

*Securities purchased under agreements to resell are classified as current.*

Tingkat suku bunga tetap tahunan :

*Annual fixed interest rates :*

Rupiah  
%

Suku bunga kontrak: 2016 2015	7.30 - 8.50 8.25	Contractual interest rate: 2016 2015
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**15. BEBAN DIBAYAR DIMUKA**

Beban dibayar dimuka terdiri dari :

	31 Desember/December		
	2016	2015	
Sewa dibayar dimuka	1,176,299	1,082,404	Prepaid rent
Biaya tangguhan	459,033	146,532	Deferred expenses
Perbaikan dan pemeliharaan	287,162	226,774	Service and maintenance
Asuransi	225,107	65,299	Insurance
Promosi	168,166	50,225	Promotion
Lainnya	95,124	61,407	Others
	<b>2,410,891</b>	<b>1,632,641</b>	

**16. PENYERTAAN SAHAM**

**Penyertaan jangka panjang**

	Biaya Perolehan/ Cost		Bagian BNI Atas Laba/(Rugi Akumulasi)/ BNI's Share of Accumulated Profit/(Losses)		Nilai Tercatat/ Carrying Value		
	2016	2015	2016	2015	2016	2015	
Metode ekuitas	-	40,742	-	(36,796)	-	3,946	Equity method
Klasifikasi tersedia untuk dijual					57,169	56,554	Classified as available-for-sale
Total					57,169	60,500	Total
Cadangan kerugian penurunan nilai					-	(24,707)	Allowance for impairment losses
<b>Neto</b>					<b>57,169</b>	<b>35,793</b>	<b>Net</b>

Penyertaan jangka panjang berdasarkan kolektibilitas Bank Indonesia adalah:

*The classification of long-term equity investments based on Bank Indonesia collectibility are as follows:*

	31 Desember/December		
	2016	2015	
Lancar	57,169	59,964	Current Loss
Macet	-	536	
Total	57,169	60,500	Total
Cadangan kerugian penurunan nilai	-	(24,707)	Allowance for impairment losses
<b>Neto</b>	<b>57,169</b>	<b>35,793</b>	<b>Net</b>

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

*The movements in the allowance for impairment losses are as follows:*

	31 Desember/December		
	2016	2015	
Saldo awal (Pembalikan) selama tahun berjalan	24,707 (24,707)	24,707 -	Beginning balance (Reversal) during the year
<b>Neto</b>	<b>-</b>	<b>24,707</b>	<b>Net</b>

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai di atas telah memadai.

*Management believes that the allowance for impairment losses above is adequate.*

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**16. PENYERTAAN SAHAM (lanjutan)**

**Penyertaan jangka panjang (lanjutan)**

Penyertaan pada perusahaan asosiasi adalah sebagai berikut:

Nama Perusahaan	Kegiatan Usaha/ Business Activity	Percentase Kepemilikan/ Percentage of Ownership		Company's Name
		2016	2015	
<b>Metode ekuitas</b>				<b>Equity method</b>
PT Swadharma Nusantara Pembiayaan (dahulu PT Swadharma Surya Finance)	Pembiayaan/Financing	-	25.00%	PT Swadharma Nusantara Pembiayaan (formerly PT Swadharma Surya Finance)
<b>Diklasifikasikan sebagai tersedia untuk dijual</b>				<b>Classified as available-for-sale</b>
PT Sarana Bersama Pembiayaan Indonesia	Investasi/Investment	8.00%	8.00%	PT Sarana Bersama Pembiayaan Indonesia
PT Swadharma Nusantara Pembiayaan (dahulu PT Swadharma Surya Finance)	Pembiayaan/Financing	7.35%	-	PT Swadharma Nusantara Pembiayaan (formerly PT Swadharma Surya Finance)
PT Bursa Efek Indonesia	Bursa efek/Stock exchange	2.07%	1.20%	PT Bursa Efek Indonesia
PT Kustodian Sentral Efek Indonesia	Lembaga penyelesaian efek/ Settlement and depository	1.93%	2.50%	PT Kustodian Sentral Efek Indonesia
PT Pemeringkat Efek Indonesia (Persero)	Pemeringkat efek/ Credit rating agency	1.93%	1.93%	PT Pemeringkat Efek Indonesia (Persero)
PT Bank Mizuho Indonesia	Bank/Banking	1.00%	1.00%	PT Bank Mizuho Indonesia
PT Bank Sumitomo Mitsui Indonesia	Bank/Banking	0.52%	0.52%	PT Bank Sumitomo Mitsui Indonesia

**17. ASET LAIN-LAIN - NETO**

Aset lain-lain - neto terdiri dari :

**17. OTHER ASSETS - NET**

Other assets - net consist of:

	31 Desember/December		<b>Total</b>
	2016	2015	
Piutang bunga	3,110,149	2,020,966	Interest receivables
Piutang terkait transaksi ATM dan kartu kredit	1,581,100	362,447	Receivables from transactions related to ATM and credit card
Piutang lain-lain	952,919	595,130	Other receivables
Agunan yang diambil alih setelah dikurangi penyisihan kerugian penurunan nilai sebesar Rp209.580 pada tanggal 31 Desember 2016 (31 Desember 2015: Rp159.693)	317,127	364,897	Foreclosed collateral, net of allowance for impairment losses of Rp209,580 as of 31 December 2016 (31 December 2015: Rp159,693)
Uang muka bonus saham	249,979	499,979	Share bonus advance
Persediaan kantor	189,223	256,438	Office supplies
Piutang premi asuransi	21,503	8,762	Insurance premium receivables
Lain-lain setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp26.559 pada tanggal 31 Desember 2016 (31 Desember 2015: Rp27.504)	371,167	373,492	Others, net of allowance for impairment losses of Rp26,559 as of 31 December 2016 (31 December 2015: Rp27,504)
<b>Total</b>	<b>6,793,167</b>	<b>4,482,111</b>	

Pada tanggal 31 Desember 2016, piutang bunga sebagian besar merupakan bunga yang berasal dari pinjaman yang diberikan dan Obligasi Pemerintah masing-masing sebesar Rp1.491.811 dan Rp653.834 (31 Desember 2015: Rp1.325.421 dan Rp530.792).

As of 31 December 2016, interest receivables are mostly comprised of interest from loans and Government Bonds amounting to Rp1,491,811 and Rp653,834, respectively (31 December 2015: Rp1,325,421 and Rp530,792).

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**17. ASET LAIN-LAIN - NETO (lanjutan)**

Piutang lain-lain sebagian besar merupakan piutang yang berasal dari transaksi efek dengan nasabah sebesar Rp456.774 dan Rp259.011 masing-masing pada tanggal 31 Desember 2016 dan 2015.

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai yang dibentuk atas aset-aset yang disebutkan di atas telah memadai.

**18. ASET TETAP**

Aset tetap kepemilikan langsung:

**17. OTHER ASSETS - NET (continued)**

*Other receivables mostly comprised of receivables from securities transactions with customers amounting to Rp456,774 and Rp259,011 as of 31 December 2016 and 2015, respectively.*

*Management believes that the allowance for impairment losses on the respective assets outlined above is adequate.*

**18. FIXED ASSETS**

*Direct ownership of fixed assets:*

	2016			
	Saldo awal/ Beginning balance	Penambahan dan reklasifikasi/ Additions and reclassification	Pengurangan dan reklasifikasi/ Disposals and reclassification	Saldo akhir/ Ending balance
<b>Biaya perolehan</b>				
Tanah	13,729,429	99,281	-	13,828,710
Bangunan	3,692,772	164,996	(7,735)	3,850,033
Perlengkapan kantor dan kendaraan bermotor	7,625,050	607,418	(86,796)	8,145,672
Total biaya perolehan	25,047,251	871,695	(94,531)	25,824,415
Aset dalam penyelesaian	1,301,419	1,467,754	(167,860)	2,601,313
Total biaya perolehan	26,348,670	2,339,449	(262,391)	28,425,728
<b>Akumulasi penyusutan</b>				
Bangunan	350,786	211,443	(16,329)	545,900
Perlengkapan kantor dan kendaraan bermotor	5,241,290	728,084	(61,769)	5,907,605
Total akumulasi penyusutan	5,592,076	939,527	(78,098)	6,453,505
<b>Nilai buku neto</b>	<b>20,756,594</b>			<b>21,972,223</b>

	2015			
	Saldo awal/ Beginning balance	Penambahan dan reklasifikasi/ Additions and reclassification	Pengurangan dan reklasifikasi/ Disposals and reclassification	Selisih Penilaian Kembali Aset Tetap/ Increase arising on revaluation of properties
<b>Biaya perolehan</b>				
Tanah	1,766,479	1,397,450	-	10,565,500
Bangunan	2,772,014	584,143	(40,998)	377,613
Perlengkapan kantor dan kendaraan bermotor	6,247,637	1,462,773	(85,360)	-
Total biaya perolehan	10,786,130	3,444,366	(126,358)	10,943,113
Aset dalam penyelesaian	1,723,661	209,736	(631,978)	-
Total biaya perolehan	12,509,791	3,654,102	(758,336)	10,943,113
<b>Akumulasi penyusutan</b>				
Bangunan	1,517,600	235,211	(8,213)	(1,393,812)
Perlengkapan kantor dan kendaraan bermotor	4,770,141	548,100	(76,951)	-
Total akumulasi penyusutan	6,287,741	783,311	(85,164)	(1,393,812)
<b>Nilai buku neto</b>	<b>6,222,050</b>			<b>20,756,594</b>

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**18. ASET TETAP (lanjutan)**

Rincian keuntungan penjualan aset tetap adalah sebagai berikut:

	<b>Tahun yang Berakhir pada tanggal 31 Desember /Year ended December</b>		
	<b>2016</b>	<b>2015</b>	
Harga jual	17,755	60,252	<i>Proceeds</i>
Nilai buku	(16,433)	(41,194)	<i>Book value</i>
<b>Keuntungan</b>	<b>1,322</b>	<b>19,058</b>	<b><i>Gain</i></b>

Pada tanggal 26 November 2015, Bank membeli tanah dan bangunan yang berlokasi di Jl. Jenderal Sudirman Kav. No. 1, Jakarta Pusat senilai Rp1.465.000 dan tanah dan bangunan yang berlokasi di Jl. Raya R.S Fatmawati, Jakarta Selatan senilai Rp65.000 dari Dana Pensiu BNI (pihak berelasi).

Jumlah beban penyusutan aset tetap sebesar Rp939.527 dan Rp783.311 masing-masing pada tanggal 31 Desember 2016 dan 2015.

Manajemen berkeyakinan bahwa tidak terdapat penurunan nilai aset tetap yang dimiliki Grup selama tahun berjalan karena manajemen berpendapat bahwa nilai tercatat aset tetap tidak melebihi estimasi nilai yang dapat diperoleh kembali.

Aset tetap Bank pada tanggal 31 Desember 2016 diasuransikan terhadap risiko kebakaran dan pencurian dengan nilai pertanggungan sebesar Rp Rp6.341.119 (31 Desember 2015: Rp8.393.422). Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan kerugian atas aset tersebut.

Aset dalam penyelesaian pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Bangunan	1,174,271	450,819	<i>Buildings</i>
Peralatan kantor dan kendaraan bermotor	1,427,042	850,600	<i>Office equipment and motor vehicles</i>
<b>Total</b>	<b>2,601,313</b>	<b>1,301,419</b>	<b><i>Total</i></b>

Estimasi persentase tingkat penyelesaian aset dalam penyelesaian pada tanggal 31 Desember 2016 adalah berkisar 2% - 66% (31 Desember 2015: 6% - 61%).

**18. FIXED ASSETS (continued)**

*Details of gain on sale of fixed assets are as follows:*

*On 26 November 2015, the Bank purchased land and building located in Jl. Jenderal Sudirman Kav. No. 1, Central Jakarta amounting to Rp1,465,000 and land and building located in Jl. Raya R.S Fatmawati, South Jakarta amounting to Rp65,000 from BNI Pension Fund (related party).*

*The balances of depreciation amounting to Rp939,527 and Rp783,311 as of 31 December 2016 and 2015, respectively.*

*Management believes that there is no impairment in the value of fixed assets owned by the Group during the year because management believes that the carrying amounts of fixed assets do not exceed the estimated recoverable amount.*

*As of 31 December 2016, the fixed assets of the Bank were insured against risk of fire and theft with sum insured amounting to Rp6,341,119 (31 December 2015: Rp8,393,422). Management believes that the sum insured is adequate to cover possible losses on the assets insured.*

*Construction in progress as of 31 December 2016 and 2015 are as follows:*

*The estimated percentage of completion of construction in progress as of 31 December 2016 is between 2% - 66% (31 December 2015: 6% - 61%).*

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**18. ASET TETAP (lanjutan)**

Nilai wajar tanah dan bangunan yang dimiliki Grup pada tanggal 31 Desember 2016 tidak berbeda jauh dengan nilai tercatat karena Grup melakukan penilaian pada tanah dan bangunan pada tanggal 30 September 2015.

Tidak ada aset tetap yang dijaminkan.

Pada tanggal 30 September 2015, Grup melakukan perubahan kebijakan akuntansi atas tanah dan bangunan dari sebelumnya menggunakan model biaya menjadi model revaluasi.

Penilaian atas tanah dan bangunan dilakukan oleh penilai independen eksternal sebagai berikut:

- a) KJPP Toha Okky Heru dan Rekan
- b) KJPP Antonius Setiady dan Rekan
- c) KJPP Benedictus Darmapuspita dan Rekan
- d) KJPP Abdullah Fitriantoro dan Rekan
- e) DTZ Debenham Tie Leung (SEA) PTE LTD
- f) Knight Frank
- g) Muromachi Real Estate Co, Ltd
- h) Property Appraisal Service

Penilaian dilakukan berdasarkan Standar Penilaian Indonesia, ditentukan berdasarkan transaksi pasar terkini dan dilakukan dengan ketentuan-ketentuan yang lazim. Metode penilaian yang dipakai adalah metode data pasar, metode biaya dan metode pendapatan. Elemen-elemen yang digunakan dalam perbandingan data untuk menentukan nilai wajar aset antara lain:

- a) Jenis dan hak yang melekat pada properti
- b) Kondisi pasar
- c) Lokasi
- d) Karakteristik fisik
- e) Karakteristik dalam menghasilkan pendapatan
- f) Karakteristik tanah

Informasi mengenai penilaian kembali aset tetap pada tanggal 30 September 2015 untuk kelompok aset tanah dan bangunan di Indonesia dan luar negeri yang dilakukan oleh Bank adalah sebagai berikut:

	<b>Nilai Buku sebelum Revaluasi/ Carrying Amount Before Revaluation</b>	<b>Nilai Buku Setelah Revaluasi/ Carrying Amount after Revaluation</b>	<b>Keuntungan/ (Kerugian) Revaluasi/ Gain/(Loss) Revaluation</b>	
Tanah	1,731,909	12,297,409	10,565,500	Land
Bangunan	1,115,110	2,886,536	1,771,426	Buildings
<b>Jumlah</b>	<b>2,847,019</b>	<b>15,183,945</b>	<b>12,336,926</b>	<b>Total</b>

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**18. FIXED ASSETS (continued)**

*There is no significant difference between fair value and carrying value of land and building owned by the Group as of 31 December 2016 because the Group perform revaluation over land and buildings on 30 September 2015.*

*There were no fixed assets pledged as collateral.*

*On 30 September 2015, the Group changed their accounting policy of land and buildings from cost model to revaluation model.*

*The valuations of land and building are performed by the following external independent appraiser:*

- a) KJPP Toha Okky Heru dan Rekan
- b) KJPP Antonius Setiady dan Rekan
- c) KJPP Benedictus Darmapuspita dan Rekan
- d) KJPP Abdullah Fitriantoro dan Rekan
- e) DTZ Debenham Tie Leung (SEA) PTE LTD
- f) Knight Frank
- g) Muromachi Real Estate Co, Ltd
- h) Property Appraisal Service

*Valuations are performed based on Indonesian Valuation Standards, determined based on reference to recent market transactions done on arm's length terms and appropriate requirements. The valuation methods used are market value approach, cost approach and income approach. Elements used in data comparison to determine fair value of assets, among others are as follow:*

- a) Type and right on property
- b) Market condition
- c) Location
- d) Physical characteristic
- e) Income producing characteristic
- f) Land characteristic

*Information on revaluation of land and buildings on 30 September 2015 located in Indonesia and overseas performed by the Bank are as follow:*

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**18. ASET TETAP (lanjutan)**

Penilaian kembali yang dilakukan atas tanah menghasilkan jumlah kenaikan nilai tercatat sebesar Rp10.565.500 yang terdiri dari kenaikan nilai tanah yang dicatat sebagai "Penghasilan Komprehensif Lain" sebesar Rp10.570.506 dan penurunan nilai tanah yang diakui sebagai beban tahun berjalan sebesar Rp5.006.

Kenaikan nilai tercatat yang timbul dari revaluasi bangunan dicatat sebesar Rp1.771.426. Kenaikan ini terdiri dari kenaikan nilai bangunan yang dicatat sebagai "Penghasilan Komprehensif Lain" sebesar Rp1.809.585 dan penurunan nilai bangunan yang diakui sebagai beban tahun berjalan sebesar Rp38.159. Bangunan sebesar Rp41.261 tidak mengalami perubahan nilai setelah dilakukan proses penilaian kembali

Secara total kenaikan nilai tercatat yang timbul dari revaluasi tanah dan bangunan dicatat sebagai "Penghasilan Komprehensif Lain" adalah sebesar Rp12.380.091. Penurunan nilai tercatat yang timbul dari revaluasi dicatat sebagai beban pada tahun berjalan adalah sebesar Rp43.165.

Penilaian kembali yang dilakukan oleh entitas anak atas tanah dan bangunan menghasilkan kenaikan nilai tercatat atas aset tetap sebesar Rp120.136

Jika tanah dan bangunan dicatat sebesar harga perolehan, maka dicatat dalam jumlah sebagai berikut:

	31 Desember/December	
	2016	2015
Tanah		
Bangunan	1,759,861	1,731,269
Harga perolehan	2,745,400	2,737,843
Akumulasi penyusutan	(1,845,187)	(1,668,989)
Nilai buku bangunan	900,213	1,068,854
Jumlah nilai buku bersih	2,660,074	2,800,123

Perubahan cadangan revaluasi aset neto setelah pajak adalah sebagai berikut:

	Cadangan revaluasi aset, neto setelah pajak/ Asset revaluation reserve, net of tax	
Saldo per 31 Desember 2015	12,189,957	Balance as of 31 December 2015
Laba komprehensif untuk tahun berjalan	95,533	Comprehensive income for the year
Saldo per 31 Desember 2016	12,285,490	Balance as of 31 December 2016

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**18. FIXED ASSETS (continued)**

*The revaluation of land results in an increase in the carrying amount of land amounting to Rp10,565,500 which consists of the increase in the carrying amount of land recognised as "Other Comprehensive Income" amounting to Rp10,570,506 and a decrease in carrying amount recognised in the current year expenses amounting to Rp5,006.*

*Increase in carrying amount of building from the revaluation of building is recorded at Rp1,771,426. The increase consist of the increase in the carrying amount of building recognised in "Other Comprehensive Income" amounting to Rp1,809,585 and decrease in the carrying amount of building recognised in the current year expenses amounting to Rp38,159. The revaluation of buildings amounting to Rp41,261 results in no change in value of those buildings.*

*In total, the increase in the carrying amount from revaluation of land and buildings is recognised in "Other Comprehensive Income" amounting to Rp12,380,091. The decrease of carrying amount from revaluation results in recognition of current year expenses amounting to Rp43,165.*

*The revaluation of land and buildings performed by its subsidiaries results in an increase in the carrying amount of fixed assets amounting to Rp120,136.*

*If land and buildings are recorded on historical cost basis, the amount would be as follow:*

*The movements in the asset revaluation reserve net of tax are as follows:*

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**18. ASET TETAP (lanjutan)**

Selain tanah dan bangunan, tidak terdapat perbedaan yang signifikan antara nilai wajar aset tetap dengan nilai tercatatnya.

Pada tahun 2015, Bank juga melakukan penilaian kembali atas tanah dan bangunan di Indonesia untuk tujuan perpajakan. Penilaian kembali dilakukan atas tanah dan bangunan dengan nilai buku pajak sebelum revaluasi sebesar Rp1.917.157 dan menghasilkan keuntungan revaluasi sebesar Rp6.337.806. Pembayaran pajak final atas keuntungan revaluasi sebesar Rp190.134 dicatat mengurangi "Cadangan Revaluasi Aset".

Penilaian kembali tanah dan bangunan untuk tujuan perpajakan dilakukan setelah mendapatkan persetujuan dari Direktorat Jenderal Pajak dengan Surat Keputusan No. KEP-2547/WPJ.19/2015 tanggal 18 Desember 2015. BNI melakukan penilaian kembali aset tetap dengan mengacu pada ketentuan Peraturan Menteri Keuangan (PMK) No 191/PMK.010/2015 tanggal 15 Oktober 2015 sebagaimana telah diubah dengan PMK No. 233/PMK.03/2015 tanggal 21 Desember 2015.

Ketentuan penyusutan fiskal aset tetap setelah penilaian kembali dimulai sejak tanggal 1 Januari 2016.

**18. FIXED ASSETS (continued)**

*There is no significant difference between the fair value and carrying value of fixed assets other than land and buildings.*

*In 2015, The Bank also performed revaluation for tax purposes over land and buildings located in Indonesia. The revaluation of the above land and buildings with fiscal book value before revaluation amounting to Rp1,917,157 resulting in gain on revaluation amounting to Rp6,337,806. The payment of final tax over the gain on revaluation amounting to Rp190,134 was recorded as a deduction of "Asset Revaluation Reserve".*

*Revaluation of land and buildings for tax purposes is performed after approval from Directorate General of Tax through its letter No. KEP-2547/WPJ.19/2015 dated 18 December 2015. BNI performed revaluation of fixed assets in accordance with the Finance Minister Regulation (PMK) No. 191/PMK.010/2015, dated 15 October 2015, with its amendments (PMK No. 233/PMK.03/2015), dated 21 December 2015.*

*The provision on the fiscal depreciation of fixed assets after revaluation is valid from 1 January 2016.*

**19. LIABILITAS SEGERA**

**19. OBLIGATIONS DUE IMMEDIATELY**

	31 Desember/December		
	2016	2015	
<b>Rupiah</b>			<b>Rupiah</b>
Kewajiban sebagai issuer bank (ATM)	1,200,981	522,844	Obligation as issuer bank
Simpanan sementara yang belum diselesaikan	935,444	453,825	Temporary deposit transactions not yet settled
Kerjasama pihak ketiga	453,633	153,759	Third party agreement
Setoran pajak sebagai bank persepsi	274,258	282,514	Tax collection received by BNI as collecting Bank
Dana setoran cek	54,748	59,837	Fund deposits for cheques
Kiriman uang	34,849	36,498	Money transfers
Dana setoran smartpay	14,768	8,304	Fund deposits for smartpay
Dana Trust	3,859	-	Fund deposits for trust
Transaksi kliring	642	27,953	Items for clearing
Transaksi inkaso	37	164	Items for inkaso
Lainnya	44,131	39,464	Others
	3,017,350	1,585,162	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Kiriman uang	245,520	129,755	Money transfers
Kerjasama pihak ketiga	5,169	39,751	Third party agreement
Setoran pajak sebagai bank persepsi	4,276	3,461	Tax collection received by BNI as collecting Bank
Simpanan sementara yang belum diselesaikan	1,935	8,594	Temporary deposit transactions not yet settled
Dana Trust	1,243	38,666	Fund deposits for trust
Lainnya	175	105	Others
	258,318	220,332	
<b>Total</b>	<b>3,275,668</b>	<b>1,805,494</b>	<b>Total</b>

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**20. SIMPANAN NASABAH**

Informasi mengenai simpanan berdasarkan pihak yang berelasi diungkapkan pada Catatan 46i.

**a. Berdasarkan jenis dan mata uang**

	<b>31 Desember/December</b>		<b>Rupiah</b>
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>			
Giro	91,526,009	60,027,724	Current accounts
Tabungan	139,602,521	122,828,002	Savings account
Deposito berjangka	119,339,285	110,909,822	Time deposits
	<b>350,467,815</b>	<b>293,765,548</b>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Giro	30,550,219	30,735,635	Current accounts
Tabungan	12,182,452	6,536,310	Savings account
Deposito berjangka	22,252,598	22,899,387	Time deposits
	<b>64,985,269</b>	<b>60,171,332</b>	
<b>Total</b>	<b>415,453,084</b>	<b>353,936,880</b>	<b>Total</b>

Perincian simpanan nasabah berdasarkan mata uang adalah sebagai berikut:

Deposits from customers based on currencies are as follows:

	<b>31 Desember/December</b>		<b>Rupiah</b>
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>			
	<b>350,467,815</b>	<b>293,765,548</b>	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Dolar Amerika Serikat	62,589,004	57,850,933	United States Dollar
Euro	1,226,838	1,240,699	Euro
Dolar Singapura	627,989	522,595	Singapore Dollar
Yen Jepang	227,289	206,324	Japanese Yen
Pound Sterling Inggris	167,467	274,032	Great Britain Pound Sterling
Yuan China	86,158	17,641	Chinese Yuan
Dolar Hong Kong	37,787	46,159	Hong Kong Dollar
Dolar Australia	15,773	6,452	Australian Dollar
Franc Swiss	6,165	6,497	Swiss Franc
South Korean Won	799	-	South Korean Won
	<b>64,985,269</b>	<b>60,171,332</b>	
<b>Total</b>	<b>415,453,084</b>	<b>353,936,880</b>	<b>Total</b>

Simpanan nasabah berdasarkan prinsip syariah termasuk di dalamnya adalah giro wadiah, tabungan wadiah, tabungan Mudharabah dan deposito Mudharabah.

Deposits from customers based on sharia principles include wadiah current accounts, wadiah savings, Mudharabah savings and Mudharabah deposits.

Giro wadiah dan tabungan wadiah merupakan simpanan wadiah yad-dhamanah dimana pemilik dana akan memperoleh pendapatan bonus. Jumlah giro wadiah pada tanggal-tanggal 31 Desember 2016 dan 2015, masing-masing sebesar Rp1.533.147 dan Rp1.070.897, sedangkan jumlah tabungan wadiah masing-masing sebesar Rp2.545.937 dan Rp1.709.839.

Wadiah current accounts and wadiah savings represent a wadiah yad-dhamanah deposit in which the customers are entitled to receive bonus income. The balances of wadiah current accounts as of 31 December 2016 and 2015 were Rp1,533,147 and Rp1,070,897, respectively, while the balances of wadiah savings were Rp2,545,937 and Rp1,709,839, respectively.

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**20. SIMPANAN NASABAH (lanjutan)**

a. Berdasarkan jenis dan mata uang (lanjutan)

Berdasarkan Undang-Undang No. 24 tanggal 22 September 2004 yang berlaku efektif sejak tanggal 22 September 2005, sebagaimana diubah dengan Peraturan Pemerintah Pengganti Undang-Undang Republik Indonesia No. 3 tanggal 13 Oktober 2008, Lembaga Penjaminan Simpanan (LPS) dibentuk untuk menjamin liabilitas tertentu bank-bank umum berdasarkan program penjaminan yang berlaku, yang besaran nilai jaminannya dapat berubah jika memenuhi kriteria tertentu yang berlaku.

Berdasarkan Peraturan Pemerintah Republik Indonesia No. 66 Tahun 2008 tanggal 13 Oktober 2008 mengenai Besarnya Nilai Simpanan yang dijamin Lembaga Penjaminan Simpanan, jumlah simpanan yang dijamin LPS adalah simpanan sampai dengan Rp2.000 untuk per nasabah per bank.

Pada tanggal 31 Desember 2016 dan 2015, BNI adalah peserta dari program penjaminan tersebut.

b. Berdasarkan hubungan

**20. DEPOSITS FROM CUSTOMERS (continued)**

a. By type and currency (continued)

Based on Law No. 24 dated 22 September 2004, effective on 22 September 2005, which was amended by the Government Regulation No. 3 dated 13 October 2008, the Indonesia Deposit Insurance Agency (LPS) was formed to guarantee certain liabilities of commercial banks under the applicable guarantee program, which the amount of guarantee can be amended if the situation complies with the valid particular criterias.

Based on Government Regulation No. 66 Year 2008 dated 13 October 2008 regarding The Amount of Deposit Guaranteed by Indonesia Deposit Insurance Corporation, the amount of deposits covered by LPS is customer deposits up to Rp2,000 per depositor per bank.

As of 31 December 2016 and 2015, BNI was a participant of that guarantee program.

b. By relationship

	31 Desember/December		<i>Related parties Rupiah</i>
	2016	2015	
<b>Pihak berelasi</b>			
<b>Rupiah</b>			
Giro	22,293,267	11,063,960	<i>Current accounts</i>
Tabungan	303,351	176,596	<i>Savings account</i>
Deposito berjangka	28,217,504	27,401,634	<i>Time deposits</i>
	50,814,122	38,642,190	
<b>Mata uang asing</b>			
Giro	9,500,225	7,936,332	<i>Foreign currencies</i>
Tabungan	443,058	454,825	<i>Current accounts</i>
Deposito berjangka	11,224,491	3,853,523	<i>Savings account</i>
	21,167,774	12,244,680	<i>Time deposits</i>
Total pihak berelasi	71,981,896	50,886,870	<i>Total related parties</i>

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**20. SIMPANAN NASABAH (lanjutan)**

**b. Berdasarkan hubungan (lanjutan)**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Pihak ketiga Rupiah</b>			<b>Third parties Rupiah</b>
Giro	69,232,742	48,963,764	Current accounts
Tabungan	139,299,170	122,651,406	Savings account
Deposito berjangka	91,121,781	83,508,188	Time deposits
	299,653,693	255,123,358	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Giro	21,049,994	22,799,303	Current accounts
Tabungan	11,739,394	6,081,485	Savings account
Deposito berjangka	11,028,107	19,045,864	Time deposits
	43,817,495	47,926,652	
Total pihak ketiga	343,471,188	303,050,010	<i>Total third parties</i>
<b>Total</b>	<b>415,453,084</b>	<b>353,936,880</b>	<b>Total</b>

**c. Tabungan berdasarkan jenis**

**c. Savings accounts by type**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Tabungan BNI	148,320,182	126,642,427	BNI savings accounts
Tabungan Haji	1,574,883	1,734,118	Haji savings accounts
Tabungan Syariah	1,889,908	987,767	Sharia savings accounts
<b>Total</b>	<b>151,784,973</b>	<b>129,364,312</b>	<b>Total</b>

**d. Simpanan yang diblokir dan dijadikan jaminan**

**d. Deposits blocked and pledged as collateral**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Giro	14,033,673	12,521,705	Current accounts
Tabungan	25,422,686	10,968,809	Savings account
Deposito berjangka	5,130,176	4,487,274	Time deposits
<b>Total</b>	<b>44,586,535</b>	<b>27,977,788</b>	<b>Total</b>

**e. Tingkat suku bunga dan bagi hasil per tahun**

**e. Annual interest rates and profit sharing**

	<b>Rupiah %</b>	<b>Dolar Amerika Serikat/ United States Dollar %</b>	<b>Dolar Singapura/ Singapore Dollar %</b>	<b>Euro %</b>	<b>2016 2015</b>
2016	0.00 - 8.10	0.00 - 1.95	0.00 - 0.75	0.00 - 0.15	
2015	0.00 - 10.00	0.00 - 1.50	0.00 - 0.50	0.00 - 0.50	

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**21. SIMPANAN DARI BANK LAIN**

Informasi mengenai simpanan berdasarkan pihak yang berelasi diungkapkan pada Catatan 46j.

**a. Berdasarkan jenis dan mata uang**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>			<b>Rupiah</b>
Pinjaman pasar uang antar bank	690,000	553,616	Interbank money market
Giro	957,516	800,556	Current accounts
Deposito berjangka	305,304	91,984	Time deposits
<i>Negotiable Certificate of Deposit</i>	3,246,040	-	<i>Negotiable Certificate of Deposit</i>
Simpanan lainnya	486,400	482,426	Other deposits
	5,685,260	1,928,582	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Pinjaman pasar uang antar bank	649,177	1,108,248	Interbank money market
Giro	926,035	702,630	Current accounts
Deposito berjangka	1,285,750	429,298	Time deposits
Simpanan lainnya	1,188,960	79,300	Other deposits
	4,049,922	2,319,476	
<b>Total</b>	<b>9,735,182</b>	<b>4,248,058</b>	<b>Total</b>

Simpanan dari bank lain berdasarkan prinsip syariah termasuk di dalamnya adalah giro wadiah dan deposito Mudharabah.

Giro wadiah merupakan simpanan wadiah yad-dhamanah dimana pemilik dana akan memperoleh pendapatan bonus. Jumlah giro wadiah pada tanggal-tanggal 31 Desember 2016 dan 2015, masing-masing sebesar Rp31.334 dan Rp52.981.

Perincian simpanan dari bank lain berdasarkan mata uang adalah sebagai berikut:

**21. DEPOSITS FROM OTHER BANKS**

Information with respect to transactions with related parties are disclosed in Note 46j.

**a. By type and currency**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>			<b>Rupiah</b>
Interbank money market			Interbank money market
Current accounts			Current accounts
Time deposits			Time deposits
<i>Negotiable Certificate of Deposit</i>			<i>Negotiable Certificate of Deposit</i>
Other deposits			Other deposits
<b>Foreign currencies</b>			<b>Foreign currencies</b>
Interbank money market			Interbank money market
Current accounts			Current accounts
Time deposits			Time deposits
Other deposits			Other deposits
<b>Total</b>	<b>9,735,182</b>	<b>4,248,058</b>	<b>Total</b>

Deposits from other banks based on sharia principles include wadiah current accounts and Mudharabah deposits.

Wadiah current accounts represent a wadiah yad-dhamanah deposit in which the customers are entitled to receive bonus income. The balances of wadiah current accounts as of 31 December 2016 and 2015 were Rp31,334 and Rp52,981, respectively.

Deposits from other banks based on currencies are as follows:

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>	5,685,260	1,928,582	<b>Rupiah</b>
<b>Foreign currencies</b>			<b>Foreign currencies</b>
United States Dollar			United States Dollar
Japanese Yen			Japanese Yen
Singapore Dollar			Singapore Dollar
Euro			Euro
Hong Kong Dollar			Hong Kong Dollar
Great Britain Pound Sterling			Great Britain Pound Sterling
Others			Others
<b>Total</b>	<b>9,735,182</b>	<b>4,248,058</b>	<b>Total</b>

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**21. SIMPANAN DARI BANK LAIN (lanjutan)**

**b. Berdasarkan hubungan**

	<i>31 Desember/December</i>		
	<i>2016</i>	<i>2015</i>	
<b>Pihak berelasi</b>			<b>Related parties</b>
<b>Rupiah</b>			<b>Rupiah</b>
Negotiable Certificate of Deposit	653,514	-	Negotiable Certificate of Deposit
Giro	22,505	2,261	Current accounts
Pinjaman pasar uang antar bank	-	100,000	Interbank money market
	676,019	102,261	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Giro	19,703	77,626	Current accounts
Total pihak berelasi	695,722	179,887	Total related parties
<b>Pihak ketiga</b>			<b>Third parties</b>
<b>Rupiah</b>			<b>Rupiah</b>
Negotiable Certificate of Deposit	2,592,526	-	Negotiable Certificate of Deposit
Giro	935,011	798,295	Current accounts
Pinjaman pasar uang antar bank	690,000	453,616	Interbank money market
Deposito berjangka	305,304	91,984	Time deposits
Simpanan lainnya	486,400	482,426	Other deposits
	5,009,241	1,826,321	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Pinjaman pasar uang antar bank	649,177	1,108,248	Interbank money market
Giro	906,332	625,004	Current accounts
Deposito berjangka	1,285,750	429,298	Time deposits
Simpanan lainnya	1,188,960	79,300	Other deposits
	4,030,219	2,241,850	
Total pihak ketiga	9,039,460	4,068,171	Total third parties
<b>Total</b>	<b>9,735,182</b>	<b>4,248,058</b>	<b>Total</b>

**c. Berdasarkan tingkat suku bunga dan bagi hasil per tahun**

	<i>Rupiah</i>	<i>Dolar Amerika Serikat/ United States Dollar</i>	<i>Yen Jepang/ Japanese Yen</i>	<i>Dolar Singapura/ Singapore Dollar</i>	
	%	%	%	%	
2016	0.00 - 8.40	0.00 - 1.85	0.18 - 0.31	0.00 - 1.96	2016
2015	0.00 - 8.25	0.00 - 2.00	0.00 - 0.40	0.00 - 1.25	2015

**d. Simpanan yang diblokir dan dijadikan jaminan**

**c. By annual interest rates and profit sharing**

**d. Deposits blocked and pledged as collateral**

	<i>31 Desember/December</i>		
	<i>2016</i>	<i>2015</i>	
Giro	17,900	266,579	Current account
Tabungan	53,854	106,745	Savings account
Deposito berjangka	20,470	19,378	Time deposit
<b>Total</b>	<b>92,224</b>	<b>392,702</b>	<b>Total</b>

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**22. EFEK-EFEK YANG DIJUAL DENGAN JANJI**  
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**22. SECURITIES SOLD UNDER AGREEMENTS TO**  
**REPURCHASE**

2016

Counterparty	Jenis Sekuritas/ Type of Securities	Nilai Nominal/ Nominal Amount	Tanggal Dimulai/ Start Date	Tanggal Jatuh Tempo/ Maturity Date	Nilai Pembelian Kembali/ Buy Back Value	Beban Bunga yang Belum Diamortisasi/ Unamortized Interest Expenses	Nilai Bersih/ Net Value
PT Bank ANZ Indonesia	OBN	1,699,000	6/8/2014	15/4/2017	1,405,514	21,149	1,384,365
PT Bank BNP Paribas Indonesia	OBN	395,500	9/9/2016	15/11/2020	561,956	126,273	435,683
PT Bank BNP Paribas Indonesia	OBN	582,500	9/9/2016	15/9/2018	661,904	74,775	587,129
PT Bank BNP Paribas Indonesia	OBN	1,696,950	19/8/2014	15/5/2018	1,422,961	65,177	1,357,784
		<b>4,373,950</b>			<b>4,052,335</b>	<b>287,374</b>	<b>3,764,961</b>

2015

Counterparty	Jenis Sekuritas/ Type of Securities	Nilai Nominal/ Nominal Amount	Tanggal Dimulai/ Start Date	Tanggal Jatuh Tempo/ Maturity Date	Nilai Pembelian Kembali/ Buy Back Value	Beban Bunga yang Belum Diamortisasi/ Unamortized Interest Expenses	Nilai Bersih/ Net Value
PT Bank ANZ Indonesia	OBN	1,699,000	06/08/2014	15/04/2017	1,437,995	28,446	1,409,549
PT Bank BNP Paribas Indonesia	OBN	1,696,950	19/08/2014	15/05/2018	1,455,967	49,091	1,406,876
PT Bank BNP Paribas Indonesia	OBN	387,000	24/06/2015	15/05/2016	348,195	1,478	346,717
		<b>3,782,950</b>			<b>3,242,157</b>	<b>79,015</b>	<b>3,163,142</b>

Tingkat suku bunga tetap tahunan :

Annual fixed interest rates :

Rupiah %	Dolar Amerika Serikat/ United States Dollar %	Contractual interest rate: 2016 2015
Suku bunga kontrak: 2016 2015	4.40 - 5.50 5.25 - 10.75	2.30 0.00

**23. LIABILITAS AKSEPTASI**

**23. ACCEPTANCES PAYABLE**

a. Berdasarkan pihak dan mata uang

a. By party and currency

		31 Desember/December		
		2016	2015	
<b>Rupiah</b>				<b>Rupiah</b>
Bank		1,573,981	755,944	Banks
Kreditur non-bank		217,312	277,464	Non-bank creditors
		1,791,293	1,033,408	
<b>Mata uang asing</b>				<b>Foreign currencies</b>
Bank		2,452,594	4,977,570	Banks
Kreditur non-bank		114,650	177,280	Non-bank creditors
		2,567,244	5,154,850	
<b>Total</b>		<b>4,358,537</b>	<b>6,188,258</b>	<b>Total</b>

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**23. LIABILITAS AKSEPTASI (lanjutan)**

**a. Berdasarkan pihak dan mata uang (lanjutan)**

Perincian liabilitas akseptasi berdasarkan mata uang adalah sebagai berikut:

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Rupiah</b>	<b>1,791,293</b>	<b>1,033,408</b>	<b>Rupiah</b>
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Dolar Amerika Serikat	2,485,686	4,997,798	United States Dollar
Euro	50,200	47,285	Euro
Dolar Singapura	15,560	29,178	Singapore Dollar
Yen Jepang	14,121	80,589	Japanese Yen
Yuan Cina	1,677	-	Chinese Yuan
	<b>2,567,244</b>	<b>5,154,850</b>	
<b>Total</b>	<b>4,358,537</b>	<b>6,188,258</b>	<b>Total</b>

**b. Berdasarkan hubungan**

**b. By relationship**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
<b>Pihak berelasi</b>			<b>Related parties</b>
Rupiah	522,187	405,868	Rupiah
Mata uang asing	571,521	85,665	Foreign currencies
Total pihak berelasi	<b>1,093,708</b>	<b>491,533</b>	<b>Total related parties</b>
<b>Pihak ketiga</b>			<b>Third parties</b>
Rupiah	1,269,106	627,540	Rupiah
Mata uang asing	1,995,723	5,069,185	Foreign currencies
Total pihak ketiga	<b>3,264,829</b>	<b>5,696,725</b>	<b>Total third parties</b>
<b>Total</b>	<b>4,358,537</b>	<b>6,188,258</b>	<b>Total</b>

**24. BEBAN YANG MASIH HARUS DIBAYAR**

Beban yang masih harus dibayar terdiri dari:

**24. ACCRUED EXPENSES**

Accrued expenses consists of the following:

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Biaya kantor	362,873	378,089	Office expenses
Kewajiban sebagai bank penerbit	285,068	237,578	Liabilities as issuing bank
Deposito Mudharabah	35,258	41,818	Mudharabah time deposits
Sukuk Mudharabah	4,353	4,440	Mudharabah sukuk
Biaya teknologi dan telekomunikasi	234,936	70,480	Technology and telecommunication expenses
Biaya loyalty	75,937	135,216	Loyalty Expenses
Lain-lain	48,814	49,508	Others
<b>Total</b>	<b>1,047,239</b>	<b>917,129</b>	<b>Total</b>

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**25. PENYISIHAN**

**25. PROVISION**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Estimasi kerugian atas komitmen dan kontinjensi	108,511	40,058	<i>Estimated losses from commitments and contingencies</i>
Penyisihan atas perkara hukum	47,608	59,169	<i>Provision for legal cases</i>
<b>Total</b>	<b>156,119</b>	<b>99,227</b>	<b>Total</b>

a. Perubahan cadangan atas perkara hukum adalah sebagai berikut:

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Saldo awal	59,169	59,707	<i>Beginning balance</i>
Pembalikan selama tahun berjalan	(11,561)	(538)	<i>Reversal during the year</i>
<b>Saldo akhir</b>	<b>47,608</b>	<b>59,169</b>	<b>Ending balance</b>

Manajemen berpendapat bahwa jumlah cadangan atas perkara hukum di atas telah memadai.

*Management believes that the allowance for legal cases are adequate.*

b. Perubahan estimasi kerugian pada komitmen dan kontinjensi adalah sebagai berikut:

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Saldo awal	40,058	27,523	<i>Beginning balance</i>
Penyisihan selama tahun berjalan	28,108	15,509	<i>Allowance during the year</i>
Penyesuaian karena penjabaran mata uang asing	40,345	(2,974)	<i>Foreign exchange translation adjustment</i>
<b>Saldo akhir</b>	<b>108,511</b>	<b>40,058</b>	<b>Ending balance</b>

Manajemen berpendapat bahwa estimasi kerugian pada komitmen dan kontinjensi di atas telah memadai.

*Management believes that the estimated losses on commitments and contingencies are adequate.*

**26. LIABILITAS LAIN-LAIN**

**26. OTHER LIABILITIES**

	<b>31 Desember/December</b>		
	<b>2016</b>	<b>2015</b>	
Utang ke pemegang polis	7,782,768	4,832,346	<i>Obligation to policy holders</i>
Setoran jaminan	1,344,181	1,212,653	<i>Guarantee deposits</i>
Utang bunga	545,914	589,749	<i>Interest payable</i>
Utang nasabah - Entitas anak	377,144	220,695	<i>Payable to customers - Subsidiary</i>
Nota kredit dalam penyelesaian	203,278	98,186	<i>Credit memo in process</i>
Kewajiban pada pihak ketiga	137,515	111,995	<i>Liability to third parties</i>
Pendapatan yang belum diakui	63,976	108,506	<i>Unearned income</i>
Utang reasuransi dan komisi	50,089	51,880	<i>Reinsurance payable and commission</i>
Lain - lain	644,091	357,774	<i>Others</i>
<b>Total</b>	<b>11,148,956</b>	<b>7,583,784</b>	<b>Total</b>

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**27. PERPAJAKAN**

**a. Pajak dibayar dimuka**

	2016	2015	
Pajak penghasilan badan BNI	619,751	2,289,853	Corporate income tax BNI
Entitas Anak	569	9,321	Subsidiaries
<b>Total</b>	<b>620,320</b>	<b>2,299,174</b>	<b>Total</b>

**b. Utang pajak**

	2016	2015	
Pajak penghasilan badan BNI			Corporate income tax BNI
Pasal 29	73,301	490,975	Article 29
Pasal 25	-	225,313	Article 25
	73,301	716,288	
Entitas Anak			Subsidiaries
Pasal 29	19,122	14	Article 29
Total pajak penghasilan badan	92,423	716,302	Total corporate income tax
Pajak lainnya BNI			Other taxes BNI
Entitas Anak	45,155	21,216	Subsidiaries
	13,192	11,878	
Total pajak lainnya	58,347	33,094	Total other taxes
<b>Total</b>	<b>150,770</b>	<b>749,396</b>	<b>Total</b>

**c. Beban pajak**

	2016	2015	
BNI			BNI
Kini			Current
Tangguhan	2,790,515	2,886,135	Deferred
	(49,481)	(701,477)	
Pajak penghasilan - BNI	2,741,034	2,184,658	Income tax - BNI
Entitas Anak			Subsidiaries
Kini			Current
Tangguhan	169,235	147,278	Deferred
	(17,560)	(6,320)	
Pajak penghasilan - Entitas Anak	151,675	140,958	Income tax - Subsidiaries
<b>Total</b>	<b>2,892,709</b>	<b>2,325,616</b>	<b>Total</b>

Rekonsiliasi antara beban pajak penghasilan dengan hasil perkalian laba akuntansi sebelum pajak penghasilan dan tarif pajak yang berlaku adalah sebagai berikut:

The reconciliation between income tax expense and the theoretical tax amount on the profit before income tax are as follows:

	2016	2015	
Laba konsolidasian sebelum pajak penghasilan	14,302,905	11,466,148	Consolidated income before income tax
Laba sebelum pajak penghasilan dari entitas anak	(785,571)	(653,193)	Income before income tax of subsidiaries
Laba sebelum pajak penghasilan - BNI	13,517,334	10,812,955	Income before income tax - BNI

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**27. PERPAJAKAN (lanjutan)**

**c. Beban pajak (lanjutan)**

	2016	2015	
Pajak dihitung dengan tarif pajak yang berlaku	2,703,467	2,162,591	Tax calculated at applicable tax rates
Beban yang tidak dapat dikurangkan untuk tujuan pajak			Expenses not deductible for tax purposes
- Kenikmatan karyawan	29,082	27,558	Employees' fringe benefits -
- Keuntungan atas reksadana	(32,435)	(46,662)	Gain on mutual fund -
- Pembalikan cadangan kerugian penurunan nilai - aset lain-lain	(36)	(884)	Reversal of allowance for impairment losses on other assets -
- Lain-lain	40,956	42,055	Others -
Beban Pajak BNI	2,741,034	2,184,658	Tax expense - BNI
Beban Pajak Anak	151,675	140,958	Tax expense - Subsidiaries
	<b>2,892,709</b>	<b>2,325,616</b>	

Rekonsiliasi antara laba sebelum pajak penghasilan menurut laba rugi BNI dengan estimasi penghasilan kena pajak adalah sebagai berikut:

A reconciliation between the income before tax as shown in BNI's profit and loss and estimated taxable income are as follows:

	2016	2015	
<b>Grup</b>			<b>The Group</b>
Laba konsolidasian sebelum pajak penghasilan	14,302,905	11,466,148	Consolidated income before income tax
Laba sebelum pajak penghasilan dari Entitas Anak	(785,571)	(653,193)	Income before income tax of Subsidiaries
Laba sebelum pajak penghasilan - BNI	<b>13,517,334</b>	<b>10,812,955</b>	Income before income tax - BNI
Beda waktu			Timing differences
- Penyusutan aset tetap	(17,381)	25,800	Depreciation of fixed assets -
- (Pembalikan)/penambahan cadangan kerugian penurunan nilai aset produktif - pinjaman yang diberikan	(78,052)	3,258,539	(Reversal)/Addition of allowance - for impairment losses on earning assets - loans
- Pembalikan cadangan hukum, kecurangan ( <i>fraud</i> ) dan lainnya	(12,221)	(599)	Reversal of allowance - for legal, fraud and others
- Rugi/(laba) yang belum direalisasi atas efek yang diperdagangkan	1,382	(4,959)	Unrealized gain on trading securities
- Pembalikan cadangan imbalan kerja	189,317	131,183	Reversal of allowance - for employee benefits
- Penambahan cadangan kerugian penurunan nilai aset produktif selain pinjaman yang diberikan	164,358	97,339	Addition of allowance - for impairment earning assets - other than loans
	<b>247,403</b>	<b>3,507,303</b>	
Beda tetap			Permanent differences
- Kenikmatan karyawan	145,412	137,791	Employees' fringe benefits -
- Pembalikan cadangan kerugian penurunan nilai - aset lain-lain	(178)	(4,421)	Reversal of allowance - for impairment losses on other assets
- Keuntungan atas reksadana	(162,176)	(233,311)	Gain on mutual funds -
- Lain-lain	204,779	210,360	Others -
	<b>187,837</b>	<b>110,419</b>	
Penghasilan kena pajak - BNI	<b>13,952,574</b>	<b>14,430,677</b>	Taxable income - BNI

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**27. PERPAJAKAN (lanjutan)**

**c. Beban pajak (lanjutan)**

Beban pajak penghasilan tahun berjalan dan taksiran utang pajak penghasilan BNI adalah sebagai berikut:

	<b>2016</b>	<b>2015</b>	
Beban pajak penghasilan sesuai tarif pajak yang berlaku			<i>Income tax based on the applicable tax rates</i>
20% x Rp13.952.574	2,790,515	-	20% x Rp13,952,574
20% x Rp14.430.677	-	2,886,135	20% x Rp14,430,677
Beban pajak penghasilan	2,790,515	2,886,135	<i>Corporate income tax expense</i>
Pajak dibayar di muka	(2,717,214)	(2,395,160)	<i>Prepaid tax</i>
<b>Utang pajak penghasilan - BNI</b>	<b>73,301</b>	<b>490,975</b>	<b><i>Corporate income tax payable - BNI</i></b>

Berdasarkan Undang-undang No. 36 Tahun 2008 tentang Pajak Penghasilan, Peraturan Pemerintah (PP) No. 81 Tahun 2007 tertanggal 28 Desember 2007, yang kemudian dicabut dan digantikan oleh PP No. 77 Tahun 2013 tertanggal 21 November 2013 tentang Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka dan Peraturan Menteri Keuangan No.238/PMK.03/2008 tanggal 30 Desember 2008 tentang Tata Cara Pelaksanaan dan Pengawasan Pemberian Penurunan Tarif Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka mengatur bahwa perseroan terbuka dalam negeri di Indonesia dapat memperoleh fasilitas penurunan tarif pajak penghasilan sebesar 5% lebih rendah dari tarif tertinggi pajak penghasilan yang ada dengan memenuhi beberapa persyaratan tertentu, yaitu paling sedikit 40% (empat puluh persen) dari jumlah keseluruhan saham yang disetor dicatat untuk diperdagangkan di bursa efek di Indonesia dan masuk dalam penitipan kolektif di lembaga penyimpanan dan penyelesaian, saham tersebut harus dimiliki paling sedikit oleh 300 pihak serta masing-masing pihak hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham ditempatkan dan disetor penuh. Ketentuan sebagaimana dimaksud di atas harus dipenuhi dalam waktu paling singkat 183 (seratus delapan puluh tiga) hari kalender dalam jangka waktu 1 (satu) tahun pajak.

*Based on UU No. 36 Year 2008 regarding Income Tax, Government Regulation (GR) No. 81 Year 2007 dated 28 December 2007 which subsequently has been revoked and replaced by GR No. 77 Year 2013 dated 21 November 2013 regarding Reduction of Tax Rate of Income Tax Resident Corporate Tax Payers and Regulation of the Minister of Finance No. 238/PMK.03/2008 dated 30 December 2008 regarding Procedures for Implementing and Supervising the Granting of Reduction of the Tax Rate of Income Tax Resident Corporate Tax Payers in the Form of Public Listed Company, a public listed company in Indonesia can obtain a reduction of income tax rate by 5% lower from the highest income tax rate by fulfilling several requirements, which include at the minimum 40% of total issued and fully paid in capital shares are traded in Indonesia Stock Exchange and must be recorded in depository and settlement institutional and the shares are owned by at least 300 parties and each party can only own less than 5% of the total issued and fully paid shares. The above requirements must be fulfilled at the minimum of 183 (one hundred and eighty three) calendar days in a period of 1 (one) fiscal year.*

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**27. PERPAJAKAN (lanjutan)**

**c. Beban pajak (lanjutan)**

Berdasarkan Undang-undang No. 36 Tahun 2008 tentang Pajak Penghasilan, Peraturan Pemerintah (PP) No. 81 Tahun 2007 tertanggal 28 Desember 2007, yang kemudian dicabut dan digantikan oleh PP No. 77 Tahun 2013 tertanggal 21 November 2013 tentang Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Bertentuk Perseroan Terbuka dan Peraturan Menteri Keuangan No.238/PMK.03/2008 tanggal 30 Desember 2008 tentang Tata Cara Pelaksanaan dan Pengawasan Pemberian Penurunan Tarif Bagi Wajib Pajak Badan Dalam Negeri yang Bertentuk Perseroan Terbuka mengatur bahwa perseroan terbuka dalam negeri di Indonesia dapat memperoleh fasilitas penurunan tarif pajak penghasilan sebesar 5% lebih rendah dari tarif tertinggi pajak penghasilan yang ada dengan memenuhi beberapa persyaratan tertentu, yaitu paling sedikit 40% (empat puluh persen) dari jumlah keseluruhan saham yang disetor dicatat untuk diperdagangkan di bursa efek di Indonesia dan masuk dalam penitipan kolektif di lembaga penyimpanan dan penyelesaian, saham tersebut harus dimiliki paling sedikit oleh 300 pihak serta masing-masing pihak hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham ditempatkan dan disetor penuh. Ketentuan sebagaimana dimaksud di atas harus dipenuhi dalam waktu paling singkat 183 (seratus delapan puluh tiga) hari kalender dalam jangka waktu 1 (satu) tahun pajak.

Selanjutnya pada tanggal 3 Agustus 2015, Pemerintah menerbitkan PP No. 56 Tahun 2015 tentang Perubahan atas PP No. 77 Tahun 2013 tentang Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Bertentuk Perseroan Terbuka. PP ini merubah persyaratan untuk mendapatkan fasilitas penurunan tarif pajak penghasilan sebesar 5% lebih rendah dari tarif tertinggi pajak penghasilan yang ada dengan memenuhi beberapa persyaratan tertentu, yaitu paling sedikit 40% (empat puluh persen) dari jumlah keseluruhan saham yang disetor dicatat untuk diperdagangkan di bursa efek di Indonesia, saham tersebut harus dimiliki paling sedikit oleh 300 pihak serta masing-masing pihak hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham ditempatkan dan disetor penuh. Ketentuan sebagaimana dimaksud di atas harus dipenuhi dalam waktu paling singkat 183 (seratus delapan puluh tiga) hari kalender dalam jangka waktu 1 (satu) tahun pajak.

The original consolidated financial statements included herein are in the Indonesian language.

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**27. TAXATION (continued)**

**c. Tax expense (continued)**

Based on UU No. 36 Year 2008 regarding Income Tax, Government Regulation (GR) No. 81 Year 2007 dated 28 December 2007 which subsequently has been revoked and replaced by GR No. 77 Year 2013 dated 21 November 2013 regarding Reduction of Tax Rate of Income Tax Resident Corporate Tax Payers and Regulation of the Minister of Finance No. 238/PMK.03/2008 dated 30 December 2008 regarding Procedures for Implementing and Supervising the Granting of Reduction of the Tax Rate of Income Tax Resident Corporate Tax Payers in the Form of Public Listed Company, a public listed company in Indonesia can obtain a reduction of income tax rate by 5% lower from the highest income tax rate by fulfilling several requirements, which include at the minimum 40% of total issued and fully paid in capital shares are traded in Indonesia Stock Exchange and must be recorded in depository and settlement institutional and the shares are owned by at least 300 parties and each party can only own less than 5% of the total issued and fully paid shares. The above requirements must be fulfilled at the minimum of 183 (one hundred and eighty three) calendar days in a period of 1 (one) fiscal year.

Subsequently on 3 August 2015, the Government issued GR No. 56 Year 2015 regarding the Changes on GR No. 77 Year 2013 regarding the Reduction of Tax Rate of Income Tax Resident Corporate Tax Payers. This GR changed requirement to obtain a reduction of income tax rate by 5% lower from the highest income tax rate by fulfilling several requirements, which include at the minimum 40% of total issued and fully paid in capital shares are traded in Indonesia Stock Exchange and the shares are owned by at least 300 parties and each party can only own less than 5% of the total issued and fully paid shares. The above requirements must be fulfilled at the minimum of 183 (one hundred and eighty three) calendar days in a period of 1 (one) fiscal year.

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**27. PERPAJAKAN (lanjutan)**

**c. Beban pajak (lanjutan)**

Berdasarkan Laporan Bulanan Kepemilikan Saham Formulir No.X.H.I-2 tanggal 2 Januari 2017 dan 3 Januari 2016 dari Biro Administrasi Efek, Datindo Entrycom, atas kepemilikan saham BNI selama tahun 2016 dan 2015, semua kriteria untuk memperoleh fasilitas penurunan tarif pajak tersebut di atas telah terpenuhi.

Pajak penghasilan badan BNI untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 telah dihitung dengan menggunakan tarif pajak 20%.

**d. Aset pajak tangguhan - neto**

Aset pajak tangguhan pada tanggal-tanggal 31 Desember 2016 dan 2015 merupakan pengaruh beda pajak dengan rincian sebagai berikut:

**27. TAXATION (continued)**

**c. Tax expense (continued)**

Based on the Monthly Shareholding Report Form No.X.H.I-2 dated 2 January 2017 and 3 January 2016 from the Registrar, Datindo Entrycom, regarding BNI's shares during the years 2016 and 2015, BNI has met all criterias mentioned above to obtain a facility of tax rate reduction.

BNI's corporate income tax for the years ended 31 Desember 2016 and 2015 are calculated using the tax rate of 20%.

**d. Deferred tax assets - net**

The deferred tax assets as 31 Desember 2016 and 2015 represent the tax effects on the following:

2016					
	Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laporan laba rugi komprehensif konsolidasian/ Credited/ (charged) to consolidated statement of comprehensive income	Dibebankan ke ekuitas/ Charged to equity	Saldo akhir/ Ending balance	
Cadangan kerugian penurunan nilai aset produktif- pinjaman yang diberikan	527,515	(15,610)	-	511,905	Allowance for impairment losses on earning assets - loans
Cadangan imbalan kerja	288,294	37,863	(50,074)	276,083	Allowance for employee benefits
Cadangan kerugian penurunan nilai aset produktif - selain pinjaman yang diberikan	86,144	32,872	-	119,016	Allowance for impairment losses on earning assets - other than loans
(Laba)/rugi yang belum direalisasi atas efek-efek yang tersedia untuk dijual	510,107	-	(131,336)	378,771	Unrealized (gain)/loss on available-for-sale-securities
Cadangan hukum, kecurangan (fraud) dan lainnya	13,609	(2,444)	-	11,165	Allowance for legal, fraud and others
(Laba)/rugi yang belum direalisasi atas efek yang diperdagangkan	(13,623)	276	-	(13,347)	Unrealized (gain)/loss on trading securities
Penyusutan aset tetap	(30,644)	(3,476)	-	(34,120)	Depreciation of fixed assets
<b>Aset pajak tangguhan BNI - neto</b>	<b>1,381,402</b>	<b>49,481</b>	<b>(181,410)</b>	<b>1,249,473</b>	<b>Net deferred tax assets - BNI</b>
<b>Aset pajak tangguhan Entitas Anak - neto</b>	<b>84,051</b>			<b>82,035</b>	<b>Net deferred tax assets - Subsidiaries</b>
<b>Aset pajak tangguhan konsolidasian - neto</b>	<b>1,465,453</b>			<b>1,331,508</b>	<b>Net consolidated deferred tax assets</b>

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**27. PERPAJAKAN (lanjutan)**

**d. Aset pajak tangguhan - neto (lanjutan)**

	2015				
	Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) ke laporan laba rugi komprehensif konsolidasian/ Credited/ (charged) to consolidated statement of comprehensive income	Dibebankan ke ekuitas/ Charged to equity	Saldo akhir/ Ending balance	
Cadangan kerugian penurunan nilai aset produktif- pinjaman yang diberikan	(124,193)	651,708	-	527,515	Allowance for impairment losses on earning assets - loans
Cadangan imbalan kerja	274,196	26,237	(12,139)	288,294	Allowance for employee benefits
Cadangan kerugian penurunan nilai aset produktif - selain pinjaman yang diberikan	66,676	19,468	-	86,144	Allowance for impairment losses on earning assets - other than loans
Rugi yang belum direalisasi atas efek-efek yang tersedia untuk dijual	416,980	-	93,127	510,107	Unrealized loss on available-for-sale-securities
Cadangan hukum, kecurangan ( <i>fraud</i> ) dan lainnya	13,729	(120)	-	13,609	Allowance for legal, fraud and others
Laba yang belum direalisasi atas efek yang diperdagangkan	(12,633)	(992)	-	(13,625)	Unrealized gain on trading securities
Penyusutan aset tetap	(35,819)	5,177	-	(30,642)	Depreciation of fixed assets
<b>Aset pajak tangguhan BNI - neto</b>	<b>598,936</b>	<b>701,478</b>	<b>80,988</b>	<b>1,381,402</b>	<b>Net deferred tax assets - BNI</b>
<b>Aset pajak tangguhan Entitas Anak - neto</b>	<b>69,378</b>			<b>84,051</b>	<b>Net deferred tax assets - Subsidiaries</b>
<b>Aset pajak tangguhan konsolidasian - neto</b>	<b>668,314</b>			<b>1,465,453</b>	<b>Net consolidated deferred tax assets</b>

Manajemen berpendapat bahwa aset pajak tangguhan dapat dipulihkan seluruhnya.

Management believes that deferred tax assets are fully realisable.

**e. Surat ketetapan pajak**

Pada tanggal 28 November 2012, BNI menerima Surat Ketetapan Pajak Kurang Bayar ("SKPKB") No. 00002/206/10/093/12 atas Pajak Penghasilan Badan ("PPh Badan") untuk tahun fiskal 2010 sebesar Rp1.633.716 (termasuk denda). Pada tanggal 26 Desember 2012, BNI telah melakukan pembayaran sebagian atas SKPKB PPh Badan sebesar Rp9.798. Pada tanggal 19 Februari 2013, BNI telah mengajukan surat keberatan ke Direktorat Jenderal Pajak terhadap sisa SKPKB PPh Badan tersebut. Pada tanggal 26 Februari 2013, BNI telah melakukan pembayaran sebagian atas sisa SKPKB PPh Badan sebesar Rp816.858. Pada tanggal 21 Februari 2014, BNI menerima surat dari Direktorat Jenderal Pajak No. KEP-289/WPJ.19/2014 yang menolak keberatan atas SKPKB PPh Badan tersebut. Pada tanggal 16 Mei 2014, BNI telah mengajukan permohonan banding atas penolakan keberatan tersebut ke Pengadilan Pajak. Pada tanggal 16 Maret 2016, Pengadilan Pajak telah membacakan putusan banding yang mengabulkan permohonan banding BNI

**e. Tax assessment letters**

On 28 November 2012, BNI received the tax assessment letter ("SKPKB") No. 00002/206/10/093/12 which stated that there was an underpayment of corporate income tax for fiscal year 2010 amounting to Rp1,633,716 (including penalties). On 26 December 2012, BNI has made a partial payment amounting to Rp9,798. On 19 February 2013, BNI has submitted an objection letter to the Directorate General of Tax for the remaining underpayment. On 26 February 2013, BNI has made a partial payment of the remaining underpayment amounting to Rp816,858. On 21 February 2014, BNI received a letter from the Directorate General of Tax No. KEP-289/WPJ.19/2014 which rejected the objection of the above SKPKB. On 16 May 2014, BNI submitted the request for appeal on the rejection of the above objection to the Tax Court. On 16 March 2016, the Tax Court approve the appeal of BNI.

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**27. PERPAJAKAN (lanjutan)**

**e. Surat ketetapan pajak (lanjutan)**

Pada tanggal 8 April 2016, BNI menerima salinan putusan banding. Terhadap pembayaran sebesar Rp816.858 atas SKPKB telah dikompensasikan ke PPh Pasal 29 PPh Badan tahun pajak 2015, angsuran PPh Pasal 25 bulan April, Mei, dan Juni 2016.

Pada tanggal 28 November 2012, BNI juga menerima SKPKB No. 00197/207/10/093/12 atas Pajak Pertambahan Nilai ("PPN") untuk tahun fiskal 2010 sebesar Rp19.362 (termasuk denda). Pada tanggal 26 dan 27 Desember 2012, BNI telah membayar seluruh SKPKB PPN tersebut. Pada tanggal 19 Februari 2013, BNI telah mengajukan surat keberatan ke Direktorat Jenderal Pajak terhadap SKPKB PPN tersebut. Pada tanggal 21 Februari 2014, BNI menerima surat dari Direktorat Jenderal Pajak No. KEP-290/WPJ.19/2014 yang menolak keberatan atas SKPKB PPN tersebut. Pada tanggal 16 Mei 2014, BNI telah mengajukan permohonan banding atas penolakan keberatan tersebut ke Pengadilan Pajak. Pada tanggal 11 April 2016, Pengadilan Pajak telah membacakan putusan banding yang mengabulkan permohonan banding BNI. Pada tanggal 26 April 2016, BNI telah menerima salinan putusan banding. Berdasarkan putusan tersebut BNI telah mengajukan permohonan pengembalian atas pembayaran SKPKB PPN kepada Direktorat Jenderal Pajak. Pada tanggal 27 Mei 2016, BNI telah menerima pengembalian pembayaran pajak sebesar Rp5.589 dari Direktorat Jenderal Pajak.

Pada tanggal 16 Desember 2014, BNI menerima SKPKB No. 00002/206/13/093/14 atas PPh Badan untuk tahun fiskal 2013 sebesar Rp619.751 (termasuk denda). Pada tanggal 30 Desember 2014, BNI telah melakukan pembayaran penuh atas SKPKB tersebut. Pada tanggal 12 Maret 2015, BNI telah mengajukan surat keberatan ke Direktorat Jenderal Pajak terhadap SKPKB PPh tersebut. Pada tanggal 7 Maret 2016, BNI menerima surat dari Direktorat Jenderal Pajak No. KEP-00057/KEB/WPJ.19/2016 yang menolak keberatan atas SKPKB PPh Badan tersebut. Atas keputusan penolakan keberatan tersebut. Pada tanggal 3 Juni 2016, BNI telah mengajukan permohonan banding atas penolakan keberatan tersebut ke Pengadilan Pajak. Sampai dengan tanggal laporan keuangan konsolidasian ini, proses sidang masih berjalan dan Pengadilan Pajak belum menerbitkan putusan atas banding yang diajukan oleh BNI.

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**27. TAXATION (continued)**

**e. Tax assessment letters (continued)**

On 8 April 2016, BNI received a copy of the appeal decision. On payment of Rp816,858 on SKPKB has been compensated for the Article 29 of the Corporate income tax year 2015, installment of Income Tax Article 25 of April, May, and June 2016.

On 28 November 2012, BNI has also received SKPKB No. 00197/207/10/093/12 which stated that there was an underpayment of Value Added Tax ("VAT") for fiscal year 2010 amounting to Rp19,362 (including penalties). On 26 and 27 December 2012, BNI has fully paid the above SKPKB VAT. On 19 February 2013, BNI has submitted an objection letter to the Directorate General of Tax for the above underpayment. On 21 February 2014, BNI received a letter from Directorate General of Tax No. KEP-290/WPJ.19/2014 which rejected the objection of the above SKPKB. On 16 May 2014, BNI submitted the request for appeal on the rejection of the above objection to the Tax Court. On 11 April 2016, the Tax Court approve the appeal of BNI. On 26 April 2016, BNI received a copy of the appeal decision. Based on the appeal decision, BNI has submitted the request for tax refund to the Directorate General of Tax. On 27 May 2016, BNI received the tax refund amounting to Rp5,589 from Directorate General of Tax.

On 16 December 2014, BNI received SKPKB No. 00002/206/13/093/14 which stated that there was an underpayment of corporate income tax for fiscal year 2013 amounting to Rp619,751 (including penalties). On 30 December 2014, BNI has made a full payment for the above SKPKB. On 12 March 2015, BNI has submitted an objection letter to the Directorate General of Tax for the above underpayment. Up to the date of this consolidated financial statements, On 7 March 2016, BNI received a letter from Directorate General of Tax No. KEP-00057/KEB/WPJ.19/2016 which rejected the objection of the above SKPKB corporate income tax. On 3 June 2016, BNI submitted the request for appeal on the rejection of the above objection to the Tax Court. Up to the date of this consolidated financial statements, Tax Court process is still ongoing and has not yet issue decision on the appeal submitted by BNI.

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**27. PERPAJAKAN (lanjutan)**

**f. Surat tagihan pajak**

Pada tanggal 29 Desember 2015, BNI menerima Surat Tagihan Pajak ("STP") No. 90004/106/14/093/15 atas PPh Badan untuk tahun fiskal 2014 sebesar Rp985.578 (termasuk denda). Pada tanggal 31 Desember 2015, BNI telah melakukan pembayaran sebesar Rp849.636 (pokok pajak) atas STP tersebut. Pada tanggal 14 Januari 2016, BNI telah mengajukan surat permohonan pembatalan ke Direktorat Jenderal Pajak terhadap STP tersebut.

Pada tanggal 24 Februari 2016, Direktorat Jenderal Pajak mengeluarkan surat No. KEP-00249/NKEB/WPJ.19/2016 yang mengabulkan permohonan pembatalan atas STP PPh Badan tersebut. Atas pembayaran sebesar Rp849.636 (pokok pajak) atas STP telah dikompensasikan ke angsuran PPh Pasal 25 bulan Februari dan Maret 2016 serta PPh Pasal 29 PPh Badan tahun pajak 2015.

**28. EFEK-EFEK YANG DITERBITKAN**

**a. Berdasarkan jenis**

Obligasi-BNI,  
setelah dikurangi diskonto  
yang belum diamortisasi sebesar  
Rp5.135 per 31 Desember 2016  
(2015: Rp21.833)

\*) S&P

Pada tanggal 27 April 2012, BNI, melalui BNI Cabang London, menerbitkan surat utang dengan jumlah nilai nominal USD500 juta yang akan jatuh tempo pada tanggal 27 April 2017. Tingkat suku bunga sebesar 4,13% per tahun yang akan dibayarkan setiap enam bulan pada tanggal 27 April dan 27 Oktober setiap tahunnya, sejak tanggal 27 Oktober 2012. Surat utang tersebut dapat dilunasi, secara keseluruhan tetapi tidak sebagian, sejumlah pokok yang terhutang beserta bunga yang ditangguhkan dan bunga yang belum dibayarkan, jika ada, atas pilihan penerbit surat hutang setiap saat dalam hal terdapat perubahan tertentu yang dapat mempengaruhi pajak di Indonesia. Surat utang dikeluarkan pada harga 98,89% setara dengan USD494,4 juta dan terdaftar pada Singapore Exchange Securities Trading Limited (SGX-ST).

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**27. TAXATION (continued)**

**f. Tax collection letter**

On 29 December 2015, BNI received tax collection letter ("STP") No. 90004/106/14/093/15 on the corporate income tax for fiscal year 2014 amounting to Rp985,578 (including penalties). On 31 December 2015, BNI has made a payment amounting to Rp849,636 (principal amount of tax) for the above STP. On 14 January 2016, BNI has submitted a cancellation letter on the above tax collection letter to the Directorate General of Tax.

On 24 February 2016, Directorate General of Taxation issued letter No. KEP-00 249/NKEB /WPJ.19/2016 which granted the cancellation letter of the above STP corporate income tax. On payment of Rp849,636 (principal amount of tax) on STP has been compensated for the installment of Income Tax Article 25 of February and March 2016 as well as Article 29 of the Income Tax corporate income tax year 2015.

**28. SECURITIES ISSUED**

**a. By type**

31 Desember/December			
2016		2015	
Saldo/ Balance	Peringkat/ Rating *)	Saldo/ Balance	Peringkat/ Rating *)
6,731,115	BB	6,870,667	BB

Bonds-BNI, net of  
unamortized discount cost of Rp5,135  
as of 31 Desember 2016  
(2015: Rp21,833)

\*) S&P

On 27 April 2012, BNI, through its London Branch, issued Notes with total nominal value of USD500 million that will be due on 27 April 2017. The Notes bear interest of 4.13% per annum payable semi-annually in arrears on 27 April and 27 October in each year, commencing on 27 October 2012. The Notes are subject to repayment, in whole but not in part, of their outstanding principal amount, together with accrued and unpaid interest, if any, at the option of the Issuer at any time in the event of certain changes affecting taxes in Indonesia. The Notes were issued at a price of 98.89% equivalent to USD494.4 million and are listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

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**28. EFEK-EFEK YANG DITERBITKAN (lanjutan)**

**a. Berdasarkan jenis (lanjutan)**

Dari jumlah yang diterima sebesar USD494,4 juta tersebut, sebesar USD400 ribu digunakan sebagai biaya penerbitan surat utang. Penerimaan bersih dari penerbitan surat utang tersebut akan digunakan oleh Bank sebagai tambahan sumber pendanaan untuk cabang-cabang luar negeri Bank dan untuk tujuan pendanaan umum Bank. Surat utang ini merupakan kewajiban langsung, tanpa syarat dan (tergantung pada ketentuan dan kondisi di bawah) tanpa jaminan dari Bank dan akan diperingkat pari passu (kecuali terdapat ketentuan hukum tertentu yang mewajibkan adanya preferensi) dan setara dengan kewajiban tanpa jaminan dari waktu ke waktu selama kewajiban masih belum dilunasi.

**b. Berdasarkan mata uang**

	31 Desember/December		Foreign currencies
	2016	2015	
Mata uang asing	6,731,115	6,870,667	

**c. Tingkat suku bunga per tahun**

	Dolar Amerika Serikat/ United States Dollar		2016 and 2015
	%		
2016 dan 2015	4.13		

**29. PINJAMAN YANG DITERIMA**

**a. Berdasarkan jenis dan mata uang**

	31 Desember/December		Total
	2016	2015	
<b>Rupiah</b>			<b>Rupiah</b>
Pinjaman penerusan	74,233	205,763	Two step loans
Kredit likuiditas untuk kredit koperasi primer kepada anggotanya	951	951	Liquidity credit for members of primary cooperatives
Lain-lain	112,157	62,225	Others
	187,341	268,939	
<b>Mata uang asing</b>			<b>Foreign currencies</b>
Pinjaman bilateral	27,863,190	20,633,303	Bilateral loans
Bankers acceptance	4,239,796	1,179,263	Bankers acceptance
Pinjaman penerusan	57,699	62,839	Two step loans
Lain-lain	617,396	379,237	Others
	32,778,081	22,254,642	
<b>Total</b>	<b>32,965,422</b>	<b>22,523,581</b>	

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**29. PINJAMAN YANG DITERIMA (lanjutan)**

a. Berdasarkan jenis dan mata uang (lanjutan)

**Pinjaman bilateral**

BNI memiliki pinjaman bilateral sebagai salah satu strategi pendanaan Bank untuk menjaga komposisi pendanaan jangka pendek dan jangka panjang. Termasuk di dalam pinjaman bilateral adalah fasilitas pinjaman di bawah ini:

- a) Pinjaman bilateral dalam negeri dengan Standard Chartered Bank Jakarta sebesar USD200 juta atau ekuivalen Rp2.694.500 dengan jangka waktu pinjaman selama 5 tahun dan tingkat suku bunga LIBOR 3 bulan ditambah 1,95% dan akan jatuh tempo pada tanggal 19 September 2019.
- b) Pinjaman bilateral luar negeri dengan Societe Generale Paris sebesar USD50 juta atau ekuivalen Rp673.625 dengan jangka waktu pinjaman selama 4 tahun dan tingkat suku bunga LIBOR 3 bulan ditambah 2,30% dan akan jatuh tempo pada tanggal 17 Desember 2018.
- c) Pinjaman bilateral luar negeri dengan China Development Bank sebesar USD700 juta dengan jangka waktu pinjaman selama 10 tahun serta tingkat suku bunga LIBOR 6 bulan ditambah 2,85% dan akan jatuh tempo pada tanggal 16 September 2025. Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman setelah dikurangi dengan biaya penerbitan yang belum diamortisasi masing-masing adalah sebesar USD696 juta atau ekuivalen Rp9.373.781 dan USD695 juta atau ekuivalen Rp9.582.907
- d) Pinjaman bilateral luar negeri dengan China Development Bank sebesar RMB1,90 miliar dengan jangka waktu pinjaman selama 10 tahun serta tingkat suku bunga SHIBOR 6 bulan ditambah 3,30% dan akan jatuh tempo pada tanggal 16 September 2025. Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman setelah dikurangi dengan biaya penerbitan yang belum diamortisasi masing-masing adalah sebesar RMB1.903 juta atau ekuivalen Rp3.689.837 dan RMB1.903 juta atau ekuivalen Rp4.039.306

**29. BORROWINGS (continued)**

a. By type and currency (continued)

**Bilateral loans**

BNI has bilateral loan which is one of Bank's strategy to maintain funding profile between short term and long term funding. Bilateral loans include the following borrowing facilities:

- a) Onshore bilateral loan with Standard Chartered Bank Jakarta amounting to USD200 million or equivalent Rp2,694,500 with tenor of 5 years and with interest at 3 months LIBOR plus 1.95% and will mature on 19 September 2019.
- b) Offshore bilateral loan with Societe Generale Paris amounting to USD 50 million or equivalent Rp673,625 with tenor of 4 years and with interest at 3 months LIBOR plus 2.30% and will mature on 17 December 2018.
- c) Offshore bilateral loan with China Development Bank amounting to USD700 million with tenor of 10 years and with interest at 6 months LIBOR plus 2.85% and will mature on 16 September 2025. As of 31 December 2016 and 2015, outstanding loan less unamortised issuance costs is amounted to USD696 million or equivalent Rp9,373,781 and USD695 million or equivalent Rp9,582,907, respectively.
- d) Offshore bilateral loan with China Development Bank amounting to RMB1.9 billion with tenor of 10 years and with interest at 6 months SHIBOR plus 3.30% and will mature on 16 September 2025. As of 31 December 2016 and 2015, outstanding loan less unamortised issuance costs is amounted to RMB1,903 million or equivalent Rp3,689,837 and RMB1,903 million or equivalent Rp4,039,306, respectively.

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**29. PINJAMAN YANG DITERIMA (lanjutan)**

**a. Berdasarkan jenis dan mata uang (lanjutan)**

**Pinjaman bilateral (lanjutan)**

- e) Pinjaman bilateral luar negeri dengan konsorsium bank yang terdiri dari ANZ, BNP Paribas, BTMU, Citibank, Commerzbank, CTBC, DBS, OCBC, dan UOB sebesar USD 250 juta dengan jangka waktu pinjaman selama 3 tahun serta tingkat suku bunga LIBOR 3 bulan ditambah 1% per annum dan akan jatuh tempo pada tanggal 22 Desember 2019. Pada tanggal 31 Desember 2016, saldo pinjaman setelah dikurangi dengan biaya penerbitan yang belum diamortisasi adalah sebesar USD247 juta atau ekivalen Rp3.327.056.
- f) Pinjaman bilateral luar negeri dengan konsorsium bank yang terdiri dari ANZ, BNP Paribas, BTMU, Citibank, Commerzbank, CTBC, DBS, OCBC, dan UOB sebesar USD 500 juta dengan jangka waktu pinjaman selama 5 tahun serta tingkat suku bunga LIBOR 3 bulan ditambah 1,21% per annum dan akan jatuh tempo pada tanggal 22 Desember 2021. Pada tanggal 31 Desember 2016, saldo pinjaman setelah dikurangi dengan biaya penerbitan yang belum diamortisasi adalah sebesar USD494 juta atau ekivalen Rp6.654.113.

**Pinjaman penerusan**

Pinjaman penerusan terdiri dari fasilitas pinjaman dalam Rupiah dan mata uang asing yang diperoleh dari beberapa lembaga pembiayaan internasional melalui Bank Indonesia dan Lembaga Pembiayaan Eksport Indonesia (Badan Usaha Milik Negara) yang ditujukan untuk membiayai proyek-proyek tertentu di Indonesia termasuk wesen Surat Kredit Berdokumen Dalam Negeri (SKBDN) dan *letters of credit* eksport dan impor. Pinjaman ini memiliki beberapa jangka waktu jatuh tempo mulai dari 2004 sampai 2017. Tingkat bunga rata-rata per tahun atas fasilitas tersebut berkisar antara 1,25% sampai dengan 7,83% untuk periode dan tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015. Bunga dibayar setiap enam bulan.

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**29. BORROWINGS (continued)**

**a. By type and currency (continued)**

**Bilateral loans (continued)**

- e) Offshore bilateral loan with consortium of banks consist of ANZ, BNP Paribas, BTMU, Citibank, Commerzbank, CTBC, DBS, OCBC, and UOB amounting to USD250 million with tenor of 3 years and with interest at 3 months LIBOR plus 1% and will mature on 22 December 2019. As of 31 December 2016, outstanding loan less unamortised issuance costs is amounted to USD247 million or equivalent Rp3,327,056.
- f) Offshore bilateral loan with consortium of banks consist of ANZ, BNP Paribas, BTMU, Citibank, Commerzbank, CTBC, DBS, OCBC, and UOB amounting to USD500 million with tenor of 5 years and with interest at 3 months LIBOR plus 1.21% and will mature on 22 December 2021. As of 31 December 2016, outstanding loan less unamortised issuance costs is amounted to USD494 million or equivalent Rp6,654,113.

**Two step loans**

Two step loans consist of credit facilities in Rupiah and foreign currencies obtained from international funding institutions through Bank Indonesia and Lembaga Pembiayaan Eksport Indonesia (a state-owned enterprise) for a purpose of specific projects financing in Indonesia including local letters of credit, also export and import letters of credit. These facilities have various maturity terms starting from 2004 to 2017. Annual average interest rates of the facilities ranged from 1.25% to 7.83% for the period and year ended 31 December 2016 and 2015. Interest is paid semi-annually.

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**29. PINJAMAN YANG DITERIMA (lanjutan)**

a. Berdasarkan jenis dan mata uang (lanjutan)

**Pinjaman penerusan (lanjutan)**

Pinjaman penerusan pada tanggal-tanggal 31 Desember 2016 dan 2015 di atas mencakup pinjaman penerusan dari *Kreditanstalt fur Wiederaufbau* untuk pembiayaan *Industrial Efficiency and Pollution Control Phase I* dan *II* yang diterima pada tahun 2001 dan 2004.

Berdasarkan Perjanjian Penerusan Pinjaman antara BNI dan Departemen Keuangan No. SLA-1145/DP3/2001 tertanggal 30 Maret 2001 dan SLA-1174/DP3/2004 tertanggal 25 Agustus 2004, Pemerintah telah menyetujui BNI sebagai bank pelaksana dengan jumlah fasilitas masing-masing tidak melebihi DM11.700.000 dan EUR 9 juta. Tanggal terakhir penarikan pinjaman adalah masing-masing pada tanggal 30 Juni 2001 dan 30 Desember 2007. Jangka waktu pinjaman penerusan ini adalah masing-masing selama 12 tahun termasuk masa tenggang 2 tahun dan 40 tahun termasuk masa tenggang 10 tahun.

**Kredit likuiditas untuk kredit koperasi primer kepada anggotanya**

Merupakan fasilitas kredit yang diperoleh dari Bank Indonesia terutama ditujukan untuk debitur BNI sehubungan dengan program kredit Pemerintah untuk pinjaman investasi usaha kecil, pinjaman modal kerja dan pinjaman pengusaha kecil. Sesuai dengan Peraturan Pemerintah, manajemen program kredit likuiditas telah dialihkan ke PT Permodalan Nasional Madani (Persero), Badan Usaha Milik Negara, yang akan jatuh tempo dalam beberapa tanggal, berdasarkan penyelesaian dari program-program tersebut.

Tingkat bunga atas fasilitas ini berkisar antara 3,00% sampai dengan 7,00% per tahun.

**Bankers acceptance**

Bankers acceptance merupakan pinjaman antarbank yang diperoleh BNI dari bank-bank luar negeri yang ditujukan untuk meningkatkan likuiditas dengan jangka waktu pinjaman 6 bulan.

BNI telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian pinjaman tersebut di atas.

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**29. BORROWINGS (continued)**

a. By type and currency (continued)

**Two step loans (continued)**

Included in the above two step loans as of 31 December 2016 and 2015 are step loans from *Kreditanstalt fur Wiederaufbau* to finance *Industrial Efficiency and Pollution Control Phase I and II* that was received in 2001 and 2004.

Based on the two step loans agreement between BNI and the Ministry of Finance No. SLA-1145/DP3/2001 dated 30 March 2001 and SLA-1174/DP3/2004 dated 25 August 2004, the Government appointed BNI as an executor bank with a total facilities for each not exceeding DM11,700,000 and EUR 9 million. Latest withdrawal date were 30 June 2001 and 30 December 2007, respectively. The term of two step loans are 12 years including 2 years grace period and 40 years including 10 years grace period, respectively.

**Liquidity credit for members of primary cooperatives credit**

This is a credit facility provided by Bank Indonesia specifically for BNI's debtors in relation to the Government's loan program for small investment loans, working capital loans and small business loans. In accordance with the Government Regulation, the management of this liquidity loan program was transferred to PT Permodalan Nasional Madani (Persero), a state-owned enterprise. The loan will mature on various dates based on the completion of such programs.

Interest rates on the facility range from 3.00% to 7.00% per annum.

**Bankers acceptance**

Bankers acceptance represents interbank borrowings for liquidity purposes obtained by BNI from various foreign banks with borrowing period of 6 months.

BNI has complied with the covenants in the borrowing agreements above.

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**29. PINJAMAN YANG DITERIMA (lanjutan)**

**b. Berdasarkan hubungan**

Pada tanggal-tanggal 31 Desember 2016 dan 2015, seluruh pinjaman yang diterima merupakan transaksi dengan pihak ketiga.

**c. Tingkat suku bunga per tahun**

	Rupiah %	Dolar Amerika Serikat/ United States Dollar %	Euro %	Yuan Cina/ Chinese Yuan %	
2016	5.50 - 11.50	0.45 - 4.45	0.20 - 0.30	3.30	2016
2015	9.10 - 11.50	0.43 - 3.63	0.64 - 0.64	3.30	2015

**30. DANA SYIRKAH TEMPORER - GIRO MUDHARABAH**

**a. Berdasarkan jenis produk**

	31 Desember/December		
	2016	2015	
Bukan Bank			
Giro iB Hasanah (Mudharabah)	575,969	430,950	Non-Bank iB Hasanah (Mudharabah) current accounts
Bank			
Giro iB Hasanah (Mudharabah)	15,470	11,938	Bank iB Hasanah (Mudharabah) current accounts
	<b>591,439</b>	<b>442,888</b>	

**b. Berdasarkan hubungan**

	31 Desember/December		
	2016	2015	
Bukan Bank			
Pihak berelasi	141,115	10	Non-Bank Related parties
Pihak ketiga	434,854	430,940	Third parties
	<b>575,969</b>	<b>430,950</b>	
Bank			
Pihak ketiga	15,470	11,938	Bank Third parties
	<b>591,439</b>	<b>442,888</b>	

Nisbah dan tingkat bagi hasil rata-rata untuk giro Mudharabah untuk tahun yang berakhir pada 31 Desember 2016 dan 2015 adalah sebagai berikut:

The average rate of Nisbah ratio and profit sharing for Mudharabah current accounts for the year ended 31 December 2016 and 2015 is as follows:

	2016	
	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
Giro Mudharabah	3 : 97	Mudharabah current accounts
	0.32	

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**30. DANA SYIRKAH TEMPORER - GIRO MUDHARABAH**  
**(lanjutan)**

**b. Berdasarkan hubungan (lanjutan)**

	2015	Tingkat bagi hasil (%)/ Profit sharing rate (%)	
Giro Mudharabah	3 : 97	0.32	Mudharabah current accounts

**31. DANA SYIRKAH TEMPORER - TABUNGAN MUDHARABAH**

**a. Berdasarkan jenis produk**

	<i>31 Desember/December</i>		
	2016	2015	
Bukan Bank			
Tabungan iB Syariahplus Perorangan	3,999,129	3,419,283	Non-Bank iB Savings Shariaplus individual
Tabungan iB Bisnis	1,184,782	993,895	iB Savings Business
Tabungan iB Baitullah Hasanah Rupiah	766,769	593,804	iB Savings Baitullah Hasanah Rupiah
Tabungan iB Bisnis Non Perorangan	356,850	285,481	iB Savings Business non individual
Tabungan Prima iB Hasanah	237,918	125,834	iB Prima Savings Hasanah
Tapenas iB Hasanah	133,452	105,290	iB Tapenas Hasanah
Tabungan iB Syariahplus Non Perorangan	138,875	97,163	iB Savings Shariaplus non-individual
Tapma iB Hasanah	57,016	63,342	iB Tapma Hasanah
Tabungan iB Syariahplus Perorangan Valas	-	10,874	iB Savings Shariaplus individual foreign currencies
Tabungan iB Baitullah Hasanah Valas	-	3,204	iB Savings Baitullah Hasanah-foreign currencies
Tabungan iB Hasanah Card	2,651	2,660	Tabungan iB Hasanah Card
	<b>6,877,442</b>	<b>5,700,830</b>	
Bank			Bank
Tabungan iB Bisnis Non Perorangan	163,041	117,783	iB Savings Business non-individual
Tabungan iB Syariahplus Non Perorangan	24,047	20,877	iB Savings Shariaplus non-individual
	<b>187,088</b>	<b>138,660</b>	
	<b>7,064,530</b>	<b>5,839,490</b>	

**b. Berdasarkan hubungan**

	<i>31 Desember/December</i>		
	2016	2015	
Bukan Bank			
Pihak berelasi	13,849	8,778	Non-Bank Related parties
Pihak ketiga	6,863,593	5,692,052	Third parties
	<b>6,877,442</b>	<b>5,700,830</b>	
Bank			Bank
Pihak ketiga	187,088	138,660	Third parties
	<b>7,064,530</b>	<b>5,839,490</b>	

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**31. DANA SYIRKAH TEMPORER - TABUNGAN MUDHARABAH (lanjutan)**

**b. Berdasarkan hubungan (lanjutan)**

Tabungan *Mudharabah* merupakan simpanan dana pihak lain yang mendapatkan imbalan bagi hasil dari pendapatan Bank atas penggunaan dana tersebut dengan *nisbah* yang ditetapkan dan disetujui sebelumnya.

*Nisbah* dan tingkat bagi hasil rata-rata untuk tabungan *Mudharabah* untuk tahun yang berakhir pada 31 Desember 2016 dan 2015 adalah sebagai berikut:

	2016	
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)
Tabungan iB Hasanah	1 : 99 - 28:72	0.10 - 4.81
		<i>iB Hasanah Savings Deposit</i>
	2015	
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)
Tabungan iB Hasanah	1 : 99 - 28:72	0.11 - 5.26
		<i>iB Hasanah Savings Deposit</i>

**32. DANA SYIRKAH TEMPORER - DEPOSITO MUDHARABAH**

**a. Berdasarkan hubungan**

	<i>31 Desember/December</i>		
	2016	2015	
Bukan Bank			
Pihak berelasi	7,538,591	4,559	<i>Non-Bank Related parties</i>
Pihak ketiga	<u>5,099,827</u>	<u>10,347,566</u>	<i>Third parties</i>
	<u>12,638,418</u>	<u>10,352,125</u>	
Bank			
Pihak berelasi	-	-	<i>Bank Related parties</i>
Pihak ketiga	<u>286,368</u>	<u>298,886</u>	<i>Third parties</i>
	<u>286,368</u>	<u>298,886</u>	
	<u>12,924,786</u>	<u>10,651,011</u>	

**b. Berdasarkan jangka waktu kontrak**

	<i>31 Desember/December</i>		
	2016	2015	
Bukan Bank			
1 bulan	8,093,817	6,673,491	<i>Non-Bank 1 month</i>
3 bulan	748,981	644,943	<i>3 months</i>
6 bulan	351,386	209,406	<i>6 months</i>
12 bulan	<u>3,444,234</u>	<u>2,824,285</u>	<i>12 months</i>
	<u>12,638,418</u>	<u>10,352,125</u>	

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**31. TEMPORARY SYIRKAH FUNDS - MUDHARABAH SAVINGS DEPOSITS (continued)**

**b. By relationship (continued)**

*Mudharabah savings deposits represent deposits from third parties who receive a share in the revenue derived by the Bank from the use of such funds based on a pre-determined and pre-agreed ratio.*

*The average rate of Nisbah ratio and profit sharing for Mudharabah savings deposits for the years ended 31 December 2016 and 2015 are as follows:*

**2016**

Tingkat  
bagi hasil (%)/  
Profit sharing  
rate (%)

0.10 - 4.81

*iB Hasanah Savings Deposit*

**2015**

Tingkat  
bagi hasil (%)/  
Profit sharing  
rate (%)

0.11 - 5.26

*iB Hasanah Savings Deposit*

**32. TEMPORARY SYIRKAH FUNDS - MUDHARABAH TIME DEPOSITS**

**a. By relationship**

**31 Desember/December**

**2016**

**2015**

*Non-Bank  
Related parties  
Third parties*

*Bank  
Related parties  
Third parties*

*Non-Bank  
Related parties  
Third parties*

*Bank  
Related parties  
Third parties*

*Non-Bank  
Related parties  
Third parties*

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**32. DANA SYIRKAH TEMPORER - DEPOSITO MUDHARABAH (lanjutan)**

**b. Berdasarkan jangka waktu kontrak (lanjutan)**

	31 Desember/December		Bank
	2016	2015	
Bank			
1 bulan	110,185	138,235	1 month
3 bulan	141,500	103,000	3 months
6 bulan	3,832	43,300	6 months
12 bulan	30,851	14,351	12 months
	286,368	298,886	
	<b>12,924,786</b>	<b>10,651,011</b>	

**c. Berdasarkan sisa umur jatuh tempo**

	31 Desember/December		Non-Bank
	2016	2015	
Bukan Bank			
≤ 1 bulan	6,213,734	4,800,770	≤ 1 month
>1 - 3 bulan	3,439,689	3,165,554	>1 - 3 months
>3 - 12 bulan	943,227	703,136	>3 - 12 months
>12 bulan	2,041,768	1,682,665	> 12 months
	12,638,418	10,352,125	
Bank			Bank
≤ 1 bulan	90,185	118,535	≤ 1 month
>1 - 3 bulan	162,442	123,641	>1 - 3 months
>3 - 12 bulan	7,396	43,514	>3 - 12 months
>12 bulan	26,345	13,196	> 12 months
	286,368	298,886	
	<b>12,924,786</b>	<b>10,651,011</b>	

d. Deposito mudharabah merupakan investasi pihak lain yang mendapatkan imbalan bagi hasil dari pendapatan Entitas Anak atas penggunaan dana tersebut dengan *nisbah* yang ditetapkan dan disetujui sebelumnya.

*Nisbah* dan tingkat bagi hasil rata-rata untuk deposito mudharabah untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	2016		2015	
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)
1 Bulan	46 : 54	4.99	49 : 51	5.30
3 Bulan	47 : 53	5.13	51 : 49	5.52
6 Bulan	49 : 51	5.35	53 : 47	5.73
12 Bulan	50 : 50	5.49	55 : 45	5.95

e. Deposito mudharabah yang dijadikan jaminan atas piutang dan pembiayaan yang diberikan oleh Bank masing-masing berjumlah Rp839.974 dan Rp1,127,880 pada tanggal 31 Desember 2016 (2015: Rp1,289,142 dan Rp1,849,746).

d. Mudharabah time deposits represent investment from other parties who receive share in the income derived by the Subsidiary from the use of such funds based on a pre-determined and pre-agreed ratio.

The average rate of *Nisbah* ratio and profit sharing for Mudharabah time deposits for the years ended 31 December 2016 and 2015, are as follows:

	2016		2015	
	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)	Nisbah (%)/ Ratio (%)	Tingkat bagi hasil (%)/ Profit sharing rate (%)
1 Bulan	46 : 54	4.99	49 : 51	5.30
3 Bulan	47 : 53	5.13	51 : 49	5.52
6 Bulan	49 : 51	5.35	53 : 47	5.73
12 Bulan	50 : 50	5.49	55 : 45	5.95

e. Mudharabah deposits that were used as collateral for the Bank's receivables and financing respectively amounted to Rp839,974 and Rp1,127,880 as of 31 December 2016 (2015: Rp1,289,142 and Rp1,849,746).

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**33. SUKUK MUDHARABAH YANG DITERBITKAN**

Pada tanggal 26 Mei 2015, Entitas Anak menerbitkan sukuk *mudharabah* yang tercatat di Bursa Efek Indonesia dengan jumlah nilai nominal Rp500 miliar yang akan jatuh tempo pada tanggal 26 Mei 2018. Tingkat bagi hasil sukuk *mudharabah* adalah sebesar 9,25% per tahun. Pendapatan bagi hasil dibayarkan setiap triwulan, sesuai dengan tanggal pembayaran pendapatan bagi hasil sukuk *mudharabah*. Pembayaran pendapatan bagi hasil sukuk *mudharabah* pertama dilakukan pada tanggal 26 Agustus 2015, sedangkan pembayaran pendapatan bagi hasil sukuk *mudharabah* terakhir sekaligus jatuh tempo sukuk *mudharabah* adalah tanggal 26 Mei 2018. Tanggal 26 Mei 2018 juga merupakan Tanggal Pembayaran Kembali Dana Sukuk *Mudharabah*. Seluruh dana yang diperoleh dari Penawaran Umum Sukuk *Mudharabah* ini, setelah dikurangi dengan biaya-biaya emisi, akan digunakan untuk mengembangkan kegiatan pembiayaan syariah meliputi pembiayaan konsumtif, pembiayaan produktif, dan pembiayaan mikro yang merupakan bagian dari kegiatan usaha Entitas Anak.

Sukuk *mudharabah* yang diterbitkan diakui sebesar nilai nominal. Biaya-biaya yang terjadi sehubungan dengan penerbitan sukuk dicatat secara terpisah sebagai biaya yang ditangguhkan dan diamortisasi secara garis lurus selama jangka waktu sukuk *Mudharabah*. Jumlah biaya yang diamortisasi pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp1.098 dan Rp758.

Prinsip pembagian hasil usaha menggunakan prinsip *revenue sharing*, dimana pendapatan yang diperoleh dari pendapatan kas seluruh portofolio dihitung berdasarkan alokasi Portofolio sebesar 5 (lima) kali Dana Sukuk *Mudharabah* dalam mata uang rupiah yang dimiliki Entitas Anak.

Perhitungan bagi hasil berdasarkan perkalian antara nisbah pemegang sukuk *Mudharabah* dengan pendapatan yang dibagihasilkan yang perhitungannya didasarkan pada informasi dari Entitas Anak kepada Wali Amanat tentang uraian dari perhitungan Pendapatan Bagi Hasil berdasarkan 3 (tiga) periode posisi keuangan bulanan (tidak diaudit). Nisbah untuk pemegang sukuk *Mudharabah* adalah sebesar 15,35%.

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**33. MUDHARABAH SUKUK ISSUED**

On 26 May 2015, the Subsidiary issued Mudharabah sukuk, listed on the Indonesian Stock Exchange, with a nominal value of Rp500 billion that will mature on 26 May 2018. The indicative level of the sukuk's yield is 9.25% per annum. The revenue from profit-sharing is paid on quarterly basis, in accordance with the payment date of Sukuk mudharabah's profit-sharing. The first payment mudharabah Sukuk revenue profit-sharing was distributed on 26 August 2015, while the last payment of the revenue will be distributed on 26 May 2018. 26 May 2018 will also be the date of the repayment of Mudharabah sukuk fund.. All of the funds generated from the issuance of the Mudharabah sukuk, after being deducted by all of the emission costs, will be used entirely to support the sharia financing activities, such as consumer financing, productive financing, and micro financing, as a part of the Subsidiary's business activities.

The value of mudharabah sukuk issued is recognized at its nominal value. All costs related to the issuance process of the Sukuk is separately recorded as accrued expenses and will be amortized using straight line method during the period of Mudharabah sukuk. Total amortized expense amounted to Rp1,098 and Rp758 as of 31 December 2016 and 2015, respectively.

The profit-sharing uses revenue-sharing principle, where revenue generated from cash-revenue of all portfolios is calculated based on portfolio allocation as many as 5 (five) times of Sukuk Mudharabah funds owned by Subsidiary in Rupiah currency.

The method used for the revenue sharing calculation is based on the multiplication of the revenue-sharing portion of the Mudharabah sukuk holders with the revenue that can be shared. The calculation is based on the information provided by Subsidiary to the Trustee about the explanation of the calculation of the Revenue Sharing calculation-method using three (3) (unaudited) financial positions period. The Nisbah of the Sukuk Mudharabah holders is 15.35%.

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**33. SUKUK MUDHARABAH YANG DITERBITKAN  
(lanjutan)**

PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") ditunjuk sebagai Wali Amanat dalam penerbitan Sukuk Mudharabah ini. BRI adalah pihak yang terafiliasi secara tidak langsung dengan BNI Syariah melalui kepemilikan saham oleh Negara Republik Indonesia .

**a. Berdasarkan jenis, mata uang dan jangka waktu kontrak**

	2016				<i>Mudharabah Sukuk</i>
	Saldo/ Balance	Peringkat/ Rating	Pemerikat/ Rating Agencies	Jangka waktu/ Period	
Sukuk Mudharabah	<u>496,000</u>	id AA+(Sy)	Pefindo	3 tahun/year	
<b>2015</b>					
	Saldo/ Balance	Peringkat/ Rating	Pemerikat/ Rating Agencies	Jangka waktu/ Period	<i>Mudharabah Sukuk</i>
	<u>496,000</u>	id AA+(Sy)	Pefindo	3 tahun/year	

**b. Berdasarkan hubungan**

	2016		<i>Non-Bank Third parties Related parties</i>
	2016	2016	
Bukan Bank Pihak ketiga Pihak berelasi	341,000 155,000	345,000 151,000	
	<u>496,000</u>	<u>496,000</u>	

**34. MODAL SAHAM DAN TAMBAHAN MODAL  
DISETOR**

**Modal Saham**

Pada tanggal-tanggal 31 Desember 2016 dan 2015, kepemilikan modal saham BNI adalah sebagai berikut:

**34. SHARE CAPITAL AND ADDITIONAL PAID-IN  
CAPITAL**

**Share Capital**

*As of 31 December 2016 and 2015, BNI's share capital ownership are as follows:*

<i>Pemegang saham</i>	2016				<i>Shareholders</i>
	<i>Jumlah lembar saham ditempatkan dan disedot penuh/ Number of shares issued and fully paid</i>	<i>Percentase kepemilikan (%)/ Percentage of ownership (%)</i>	<i>Jumlah/ Amount</i>		
Saham Seri A Dwiwarna Negara Republik Indonesia	1	-	-	-	<i>Class A Dwiwarna share Republic of Indonesia</i>
Saham Seri B Negara Republik Indonesia Karyawan Masyarakat (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	217,006,399 6,500,267 65,835,200	1.16 0.03 0.35	1,627,548 48,752 493,764	2,170,064	<i>Class B shares Republic of Indonesia Employees</i>
Total saham Seri B	<u>289,341,866</u>	<u>1.54</u>			<i>Public (ownership less than 5% each)</i>
					<i>Total Class B shares</i>

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**34. MODAL SAHAM DAN TAMBAHAN MODAL  
DISETOR (lanjutan)**

**Modal Saham (lanjutan)**

**34. SHARE CAPITAL AND ADDITIONAL PAID-IN  
CAPITAL (continued)**

**Share Capital (continued)**

Pemegang saham	Jumlah lembar saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Percentase kepemilikan (%)/ Percentage of ownership (%)	Jumlah/ Amount	2016	
				Shareholders	Total
Saham Seri C Negara Republik Indonesia Perseroan terbatas (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	10,972,187,475	58.84	4,114,570	Class C shares Republic of Indonesia	
Badan usaha asing (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	1,372,362,823	7.37	514,636	Limited liability (ownership less than 5% each) Foreign investment entities (ownership less than 5% each)	
Anggoro Eko Cahyo (Direktur)	153,526	0.00	58	Anggoro Eko Cahyo (Director)	
Imam Budi Sarjito (Direktur)	117,074	0.00	44	Imam Budi Sarjito (Director)	
Putrama Wahju Setyawan (Direktur)	116,425	0.00	44	Putrama Wahju Setyawan (Director)	
Bob Tyasika Ananta (Direktur)	82,891	0.00	31	Bob Tyasika Ananta (Director)	
Adi Sulistyowati (Direktur)	68,124	0.00	26	Adi Sulistyowati (Director)	
Masyarakat (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	526,041,130	2.82	197,265	Public (ownership less than 5% each)	
Total saham Seri C	18,359,314,591	98.46	6,884,743	Total Class C shares	
<b>Total</b>	<b>18,648,656,458</b>	<b>100.00</b>	<b>9,054,807</b>		<b>Total</b>
Pemegang saham	Jumlah lembar saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Percentase kepemilikan (%)/ Percentage of ownership (%)	Jumlah/ Amount	2015	
				Shareholders	
Saham Seri A Dwiwarna Negara Republik Indonesia	1	-	-	Class A Dwiwarna share Republic of Indonesia	
Saham Seri B Negara Republik Indonesia Karyawan Masyarakat (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	217,006,399 6,500,267	1.16 0.03	1,627,548 48,752	Class B shares Republic of Indonesia Employees	
Total saham Seri B	289,341,866	1.54	2,170,064	Total Class B shares	
Saham Seri C Negara Republik Indonesia Perseroan terbatas (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	10,972,187,475	58.84	4,114,570	Class C shares Republic of Indonesia	
Badan usaha asing (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	1,899,735,948	10.19	712,401	Limited liability (ownership less than 5% each) Foreign investment entities (ownership less than 5% each)	
Sutanto (Direktur)	3,848,414	0.02	1,443	Sutanto (Director)	
Anggoro Eko Cahyo (Direktur)	153,526	0.00	58	Anggoro Eko Cahyo (Director)	
Imam Budi Sarjito (Direktur)	117,074	0.00	44	Imam Budi Sarjito (Director)	
Bob Tyasika Ananta (Direktur)	82,891	0.00	31	Bob Tyasika Ananta (Director)	
Adi Sulistyowati (Direktur)	68,124	0.00	26	Adi Sulistyowati (Director)	
Masyarakat (kepemilikan masing-masing dibawah 5% untuk setiap pihak)	445,014,482	2.40	166,880	Public (ownership less than 5% each)	
Total saham Seri C	18,209,214,591	97.66	6,828,455	Total Class C shares	

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**34. MODAL SAHAM DAN TAMBAHAN MODAL  
DISETOR (lanjutan)**

**Modal Saham (lanjutan)**

Pemegang saham	Jumlah lembar saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Percentase kepemilikan (%)/ Percentage of ownership (%)	Jumlah/ Amount	2015	
				Shareholders	
Saham treasuri	150,100,000	0.80	56,288		Treasury shares
<b>Total</b>	<b>18,648,656,458</b>	<b>100.00</b>	<b>9,054,807</b>		<b>Total</b>

Saham Seri A Dwiwarna adalah saham yang memberikan hak-hak preferen kepada pemegangnya untuk menyetujui pengangkatan dan pemberhentian Komisaris dan Direksi, perubahan Anggaran Dasar, menyetujui pembubaran dan likuidasi, penggabungan, dan pengambilalihan BNI dan semua hak-hak lainnya yang dimiliki saham Seri B dan saham Seri C. Saham Seri A Dwiwarna tidak dapat dialihkan kepada pihak lain.

Saham Seri B dan Saham Seri C adalah saham biasa atas nama yang memiliki hak yang sama.

Pada tanggal 13 Agustus 2007, Pemerintah Republik Indonesia, melakukan divestasi sebesar 3.475.231.980 saham Seri C, mewakili 22,54% dari kepemilikan di BNI melalui Penawaran Umum Saham Kedua.

Sesuai Keterbukaan Informasi dalam rangka Program Kepemilikan Saham bagi Manajemen dan/atau Pegawai dalam bentuk program Bonus Saham yang diterbitkan Bank pada tanggal 30 Oktober 2015, Bank melakukan pembelian kembali saham Bank yang telah dikeluarkan dan tercatat di Bursa Efek Indonesia ("BEI"). Program ini sesuai dengan Peraturan Otoritas Jasa Keuangan ("OJK") No.02/POJK.04/2013 tanggal 23 Agustus 2013 tentang Pembelian Kembali Saham Yang Dikeluarkan oleh Emiten atau Perusahaan Publik dalam Kondisi Pasar yang Berfluktuasi secara Signifikan ("POJK No.02/POJK.04/2013") dan Surat Edaran OJK No. 22/SEOJK.04/2015 tanggal 21 Agustus 2015 tentang Kondisi Lain Sebagai Kondisi Pasar yang Berfluktuasi Secara Signifikan.

*The Class A Dwiwarna is a share that gives the holder preferred rights to approve the appointment and dismissal of Commissioners and Directors, amend the Articles of Association, approve the dissolution and liquidation, merger, and takeover of BNI and all other rights of Class B and Class C shares. The Class A Dwiwarna share may not be transferred to other parties.*

*Class B and Class C shares are ordinary shares that have the same rights.*

*On 13 August 2007, the Government of the Republic of Indonesia divested 3,475,231,980 Class C shares, representing 22.54% of shareholding in BNI through a Second Initial Public Offering (IPO).*

*In accordance to the Disclosure of Information in relation to the Management and/or Employees Stock Ownership Plan in the form of Bonus Shares Program issued by the Bank on 30 October 2015, the Bank repurchased shares issued by the Bank and listed in the Indonesia Stock Exchange ("IDX"). This program is consistent with Regulation of Financial Services Authority ("FSA") No.02/POJK.04/2013 dated 23 August 2013 on the Repurchase of Shares Issued by the Issuer or Public Company in market conditions which fluctuate significantly ("POJK No.02/POJK.04/2013") and FSA Circular Letter No.22/SEOJK.04/2015 dated 21 August 2015 on Another Condition As Market Conditions that Fluctuate Significantly.*

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**34. MODAL SAHAM DAN TAMBAHAN MODAL  
DISETOR (lanjutan)**

**Modal Saham (lanjutan)**

Pembelian kembali saham Bank telah dilaksanakan pada tanggal 2 November 2015 sampai dengan 28 Desember 2015, sesuai dengan tanggal Keterbukaan Informasi. Bank melakukan pembelian kembali Saham Seri C sejumlah 1.505.375 lot atau sebanyak 150.537.500 lembar saham dengan rata-rata biaya perolehan rata-rata sebesar Rp4.982 (nilai penuh) per lembar saham. Namun demikian sehubungan dengan adanya proses pencatatan transaksi saham di bursa yang dilakukan pada T+3 maka jumlah saham pada saham treasuri yang dicatat per tanggal 30 Desember 2015 sebanyak 150.100.000. Dengan demikian pada tanggal 31 Desember 2015, Bank mencatatkan total saham treasuri senilai Rp749.979.

Pada tahun 2016, Bank melakukan alokasi saham treasuri senilai Rp749.979 sebagai Program Kepemilikan Saham bagi Manajemen dan Pegawai Perseroan dalam bentuk Saham Bonus.

**Tambahan Modal Disetor**

Perubahan tambahan modal disetor adalah sebagai berikut:

Saldo pada tanggal 1 Januari 2010	591,156	Balance as of 1 January 2010
Tambahan modal disetor akibat Penawaran Umum Saham Terbatas I pada tahun 2000 (lihat Catatan 1c)	56,883,826	Additional paid in capital due to Right Issue I in 2000 (refer to Note 1c)
	57,474,982	
Pengurangan tambahan modal disetor akibat Pengembalian dana rekapitalisasi kepada Pemerintah Indonesia (lihat Catatan 1d)	(581,474)	Reduction paid in capital due to refund of excess recapitalization funds to the Government of Indonesia (refer to Note 1d)
	56,893,508	
Dieliminasi dengan akumulasi kerugian dalam rangka kuasi-reorganisasi per tanggal 30 Juni 2003 (lihat Catatan 1e)	(54,367,847)	Elimination against accumulated losses in relation to the quasi-reorganization as of 30 June 2003 (refer to Note 1e)
	2,525,661	
Tambahan modal disetor akibat Penawaran Umum Saham Terbatas II pada tahun 2007 (lihat Catatan 1f)	3,287,218	Additional paid in capital due to Right Issue II in 2007 (refer to Note 1f)
Biaya emisi penerbitan saham	(195,280)	Shares issuance cost
	5,617,599	
Tambahan modal disetor akibat Penawaran Umum Saham Terbatas III pada tahun 2010 (lihat Catatan 1g)	9,196,100	Additional paid in capital due to Right Issue III in 2010 (refer to Note 1g)
Biaya emisi penerbitan saham	(245,231)	Shares issuance cost
	14,568,468	

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**34. SHARE CAPITAL AND ADDITIONAL PAID-IN  
CAPITAL (continued)**

**Share Capital (continued)**

The repurchase of shares was executed on 2 November 2015 to 28 December 2015, consistent with the date of Disclosure of Information. The Bank repurchased 1,505,375 lots of Shares Class C, or 150,537,500 shares with an average acquisition cost amounting to Rp4,982 (full amount) per share. However, in relation to the recording process of share transactions in stock exchange which is done on T + 3, the number of shares recorded as treasury shares as of 30 December 2015 is 150,100,000. Therefore, as of 31 December 2015, the Bank recorded total of treasury shares amounting to Rp749,979.

In 2016, the Bank has allocated the treasury shares amounting Rp749,979 as Share Ownership Program for Management and Company's Employees in the form of Share Bonus.

**Additional Paid in Capital**

The movement in additional paid in capital are as follows:

591,156	Balance as of 1 January 2010
56,883,826	Additional paid in capital due to Right Issue I in 2000 (refer to Note 1c)
57,474,982	
(581,474)	Reduction paid in capital due to refund of excess recapitalization funds to the Government of Indonesia (refer to Note 1d)
56,893,508	
(54,367,847)	Elimination against accumulated losses in relation to the quasi-reorganization as of 30 June 2003 (refer to Note 1e)
2,525,661	
3,287,218	Additional paid in capital due to Right Issue II in 2007 (refer to Note 1f)
(195,280)	Shares issuance cost
5,617,599	
9,196,100	Additional paid in capital due to Right Issue III in 2010 (refer to Note 1g)
(245,231)	Shares issuance cost
14,568,468	

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**35. PENGGUNAAN LABA NETO**

Berdasarkan keputusan Rapat Umum Pemegang Saham Tahunan tanggal 10 Maret 2016 dan 17 Maret 2015, pengalokasian laba neto masing-masing untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

	2015	2014
Pembagian dividen	2,266,885	2,695,654
Pembentukan cadangan khusus	-	1,795,650
Saldo laba	6,799,696	6,291,324
<b>Total</b>	<b>9,066,581</b>	<b>10,782,628</b>

Rapat Umum Pemegang Saham telah menyetujui pembagian dividen dari laba neto tahun 2015 dan 2014, masing-masing sebesar Rp2.266.885 dan Rp2.695.654.

Berdasarkan Peraturan Menteri Badan Usaha Milik Negara No. PER-08/MBU/2013, sejak tahun 2013, pembukuan Dana Program Kemitraan dan Bina Lingkungan (PKBL) yang dananya bersumber dari anggaran Bank diperhitungkan sebagai biaya tahun berjalan.

Berdasarkan Peraturan Menteri Badan Usaha Milik Negara No. PER-09/MBU/07/2015, alokasi Dana Program Kemitraan dan Bina Lingkungan maksimum sebesar 4% dari laba bersih setelah pajak tahun buku sebelumnya.

Berdasarkan keputusan Rapat Umum Pemegang Saham tanggal 10 Maret 2016, para pemegang saham menyetujui alokasi dana untuk Program Bina Lingkungan untuk tahun 2016 sebesar 1% dari laba bersih tahun buku 2015.

Ikatan Akuntan Indonesia (IAI) dalam siaran persnya menyampaikan bahwa dalam rapat pleno 23 Februari 2016, Dewan Standar Akuntansi Keuangan (DSAK) IAI menyimpulkan bahwa terhadap perubahan peraturan pemerintah No.8 dan No.9 tersebut, penyaluran dana PKBL tetap diakui sebagai beban dalam laba rugi (biaya tahun berjalan) karena penyaluran dana PKBL tersebut bukan merupakan transaksi ekuitas (*equity transaction*) antara BUMN dan kementerian BUMN sebagai pemegang sahamnya. Dengan demikian penyaluran dana PKBL tidak dapat diakui sebagai pengurang saldo laba (*retained earning*) dan tidak dapat disajikan langsung dalam laporan perubahan ekuitas.

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**35. APPROPRIATION OF NET INCOME**

In accordance with the resolutions of the Annual General Shareholders' Meetings held on 10 March 2016 and 17 March 2015, the allocation of the net income for the years ended 31 December 2015 and 2014, respectively, are as follows:

	2015	2014	
Pembagian dividen	2,266,885	2,695,654	Distribution of dividends
Pembentukan cadangan khusus	-	1,795,650	Appropriation for specific reserves
Saldo laba	6,799,696	6,291,324	Retained earnings
<b>Total</b>	<b>9,066,581</b>	<b>10,782,628</b>	<b>Total</b>

General Shareholders' meeting has approved the dividend distribution of Rp2,266,885 and Rp2,695,654, respectively from the 2015 and 2014 net income.

Based on Ministry of State Owned Enterprises Regulation No. PER-08/MBU/2013, since 2013, the recording of Partnership and Community Development Fund Program (PKBL) where the allocation of the fund comes from the Bank's budget is considered as current year expense.

Based on Ministry of State Owned Enterprises Regulation No. PER-09/MBU/07/2015, the allocation of Partnership and Community Development Fund Program for maximum of 4% of its net profit after tax previous year.

In accordance with the decision of the General Shareholders' Meeting on 10 March 2016, the shareholders approved the allocation of Community Development Fund Program of 1% of net profit after tax year 2015.

Indonesian Institute of Accountants in a press release said that during the plenary meeting on 23 February 2016, the Financial Accounting Standards Board (DSAK-IAI) conclude that the changes in government regulations No.8 and No.9 the distribution of PKBL to be recognized as an expense in the income statements (as cost of the current year) for the distribution of PKBL is not a transaction in equity (equity transaction) between State Own Enterprises and Ministry of State Own Enterprise as its shareholders. Thus the distribution of PKBL can not be recognized as a reduction of retained earnings and may not be presented directly in the statement of changes in equity.

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### 36. CADANGAN UMUM DAN WAJIB

Cadangan umum dan wajib pada awalnya dibentuk dalam rangka memenuhi ketentuan Pasal 61 ayat (1) Undang-undang No. 1/1995 mengenai Perseroan Terbatas (kemudian diganti dengan Undang-undang Perseroan Terbatas No. 40/2007 pasal 70), yang mengharuskan perusahaan Indonesia untuk membuat penyisihan cadangan umum dan wajib sebesar sekurang-kurangnya 20% dari jumlah modal yang ditempatkan dan disetor penuh. Undang-undang tersebut tidak mengatur jangka waktu untuk pembentukan penyisihan tersebut.

### 37. CADANGAN KHUSUS

Cadangan khusus terdiri dari cadangan yang dibentuk dalam rangka tujuan investasi dan legal reserve dari cabang luar negeri.

Sehubungan dengan adanya penerapan Peraturan Otoritas Jasa Keuangan (POJK) No. 34/POJK.03/2016 tanggal 22 September 2016 tentang Perubahan atas POJK No. 11/POJK.03/2016 tentang "Kewajiban Penyediaan Modal Minimum" yang mulai berlaku pada tanggal 26 September 2016 ("tanggal diundangkan"), untuk menjaga struktur permodalannya, Bank telah melakukan reklasifikasi atas saldo laba yang sudah ditentukan penggunaannya (Cadangan Khusus) menjadi laba di tahan yang tidak ditentukan penggunaanya yaitu cadangan khusus sebesar Rp5.613.100 dan cadangan wajib cabang luar negeri sebesar Rp92.276 per 31 Desember 2016.

### 38. PENDAPATAN BUNGA DAN PENDAPATAN SYARIAH

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
	2016	2015	Total
Pinjaman yang diberikan	36,303,645	30,360,226	Loans
Obligasi Pemerintah	2,854,312	2,424,281	Government Bonds
Margin, pendapatan bagi hasil dan bonus syariah	2,790,383	2,414,184	Margin, profit-sharing revenue and sharia bonus
Efek-efek	753,894	601,617	Marketable securities
Penempatan pada bank lain dan Bank Indonesia	446,786	511,322	Placements with other banks and Bank Indonesia
Wesel ekspor dan tagihan lainnya	260,357	219,544	Bills and other receivables
Lain-lain	359,062	363,907	Others
<b>Jumlah</b>	<b>43,768,439</b>	<b>36,895,081</b>	

Termasuk dalam pendapatan bunga dari pinjaman yang diberikan adalah pendapatan bunga dari pinjaman yang diberikan yang mengalami penurunan nilai secara individual untuk periode yang berakhir 31 Desember 2016 dan 2015 masing-masing sebesar Rp206.399 dan Rp184.796.

### 36. GENERAL AND LEGAL RESERVES

The general and legal reserves were originally provided in accordance with Indonesian Limited Liability Company Law No. 1/1995 article 61 paragraph (1) (later superseded by Limited Liability Company Law No. 40/2007 article 70), which requires Indonesian companies to set up a general and legal reserve amounting to at least 20% of the issued and paid-up share capital. This particular law does not regulate the period of time in relation to the provision of such reserves.

### 37. SPECIFIC RESERVES

Specific reserves consist of reserve for investment purposes and legal reserve from overseas branches.

In relation with implementation of Regulation of the Financial Services Regulatory Authority ("POJK") No. 34 / POJK.03 / 2016 dated September 22, 2016 on Amendments to POJK No. 11 / POJK.03 / 2016 concerning "Minimum Capital Requirement for Commercial Bank" which came into force on 31 September 2016 ( "date of enactment"), to maintain its capital structure, the Bank has reclassified retained earnings that has been appropriated (specific reserve) into the unappropriated retained earnings amounted Rp5,613,100 and legal reserve of overseas branch amounting Rp92,276 as of 31 December 2016.

### 38. INTEREST INCOME AND SHARIA INCOME

Included in interest income from loans is interest income on individual impaired loans for the period ended 31 December 2016 and 2015 amounting to Rp206,399 and Rp184,796.

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**39. BEBAN BUNGA DAN BEBAN SYARIAH**

**39. INTEREST EXPENSE AND SHARIA EXPENSE**

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
	2016	2015	
Simpanan nasabah dan bank lain	11,334,388	9,504,013	Deposits from customers and other banks
Pinjaman yang diterima	1,231,241	660,680	Borrowings
Bagi hasil Mudharabah	854,557	821,689	Mudharabah profit-sharing expense
Efek-efek yang diterbitkan	294,811	296,354	Securities issued
Lain-lain	58,380	52,149	Others
<b>Total</b>	<b>13,773,377</b>	<b>11,334,885</b>	<b>Total</b>

**40. BEBAN GAJI DAN TUNJANGAN**

**40. SALARIES AND EMPLOYEE BENEFITS EXPENSE**

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
	2016	2015	
Gaji, upah dan tunjangan pajak	3,703,377	3,523,555	Salaries, wages and tax allowance
Bonus, insentif dan tantiem	2,105,781	1,673,958	Bonus, incentives and tantiem
Tunjangan hari raya, kesehatan, kesejahteraan dan lainnya	2,377,524	1,641,945	Yearly allowance, medical welfare and others
Pendidikan dan pelatihan	263,460	252,215	Training and development
Lainnya	383,812	274,161	Others
<b>Total</b>	<b>8,833,954</b>	<b>7,365,834</b>	<b>Total</b>

Jumlah gaji dan tunjangan, bonus/tantiem, imbalan kerja jangka panjang yang dibayarkan kepada Dewan Komisaris, Direksi, Komite Audit serta *Executive Vice President* dan *Senior Vice President* masing-masing untuk periode yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

Total gross salaries and allowances, bonus/tantiem, long-term employment benefits paid to the Boards of Commissioners, Directors, Audit Committee and Executive Vice President and Senior Vice President for the period ended 31 December 2016 and 2015, respectively, are as follows:

	2016				
	Gaji dan tunjangan/ Salaries and allowances	Bonus/tantiem/ Bonus/tantiem	Imbalan kerja jangka panjang/ Long-term employment benefits		
Dewan Komisaris	11,287	38,569	1,924	51,780	
Direksi	32,127	84,166	5,695	121,988	
Komite Audit	576	-	-	576	
<i>Executive Vice President</i> dan <i>Senior Vice President</i>	71,182	15,278	-	86,460	
	<b>115,172</b>	<b>138,013</b>	<b>7,619</b>	<b>260,804</b>	
	2015				
	Gaji dan tunjangan/ Salaries and allowances	Bonus/tantiem/ Bonus/tantiem	Imbalan kerja jangka panjang/ Long-term employment benefits		
Dewan Komisaris	9,827	38,545	1,667	50,039	
Direksi	25,002	113,849	4,192	143,043	
Komite Audit	575	-	-	575	
<i>Executive Vice Presidents</i> dan <i>Senior Vice Presidents</i>	63,422	14,666	-	78,088	
	<b>98,826</b>	<b>167,060</b>	<b>5,859</b>	<b>271,745</b>	

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**40. BEBAN GAJI DAN TUNJANGAN (lanjutan)**

Sesuai dengan kebijakan Bank, selain gaji, pegawai juga mendapatkan fasilitas dan tunjangan berupa Tunjangan Hari Raya (THR), fasilitas kesehatan, sumbangan kematian, tunjangan cuti, fasilitas jabatan untuk jabatan tertentu, program pensiun untuk pegawai tetap, insentif sesuai dengan kinerja Bank dan pegawai, dan manfaat untuk pegawai yang berhenti bekerja sesuai dengan Undang-Undang Ketenagakerjaan yang berlaku.

**41. BEBAN OPERASIONAL LAINNYA - LAIN-LAIN**

Akun ini terdiri dari beban kerjasama dengan pihak ketiga terkait transaksi ATM dan kartu kredit, beban Program Kerja Bina Lingkungan (PKBL), beban pungutan tahunan OJK dan lain-lain.

**42. BEBAN UMUM DAN ADMINISTRASI**

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
	2016	2015	
Beban tenaga kerja	1,166,424	1,005,995	Personnel expenses
Biaya sewa	1,135,058	1,173,670	Rental expenses
Komunikasi	1,054,112	1,060,346	Communications
Penyusutan (Catatan 18)	939,527	783,311	Depreciation (Notes 18)
Perlengkapan kantor	596,549	535,372	Office supplies
Perbaikan dan pemeliharaan	492,709	453,344	Repairs and maintenance
Listrik dan air	336,907	321,362	Electricity and water
Transportasi	236,324	212,989	Transportation
Penelitian dan pengembangan	45,449	56,034	Research and development
Jasa profesional	39,412	47,904	Professional services
Teknologi informasi	8,325	19,745	Information technology
Beban lain-lain	161,129	88,272	Other expenses
<b>Total</b>	<b>6,211,925</b>	<b>5,758,344</b>	<b>Total</b>

**43. IMBALAN KERJA**

	2016	2015	
Imbalan kerja jangka pendek	1,695,907	1,655,353	Short-term employee benefits
Imbalan kerja jangka panjang lainnya			Other long-term employee benefits
BNI	1,380,419	1,441,472	
Entitas Anak	426,876	383,679	BNI Subsidiaries
	1,807,295	1,825,151	
<b>Liabilitas yang diakui pada laporan posisi keuangan konsolidasian</b>	<b>3,503,202</b>	<b>3,480,504</b>	<b>Liability recognized in the consolidated statement of financial position</b>

Program ini dikelola oleh Dana Pensiun PT Bank Negara Indonesia (Persero) Tbk ("Dana Pensiun"). Kontribusi pegawai adalah sebesar 7,5% dari penghasilan dasar pensiun karyawan dan sisa jumlah yang diperlukan untuk mendanai program tersebut ditanggung oleh BNI.

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**40. SALARIES AND EMPLOYEE BENEFITS EXPENSE (continued)**

Under the Bank's policy, in addition to salaries, employees are entitled to allowances and benefits, such as yearly allowance (THR), medical reimbursements, death allowance, leave allowance, functional allowance for certain levels, pension plan for permanent employees, incentives based on the Bank and employees' performance, and post-employment benefits in accordance with prevailing Labor Law.

**41. OTHER OPERATING EXPENSES – OTHERS**

This account represents partnership expenses with third parties related to ATM and credit card transactions, Partnership and Community Development Fund Program expenses, annual fees to OJK and others.

**42. GENERAL AND ADMINISTRATIVE EXPENSES**

	2016	2015	
Beban tenaga kerja	1,166,424	1,005,995	Personnel expenses
Biaya sewa	1,135,058	1,173,670	Rental expenses
Komunikasi	1,054,112	1,060,346	Communications
Penyusutan (Catatan 18)	939,527	783,311	Depreciation (Notes 18)
Perlengkapan kantor	596,549	535,372	Office supplies
Perbaikan dan pemeliharaan	492,709	453,344	Repairs and maintenance
Listrik dan air	336,907	321,362	Electricity and water
Transportasi	236,324	212,989	Transportation
Penelitian dan pengembangan	45,449	56,034	Research and development
Jasa profesional	39,412	47,904	Professional services
Teknologi informasi	8,325	19,745	Information technology
Beban lain-lain	161,129	88,272	Other expenses
<b>Total</b>	<b>6,211,925</b>	<b>5,758,344</b>	<b>Total</b>

**43. EMPLOYEE BENEFITS**

	2016	2015	
Imbalan kerja jangka pendek	1,695,907	1,655,353	Short-term employee benefits
Imbalan kerja jangka panjang lainnya			Other long-term employee benefits
BNI	1,380,419	1,441,472	
Entitas Anak	426,876	383,679	BNI Subsidiaries
	1,807,295	1,825,151	
<b>Liabilitas yang diakui pada laporan posisi keuangan konsolidasian</b>	<b>3,503,202</b>	<b>3,480,504</b>	<b>Liability recognized in the consolidated statement of financial position</b>

This plan is managed by Dana Pensiun PT Bank Negara Indonesia (Persero) Tbk ("Dana Pensiun"). The employees' contributions are 7.5% of the employee's pension salary-based and the remaining amounts required to fund the program/pension plan are contributed by BNI.

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**43. IMBALAN KERJA (lanjutan)**

**Program pensiun manfaat pasti**

Penilaian aktuaria atas manfaat pensiun pada tahun yang berakhir tanggal 31 Desember 2016, dilakukan oleh perusahaan konsultan aktuaria terdaftar, PT Towers Watson Purbajaga dan 31 Desember 2015, dilakukan oleh perusahaan konsultan aktuaria terdaftar, PT Sentra Jasa Aktuaria (Biro Pusat Aktuaria), dengan menggunakan metode "Projected Unit Credit".

Rekonsiliasi status pembiayaan atas program pensiun berdasarkan laporan aktuaria PT Towers Watson Purbajaga dan Biro Pusat Aktuaria tanggal 19 Januari 2017 dan 22 Januari 2016 disajikan sebagai berikut:

	2016	2015	
Nilai wajar aset dana pensiun (tidak diaudit)	6,383,827	5,572,774	Fair value of pension plan assets (unaudited)
Nilai kini liabilitas manfaat pasti yang didanai	(6,001,564)	(4,914,297)	Present value of funded defined benefit obligation
Selisih lebih pendanaan	382,263	658,477	Unrecognized funding surplus
Selisih lebih pendanaan yang tidak diakui	(382,263)	(658,477)	Asset adjustment
<b>Aset - neto</b>	<b>-</b>	<b>-</b>	<b>Asset - net</b>

Tidak ada aset yang diakui di laporan posisi keuangan konsolidasian karena ketentuan untuk pengakuan aset yang disyaratkan dalam standar akuntansi tidak terpenuhi.

Mutasi nilai kini liabilitas manfaat pasti yang didanai selama tahun berjalan adalah sebagai berikut:

The actuarial calculations of pension benefits for the years ended 31 December 2016 were prepared by a registered actuarial consulting firm, PT Towers Watson Purbajaga and 31 December 2015 were prepared by a registered actuarial consulting firm, PT Sentra Jasa Aktuaria (Biro Pusat Aktuaria), using the "Projected Unit Credit" method.

A reconciliation of the funding status of the pension plan based on the actuarial reports of PT Towers Watson Purbajaga and Biro Pusat Aktuaria dated 19 January 2017 and dated 22 January 2016 are as follows:

The above assets were not recognized in the consolidated statement of financial position as the assets did not meet the recognition criteria under the accounting standards.

The movement in the present value of funded defined benefit obligations of the years are as follows:

	2016	2015	
Pada awal tahun	4,914,297	4,965,411	At beginning of the year
Biaya jasa kini	152,157	111,504	Current service cost
Biaya bunga	442,827	397,233	Interest cost
	<hr/>	<hr/>	
	5,509,281	5,474,148	
Pengukuran kembali:			Remeasurements:
Kerugian/(keuntungan) aktuarial yang timbul dari perubahan asumsi keuangan	1,006,472	(296,829)	Actuarial losses/(gains) from changes in financial assumption
Kerugian aktuarial yang timbul dari perubahan asumsi pengalaman	(88,058)	122,799	Actuarial losses from changes in experience assumption
	<hr/>	<hr/>	
918,414	(174,030)		
Pembayaran dari program: iuran peserta imbalan yang dibayar	24,594	25,826	Payments from plan: Employee's contributions Benefits paid
	(450,725)	(411,647)	
<b>Pada akhir tahun</b>	<b>6,001,564</b>	<b>4,914,297</b>	<b>At end of the year</b>

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**43. IMBALAN KERJA (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

Rekonsiliasi atas perubahan aset neto selama tahun yang berakhir 31 Desember 2016 dan 2015 yang diakui di laporan posisi keuangan konsolidasi dana pensiun adalah sebagai berikut:

	<b>2016</b>	<b>2015</b>	
Aset neto pada awal tahun			<i>Net assets at beginning of year</i>
Beban tahun berjalan	152,157	111,504	<i>Current year expenses</i>
Kontribusi pemberi kerja	(71,234)	(71,192)	<i>Employer's contributions</i>
Jumlah yang diakui pada pendapatan komprehensif lain	(80,923)	(40,312)	<i>Total amount recognized in other comprehensive income</i>
<b>Aset - neto pada akhir tahun</b>	<b>-</b>	<b>-</b>	<b><i>Net assets at end of year</i></b>

Mutasi nilai wajar aset program selama tahun berjalan adalah sebagai berikut: (tidak diaudit)

	<b>2016</b>	<b>2015</b>	
Pada awal tahun	5,572,774	5,250,098	<i>At beginning of the year</i>
Hasil dari aset program	457,232	420,008	<i>Return on plan assets</i>
Kerugian aktuarial	708,718	217,297	<i>Actuarial losses</i>
Kontribusi pemberi kerja	71,234	71,192	<i>Employer's contributions</i>
Kontribusi pekerja	24,594	25,826	<i>Employee's contributions</i>
Imbalan yang dibayar dan beban administrasi	(450,725)	(411,647)	<i>Benefits paid and administrative expenses paid</i>
<b>Pada akhir tahun</b>	<b>6,383,827</b>	<b>5,572,774</b>	<b><i>At end of the year</i></b>

Biaya imbalan pensiun yang dibebankan pada laporan laba rugi adalah sebagai berikut:

	<b>2016</b>	<b>2015</b>	
Biaya jasa kini	131,787	111,504	<i>Current service cost</i>
Bunga bersih	20,370	(22,775)	<i>Net interest</i>
Penyesuaian aset berdasarkan PSAK No.24	-	22,775	<i>Asset adjustment based on SFAS No.24</i>
<b>Biaya yang dibebankan pada laporan laba rugi</b>	<b>152,157</b>	<b>111,504</b>	<b><i>Expense recognized in profit or loss</i></b>

**43. EMPLOYEE BENEFITS (continued)**

**Defined benefit pension plan (continued)**

*The reconciliation of the movements of the net assets during the years ended 31 December 2016 and 2015 recognized in the pension fund's consolidated statement of financial position are as follows:*

	<b>2016</b>	<b>2015</b>	
Aset neto pada awal tahun			<i>Net assets at beginning of year</i>
Beban tahun berjalan	152,157	111,504	<i>Current year expenses</i>
Kontribusi pemberi kerja	(71,234)	(71,192)	<i>Employer's contributions</i>
Jumlah yang diakui pada pendapatan komprehensif lain	(80,923)	(40,312)	<i>Total amount recognized in other comprehensive income</i>
<b>Aset - neto pada akhir tahun</b>	<b>-</b>	<b>-</b>	<b><i>Net assets at end of year</i></b>

*The movement in the fair value of plan assets of the years are as follows: (unaudited)*

	<b>2016</b>	<b>2015</b>	
Pada awal tahun	5,572,774	5,250,098	<i>At beginning of the year</i>
Hasil dari aset program	457,232	420,008	<i>Return on plan assets</i>
Kerugian aktuarial	708,718	217,297	<i>Actuarial losses</i>
Kontribusi pemberi kerja	71,234	71,192	<i>Employer's contributions</i>
Kontribusi pekerja	24,594	25,826	<i>Employee's contributions</i>
Imbalan yang dibayar dan beban administrasi	(450,725)	(411,647)	<i>Benefits paid and administrative expenses paid</i>
<b>Pada akhir tahun</b>	<b>6,383,827</b>	<b>5,572,774</b>	<b><i>At end of the year</i></b>

*Pension expenses recognized in profit or loss, are as follows:*

	<b>2016</b>	<b>2015</b>	
Biaya jasa kini	131,787	111,504	<i>Current service cost</i>
Bunga bersih	20,370	(22,775)	<i>Net interest</i>
Penyesuaian aset berdasarkan PSAK No.24	-	22,775	<i>Asset adjustment based on SFAS No.24</i>
<b>Biaya yang dibebankan pada laporan laba rugi</b>	<b>152,157</b>	<b>111,504</b>	<b><i>Expense recognized in profit or loss</i></b>

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**43. IMBALAN KERJA (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

Asumsi-asumsi utama yang digunakan dalam perhitungan di atas adalah:

	<b>2016</b>	<b>2015</b>	
<b>Asumsi ekonomi:</b>			<b>Economic assumptions:</b>
Tingkat diskonto per tahun sebelum usia pensiun normal	8%	8.75%	Annual discount rate before normal retirement age
Tingkat diskonto per tahun setelah usia pensiun normal: Pembayaran bulanan 20% lumpsum	8% 11.00%	11.00% 11.00%	Annual salary growth rate after normal retirement age: Monthly payment 20% lumpsum
Tingkat kenaikan penghasilan dasar per tahun	8%	9%	Annual salary growth rate
Pendapatan dari dana pensiun iuran pasti	8%	8.75%	Interest credited to refined contribution fund
<b>Asumsi lainnya:</b>			<b>Other assumptions:</b>
Usia pensiun normal	55 tahun/years	55 tahun/years	Normal retirement age
Tingkat kematian	Tabel Mortalita yang disesuaikan/ Adjusted Mortality Table Indonesia 2011 (TM2011)	Tabel Mortalita yang disesuaikan/ Adjusted Mortality Table Indonesia 2011 (TM2011)	Mortality rate
Tingkat cacat	10% dari tingkat/ kematian/10% from mortality rate	10% dari tingkat/ kematian/10% from mortality rate	Disability rate
Tingkat pengunduran diri			Turnover rate
Umur 20-29	4%	4%	Age 20-29
Umur 30-34	2%	2%	Age 30-34
Umur 35-39	1.2%	1.2%	Age 35-39
Umur 40-50	0.8%	0.8%	Age 40-50
Umur 51-52	0.4%	0.4%	Age 51-52
Umur >52	0%	0%	Age >52

Sensitivitas dari kewajiban manfaat pasti terhadap perubahan asumsi aktuaria adalah sebagai berikut:

**Defined benefit pension plan (continued)**

*The key assumptions used in the above calculation are:*

*The sensitivity of defined benefit obligation to changes in the weighted assumptions is as follow:*

**Dampak terhadap kewajiban manfaat pasti/  
Impact on defined benefit obligation**

<b>2016</b>	Perubahan Asumsi/ Change in Assumption	Nilai kini kewajiban manfaat pasti/ Present value of benefit obligation	Biaya jasa kini/ Current service cost	<b>2016</b>
				<i>Discount rate</i>
Tingkat diskonto	Kenaikan/increase 1%	(579,357)	(17,696)	<i>Salary increase rate</i>
	Penurunan/decrease 1%	697,210	22,116	
Tingkat kenaikan gaji	Kenaikan/increase 1%	180,502	10,933	<i>Salary increase rate</i>
	Penurunan/decrease 1%	(164,746)	(9,913)	

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**43. IMBALAN KERJA (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

**43. EMPLOYEE BENEFITS (continued)**

**Defined benefit pension plan (continued)**

**Dampak terhadap kewajiban manfaat pasti/  
Impact on defined benefit obligation**

2015	Perubahan Asumsi/ Change in Assumption	Nilai kini kewajiban manfaat pasti/ Present value of benefit obligation	Biaya jasa kini/ Current service cost	2015
				Discount rate
Tingkat diskonto	Kenaikan/increase 1%	4,577,698	90,889	Salary increase rate
	Penurunan/decrease 1%	5,351,128	138,549	
Tingkat kenaikan gaji	Kenaikan/increase 1%	5,058,542	121,433	Salary increase rate
	Penurunan/decrease 1%	4,782,930	102,544	

Analisis sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam perhitungan sensitivitas kewajiban imbalan pasti atas asumsi aktuarial utama, metode yang sama (perhitungan nilai kini kewajiban imbalan pasti dengan menggunakan metode *projected unit credit* di akhir periode) telah diterapkan seperti dalam penghitungan kewajiban pensiun yang diakui dalam laporan posisi keuangan.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated statement of financial position.

Aset program terdiri dari: (tidak diaudit)

Plan assets comprise the following: (unaudited)

	2016			2015			<b>Equity instruments</b>
	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Jumlah/ Total	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Jumlah/ Total	
<b>Instrumen Ekuitas</b>							
Saham Keuangan	940,976	-	940,976	219,053	-	219,053	Stocks Financial
Hasil Industri Untuk Konsumsi	-	-	-	195,143	-	195,143	Consumption industries
Properti, Real Estate dan Konstruksi Bangunan	-	-	-	96,451	-	96,451	Property, Real estate and Construction
Transportasi, Infrastruktur dan Utilities	-	-	-	87,320	-	87,320	Transportation, infrastructure and Utilities
Industri Lainnya	-	-	-	118,270	-	118,270	Other industries
Reksadana	98,950	-	98,950	27,171	-	27,171	Mutual Funds
Penempatan Langsung Perdagangan, Jasa, dan Investasi Keuangan	-	1,000,984	1,000,984	-	360,758	360,758	Direct Placement Trade, Services, and Investment Financial
<b>Instrumen Utang</b>							
Obligasi	32,705	1,783,493	1,816,198	79,297	1,181,952	1,261,249	Debt Instruments Bonds
Surat Berharga Pemerintah	419,169	1,181,257	1,600,426	320,362	1,121,602	1,441,964	Government bonds
Properti	95,757	103,418	199,175	24,569	19,952	44,521	Property
<b>Kas dan setara Kas</b>							
Deposito on call	-	15,321	15,321	-	171,719	171,719	Cash and cash equivalents
Deposito	-	711,797	711,797	-	1,379,762	1,379,762	Deposit on call Deposit
Jumlah	1,587,557	4,796,270	6,383,827	1,167,636	4,349,217	5,516,853	Total

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**43. IMBALAN KERJA (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

Investasi telah terdiversifikasi dengan baik, sehingga kinerja buruk satu investasi tidak akan memberikan dampak material bagi seluruh kelompok aset. Proporsi terbesar aset investasi ditempatkan pada instrumen utang. Diakini bahwa instrumen utang memberikan imbal hasil yang paling baik dalam jangka panjang pada tingkat risiko yang dapat diterima. Untuk program manfaat pasti sebagian besar instrumen surat utang merupakan portofolio obligasi Pemerintah Republik Indonesia dan obligasi korporasi di Indonesia.

Hasil yang diharapkan dari aset program ditentukan dengan mempertimbangkan imbal hasil yang diharapkan atas aset yang mengacu pada kebijakan investasi. Hasil investasi bunga tetap didasarkan pada hasil pengembalian bruto pada tanggal pelaporan. Hasil yang diharapkan dari investasi ekuitas dan properti mencerminkan tingkat imbal hasil jangka panjang aktual yang terjadi untuk tiap-tiap pasar.

Kontribusi yang diharapkan untuk program imbalan pasca kerja untuk tahun 2017 adalah Rp96.628 (tidak diaudit).

Bank terespons beberapa risiko atas program imbalan kerja antara lain:

Risiko yang terekspos pada program manfaat pasti adalah adanya tingkat hasil investasi dibawah asumsi *discount rate* dan kenaikan gaji aktual yang lebih besar dari asumsi. Hal tersebut menimbulkan peningkatan iuran yang dibayarkan kepada Dana Pensiun.

Untuk memastikan bahwa posisi investasi yang telah diatur dalam kerangka *Asset Liability Matching* (ALMA), Bank melakukan pemantauan terhadap investasi atas program pensiun (baik iuran pasti maupun manfaat pasti) dan memastikan tingkat investasi dimaksud mencapai tingkat diskonto yang digunakan. Selain itu, dilakukan implementasi kebijakan penyesuaian gaji sesuai dengan asumsi yang telah digunakan dalam perhitungan aktuarial untuk mengurangi selisih hasil perhitungan atas proyeksi imbalan kerja pasca kerja dengan realisasinya.

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**43. EMPLOYEE BENEFITS (continued)**

**Defined benefit pension plan (continued)**

*Investments are well-diversified, such that the failure of any single investment would not have a material impact to the overall group of assets. The largest proportion of assets are invested in debts instruments. Debt instrument is expected to contribute best yields in long term at the acceptable risk level. For defined benefit program most of debt instruments are Government of Indonesia bonds and corporate bonds.*

*The expected return on plan assets is determined by considering the expected returns available on the assets in accordance to the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as of the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.*

*Expected contributions to post-employment benefit plans for the year 2017 is Rp96,628 (unaudited).*

*The Bank is exposed to a number of risks through its employee benefit plans are as follows:*

*The exposed risks in defined benefit pension plan is the lower return on investment compared to assumption on discount rate and the increase in the actual salary is higher than its assumption. These will cause an increase in benefit paid to Pension Fund.*

*To ensure the result of investments is consistent with the Asset Liability Management (ALMA) framework, Bank performs monitoring over the investment for the pension program (for both defined benefit and contribution plans) and performs action to ensure the return of investment will meet the applicable discount rate. Apart from that, implementation of salary adjustment policy has been performed in accordance to the assumption used by actuarial calculation to reduce the gap on the calculation of projected post-employment benefit with its realization.*

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**43. IMBALAN KERJA (lanjutan)**

**Program pensiun manfaat pasti (lanjutan)**

Rata-rata durasi kewajiban manfaat pasti adalah 10,88 tahun dan kewajiban iuran pasti adalah 12,70 tahun.

Analisis jatuh tempo yang diharapkan dari manfaat pensiun yang tidak terdiskonto untuk Entitas Induk adalah sebagai berikut:

	Kurang dari 1 tahun/ <i>Less than a year</i>	2 sampai 5 tahun/ <i>Between 2 to 5 years</i>	Lebih dari 5 tahun/ <i>Over 5 years</i>	Jumlah/ <i>Total</i>	Pension Long leave Gratuity
Pensiun	452,576	1,785,720	26,683,191	28,921,487	
Cuti besar	80,956	424,720	2,919,368	3,425,044	
Penghargaan masa kerja	16,961	196,493	2,745,649	2,959,103	
Jumlah	550,493	2,406,933	32,348,208	35,305,634	Total

**Program pensiun iuran pasti**

Bank juga memiliki program pensiun iuran pasti, untuk karyawannya, dimana kontribusi iuran proporsional antara Bank dan karyawan masing-masing adalah sebesar 75% dan 25% dari jumlah iuran pensiun yang ditetapkan oleh Bank untuk karyawan tetap yang dipekerjakan sebelum tanggal 1 September 2005. Untuk karyawan tetap yang dipekerjakan mulai tanggal 1 September 2005, kontribusi Bank dan karyawan adalah masing-masing sebesar iuran 11,5% dan 3,5% dari gaji karyawan. Program Pensiun Iuran Pasti dikelola oleh Dana Pensiun Lembaga Keuangan PT Bank Negara Indonesia (Persero) Tbk.

Karyawan tetap yang bergabung dengan Bank sebelum bulan September 2005, memiliki hak atas program pensiun manfaat pasti ditambah dengan program pensiun iuran pasti, atau imbalan kerja yang disediakan sesuai dengan Undang-undang Tenaga Kerja No. 13/2003, mana yang lebih tinggi.

Risiko yang terekspos pada program iuran pasti adalah hasil investasi dibawah tingkat diskonto. Hal ini akan mengakibatkan akumulasi iuran aktual lebih kecil dari nilai yang diasumsikan sehingga mengakibatkan selisih pembayaran terhadap Undang-Undang Ketenagakerjaan akan meningkat dan berdampak pada beban dan liabilitas yang akan meningkat pula.

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**43. EMPLOYEE BENEFITS (continued)**

**Defined benefit pension plan (continued)**

The average duration of the defined benefit obligation is 10.88 years and defined contribution benefit obligation is 12.70 years.

Expected maturity analysis of undiscounted pension benefit for Parent Only is as follows:

**Defined contribution pension plan**

Bank also has a defined contribution pension plan for its employees, whereby the proportion of contribution between the Bank and employees are 75% and 25%, respectively, of the amount of pension contributions determined by the Bank for employees hired before 1 September 2005. For employees hired after 1 September 2005, the Bank and its employees contribute 11.5% and 3.5%, respectively, of the employees' salaries. The defined contribution pension plan is managed by Dana Pensiun Lembaga Keuangan PT Bank Negara Indonesia (Persero) Tbk.

Permanent employees who joined the Bank prior to September 2005 are entitled to defined benefits pension plan plus defined contribution pension plan, or the benefits provided for under the Labor Law No. 13/2003, whichever is higher.

The exposed risks in defined contribution plan is the lower return on investment compared to assumption on discount rate and therefore, will cause accumulated actual contribution is lower than its assumption, increase the difference in the amount of contribution based on Labor Law, and will also increase the amount of the related expenses and liabilities.

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**43. IMBALAN KERJA (lanjutan)**

**Program pensiun iuran pasti (lanjutan)**

Beban pensiun iuran pasti yang telah dibebankan pada laporan laba rugi adalah sebesar Rp65.945 dan Rp71.192 masing-masing untuk periode dan tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015.

**Imbalan pasca kerja lainnya dan imbalan kerja jangka panjang lainnya**

Liabilitas atas imbalan pasca kerja lainnya meliputi uang jasa, uang pisah dan pesangon sesuai dengan Undang-undang Tenaga Kerja No. 13/2003 dan kompensasi lainnya.

Imbalan jangka panjang lainnya seperti cuti berimbalan jangka panjang, imbalan cacat permanen dan penghargaan jubilee dihitung dengan menggunakan metode *projected unit credit* dan didiskontokan ke nilai kini.

Penilaian aktuarial atas imbalan kerja jangka panjang lainnya untuk tahun yang berakhir tanggal 31 Desember 2016, dilakukan oleh perusahaan konsultan aktuarial terdaftar PT Towers Watson Purbajaga dan 31 Desember 2015, dilakukan oleh perusahaan konsultan aktuarial terdaftar, PT Sentra Jasa Aktuaria (Biro Pusat Aktuaria), dengan menggunakan metode "*Projected Unit Credit*" sebagaimana yang tercantum dalam laporan masing-masing pada tanggal 31 Desember 2016, dan 22 Januari 2016.

Perubahan liabilitas imbalan kerja yang diakui Bank pada laporan posisi keuangan konsolidasian adalah sebagai berikut:

	<b>2016</b>	<b>2015</b>	
Liabilitas neto pada awal tahun	1,441,472	1,370,978	<i>Net liability at the beginning of year</i>
Biaya selama tahun berjalan	307,086	298,082	<i>Expense recognized during current year</i>
Jumlah yang diakui pada laba komprehensif lain	(169,447)	(60,689)	<i>Total amount recognized in other comprehensive income</i>
Pembayaran imbalan	(198,692)	(166,899)	<i>Actual benefit payments</i>
<b>Liabilitas yang diakui oleh Bank</b>	<b>1,380,419</b>	<b>1,441,472</b>	<b><i>Liability recognized by Bank</i></b>

Biaya imbalan kerja yang dibebankan Bank pada laporan laba rugi:

	<b>2016</b>	<b>2015</b>	
Biaya jasa kini	185,520	185,603	<i>Current service cost</i>
Biaya bunga	122,744	103,746	<i>Interest cost</i>
Kerugian aktuarial tahun berjalan - neto	(1,178)	8,733	<i>Net actuarial losses recognized in current year</i>
Biaya jasa lalu	-	-	<i>Past service cost</i>
Amortisasi biaya jasa masa lalu non-vested	-	-	<i>Amortization of past service cost non-vested</i>
<b>Biaya yang dibebankan pada laporan laba rugi</b>	<b>307,086</b>	<b>298,082</b>	<b><i>Expense recognized in profit or loss</i></b>

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**43. IMBALAN KERJA (lanjutan)**

**Imbalan pasca kerja lainnya dan imbalan kerja jangka panjang lainnya (lanjutan)**

Asumsi-asumsi utama yang digunakan dalam perhitungan di atas adalah:

	<b>2016</b>	<b>2015</b>	
<b>Asumsi ekonomi:</b>			<b>Economic assumptions:</b>
Tingkat diskonto per tahun:			Annual discount rate:
Kewajiban imbalan pasti	8.00%	8.75%	Define benefit obligation
Beban manfaat pasti	8.75%	8.00%	Net benefit cost
Tingkat kenaikan penghasilan dasar per tahun	8%	9%	Annual salary growth rate
Pendapatan dari dana pensiun iuran pasti	8%	8.75%	Interest credited to refined contribution fund
<b>Asumsi lainnya:</b>			<b>Other assumptions:</b>
Usia pensiun normal	55 tahun/years	55 tahun/years	Normal retirement age
Tingkat kematian	Tabel Mortalita yang disesuaikan/ <i>Adjusted Mortality Table</i> Indonesia 2011 (TMI2011)	Tabel Mortalita yang disesuaikan/ <i>Adjusted Mortality Table</i> Indonesia 2011 (TMI2011)	Mortality rate
Tingkat cacat	10% dari tingkat/ kematian/10% <i>from mortality rate</i>	10% dari tingkat/ kematian/10% <i>from mortality rate</i>	Disability rate
Tingkat pengunduran diri			Turnover rate
Umur 20-29	4%	4%	Age 20-29
Umur 30-34	2%	2%	Age 30-34
Umur 35-39	1.2%	1.2%	Age 35-39
Umur 40-50	0.8%	0.8%	Age 40-50
Umur 51-52	0.4%	0.4%	Age 51-52
Umur >52	0%	0%	Age >52

Sensitivitas dari kewajiban imbalan pasti terhadap perubahan asumsi aktuaria adalah sebagai berikut:

*The sensitivity of defined benefit obligation to changes in the actuarial assumptions is as follow :*

**Dampak program pensiun iuran pasti dan imbalan kerja jangka panjang lainnya/  
Impact on defined contribution pension plan and other long-term employee benefits**

<b>2016</b>	<b>Perubahan Asumsi/ Change in Assumption</b>	<b>Nilai kini kewajiban imbalan kerja/ Present value of benefit obligation</b>	<b>Biaya jasa kini/ Current service cost</b>	<b>2016</b>
Tingkat diskonto	Kenaikan/increase 1% Penurunan/decrease 1%	(92,548) 104,967	(10,023) 11,633	<i>Discount rate</i>
Tingkat kenaikan gaji	Kenaikan/increase 1% Penurunan/decrease 1%	149,408 (120,074)	19,169 (14,280)	<i>Salary increase rate</i>

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**43. IMBALAN KERJA (lanjutan)**

Imbalan pasca kerja lainnya dan imbalan kerja jangka panjang lainnya (lanjutan)

Dampak program pensiun iuran pasti dan imbalan kerja jangka panjang lainnya/  
Impact on defined contribution pension plan and other long-term employee benefits

2015	Perubahan Asumsi/ Change in Assumption	Nilai kini kewajiban imbalan kerja/ Present value of benefit obligation	Biaya jasa kini/ Current service cost	2015
Tingkat diskonto	Kenaikan/increase 1% Penurunan/decrease 1%	1,492,265 1,402,172	181,206 192,037	Discount rate
Tingkat kenaikan gaji	Kenaikan/increase 1% Penurunan/decrease 1%	1,584,402 1,317,759	202,607 171,309	Salary increase rate

Analisis sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam perhitungan sensitivitas kewajiban imbalan pasti atas asumsi aktuarial utama, metode yang sama (perhitungan nilai kini kewajiban imbalan pasti dengan menggunakan metode *projected unit credit* di akhir periode) telah diterapkan seperti dalam penghitungan kewajiban pensiun yang diakui dalam laporan posisi keuangan.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated statement of financial position.

**44. LABA PER SAHAM DASAR DAN DILUSIAN DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK**

Laba tahun berjalan per saham dasar dihitung dengan membagi laba tahun berjalan diatribusikan kepada pemilik entitas induk dengan rata-rata tertimbang jumlah lembar saham biasa yang beredar pada tahun bersangkutan.

**44. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT ENTITY**

Basic earnings per share is computed by dividing income for the year attributable to owners of the parent entity by the weighted average number of shares of outstanding common shares during the related year.

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December	
	2016	2015
Laba tahun berjalan yang dapat diatribusikan kepada pemilik entitas induk	11,338,748	9,066,581
Rata-rata tertimbang jumlah lembar saham biasa yang beredar	18,588,205,225	18,623,639,791
<b>Laba per saham dasar dan dilusian diatribusikan kepada pemilik entitas induk (dalam Rupiah penuh)</b>	<b>610</b>	<b>487</b>

Income for the year attributable to owners of the parent entity  
Weighted average number of common shares outstanding  
Basic and diluted earnings per share attributable to equityholders of the parent entity (in full Rupiah amount)

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**45. KOMITMEN DAN KONTINJENSI**

**45. COMMITMENTS AND CONTINGENCIES**

	2016	2015	
<b>Tagihan komitmen</b>			<b>Commitments receivables</b>
Pembelian berjangka mata uang asing yang belum diselesaikan	56,936,424	26,818,865	Unsettled forward purchased of foreign currency
Lain-lain	458,782	332,085	Others
<b>Total</b>	<b>57,395,206</b>	<b>27,150,950</b>	<b>Total</b>
<b>Liabilitas komitmen</b>			<b>Commitments payable</b>
Fasilitas kredit kepada debitur yang belum digunakan	54,547,648	38,265,234	Unused loan facilities
<i>Irrevocable letters of credit</i> yang masih berjalan	10,514,690	9,147,646	Outstanding irrevocable letters of credit
Penjualan berjangka mata uang asing yang belum diselesaikan	57,065,398	27,528,054	Unsettled forward sales of foreign currency
<b>Total</b>	<b>122,127,736</b>	<b>74,940,934</b>	<b>Total</b>
<b>Tagihan kontinjenси</b>			<b>Contingent receivables</b>
Garansi bank yang diterima	18,696,786	16,405,866	Bank guarantees received
Pendapatan bunga dalam penyelesaian	4,475,842	3,851,659	Interest receivable on non performing assets
Lainnya	142,224	128,070	Others
<b>Total</b>	<b>23,314,852</b>	<b>20,385,595</b>	<b>Total</b>
<b>Liabilitas kontinjenси</b>			<b>Contingent payables</b>
Garansi yang diterbitkan dalam bentuk:			Guarantees issued in the form of:
<i>Performance bonds</i>	24,932,828	19,649,413	Performance bonds
<i>Advance payment bonds</i>	11,060,605	9,540,004	Advance payment bonds
<i>Standby letters of credit</i>	6,721,547	5,708,369	Standby letters of credit
Garansi bank lainnya	7,304,665	6,667,647	Other bank guarantees
<i>Bid bonds</i>	4,272,734	4,099,105	Bid bonds
<i>Shipping guarantee</i>	2,670	2,684	Shipping guarantee
<i>Risk sharing</i>	194	57,266	Risk sharing
<b>Total</b>	<b>54,295,243</b>	<b>45,724,488</b>	<b>Total</b>
Transaksi komitmen dan kontinjenси yang terjadi dalam kegiatan normal Bank yang mempunyai risiko kredit adalah sebagai berikut:			<i>Commitments and contingent transactions in the normal course of Bank activities that have credit risk are as follows:</i>
	2016	2015	
Garansi bank yang diterbitkan			<i>Bank guarantees issued</i>
Pihak yang berelasi (Catatan 46q)	18,366,969	13,429,898	Related parties (Note 46q)
Pihak ketiga	35,928,274	32,294,590	Third parties
<i>Irrevocable letters of credit</i>			<i>Irrevocable letters of credit</i>
Pihak yang berelasi (Catatan 46r)	6,238,557	4,675,931	Related parties (Note 46r)
Pihak ketiga	4,276,133	4,471,715	Third parties
<b>Total</b>	<b>64,809,933</b>	<b>54,872,134</b>	

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**45. KOMITMEN DAN KONTINJENSI (lanjutan)**

Transaksi komitmen dan kontinjenси yang mempunyai risiko kredit berdasarkan kolektibilitas adalah sebagai berikut:

	2016	2015	
Lancar	64,516,506	53,864,161	Current
Dalam perhatian khusus	287,631	951,002	Special mention
Kurang lancar	1,074	50,793	Substandard
Diragukan	26	-	Doubtful
Macet	4,696	6,178	Loss
<b>Total</b>	<b>64,809,933</b>	<b>54,872,134</b>	<b>Total</b>

**46. TRANSAKSI DENGAN PIHAK BERELASI**

Dalam kegiatan normal usaha, Bank melakukan transaksi dengan pihak berelasi karena hubungan kepemilikan dan/atau kepengurusan. Semua transaksi dengan pihak-pihak berelasi telah dilakukan dengan kebijakan dan syarat yang telah disepakati bersama.

**a. Jenis hubungan**

**Pengendalian melalui Pemerintah Republik Indonesia**

Adhi Karya dan Entitas Anak  
Amarta Karya  
Aneka Tambang dan Entitas Anak  
Angkasa Pura I dan Entitas Anak  
Angkasa Pura II dan Entitas Anak  
ASABRI  
ASDP Ferry Indonesia  
Asuransi Jasa Indonesia  
Asuransi Jasa Raharja dan Entitas Anak  
Asuransi Jiwasraya  
Asuransi Kredit Indonesia dan Entitas Anak  
Bahan Pembinaan Usaha Indonesia dan Entitas Anak  
Balai Pustaka  
Bank Mandiri dan Entitas Anak  
Bank Rakyat Indonesia  
Bank Tabungan Negara  
Barata Indonesia  
Berdikari dan Entitas Anak  
Bhanda Ghara Reksa dan Entitas Anak

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**45. COMMITMENTS AND CONTINGENCIES  
(continued)**

*Commitments and contingent transactions that have credit risk by collectibility are as follows:*

**46. RELATED PARTY TRANSACTIONS**

*In the normal course of business, Bank enters into certain transactions with parties which are related to the management and/or owned by the same ultimate shareholder. All transactions with related parties have met the agreed terms and conditions.*

**a. Type of relationships**

**Control through The Government of The Republic of Indonesia**

Adhi Karya and subsidiaries  
Amarta Karya  
Aneka Tambang and subsidiaries  
Angkasa Pura I and subsidiaries  
Angkasa Pura II and subsidiaries  
ASABRI  
ASDP Ferry Indonesia  
Asuransi Jasa Indonesia  
Asuransi Jasa Raharja and subsidiaries  
Asuransi Jiwasraya  
Asuransi Kredit Indonesia and subsidiaries  
Bahan Pembinaan Usaha Indonesia and subsidiaries  
Balai Pustaka  
Bank Mandiri and subsidiaries  
Bank Rakyat Indonesia  
Bank Tabungan Negara  
Barata Indonesia  
Berdikari and subsidiaries  
Bhanda Ghara Reksa and subsidiaries

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**46. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)**

**a. Jenis hubungan (lanjutan)**

**Pengendalian melalui Pemerintah Republik Indonesia**

Bina Karya	<i>Bina Karya</i>
Biofarma	<i>Biofarma</i>
Biro Klasifikasi Indonesia	<i>Biro Klasifikasi Indonesia</i>
Boma Bisma Indra	<i>Boma Bisma Indra</i>
BPJS Kesehatan	<i>BPJS Kesehatan</i>
BPJS Ketenagakerjaan	<i>BPJS Ketenagakerjaan</i>
Brantas Abipraya	<i>Brantas Abipraya</i>
Bulog dan Entitas Anak	<i>Bulog and subsidiaries</i>
Dahana	<i>Dahana</i>
Damri	<i>Damri</i>
Danareksa dan Entitas Anak	<i>Danareksa and subsidiaries</i>
Dirgantara Indonesia dan Entitas Anak	<i>Dirgantara Indonesia and subsidiaries</i>
Djakarta Lloyd dan Entitas Anak	<i>Djakarta Lloyd and subsidiaries</i>
Dok & Perkapalan Kodja Bahari	<i>Dok &amp; Perkapalan Kodja Bahari</i>
Dok dan Perkapalan Surabaya	<i>Dok dan Perkapalan Surabaya</i>
Garam	<i>Garam</i>
Garuda Indonesia dan Entitas Anak	<i>Garuda Indonesia and subsidiaries</i>
Hotel Indonesia Natour	<i>Hotel Indonesia Natour</i>
Hutama Karya dan Entitas Anak	<i>Hutama Karya and subsidiaries</i>
IGLAS	<i>IGLAS</i>
Indah Karya	<i>Indah Karya</i>
Indofarma dan Entitas Anak	<i>Indofarma and subsidiaries</i>
Indonesia Asahan Aluminium	<i>Indonesia Asahan Aluminium</i>
Indra Karya	<i>Indra Karya</i>
Industri Kapal Indonesia	<i>Industri Kapal Indonesia</i>
Industri Kereta Api dan Entitas Anak	<i>Industri Kereta Api and subsidiaries</i>
Industri Sandang Nusantara	<i>Industri Sandang Nusantara</i>
Industri Telekomunikasi Indonesia	<i>Industri Telekomunikasi Indonesia</i>
Istaka Karya	<i>Istaka Karya</i>
Jaminan Kredit Indonesia	<i>Jaminan Kredit Indonesia</i>
Jasa Marga dan Entitas Anak	<i>Jasa Marga and subsidiaries</i>
Jasa Tirta I	<i>Jasa Tirta I</i>
Jasa Tirta II	<i>Jasa Tirta II</i>
Kawasan Berikat Nusantara	<i>Kawasan Berikat Nusantara</i>
Kawasan Industri Makassar	<i>Kawasan Industri Makassar</i>
Kawasan Industri Medan	<i>Kawasan Industri Medan</i>

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**46. RELATED PARTY TRANSACTIONS (continued)**

**a. Type of relationships (continued)**

**Control through The Government of The Republic of Indonesia**

Bina Karya	<i>Bina Karya</i>
Biofarma	<i>Biofarma</i>
Biro Klasifikasi Indonesia	<i>Biro Klasifikasi Indonesia</i>
Boma Bisma Indra	<i>Boma Bisma Indra</i>
BPJS Kesehatan	<i>BPJS Kesehatan</i>
BPJS Ketenagakerjaan	<i>BPJS Ketenagakerjaan</i>
Brantas Abipraya	<i>Brantas Abipraya</i>
Bulog and subsidiaries	<i>Bulog and subsidiaries</i>
Dahana	<i>Dahana</i>
Damri	<i>Damri</i>
Danareksa and subsidiaries	<i>Danareksa and subsidiaries</i>
Dirgantara Indonesia and subsidiaries	<i>Dirgantara Indonesia and subsidiaries</i>
Djakarta Lloyd and subsidiaries	<i>Djakarta Lloyd and subsidiaries</i>
Dok & Perkapalan Kodja Bahari	<i>Dok &amp; Perkapalan Kodja Bahari</i>
Dok dan Perkapalan Surabaya	<i>Dok dan Perkapalan Surabaya</i>
Garam	<i>Garam</i>
Garuda Indonesia and subsidiaries	<i>Garuda Indonesia and subsidiaries</i>
Hotel Indonesia Natour	<i>Hotel Indonesia Natour</i>
Hutama Karya and subsidiaries	<i>Hutama Karya and subsidiaries</i>
IGLAS	<i>IGLAS</i>
Indah Karya	<i>Indah Karya</i>
Indofarma and subsidiaries	<i>Indofarma and subsidiaries</i>
Indonesia Asahan Aluminium	<i>Indonesia Asahan Aluminium</i>
Indra Karya	<i>Indra Karya</i>
Industri Kapal Indonesia	<i>Industri Kapal Indonesia</i>
Industri Kereta Api and subsidiaries	<i>Industri Kereta Api and subsidiaries</i>
Industri Sandang Nusantara	<i>Industri Sandang Nusantara</i>
Industri Telekomunikasi Indonesia	<i>Industri Telekomunikasi Indonesia</i>
Istaka Karya	<i>Istaka Karya</i>
Jaminan Kredit Indonesia	<i>Jaminan Kredit Indonesia</i>
Jasa Marga and subsidiaries	<i>Jasa Marga and subsidiaries</i>
Jasa Tirta I	<i>Jasa Tirta I</i>
Jasa Tirta II	<i>Jasa Tirta II</i>
Kawasan Berikat Nusantara	<i>Kawasan Berikat Nusantara</i>
Kawasan Industri Makassar	<i>Kawasan Industri Makassar</i>
Kawasan Industri Medan	<i>Kawasan Industri Medan</i>

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**46. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)**

**a. Jenis hubungan (lanjutan)**

**Pengendalian melalui Pemerintah Republik Indonesia**

Kawasan Industri Wijayakusuma  
Kementerian Keuangan  
Kereta Api Indonesia dan Entitas Anak  
Kertas Kraft Aceh  
Kertas Leces  
Kimia Farma dan Entitas Anak  
Kliring Berjangka Indonesia  
Krakatau Steel dan Entitas Anak  
Lembaga Pembiayaan Ekspor Indonesia (LPEI)  
LEN Industri dan Entitas Anak  
LKBN Antara  
Merpati Nusantara Airlines  
PAL Indonesia dan Entitas Anak  
PANN dan Entitas Anak  
Pegadaian dan Entitas Anak  
Pelabuhan Indonesia I dan Entitas Anak  
Pelabuhan Indonesia II dan Entitas Anak  
Pelabuhan Indonesia III dan Entitas Anak  
Pelabuhan Indonesia IV dan Entitas Anak  
Pelayaran Nasional Indonesia dan Entitas Anak  
Pembangunan Perumahan dan Entitas Anak  
Percetakan Negara Republik Indonesia  
Percetakan Uang Republik Indonesia dan Entitas Anak  
Perhutani dan Entitas Anak  
Perikanan Indonesia  
Perikanan Nusantara  
Perkebunan Nusantara III dan Entitas Anak  
Permodalan Nasional Madani dan Entitas Anak  
Pertamina dan Entitas Anak  
Pertani  
Perumnas  
Perusahaan Gas Negara dan Entitas Anak  
Perusahaan Listrik Negara dan Entitas Anak  
Perusahaan Pengelola Aset dan Entitas Anak  
Perusahaan Perdagangan Indonesia  
Pindad dan Entitas Anak  
Pos Indonesia dan Entitas Anak

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**46. RELATED PARTY TRANSACTIONS (continued)**

**a. Type of relationships (continued)**

**Control through The Government of The Republic of Indonesia**

Kawasan Industri Wijayakusuma  
Kementerian Keuangan  
Kereta Api Indonesia and subsidiaries  
Kertas Kraft Aceh  
Kertas Leces  
Kimia Farma and subsidiaries  
Kliring Berjangka Indonesia  
Krakatau Steel and subsidiaries  
Lembaga Pembiayaan Ekspor Indonesia (LPEI)  
LEN Industri and subsidiaries  
LKBN Antara  
Merpati Nusantara Airlines  
PAL Indonesia and subsidiaries  
PANN and subsidiaries  
Pegadaian and subsidiaries  
Pelabuhan Indonesia I and subsidiaries  
Pelabuhan Indonesia II and subsidiaries  
Pelabuhan Indonesia III and subsidiaries  
Pelabuhan Indonesia IV and subsidiaries  
Pelayaran Nasional Indonesia and subsidiaries  
Pembangunan Perumahan and subsidiaries  
Percetakan Negara Republik Indonesia  
Percetakan Uang Republik Indonesia and subsidiaries  
Perhutani and subsidiaries  
Perikanan Indonesia  
Perikanan Nusantara  
Perkebunan Nusantara III and subsidiaries  
Permodalan Nasional Madani and subsidiaries  
Pertamina and subsidiaries  
Pertani  
Perumnas  
Perusahaan Gas Negara and subsidiaries  
Perusahaan Listrik Negara and subsidiaries  
Perusahaan Pengelola Aset and subsidiaries  
Perusahaan Perdagangan Indonesia  
Pindad and subsidiaries  
Pos Indonesia and subsidiaries

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**46. TRANSAKSI DENGAN PIHAK BERELASI  
(lanjutan)**

**a. Jenis hubungan (lanjutan)**

**Pengendalian melalui Pemerintah Republik Indonesia**

Primissima  
Pupuk Indonesia Holding Company dan Entitas Anak  
Rajawali Nusantara Indonesia dan Entitas Anak  
Reasuransi Indonesia Utama dan Entitas Anak  
Sang Hyang Seri  
Sarana Karya  
Sarana Multigriya Finansial  
Sarinah dan Entitas Anak  
Semen Baturaja  
Semen Indonesia dan Entitas Anak  
Sucofindo dan Entitas Anak  
Surveyor Indonesia  
Tambang Batubara Bukit Asam dan Entitas Anak  
Taspen dan Entitas Anak  
Telekomunikasi Indonesia dan Entitas Anak  
Timah dan Entitas Anak  
Varuna Tirta Prakasya  
Virama Karya  
Waskita Karya dan Entitas Anak  
Wijaya Karya dan Entitas Anak  
Yodya Karya

**Pengendalian Kegiatan Perusahaan**

Manajemen Kunci

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**46. RELATED PARTY TRANSACTIONS (continued)**

**a. Type of relationships (continued)**

**Control through The Government of The Republic of Indonesia**

Primissima  
Pupuk Indonesia Holding Company and subsidiaries  
Rajawali Nusantara Indonesia and subsidiaries  
Reasuransi Indonesia Utama and subsidiaries  
Sang Hyang Seri  
Sarana Karya  
Sarana Multigriya Finansial  
Sarinah and subsidiaries  
Semen Baturaja  
Semen Indonesia and subsidiaries  
Sucofindo and subsidiaries  
Surveyor Indonesia  
Tambang Batubara Bukit Asam and subsidiaries  
Taspen and subsidiaries  
Telekomunikasi Indonesia and subsidiaries  
Timah and subsidiaries  
Varuna Tirta Prakasya  
Virama Karya  
Waskita Karya and subsidiaries  
Wijaya Karya and subsidiaries  
Yodya Karya

**Control on Company's Activities**

Key Management

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**46. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)**

**b. Giro pada bank lain**

	<b>2016</b>	<b>2015</b>	
Bank Mandiri	1,655,195	1,469,438	Bank Mandiri
Bank Rakyat Indonesia	303	79	Bank Rakyat Indonesia

**Total**

**1,655,498**

**1,469,517**

**Total**

**c. Penempatan pada bank lain dan Bank Indonesia**

	<b>2016</b>	<b>2015</b>	
Bank Tabungan Negara	423,215	266,866	Bank Tabungan Negara
Bank Mandiri	213,079	337,957	Bank Mandiri
Bank Rakyat Indonesia	76,732	448,255	Bank Rakyat Indonesia

**Total**

**713,026**

**1,053,078**

**Total**

**d. Efek-efek**

	<b>2016</b>	<b>2015</b>	
Bahana Pembinaan Usaha Indonesia	1,360,531	37,501	Bahana Pembinaan Usaha Indonesia
Danareksa	928,208	340,875	Danareksa
Bank Rakyat Indonesia	407,467	5,016	Bank Rakyat Indonesia
Bank Mandiri	331,402	17,754	Bank Mandiri
Permodalan Nasional Madani	283,420	217	Permodalan Nasional Madani
Pelabuhan Indonesia II	267,103	273,066	Pelabuhan Indonesia II
Lembaga Pembiayaan Ekspor Impor	261,187	-	Lembaga Pembiayaan Ekspor Impor
Bank Tabungan Negara	213,454	175,743	Bank Tabungan Negara
Garuda Indonesia	141,872	141,796	Garuda Indonesia
Pertamina	96,614	136,030	Pertamina
Waskita Karya	91,509	2,997	Waskita Karya
Sarana Multigriya Finansial	77,548	11,731	Sarana Multigriya Finansial
Perusahaan Listrik Negara	47,090	126,949	Perusahaan Listrik Negara
Telekomunikasi Indonesia	41,955	18,410	Telekomunikasi Indonesia
Lain-lain	137,225	68,219	Others

**Total**

**4,686,585**

**1,356,304**

**Total**

**e. Wesel ekspor dan tagihan lainnya**

	<b>2016</b>	<b>2015</b>	
Adhi Karya	1,787,265	-	Adhi Karya
Waskita Karya	1,090,193	1,708,531	Waskita Karya
Brantas Abipraya	653,799	425,656	Brantas Abipraya
Wijaya Karya	631,480	366,854	Wijaya Karya
Hutama Karya	498,574	208,593	Hutama Karya
Bank Mandiri	328,843	53,591	Bank Mandiri
Nindya Karya	133,223	61,946	Nindya Karya
Lain-lain	82,221	71,048	Others

**Total**

**5,205,598**

**2,896,219**

**Total**

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**46. TRANSAKSI DENGAN PIHAK BERELASI  
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**f. Tagihan akseptasi**

	<b>2016</b>	<b>2015</b>	
Garuda Indonesia	1,691,031	76,111	Garuda Indonesia
Pembangunan Perumahan	254,450	58,509	Pembangunan Perumahan
Hutama Karya	227,160	109,267	Hutama Karya
Pindad	214,599	58,441	Pindad
Krakatau Steel	182,284	25,126	Krakatau Steel
Wijaya Karya	149,690	134,871	Wijaya Karya
Dirgantara Indonesia	95,415	198,160	Dirgantara Indonesia
Dahana	90,318	81,703	Dahana
Nindya Karya	80,625	127,278	Nindya Karya
Lain-lain	130,136	367,408	Others
<b>Total</b>	<b>3,115,708</b>	<b>1,236,874</b>	<b>Total</b>

**g. Tagihan derivatif**

	<b>2016</b>	<b>2015</b>	
Garuda Indonesia	33,696	104,686	Garuda Indonesia
Bank Mandiri	6,699	1,419	Bank Mandiri
Bank Rakyat Indonesia	4,984	7	Bank Rakyat Indonesia
Lain-lain	2,726	12,790	Others
<b>Total</b>	<b>48,105</b>	<b>118,902</b>	<b>Total</b>

**h. Pinjaman yang diberikan**

	<b>2016</b>	<b>2015</b>	
Perusahaan Listrik Negara	19,261,255	10,644,337	Perusahaan Listrik Negara
Pegadaian	5,378,658	4,940,006	Pegadaian
Telekomunikasi Indonesia	4,621,145	3,808,352	Telekomunikasi Indonesia
Bulog	4,487,128	793	Bulog
Krakatau Steel	3,607,965	2,117,992	Krakatau Steel
Petrokimia Gresik	3,378,668	4,092,364	Petrokimia Gresik
Waskita Karya	3,578,039	745,461	Waskita Karya
Jasa Marga	2,794,921	1,404,660	Jasa Marga
PANN	2,604,902	2,497,066	PANN
Perkebunan Nusantara III	2,389,116	1,078,105	Perkebunan Nusantara III
Tambang Batubara Bukit Asam	2,304,160	2,513,414	Tambang Batubara Bukit Asam
Perkebunan Nusantara VII	2,126,730	2,149,862	Perkebunan Nusantara VII
Pertamina	2,031,054	1,486	Pertamina
Kereta Api Indonesia	1,897,367	2,297,209	Kereta Api Indonesia
Kementerian Keuangan	1,635,296	647,573	Kementerian Keuangan
Garuda Indonesia	1,596,823	631,823	Garuda Indonesia
Pupuk Sriwijaya	1,187,151	1,084,836	Pupuk Sriwijaya
Rajawali Nusindo	1,042,903	758,916	Rajawali Nusindo
Pupuk Iskandar Muda	1,014,000	924,795	Pupuk Iskandar Muda
PAL Indonesia	905,478	938,258	PAL Indonesia
Perkebunan Nusantara IV	798,613	-	Perkebunan Nusantara IV
Pelabuhan Indonesia III	625,000	11,951	Pelabuhan Indonesia III
Angkasa Pura I	621,300	688,994	Angkasa Pura I
Semen Baturaja	599,427	-	Semen Baturaja
Dirgantara Indonesia	568,357	-	Dirgantara Indonesia
Wijaya Karya	504,220	381,095	Wijaya Karya
Perkebunan Nusantara V	500,000	-	Perkebunan Nusantara V
Pembangunan Perumahan	494,383	204,274	Pembangunan Perumahan
Pindad	441,927	290,001	Pindad
Infrastruktur Telekomunikasi Indonesia	432,087	-	Infrastruktur Telekomunikasi Indonesia
Hutama Karya	430,478	239,714	Hutama Karya
Pupuk Indonesia	426,277	-	Pupuk Indonesia
Perkebunan Nusantara XI	414,272	96,694	Perkebunan Nusantara XI

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**46. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)**

**h. Pinjaman yang diberikan (lanjutan)**

	<b>2016</b>	<b>2015</b>	
Rekayasa Industri	350,052	203,201	Rekayasa Industri
Mega Eltra	313,948	232,124	Mega Eltra
Pos Indonesia	294,858	374,301	Pos Indonesia
Perusahaan Gas Negara	252,609	-	Perusahaan Gas Negara
Adhi Karya	250,000	-	Adhi Karya
Industri Gula Glenmore	223,021	-	Industri Gula Glenmore
Pupuk Kujang	211,266	618,994	Pupuk Kujang
Dahana	169,744	171,641	Dahana
IGLAS	156,567	157,582	IGLAS
Pelabuhan Indonesia I	155,722	48,516	Pelabuhan Indonesia I
Permodalan Nasional Madani	153,620	167,500	Permodalan Nasional Madani
Brantas Abipraya	99,869	99,551	Brantas Abipraya
Perusahaan Perdagangan Indonesia	99,791	-	Perusahaan Perdagangan Indonesia
Sang Hyang Seri	97,500	98,403	Sang Hyang Seri
Perumnas	94,419	99,659	Perumnas
LEN Industri	92,839	17,445	LEN Industri
Angkasa Pura II	82,838	-	Angkasa Pura II
Perkebunan Nusantara VIII	72,547	-	Perkebunan Nusantara VIII
Percetakan Uang Republik Indonesia	70,468	99,002	Percetakan Uang Republik Indonesia
Perikanan Indonesia	52,578	-	Perikanan Indonesia
Virama Karya	51,390	-	Virama Karya
Lain-lain	148,836	839,412	Others
<b>Total</b>	<b>78,193,582</b>	<b>48,417,362</b>	<b>Total</b>

**i. Simpanan nasabah**

	<b>2016</b>	<b>2015</b>	
Pertamina	14,509,204	9,181,220	Pertamina
Perusahaan Listrik Negara	10,559,324	4,426,697	Perusahaan Listrik Negara
Pelabuhan Indonesia II	4,927,336	81,712	Pelabuhan Indonesia II
Perusahaan Gas Negara	4,166,171	2,614,511	Perusahaan Gas Negara
Telekomunikasi Indonesia	3,315,077	5,739,334	Telekomunikasi Indonesia
Waskita Karya	3,262,602	1,899,046	Waskita Karya
BPJS Kesehatan	1,906,443	799,546	BPJS Kesehatan
Indonesia Asahan Aluminium	1,869,301	-	Indonesia Asahan Aluminium
Hutama Karya	1,724,177	1,157,185	Hutama Karya
Krakatau Steel	1,658,137	158,715	Krakatau Steel
BPJS Ketenagakerjaan	1,461,736	3,165,008	BPJS Ketenagakerjaan
Wijaya Karya	1,419,215	122,652	Wijaya Karya
Garuda Indonesia	1,245,157	388,938	Garuda Indonesia
Pembangunan Perumahan	1,203,778	144,280	Pembangunan Perumahan
Petrokimia Gresik	1,200,805	959,183	Petrokimia Gresik
Kementerian Keuangan	1,153,026	2,587,003	Kementerian Keuangan
Asuransi Jiwasraya	1,087,055	971,708	Asuransi Jiwasraya
Angkasa Pura II	1,039,429	212,848	Angkasa Pura II
Kereta Api Indonesia	1,014,855	772,840	Kereta Api Indonesia
Tambang Batubara Bukit Asam	955,269	1,028,122	Tambang Batubara Bukit Asam
Jasa Marga	797,606	760,686	Jasa Marga
Bulog	587,259	1,756	Bulog
Pelabuhan Indonesia I	585,418	512,417	Pelabuhan Indonesia I
Pupuk Indonesia	582,342	300,666	Pupuk Indonesia
Asuransi Jasa Indonesia	517,541	833,230	Asuransi Jasa Indonesia
Barata Indonesia	500,176	366	Barata Indonesia
Pelabuhan Indonesia IV	484,009	57,325	Pelabuhan Indonesia IV
Semen Gresik	443,463	429,204	Semen Gresik
Pelabuhan Indonesia III	404,992	390,495	Pelabuhan Indonesia III
Adhi Karya	387,904	136,072	Adhi Karya
Pindad	352,063	192,657	Pindad
Asuransi Kredit Indonesia	344,274	47,893	Asuransi Kredit Indonesia
Aneka Tambang	341,288	874,536	Aneka Tambang
Perumnas	335,095	1,027,591	Perumnas
PAL Indonesia	334,068	972,775	PAL Indonesia
Perikanan Indonesia	311,966	-	Perikanan Indonesia

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**46. TRANSAKSI DENGAN PIHAK BERELASI  
(lanjutan)**

**i. Simpanan nasabah (lanjutan)**

	2016	2015	
Perkebunan Nusantara III	267,673	262,863	Perkebunan Nusantara III
Perkebunan Nusantara XI	265,582	40,390	Perkebunan Nusantara XI
Dirgantara Indonesia	243,878	281,799	Dirgantara Indonesia
Brantas Abipraya	233,072	224,563	Brantas Abipraya
Kliring Berjangka Indonesia	226,973	82,230	Kliring Berjangka Indonesia
Infrastruktur Telekomunikasi Indonesia	214,557	-	Infrastruktur Telekomunikasi Indonesia
Pos Indonesia	207,852	191,056	Pos Indonesia
Angkasa Pura I	194,747	297,286	Angkasa Pura I
Perkebunan Nusantara IV	176,781	40,809	Perkebunan Nusantara IV
Jaminan Kredit Indonesia	176,705	239,009	Jaminan Kredit Indonesia
Nindya Karya	161,398	195,442	Nindya Karya
Perkebunan Nusantara VII	157,015	215,408	Perkebunan Nusantara VII
Perusahaan Perdagangan Indonesia	144,360	4,563	Perusahaan Perdagangan Indonesia
Inhutani V	137,446	202,278	Inhutani V
Perkebunan Nusantara XII	135,236	169	Perkebunan Nusantara XII
Dahana	132,052	123,906	Dahana
Rekayasa Industri	131,781	235,137	Rekayasa Industri
Asuransi Jasa Raharja	117,968	253,927	Asuransi Jasa Raharja
Percetakan Uang Republik Indonesia	107,518	76,654	Percetakan Uang Republik Indonesia
Permodalan Nasional Madani	101,974	1,032,033	Permodalan Nasional Madani
Lain-Lain	1,459,767	3,939,131	Others
<b>Total</b>	<b>71,981,896</b>	<b>50,886,870</b>	<b>Total</b>

**j. Simpanan dari bank lain**

	2016	2015	
Bank Tabungan Negara	318,426	164,958	Bank Tabungan Negara
Bank Mandiri	278,257	1,371	Bank Mandiri
Bank Rakyat Indonesia	98,370	13,558	Bank Rakyat Indonesia
LPEI	669	-	LPEI
<b>Total</b>	<b>695,722</b>	<b>179,887</b>	<b>Total</b>

**k. Liabilitas derivatif**

	2016	2015	
Bank Rakyat Indonesia	7,219	-	Bank Rakyat Indonesia
Bank Mandiri	1,749	1,394	Bank Mandiri
Perusahaan Listrik Negara	1,236	-	Perusahaan Listrik Negara
Garuda Indonesia	203	-	Garuda Indonesia
Krakatau Steel	36	370	Krakatau Steel
Lain-lain	536	981	Others
<b>Total</b>	<b>10,979</b>	<b>2,745</b>	<b>Total</b>

**46. RELATED PARTY TRANSACTIONS (continued)**

**i. Deposits from customers (continued)**

Perkebunan Nusantara III	Perkebunan Nusantara III
Perkebunan Nusantara XI	Perkebunan Nusantara XI
Dirgantara Indonesia	Dirgantara Indonesia
Brantas Abipraya	Brantas Abipraya
Kliring Berjangka Indonesia	Kliring Berjangka Indonesia
Infrastruktur Telekomunikasi Indonesia	Infrastruktur Telekomunikasi Indonesia
Pos Indonesia	Pos Indonesia
Angkasa Pura I	Angkasa Pura I
Perkebunan Nusantara IV	Perkebunan Nusantara IV
Jaminan Kredit Indonesia	Jaminan Kredit Indonesia
Nindya Karya	Nindya Karya
Perkebunan Nusantara VII	Perkebunan Nusantara VII
Perusahaan Perdagangan Indonesia	Perusahaan Perdagangan Indonesia
Inhutani V	Inhutani V
Perkebunan Nusantara XII	Perkebunan Nusantara XII
Dahana	Dahana
Rekayasa Industri	Rekayasa Industri
Asuransi Jasa Raharja	Asuransi Jasa Raharja
Percetakan Uang Republik Indonesia	Percetakan Uang Republik Indonesia
Permodalan Nasional Madani	Permodalan Nasional Madani
Others	Others

**j. Deposits from other banks**

	2016	2015	
Bank Tabungan Negara	318,426	164,958	Bank Tabungan Negara
Bank Mandiri	278,257	1,371	Bank Mandiri
Bank Rakyat Indonesia	98,370	13,558	Bank Rakyat Indonesia
LPEI	669	-	LPEI
<b>Total</b>	<b>695,722</b>	<b>179,887</b>	<b>Total</b>

**k. Derivatives payable**

	2016	2015	
Bank Rakyat Indonesia	7,219	-	Bank Rakyat Indonesia
Bank Mandiri	1,749	1,394	Bank Mandiri
Perusahaan Listrik Negara	1,236	-	Perusahaan Listrik Negara
Garuda Indonesia	203	-	Garuda Indonesia
Krakatau Steel	36	370	Krakatau Steel
Lain-lain	536	981	Others
<b>Total</b>	<b>10,979</b>	<b>2,745</b>	<b>Total</b>

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**46. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)**

**I. Liabilitas akseptasi**

	<b>2016</b>	<b>2015</b>	
Pindad	199,922	-	Pindad
Garuda Indonesia	197,644	-	Garuda Indonesia
Pembangunan Perumahan	191,559	-	Pembangunan Perumahan
Hutama Karya	131,357	-	Hutama Karya
Dahana	93,098	-	Dahana
Wijaya Karya	66,172	-	Wijaya Karya
Krakatau Steel	58,824	-	Krakatau Steel
Adhi Karya	33,124	-	Adhi Karya
Dirgantara Indonesia	32,873	-	Dirgantara Indonesia
Nindya Karya	30,507	-	Nindya Karya
LEN Industri	17,160	-	LEN Industri
Lain-lain	41,468	491,533	Others
<b>Total</b>	<b>1,093,708</b>	<b>491,533</b>	<b>Total</b>

**m. Dana Syirkah Temporer - Giro Mudharabah**

**m. Temporary Syirkah Funds – Mudharabah Current Accounts**

	<b>2016</b>	<b>2015</b>	
Pemerintah Republik Indonesia	126,634	-	The Government of Republic Indonesia
Pertamina	5,913	-	Pertamina
Pegadaian	752	-	Pegadaian
Asuransi Jasa Indonesia	90	-	Asuransi Jasa Indonesia
Lain-lain	7,726	10	Others
<b>Total</b>	<b>141,115</b>	<b>10</b>	<b>Total</b>

**n. Dana Syirkah Temporer - Deposito Mudharabah**

**n. Temporary Syirkah Funds – Mudharabah Deposit Accounts**

	<b>2016</b>	<b>2015</b>	
Pemerintah Republik Indonesia	7,054,485	-	The Government of Republic Indonesia
Pertamina	400,000	-	Pertamina
Manajemen kunci	10,104	4,559	Key Management
Pertamina Gas	-	179,205	Pertamina Gas
Pelabuhan Indonesia II	-	137,850	Pelabuhan Indonesia II
Asuransi Jasa Indonesia	-	2,525	Asuransi Jasa Indonesia
Lain-lain	66,002	10,000	Others
<b>Total</b>	<b>7,530,591</b>	<b>334,139</b>	<b>Total</b>

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**46. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)**

**o. Dana Syirkah Temporer - Tabungan Mudharabah**

	<b>2016</b>	<b>2015</b>	
Manajemen kunci	13,830	8,778	<i>Key Management</i>
Jamsostek	12	-	<i>Jamsostek</i>
Bumi Putera	7	-	<i>Bumi Putera</i>
<b>Total</b>	<b>13,849</b>	<b>8,778</b>	<b>Total</b>

**p. Sukuk Mudharabah**

	<b>2016</b>	<b>2015</b>	
Bank Syariah Mandiri	100,000	100,000	<i>Bank Syariah Mandiri</i>
Danareksa	25,000	-	<i>Danareksa</i>
Penjaminan Infrastruktur Indonesia	20,000	-	<i>Penjaminan Infrastruktur Indonesia</i>
Asuransi Jasa Indonesia	10,000	-	<i>Asuransi Jasa Indonesia</i>
Lainnya	10,000	51,000	<i>Others</i>
<b>Total</b>	<b>165,000</b>	<b>151,000</b>	<b>Total</b>

**q. Garansi bank yang diterbitkan**

	<b>2016</b>	<b>2015</b>	
Hutama Karya	2,983,713	2,632,751	<i>Hutama Karya</i>
Waskita Karya	2,531,086	3,073,846	<i>Waskita Karya</i>
Nindya Karya	1,593,224	992,257	<i>Nindya Karya</i>
Brantas Abipraya	1,375,188	818,350	<i>Brantas Abipraya</i>
Pembangunan Perumahan	1,295,762	191,673	<i>Pembangunan Perumahan</i>
Pertamina	1,244,240	1,360,016	<i>Pertamina</i>
Wijaya Karya	1,164,496	329,134	<i>Wijaya Karya</i>
Bank Mandiri	940,471	136,147	<i>Bank Mandiri</i>
Perusahaan Listrik Negara	771,797	637,158	<i>Perusahaan Listrik Negara</i>
Rekayasa Industri	650,958	248,831	<i>Rekayasa Industri</i>
Adhi Karya	429,787	-	<i>Adhi Karya</i>
Dirgantara Indonesia	421,837	625,920	<i>Dirgantara Indonesia</i>
Kereta Api Indonesia	420,323	281,508	<i>Kereta Api Indonesia</i>
Lembaga Pembiayaan Ekspor Impor	392,140	199,104	<i>Lembaga Pembiayaan Ekspor Impor</i>
Telekomunikasi Indonesia	351,214	178,934	<i>Telekomunikasi Indonesia</i>
Perusahaan Gas Negara	313,319	299,745	<i>Perusahaan Gas Negara</i>
Tambang Batubara Bukit Asam	284,177	253,057	<i>Tambang Batubara Bukit Asam</i>
Krakatau Steel	186,872	322,265	<i>Krakatau Steel</i>
PAL Indonesia	168,157	10,120	<i>PAL Indonesia</i>
LEN Industri	118,050	107,729	<i>LEN Industri</i>
Pupuk Iskandar Muda	113,584	119,708	<i>Pupuk Iskandar Muda</i>
Semen Gresik	110,037	6,214	<i>Semen Gresik</i>
Garuda Indonesia	83,821	84,746	<i>Garuda Indonesia</i>
Rajawali Nusindo	72,440	40,578	<i>Rajawali Nusindo</i>
Mega Eltra	46,930	63,628	<i>Mega Eltra</i>
Dahana	46,142	77,893	<i>Dahana</i>
Kertas Kraft Aceh	43,686	1,254	<i>Kertas Kraft Aceh</i>
Asuransi Jasa Indonesia	40,210	9,578	<i>Asuransi Jasa Indonesia</i>
Lain-lain	173,308	327,754	<i>Others</i>
<b>Total</b>	<b>18,366,969</b>	<b>13,429,898</b>	<b>Total</b>

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**46. RELATED PARTY TRANSACTIONS (continued)**

**o. Temporary Syirkah Funds – Mudharabah Saving Accounts**

	<b>2016</b>	<b>2015</b>	
Key Management			
Jamsostek			
Bumi Putera			

**p. Sukuk Mudharabah**

	<b>2016</b>	<b>2015</b>	
Bank Syariah Mandiri	100,000	100,000	<i>Bank Syariah Mandiri</i>
Danareksa	25,000	-	<i>Danareksa</i>
Penjaminan Infrastruktur Indonesia	20,000	-	<i>Penjaminan Infrastruktur Indonesia</i>
Asuransi Jasa Indonesia	10,000	-	<i>Asuransi Jasa Indonesia</i>
Lainnya	10,000	51,000	<i>Others</i>
<b>Total</b>	<b>165,000</b>	<b>151,000</b>	<b>Total</b>

**q. Bank guarantees issued**

	<b>2016</b>	<b>2015</b>	
Hutama Karya	2,983,713	2,632,751	<i>Hutama Karya</i>
Waskita Karya	2,531,086	3,073,846	<i>Waskita Karya</i>
Nindya Karya	1,593,224	992,257	<i>Nindya Karya</i>
Brantas Abipraya	1,375,188	818,350	<i>Brantas Abipraya</i>
Pembangunan Perumahan	1,295,762	191,673	<i>Pembangunan Perumahan</i>
Pertamina	1,244,240	1,360,016	<i>Pertamina</i>
Wijaya Karya	1,164,496	329,134	<i>Wijaya Karya</i>
Bank Mandiri	940,471	136,147	<i>Bank Mandiri</i>
Perusahaan Listrik Negara	771,797	637,158	<i>Perusahaan Listrik Negara</i>
Rekayasa Industri	650,958	248,831	<i>Rekayasa Industri</i>
Adhi Karya	429,787	-	<i>Adhi Karya</i>
Dirgantara Indonesia	421,837	625,920	<i>Dirgantara Indonesia</i>
Kereta Api Indonesia	420,323	281,508	<i>Kereta Api Indonesia</i>
Lembaga Pembiayaan Ekspor Impor	392,140	199,104	<i>Lembaga Pembiayaan Ekspor Impor</i>
Telekomunikasi Indonesia	351,214	178,934	<i>Telekomunikasi Indonesia</i>
Perusahaan Gas Negara	313,319	299,745	<i>Perusahaan Gas Negara</i>
Tambang Batubara Bukit Asam	284,177	253,057	<i>Tambang Batubara Bukit Asam</i>
Krakatau Steel	186,872	322,265	<i>Krakatau Steel</i>
PAL Indonesia	168,157	10,120	<i>PAL Indonesia</i>
LEN Industri	118,050	107,729	<i>LEN Industri</i>
Pupuk Iskandar Muda	113,584	119,708	<i>Pupuk Iskandar Muda</i>
Semen Gresik	110,037	6,214	<i>Semen Gresik</i>
Garuda Indonesia	83,821	84,746	<i>Garuda Indonesia</i>
Rajawali Nusindo	72,440	40,578	<i>Rajawali Nusindo</i>
Mega Eltra	46,930	63,628	<i>Mega Eltra</i>
Dahana	46,142	77,893	<i>Dahana</i>
Kertas Kraft Aceh	43,686	1,254	<i>Kertas Kraft Aceh</i>
Asuransi Jasa Indonesia	40,210	9,578	<i>Asuransi Jasa Indonesia</i>
Lain-lain	173,308	327,754	<i>Others</i>
<b>Total</b>	<b>18,366,969</b>	<b>13,429,898</b>	<b>Total</b>

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**46. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)**

**r. Letter of Credit**

	<b>2016</b>	<b>2015</b>	
Telekomunikasi Indonesia	1,734,578	1,102,890	Telekomunikasi Indonesia
Bulog	1,055,573	292,132	Bulog
Krakatau Steel	701,044	529,470	Krakatau Steel
Pertamina	529,459	212,769	Pertamina
Pembangunan Perumahan	471,550	148,833	Pembangunan Perumahan
Semen Baturaja	359,083	469,384	Semen Baturaja
Kereta Api Indonesia	341,618	429,276	Kereta Api Indonesia
Pindad	164,703	221,994	Pindad
Dirgantara Indonesia	134,541	279,423	Dirgantara Indonesia
Nindya Karya	126,792	198,531	Nindya Karya
Perkebunan Nusantara V	87,717	-	Perkebunan Nusantara V
Hutama Karya	86,437	57,233	Hutama Karya
Petrokimia Gresik	67,206	104,640	Petrokimia Gresik
Pupuk Kujang	42,981	57,065	Pupuk Kujang
Garuda Indonesia	41,669	43,460	Garuda Indonesia
Semen Gresik	40,188	107,566	Semen Gresik
Lain-lain	253,418	421,265	Others
<b>Total</b>	<b>6,238,557</b>	<b>4,675,931</b>	<b>Total</b>

**s. Gaji dan tunjangan**

	<b>2016</b>	<b>2015</b>	
Gaji, tunjangan dan imbalan kerja jangka panjang Dewan Komisaris, Direksi, Komite Audit, Executive Vice President dan Senior Vice President	122,791	104,685	Salaries, allowance and long-term employment benefits Commissioners, Board of Directors, Executive Vice President and Senior Vice President
Tantiem, bonus Dewan Komisaris, Direksi, Executive Vice President dan Senior Vice President	138,013	167,060	Tantiem, bonus Board of Commissioners, Board of Directors, Executive Vice President and Senior Vice President

Rincian saldo transaksi dengan pihak-pihak berelasi pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	<b>2016</b>	<b>2015</b>	
<b>Aset</b>			<b>Asset</b>
Giro pada bank lain	1,655,498	1,469,517	Current account with other bank
Penempatan pada bank lain	713,026	1,053,078	Placement with other banks
Efek-efek	4,686,585	1,356,304	Marketable securities
Wesel ekspor dan tagihan lainnya	5,205,598	2,896,219	Bills and other receivables
Tagihan akseptasi	3,115,708	1,236,874	Acceptances receivables
Tagihan derivative	48,105	118,902	Derivatives receivables
Pinjaman yang diberikan	78,193,582	48,417,362	Loans
Jumlah aset kepada pihak-pihak berelasi	93,618,102	56,548,256	Total assets with related parties
Jumlah aset konsolidasian	603,031,880	508,595,288	Total consolidation assets
Persentase jumlah aset kepada pihak-pihak berelasi terhadap jumlah aset konsolidasian	15.5%	11.1%	Percentage of total assets with related parties to total consolidated assets

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**46. TRANSAKSI DENGAN PIHAK BERELASI  
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	2016	2015	
<b>Liabilitas</b>			<b>Liabilities</b>
Simpanan nasabah	71,981,896	50,886,870	Deposits from customers
Simpanan dari bank lain	695,722	179,887	Deposit from other banks
Liabilitas derivatif	10,979	2,745	Derivatives payable
Liabilitas akseptasi	1,093,708	491,533	Acceptance payable
Jumlah liabilitas kepada pihak-pihak berelasi	<u>73,782,305</u>	<u>51,561,035</u>	<i>Total liabilities with related parties</i>
Jumlah liabilitas konsolidasian	<u>492,701,125</u>	<u>412,727,677</u>	<i>Total consolidation liabilities</i>
Persentase jumlah liabilitas kepada pihak-pihak berelasi terhadap jumlah aset konsolidasian	<u>15.0%</u>	<u>12.5%</u>	<i>Percentage of total liabilities with related parties to total consolidated liabilities</i>
<b>Dana Syirkah Temporer</b>			<b>Temporary Syirkah Funds</b>
Simpanan Mudharabah	7,685,555	342,927	Mudharabah Saving
Sukuk Mudharabah	165,000	151,000	Mudharabah Sukuk
Jumlah Dana Syirkah Temporer Pihak-pihak berelasi	<u>7,850,555</u>	<u>493,927</u>	<i>Total Temporary Syirkah Funds with related parties</i>
Jumlah Dana Syirkah Temporer	<u>21,076,755</u>	<u>17,429,389</u>	<i>Total Temporary Syirkah Funds</i>
Persentase jumlah Dana Syirkah Temporer kepada pihak-pihak Berelasi terhadap jumlah Dana Syirkah Temporer konsolidasian	<u>3.8%</u>	<u>2.8%</u>	<i>Percentage of total temporary syirkah funds with related parties to total consolidated Temporary syirkah funds</i>

**47. INFORMASI SEGMENT**

Segmen operasi Grup dibagi berdasarkan kelompok nasabah utama dan produk, sebagai berikut: Korporasi, Komersial dan Kecil, Konsumen dan Ritel, Tresuri dan Institusi Keuangan, Kantor Pusat dan Entitas Anak. Dalam menentukan hasil segmen, beberapa akun aset dan liabilitas dan pendapatan dan biaya yang terkait diatribusikan ke masing-masing segmen berdasarkan kebijakan pelaporan internal manajemen. Transaksi antar segmen usaha diperlakukan seperti transaksi pihak ketiga yang dicatat ke dalam masing-masing segmen dan dieliminasi di tingkat Bank.

Ringkasan berikut menjelaskan operasi masing-masing segmen dalam pelaporan segmen Bank:

**47. SEGMENT INFORMATION**

*The Group's operating segments represent the key customer and product groups, as follows: Corporate, Commercial and Small, Consumer and Retail, Treasury and Financial Institution, Head Office and Subsidiaries. In determining the segment results, certain assets and liabilities items and related revenues and expenses are attributed to each segment based on internal management reporting policies. Transactions between business segments are recorded within the segment as if they are third party transactions and are eliminated at the Bank level.*

*The following summary describes the operations in each of the Bank's reportable segments:*

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**47. INFORMASI SEGMENT (lanjutan)**

- **Konsumen dan Ritel:** termasuk kredit pembiayaan konsumsi antara lain kredit kepemilikan rumah, kartu kredit dan transaksi-transaksi lain atas nasabah konsumen, serta termasuk kredit yang diberikan kepada individu dengan skala ritel.
- **Tresuri dan Institusi Keuangan:** terkait dengan kegiatan tresuri Bank termasuk transaksi valuta asing, *money market*, *capital market* dan *fixed income*, termasuk antara lain bisnis perbankan internasional dan supervisi cabang luar negeri.
- **Kantor Pusat:** merupakan penyediaan jasa secara sentralisasi kepada segmen lainnya.
- **Entitas Anak:** seluruh transaksi yang dilakukan oleh Entitas Anak yang bergerak di bidang perbankan syariah, asuransi, pembiayaan konsumen dan sekuritas.

Kinerja diukur berdasarkan laba segmen sebelum pajak penghasilan, sebagaimana dilaporkan dalam laporan internal manajemen yang direview oleh Manajemen Bank. Keuntungan segmen digunakan untuk mengukur kinerja dimana manajemen berkeyakinan bahwa informasi tersebut paling relevan dalam mengevaluasi hasil segmen tersebut relatif terhadap entitas lain yang beroperasi dalam industri tersebut.

Informasi yang berkaitan dengan segmen usaha yang utama dari Grup disajikan dalam tabel di bawah ini:

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**47. SEGMENT INFORMATION (continued)**

- **Consumer and Retail:** includes consumer loan such as housing loans, credit cards and other transactions with consumer loans, and including loans to retail customers.
- **Treasury and Financial Institution:** treasury activities include foreign exchange, money market, capital market and fixed income, also including international banking and overseas branch supervision.
- **Head Office:** represent centralized services for other segments.
- **Subsidiaries:** all transactions from Subsidiaries in sharia banking, insurance, consumer financing and securities.

Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Bank's Management. Segment profit is used to measure performance of that business segment as management believes that such information is the most relevant in evaluating the results of those segments relative to other entities that operate within these industries.

Information concerning the operating segments of the Group are set out in the table below:

2016							
Korporasi/ Corporate	Komersial dan Kecil/ Commercial and Small	Konsumen dan Ritel/ Consumer and Retail	Tresuri dan Institusi Keuangan/ Treasury and Financial Institution	Kantor Pusat/ Head Office	Entitas Anak/ Subsidiaries	Penyesuaian dan eliminasi/ Adjustment and elimination**	Konsolidasi/ Consolidation
Pendapatan bunga dan pendapatan syariah - neto *)	11,358,064	6,039,041	9,245,780	1,913,248	-	1,966,356	(527,427)
Pendapatan premi - neto	-	-	-	-	-	1,341,561	-
Pendapatan operasional lainnya	2,232,985	987,102	5,284,685	2,568,702	(288,576)	406,953	(1,229,168)
Pembentukan cadangan kerugian penurunan nilai Beban operasional lainnya	(3,091,255)	(2,285,709)	(1,518,976)	(13,760)	(620,343)	(323,088)	-
Laba operasional	(2,745,881)	(1,846,954)	(6,391,948)	(1,163,554)	(4,331,755)	(2,803,418)	66,667
							(19,216,843)
Pendapatan/(beban) bukan operasional - neto	7,753,913	2,893,480	6,619,541	3,304,636	(5,240,674)	588,364	(1,689,928)
	530	58	25,643	(4,270)	19,989	31,623	-
Laba sebelum beban pajak	7,754,443	2,893,538	6,645,184	3,300,366	(5,220,685)	619,987	(1,689,928)
Total aset	189,076,652	104,980,702	64,458,486	246,881,502	12,202,226	42,888,227	(57,455,915)
Total liabilitas	226,359,058	86,903	208,459,001	51,404,578	7,065,052	13,637,027	(14,310,494)
							492,707,125

\*) termasuk komponen *internal transfer pricing* antar segmen operasi  
\*\*) termasuk eliminasi *internal transfer pricing* atau reklassifikasi antar segmen operasi dan  
eliminasi terhadap entitas anak

\*) Includes component of *internal transfer pricing* between operating segment  
\*\*) Includes elimination of *internal transfer pricing* or reclassification between operating  
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**47. INFORMASI SEGMENT (lanjutan)**

**47. SEGMENT INFORMATION (continued)**

	2015							<i>Interest income and sharia income - net</i>
	Korporasi/ Corporate	Komersial dan Kecil/ Commercial and Small	Konsumen dan Ritel/ Consumer and Retail	Tresuri dan Institusi Keuangan/ Treasury and Financial Institution	Kantor Pusat/ Head Office	Entitas Anak/ Subsidiaries	Penyesuaian dan eliminasi/ Adjustment and elimination	
Pendapatan bunga dan pendapatan syariah - neto	8,443,784	5,685,669	8,548,640	1,589,287	-	1,618,871	(326,055)	25,560,196
Pendapatan premi - neto	-	-	-	-	-	825,662	-	825,662
Pendapatan operasional lainnya	1,591,005	1,422,997	4,668,911	1,621,255	(257,754)	597,286	(771,320)	8,872,380
Pembentukan cadangan kerugian penurunan nilai	(1,615,705)	(3,554,773)	(1,643,272)	(224,532)	(99,000)	(198,977)	-	(7,336,259)
Beban operasional lainnya	(2,613,926)	(1,317,572)	(6,017,579)	(1,061,535)	(3,129,230)	(2,370,056)	-	(16,509,898)
Laba operasional	5,805,158	2,236,321	5,556,700	1,924,475	(3,485,984)	472,786	(1,097,375)	11,412,081
Pendapatan/(beban) bukan operasional - neto	217	(1)	3,041	8,041	(32,119)	74,888	-	54,067
Laba sebelum beban pajak	5,805,375	2,236,320	5,559,741	1,932,516	(3,518,103)	547,674	(1,097,375)	11,466,148
Total aset	153,686,911	87,517,759	56,441,019	164,580,709	39,597,982	33,839,188	(27,068,280)	508,595,288
Total liabilitas	174,879,709	78,023	176,869,563	46,148,028	7,965,951	8,888,777	(2,102,374)	412,727,677

Informasi yang berkaitan dengan segmen geografis BNI dan Entitas Anak disajikan dalam tabel di bawah ini:

Information concerning the geographical segment of BNI and Subsidiaries are set out in the table below:

	2016							<i>Interest income and sharia income - net</i>
	Indonesia	New York	Eropa/ Europe	Asia	Penyesuaian dan eliminasi/ Adjustment and elimination	Konsolidasi/ Consolidated		
Pendapatan bunga dan pendapatan syariah - neto	29,512,278	101,389	74,047	309,755	(2,407)	29,995,062	-	<i>Premium income - net</i>
Pendapatan premi - neto	1,341,561	-	-	-	-	1,341,561	-	<i>Other operating income</i>
Pendapatan operasional lainnya	10,096,114	30,926	39,594	192,914	(396,865)	9,962,683	-	<i>Allowance for impairment losses</i>
Pembentukan cadangan kerugian penurunan nilai	(7,833,621)	(9,990)	-	(9,520)	-	(7,853,131)	-	<i>Other operating expenses</i>
Beban operasional lainnya	(18,757,902)	(72,031)	(78,717)	(308,193)	-	(19,216,843)	-	
Laba operasional	14,358,430	50,294	34,924	184,956	(399,272)	14,229,332	-	<i>Operating income</i>
Pendapatan/(beban) bukan operasional - neto	68,492	695	(869)	2,848	2,407	73,573	-	<i>Non operating income/ (expenses) - net</i>
Laba sebelum beban pajak	14,426,922	50,989	34,055	187,804	(396,865)	14,302,905	(2,892,709)	<i>Income before tax expense</i>
Beban pajak	(2,892,709)	-	-	-	-	-	-	<i>Tax expense</i>
Laba bersih	11,534,213	50,989	34,055	187,804	(396,865)	11,410,196	-	<i>Net income</i>
Total aset	568,983,990	5,962,102	7,021,039	28,971,753	(7,907,004)	603,031,880	-	<i>Total assets</i>
Total liabilitas	452,543,963	6,008,366	7,021,586	28,860,861	(1,733,651)	492,701,125	-	<i>Total liabilities</i>

	2015							<i>Interest income and sharia income - net</i>
	Indonesia	New York	Eropa/ Europe	Asia	Penyesuaian dan eliminasi/ Adjustment and elimination	Konsolidasi/ Consolidated		
Pendapatan bunga dan pendapatan syariah - neto	25,306,375	52,454	41,138	193,989	(33,760)	25,560,196	-	<i>Premium income - net</i>
Pendapatan premi - neto	825,662	-	-	-	-	825,662	-	<i>Other operating income</i>
Pendapatan operasional lainnya	8,872,574	57,140	54,506	220,928	(332,768)	8,872,380	-	

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**47. INFORMASI SEGMENT (lanjutan)**

**47. SEGMENT INFORMATION (continued)**

	2015					
	Indonesia	New York	Eropa/ Europe	Asia	Penyesuaian dan eliminasi/ Adjustment and elimination	Konsolidasi/ Consolidated
Pembentukan cadangan kerugian penurunan nilai Beban operasional lainnya	(7,321,538) (16,097,072)	- (58,324)	- (72,473)	(14,721) (282,029)	- -	(7,336,259) (16,509,898)
Laba operasional Pendapatan/(beban) bukan operasional - neto	11,586,001 12,311	51,270 553	23,171 (578)	118,167 8,021	(366,528) 33,760	11,412,081 54,067
Laba sebelum beban pajak Beban pajak	11,598,312 (2,325,616)	51,823 -	22,593 -	126,188 -	(332,768) -	11,466,148 (2,325,616)
Laba bersih	9,272,696	51,823	22,593	126,188	(332,768)	9,140,532
Total aset	481,410,175	5,421,192	4,823,828	23,807,874	(6,867,781)	508,595,288
Total liabilitas	380,167,017	5,495,864	4,833,195	23,553,510	(1,321,909)	412,727,677

**48. MANAJEMEN RISIKO**

Risiko dalam konteks perbankan merupakan suatu potensi kejadian, baik yang diperkirakan (*expected*) maupun yang tidak diperkirakan (*unexpected*) yang berdampak negatif terhadap pendapatan dan permodalan bank.

Manajemen risiko adalah serangkaian metodologi dan prosedur yang digunakan untuk mengidentifikasi, mengukur, memantau, dan mengendalikan risiko yang timbul dari seluruh kegiatan usaha Bank, termasuk upaya untuk memitigasi dan/atau meminimalkan kerugian finansial maupun non-finansial yang mungkin timbul dari produk atau aktivitas bank, hubungan antara bank dengan nasabah maupun dalam internal bank.

Penerapan manajemen risiko di BNI berpedoman pada Peraturan Otoritas Jasa Keuangan (POJK) No. 18/POJK.03/2016 tanggal 16 Maret 2016 tentang Penerapan Manajemen Risiko Bagi Bank Umum, Surat Edaran Otoritas Jasa Keuangan (SEOJK) No. 34/SEOJK.03/2016 tanggal 7 September 2016 tentang Penerapan Manajemen Risiko bagi Bank Umum, dan pada Peraturan OJK (POJK) No. 17/POJK.03/2014 tanggal 18 November 2014 tentang Penerapan Manajemen Risiko Terintegrasi Bagi Konglomerasi Keuangan, serta Surat Edaran Otoritas Jasa Keuangan (SEOJK) No. 14/SEOJK.03/2015 tanggal 25 Mei 2015 tentang Penerapan Manajemen Risiko Terintegrasi bagi Konglomerasi Keuangan, mengingat Bank merupakan bagian dari sektor jasa keuangan yang memiliki beberapa perusahaan anak yang tergabung dalam suatu konglomerasi keuangan, serta secara internasional berpedoman pada dokumen dari Basel Committee on Banking Supervision (BCBS).

**48. RISK MANAGEMENT**

*Risks in the context of banking is a potential event, which is either (expected) and not estimated (unexpected) that can give negative impact to the Bank earnings and capital.*

*Risk management is a set of methodologies and procedures used to identify, measure, monitor, or control the risks arising from the entire Bank's business activities, including the efforts to mitigate and/or minimize financial or non-financial losses that may arise from products or activities of the Bank, the relationship between the Bank and its customer also within the internal Bank.*

*The implementation of risk management in BNI is based on the Financial Services Authority Regulation (POJK) No. 18/POJK.03/2016 dated 16 March 2016, Financial Services Authority regulation (SEOJK) No. 34/SEOJK.03/2016 dated 7 September 2016 about the implementation of Risk Management for Commercial Bank, and the Financial Services Authority regulations POJK No. 17/POJK.03/2014 dated November 18 2014 also SEOJK No. 14/SEOJK.03/2015 dated May 25 2015 about the implementation of integrated Risk Management for Financial Conglomeration, considering Bank is part of financial services sector that has several subsidiary companies incorporated in a financial conglomerate, and also internationally use the Basel Committee on Banking Supervision (BCBS) documents as guidelines.*

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**48. MANAJEMEN RISIKO (lanjutan)**

Penerapan Manajemen Risiko didasari oleh kebutuhan akan keseimbangan fungsi bisnis dengan pengelolaan risiko, dimana Manajemen Risiko menjadi *strategic partner* dari Unit Bisnis untuk mengoptimalkan pendapatan dari Unit Bisnis secara keseluruhan.

Dalam implementasi manajemen risiko dilakukan melalui 4 (empat) pilar penerapan manajemen risiko yaitu: (i) Pengawasan Aktif Direksi dan Dewan Komisaris; (ii) Kecukupan Kebijakan, dan Prosedur Manajemen Risiko serta Penetapan Limit risiko; (iii) kecukupan proses identifikasi, pengukuran, pemantauan, dan pengendalian Risiko serta Sistem Informasi Manajemen Risiko, dan (iv) Sistem Pengendalian Internal yang menyeluruh. Penerapan manajemen risiko di BNI secara umum terangkum dalam kerangka (*framework*) manajemen risiko. Kerangka manajemen risiko ini dituangkan dalam kebijakan, prosedur, limit-limit transaksi, kewenangan dan ketentuan lain serta diaplikasikan dalam perangkat manajemen risiko, yang berlaku di seluruh lingkup aktivitas usaha.

Secara berkala dilakukan evaluasi terhadap kebijakan dan prosedur manajemen risiko agar sesuai dengan perkembangan bisnis dan perubahan regulasi.

Agar penerapan manajemen risiko dapat berjalan secara efektif, BNI menyusun *Risk Governance* sebagai bagian dari sistem Tata Kelola Perusahaan (*Corporate Governance*) yang fokus pada struktur, proses dan pendekatan pengelolaan risiko dalam upaya pencapaian tujuan bisnis.

Inisiatif dan langkah-langkah penyempurnaan telah dilakukan untuk meletakkan landasan yang kuat dalam manajemen risiko di BNI yang mencakup aspek-aspek organisasi, strategi, sistem informasi dan operasi, serta pengembangan sumber daya manusia. BNI juga telah melakukan langkah-langkah antisipatif yang menyentuh aspek humanis dan personal setiap individu BNI, yaitu dengan membangun budaya risiko yang kuat yang merupakan bagian dari budaya perusahaan BNI. BNI terus berupaya untuk meningkatkan budaya risiko segenap insan BNI agar tercipta budaya risiko yang kuat.

Terkait dengan produk atau aktivitas baru yang akan diterbitkan, penilaian (*assessment*) yang komprehensif dilakukan terhadap risiko yang melekat pada produk atau aktivitas baru untuk memastikan bahwa potensi risiko yang mungkin timbul telah dimitigasi dengan baik.

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**48. RISK MANAGEMENT (continued)**

*The risk management implementation based on the needs to maintain balance between the business functions with the risk management, where Risk Management becoming a strategic partner for the Business Units to optimize the revenue from the Business Unit as a whole.*

*Risk management implemented by 4 (four) pillars of risk management: (i) Active Control from Board of Directors and Board of Commissioners; (ii) the adequacy of Policies and risk management procedures also risk Limit; (iii) the adequacy of identification, measurement, monitoring, and Risk control also Risk Management Information Systems, and (iv) Internal Control Systems. Implementation of risk management in BNI is undertaken within risk management framework. This risk management framework is outlined in the policies, procedures, transaction limits, authorities and other regulations as well as being applied in the risk management tools, which is applicable in the whole scope of business activities.*

*Periodic evaluation is applied to Risk Management Policies and Procedures to ensure it reflects the Bank's current business and regulations.*

*Risk Governance is formed to enforce the effectiveness of Risk Management Implementation, and as a part of Corporate Governance system, which focuses on structure, process and approach to risk management in achieving the business goals.*

*Initiatives and corrective actions have been taken to build a solid foundation for BNI's risk management, covering aspect of organization, strategies, information system and operations, and human capital. BNI have taken some anticipatory actions related to humanity and personal aspects of each individual of BNI by implementing risk culture enhancement to build a strong risk culture that is part of the BNI's company culture. BNI constantly strive to improve employee's risk culture in order to create a strong risk culture.*

*Related to the new product or activity, a comprehensive assessment for each of inherent risk in those new product or activity has been done to ensure the potential risk that may occur has been mitigated.*

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**48. MANAJEMEN RISIKO (lanjutan)**

Pengelolaan risiko kredit, risiko likuiditas, risiko pasar dan operasional BNI sebagaimana diuraikan pada Catatan 49 sampai dengan Catatan 52 adalah sesuai dengan definisi dari Regulator.

BNI juga melakukan pengelolaan terhadap risiko lainnya sesuai aturan Regulator, yaitu (i) risiko hukum untuk mengurangi kemungkinan kerugian dari tuntutan hukum atau kelemahan aspek yuridis seperti ketidakaaman peraturan perundang-undangan yang mendukung atau kelemahan perikatan seperti tidak dipenuhinya syarat sahnya kontrak atau pengikatan agunan yang tidak sempurna; (ii) risiko reputasi untuk mengurangi kemungkinan kerugian akibat menurunnya tingkat kepercayaan pemangku kepentingan (stakeholder) yang bersumber dari persepsi negatif terhadap Bank; (iii) risiko strategik untuk mengurangi kemungkinan kerugian akibat ketidaktepatan dalam pengambilan dan/ atau pelaksanaan suatu keputusan strategik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis; dan (iv) risiko kepatuhan untuk mengurangi kemungkinan kerugian karena Bank tidak mematuhi atau tidak melaksanakan peraturan perundang-undangan dan ketentuan.

Upaya-upaya yang dilakukan untuk mengelola risiko hukum, risiko reputasi, risiko strategis dan risiko kepatuhan seperti tersebut di atas diantaranya adalah:

- Mengelola Pedoman Perusahaan untuk risiko hukum, risiko reputasi, risiko strategis, dan risiko kepatuhan;
- Melakukan analisis aspek hukum dan uji kepatuhan terhadap produk atau aktivitas *existing* dan baru;
- Melakukan supervisi dan review secara berkala terhadap perjanjian atau kontrak yang telah dibuat dan dilaksanakan oleh unit-unit bisnis;
- Mengelola dan mengoptimalkan fungsi sarana *Online Customer Complaint* (OCC) serta pelaporannya, selanjutnya menyelesaikan permasalahan tersebut sesuai ketentuan yang berlaku;
- Mengelola jumlah pemberitaan negatif yang ada di media, baik media cetak maupun media elektronik dan menindaklanjuti pemberitaan tersebut sesuai dengan ketentuan yang berlaku.
- Melakukan perencanaan strategis melalui serangkaian proses untuk penyelarasan strategi perusahaan dengan strategi unit;
- Melakukan sertifikasi kepatuhan terhadap kebijakan dan prosedur sesuai dengan ketentuan yang berlaku.

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**48. RISK MANAGEMENT (continued)**

The management of BNI's credit, liquidity, market and operational risks, as described in Notes 49 to 52 are consistent with Regulator's definition.

BNI also manage risk management for other risks as regulated by Regulator, as follow (i) legal risk to minimize possible losses from lawsuits or weakness juridical aspects such as the absence of laws and regulations, or weaknesses such as noncompliance with the terms of the engagement validity of the contract or binding of collateral imperfect ; (ii) reputation risk to minimize possible losses due to stakeholder's declining levels of trust which comes from the negative perception of the Bank; (iii) strategic risk to minimize possible losses arising from inappropriate or improper implementation of Bank's strategy and business decisions, or strategy that is not responsive to external changes; and (iv) compliance risk to minimize possible losses of the Bank from non-compliance or failure to implement the prevailing laws and regulations.

The initiatives taken to manage legal risk, reputation risk, strategic risk and compliance risk as described above, among others, are as follows:

- Manage Operational Guidance Manual for legal risk, reputation risk, strategic risk, and compliance risk;
- Analysis of the legal aspects and compliance test for existing and new product or activities;
- Conduct assessment and analysis of the agreements or contracts entered into and executed by the business units;
- Manage and optimize Online Customer Complaint (OCC), including its reporting, in order to solve such problems based on prevailing policies;
- Managing the amounts of negative news on media, whether printed or electronic media, and follow up the proclamation in accordance with the prevailing policies.
- The strategic planning done through a series of strategic planning process to align of corporate strategy and strategy unit;
- Compliance certification to all policies and procedures in accordance with applicable regulations.

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**48. MANAJEMEN RISIKO (lanjutan)**

Sesuai dengan Surat Edaran OJK No.14/SEOJK.03/2015, BNI selaku Entitas Utama Keuangan wajib menerapkan Manajemen Risiko Terintegrasi secara komprehensif dan efektif. Tujuan penerapan manajemen risiko terintegrasi tersebut yaitu untuk mengelola seluruh risiko yang melekat pada aktivitas/kegiatan usaha konglomerasi keuangan bank serta menciptakan keunggulan kompetitif dan memelihara pertumbuhan yang berkesinambungan sehingga dapat meningkatkan nilai (*shareholder value*) konglomerasi keuangan bank secara keseluruhan.

Secara umum seluruh Lembaga Jasa Keuangan (LJK) anggota Konglomerasi Keuangan BNI, baik BNI sebagai LJK Induk (Entitas Utama) dan masing-masing LJK Anak telah menerapkan manajemen risiko, antara lain dengan membentuk unit risiko pada masing-masing LJK. Manajemen risiko pada masing-masing LJK Anak secara operasional dilakukan terpisah dari unit bisnis dan menjalankan fungsinya secara independen. Untuk mendukung penerapan manajemen risiko, pada organisasi LJK Anak juga dibentuk unit/ fungsi intern yang melakukan pemantauan kepatuhan terhadap kontrol internal secara rutin dan berkala. Disamping itu, Dewan Komisaris dan Direksi pada masing-masing LJK Anak secara aktif juga melakukan pemantauan, dan evaluasi melalui laporan-laporan yang disampaikan oleh setiap LJK Anak untuk selanjutnya digunakan sebagai salah satu bahan pertimbangan dalam menetapkan kebijakan pada LJK Anak.

BNI selaku Entitas Utama telah melakukan koordinasi dengan LJK Anak untuk menerapkan manajemen risiko sesuai ketentuan Otoritas Jasa Keuangan/ Bank Indonesia, antara lain dengan melakukan pemantauan dan pengukuran risiko yang dituangkan dalam bentuk penilaian Kecukupan Penyediaan Modal Minimum (KPMM) Konsolidasi, KPMM Terintegrasi, penilaian Tingkat Kesehatan Bank (TKB) konsolidasi, serta penilaian Profil Risiko Konsolidasi dan penilaian Profil Risiko Terintegrasi Konglomerasi Keuangan BNI.

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**48. RISK MANAGEMENT (continued)**

*In accordance with the Circular Letter of Financial Services Authority regulations (SEOJK) No. 14/SEOJK.03/2015, BNI as parent entity financial conglomerate have to implement the integrated risk management comprehensively and effectively. The purpose of the implementation of integrated risk management implementation is to manage the whole inherent risks in financial conglomerate business activity, also to create a competitive advantages and maintain sustainable growth, so that it can increase the financial conglomerate shareholder value of the Bank as a whole.*

*Generally, all of the Financial Services Institutions (FSI) as part of the BNI Financial Conglomeration, whether BNI as the Parent FSI (Main Entity) and each Subsidiaries FSI have implemented risk management, among others by establishing a risk unit in each FSI. Risk management in each FSI is operating separately from the business unit and conducts its function independently. To support the implementation of risk management, the FSI have established internal control units/ function in their organizational structure, which monitor the compliance with internal controls regularly and periodically on a regular basis. In addition, the Boards of Commissioners and Directors of the respective Subsidiaries actively monitor and evaluate the internal controls of the Subsidiaries, through the reports submitted by the respective Subsidiaries, as a basis in formulating and developing appropriate policies for the Subsidiaries.*

*As the Parent Entity, BNI coordinates with its FSI Subsidiaries regarding the implementation of risk management policies as defined by Indonesia Financial Services Authority/ Bank Indonesia, among others by implementing risk monitoring and measurement in the form of consolidated Capital Adequacy Ratio (CAR) assessment, integrated Capital Adequacy Ratio (CAR) assessment, Bank's consolidated soundness rating consolidated assessment, and also integrated risk profile assessment on BNI Financial Conglomeration.*

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**48. MANAJEMEN RISIKO (lanjutan)**

Profil risiko BNI menggambarkan risiko yang melekat dalam kegiatan bisnis Bank (*inherent risk*) termasuk kualitas penerapan Manajemen Risiko yang mencerminkan sistem pengendalian risiko (*risk control system*) untuk masing-masing jenis risiko. Penilaian Profil Risiko BNI telah dilakukan sesuai dengan lampiran SE BI No. 13/24/ DPNP tanggal 25 Oktober 2011 perihal Penilaian Tingkat Kesehatan Bank Umum. Berdasarkan hasil laporan terakhir atas penilaian sendiri (*self assessment*), peringkat risiko inheren BNI posisi 31 Desember 2016 adalah *low to moderate* dengan peringkat kualitas penerapan manajemen risiko yang memadai (*satisfactory*) sehingga peringkat komposit Profil Risiko BNI adalah 2 (*low to moderate*) (tidak diaudit).

Penilaian Profil Risiko Terintegrasi merupakan penilaian terhadap 10 (sepuluh) jenis Risiko berdasarkan Risiko Inheren dan Kualitas Penerapan Manajemen Risiko (KPMR) terintegrasi. Kesepuluh jenis Risiko tersebut adalah Risiko Kredit, Risiko Pasar, Risiko Likuiditas, Risiko Operasional, Risiko Hukum, Risiko Reputasi, Risiko Strategik, Risiko Kepatuhan, Risiko Transaksi Intra-Grup dan Risiko Asuransi. Penilaian Profil Risiko BNI Terintegrasi tersebut telah dilakukan sesuai dengan lampiran SE OJK No. 14/SEOJK.03/2015 tanggal 25 Mei 2015 tentang Penerapan Manajemen Risiko Terintegrasi bagi Konglomerasi Keuangan.

Penilaian Profil Risiko Terintegrasi dilakukan Semesteran. Berdasarkan hasil laporan terakhir secara penilaian sendiri (*self assessment*), peringkat risiko inheren posisi 30 Juni 2016 adalah *low to moderate* dengan peringkat kualitas penerapan manajemen risiko yang memadai (*satisfactory*) sehingga peringkat komposit Profil Risiko Konglomerasi Keuangan BNI adalah 2 (*low to moderate*) (tidak diaudit).

**49. RISIKO KREDIT**

Pengelolaan kredit Bank diarahkan untuk melakukan ekspansi kredit dan mengelola kualitas setiap kredit sejak saat diberikan sampai dengan dilunasi untuk mencegah kredit tersebut menjadi kredit bermasalah (*Non-Performing Loan/NPL*). Pengelolaan kredit yang efektif dapat meminimalkan kerugian dan mengoptimalkan penggunaan modal yang dialokasikan untuk risiko kredit.

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**48. RISK MANAGEMENT (continued)**

The risk profile of BNI reflects the inherent risk of the Bank's business, including the risk control system for each type of risk. The risk profile of BNI has been performed based on attachment of SE BI No. 13/24/DPNP dated 25 October 2011 about Bank's soundness rating assessment. Based on the results of a recent self-assessment report, inherent risk rank of BNI as of 31 December 2016 is low to moderate and the quality of the risk management implementation rank is satisfactory, therefore the risk profile composite rank of BNI is 2 (low to moderate) (unaudited).

Integrated Risk Profile assessment is the assessment of the 10 (ten) type of risks based on the Inherent Risks and the integrated Implementation of Risk Management Quality (KPMR). The ten types of risks that being assessed are Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Reputation Risk, Strategic Risk, Compliance Risk, Intra Group Transactions Risk and Risk Insurance. Assessment of the Integrated Risk Profile has been complies with the SE OJK No. 14/SEOJK.03/2015 dated 25 May 2015 about Integrated Risk Management Implementation for Financial Conglomerate.

Integrated risk profile assessment being conducted semi annually. Based on the results of the last self assessment, the inherent risk rank of BNI as of as of 30 June 2016 is low to moderate with the quality of the risk management implementation rank is satisfactory, therefore the composite rank of BNI's Risk Profile as financial conglomeration is 2 (low to moderate) (unaudited).

**49. CREDIT RISK**

The Bank's loan management is aimed to support the loan expansion and to manage the quality of each loan from the time the loan was granted until the loan is fully repaid by the debtors, to prevent the loan becoming a Non-Performing Loan (NPL). Effective loan management is intended to minimize the risk of losses and optimize the use of capital allocated for credit risk.

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**49. RISIKO KREDIT (lanjutan)**

Tujuan pengelolaan risiko kredit BNI selain untuk memenuhi persyaratan-persyaratan yang telah ditetapkan oleh peraturan Bank Indonesia dan peraturan Otoritas Jasa Keuangan adalah untuk mengelola kemungkinan kerugian yang timbul akibat debitur gagal bayar atas pinjaman atau fasilitas kredit yang diberikan dan kontrak keuangan lainnya seminimal mungkin, baik pada tingkat individu maupun portofolio kredit secara keseluruhan.

BNI telah memiliki kebijakan dan prosedur perkreditan serta manajemen risiko kredit yang diputuskan dalam forum Komite Kebijakan Perkreditan (KKP), Komite Prosedur Perkreditan (KPP), Komite Risiko dan Kapital sub bidang Manajemen Risiko (KRK-RMC) yang beranggotakan Direksi dan beberapa anggota manajemen senior serta Rapat Direksi (Radisi), juga secara tertulis dituangkan dalam Pedoman Perusahaan (PP) Perkreditan dan Pedoman Perusahaan Manajemen Risiko Kredit.

Kebijakan-kebijakan tersebut memberikan pedoman secara lengkap dan terperinci atas kegiatan manajemen kredit dari saat pengajuan kredit, proses analisis, persetujuan, pemantauan, pendokumentasian, pengendalian penyelamatan/restrukturisasi dan penyelesaian kredit bermasalah.

Dalam rangka mendukung proses pemberian kredit yang lebih hati-hati, BNI melakukan penelaahan dan penyempurnaan kebijakan perkreditan dan kebijakan manajemen risiko kredit secara periodik sesuai dengan perkembangan bisnis terkini.

Pengelolaan risiko kredit diterapkan pada tingkat individu dan tingkat portofolio. Pada tingkat individu pinjaman untuk kredit produktif, setiap usulan pemberian kredit dilakukan melalui proses analisis kredit oleh Unit Bisnis dan direview oleh unit risiko kredit. Mekanisme persetujuan kredit dilakukan melalui rapat Komite Kredit. Komite Kredit merupakan lembaga pemutus kredit yang beranggotakan pemutus dari Unit Bisnis dan Unit Risiko Bisnis, dengan demikian proses pemberian kredit menjadi lebih komprehensif dan hati-hati.

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**49. CREDIT RISK (continued)**

*The purpose of the BNI's credit risk management other than to comply with Bank Indonesia and Financial Services Authority regulations is to manage the possible losses resulting from the debtors failed to pay on loans or credit facility and other financial contracts at the minimum level, both on the individual and loan portfolio level.*

*BNI already has loan policies, credit and credit risk management procedures that was decided in the Credit Policy Committee (KKP) and Credit Procedures Committee (KPP), Risks and Capital Committee sub division of Risk Management (KRK-RMC) consist of Board of Directors and several members of senior management, and also Board of Directors meetings, also as written in the Credit Company Guidelines (PP) and Credit Risk Management Company Guidelines.*

*These policies provide complete and detailed guidance on loan management activities from loan proposal, analysis process, approval, monitoring, documentation, controls, restructuring and the settlements of non-performing loans.*

*To support a prudent loan granting process, BNI conducts periodic reviews and enhances its loan and credit risk management policies in line with current business developments.*

*Credit risk management is implemented both at the individual and portfolio level. At the individual level, for productive loans, each loan proposal is made through a process of analysis by the Business Unit and being review by the credit risk unit. The credit approval process mechanism is through a credit committee meeting. The credit committee constitutes the decision maker for credit approval, which consists of representatives from Business Units and representatives from the Credit Risk Unit, so then the loan granting process become more comprehensive and cautious.*

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**49. RISIKO KREDIT (lanjutan)**

Pada tingkat portofolio, setiap tahun sekali ditetapkan batas maksimum pinjaman (*Loan Exposure Limit*) yang bertujuan untuk mendiversifikasi portofolio pinjaman berdasarkan sektor industri untuk mengoptimalkan pendapatan dengan mempertimbangkan risiko di masing-masing sektor industri serta mengurangi risiko konsentrasi. Dalam penentuan konsentrasi tiap sektor industri yang optimal, Bank mengembangkan metode *Credit Portfolio Optimisation (CPO)* dengan memperhitungkan korelasi *risk-return* dari tiap sektor industri. Selanjutnya Bank memonitor status kelonggaran ekspansi pinjaman (*space available*) secara periodik berdasar *Loan Exposure Limit (LEL)*.

Proses analisis dan persetujuan kredit dilakukan melalui serangkaian proses penilaian tingkat risiko kredit calon debitur, yang diantaranya dengan menggunakan *internal rating system* (untuk kredit produktif) dan *scoring system* (untuk kredit konsumtif dan kredit produktif segmen ritel), sekaligus juga strategi mitigasi risikonya. Hasil proses analisis dan penilaian tingkat risiko kredit kemudian diajukan kepada Komite Kredit untuk mendapatkan persetujuan.

Kredit yang bermasalah dikelola oleh Divisi Penyelamatan dan Penyelesaian Kredit Korporasi untuk segmen Korporasi dan Divisi Penyelamatan dan Penyelesaian Kredit Komersial dan Usaha Kecil untuk segmen menengah dan kecil, agar penyelamatan/ penyelesaian kredit dapat dilakukan secara lebih baik dan memampukan Unit Usaha untuk dapat fokus pada pengelolaan debitur lancar dan melakukan ekspansi kredit.

Sebagai upaya memitigasi risiko kredit per debitur, Bank menentukan struktur kredit termasuk penentuan covenant yang tepat sesuai kebutuhan dan kondisi debitur, sehingga kredit yang diberikan benar-benar efektif dan menguntungkan bagi debitur maupun Bank. Jenis agunan yang dimiliki oleh Bank adalah kas, deposito, agunan yang diikat dengan hipotik, garansi serta jaminan dalam bentuk aset lainnya. Pekerjaan nilai wajar dari agunan yang digunakan oleh Bank didasarkan pada nilai agunan yang dinilai oleh penilai internal maupun eksternal.

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**49. CREDIT RISK (continued)**

At portfolio level, the loan exposure limit is determined annually to diversify loan portfolio among different industry sectors in order to optimize return regarding risk in each sector and to reduce concentration risk. In the determination of optimal concentration in industry sectors, Bank has developed a method of Credit Portfolio Optimisation by calculating the correlation of risk return from each industry sectors. Furthermore, Bank monitors the status of the space available based on Loan Exposure Limit (LEL) periodically.

Loan analysis and approval process is conducted through several assessment processes of the applicant's credit risks, i.e. through internal rating system (for productive loans) and scoring system (for consumer and retail loans), followed by the related risk mitigation strategy. The results of the credit's analysis and risk assessment process will be forwarded to the Credit Committee for approval.

Non performing loan is managed by a Corporate Remedial and Recovery Division for corporate segment and Commercial Remedial and Recovery Division for middle and small segment, to ensure better credit recovery and settlement, and to enable the Business Unit to focus on the management of performing debtors and loan expansion.

To mitigate credit risk, the Bank sets loan structure for every debtor through appropriate covenants that aligns with debtor needs and condition. This is to ensure the debtor uses the loan according to original purpose so that bank and debtor's interest are fulfilled. Collateral types held by the Bank are cash, deposits, registered mortgages, guarantees and other registered securities over assets. Estimates of fair value of collateral held by the Bank is based on the value of collateral assessed internally or externally by the independent appraisers.

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**49. RISIKO KREDIT (lanjutan)**

Ketentuan coverage atau kecukupan agunan untuk tiap segmen ditentukan sebagai berikut:

Segmen/Segment	Jenis Agunan/Collateral	Jumlah Coverage Minimal* / Minimum Coverage Amount
Korporasi/ Wholesale	Aset tetap/Fixed Asset	100% dari limit kredit/from credit limit
	Kas/Cash	
	SBLC	
	Tanah dan Bangunan/Land and Building	
	Piutang/Receivable	
	Kendaraan/Vehicle	
	Agunan lain yang diterima oleh Bank/Other collaterals held by the Bank	
Menengah/ Middle	Aset tetap/Fixed Asset	125% dari limit kredit/from credit limit
	Kas/Cash	
	SBLC	
	Tanah dan Bangunan/Land and Building	
	Piutang/Receivable	
	Kendaraan/Vehicle	
	Agunan lain yang diterima oleh Bank/Other collaterals held by the Bank	
Kecil/Retail	Aset tetap/Fixed Asset	110% dari limit kredit/from credit limit
	Kas/Cash	
	SBLC	

Pengembangan manajemen risiko kredit dilakukan secara bertahap sesuai dengan kerangka kerja yang ditetapkan Bank Indonesia/Otoritas Jasa Keuangan. Khusus untuk pengukuran risiko kredit, BNI menggunakan metode standar. Selanjutnya, BNI juga mempersiapkan dan mengembangkan metodologi rating internal. Saat ini BNI sedang mempersiapkan parameter risiko yang akan digunakan dalam perhitungan risiko kredit seperti *Probability of Default*, *Loss Given Default* dan *Exposure at Default*.

- (i) Eksposur maksimum risiko kredit tanpa memperhitungkan agunan dan pendukung kredit lainnya

Eksposur risiko kredit terhadap aset-neto sesudah cadangan kerugian penurunan nilai pada laporan posisi keuangan konsolidasian pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

*The development of credit risk management is conducted in stages, and inline with the framework set by Bank Indonesia/Financial Services Authority. Specifically for measuring credit risk, BNI utilizes the standardized approach methodology. Furthermore, BNI also prepares and develops internal ratings-based methodology. Currently BNI prepares risk parameters, which will be used in the calculation of credit risk such as Probability of Default, Loss Given Default and Exposure at Default.*

- (i) *Maximum exposure of the credit risk before collateral held and other credit enhancements*

*Credit risk exposures relating to the assets-net of allowance possible losses on the consolidated statement of financial position as of 31 December 2016 and 2015 are as follows:*

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**49. RISIKO KREDIT (lanjutan)**

- (i) Eksposur maksimum risiko kredit tanpa memperhitungkan agunan dan pendukung kredit lainnya (lanjutan)

Keterangan	Eksposur maksimum/ Maximum exposure		<i>Description</i>
	2016	2015	
Giro pada Bank Indonesia	30,146,853	30,932,177	Current accounts with Bank Indonesia
Giro pada bank lain	6,298,019	8,998,793	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	33,661,668	33,416,808	Placements with other banks and Bank Indonesia
Efek-efek			Marketable securities
- Nilai wajar melalui laporan laba rugi	4,718,833	3,704,208	Fair value through profit or loss -
- Tersedia untuk dijual	17,033,703	4,685,094	Available-for-sale -
- Dimiliki hingga jatuh tempo	2,012,214	1,538,192	Held-to-maturity -
Efek-efek yang dibeli dengan janji dijual kembali	1,664,750	376,215	Securities purchased under agreements to resell
Wesel ekspor dan tagihan lainnya	8,567,795	8,831,444	Bills and other receivables
Tagihan akseptasi	14,724,394	10,820,613	Acceptances receivable
Tagihan derivatif	249,864	440,701	Derivatives receivable
Pinjaman yang diberikan	376,594,527	314,066,531	Loans
Obligasi Pemerintah			Government Bonds
- Nilai wajar melalui laporan laba rugi	705,819	456,762	Fair value through profit or loss -
- Tersedia untuk dijual	43,660,340	34,337,813	Available-for-sale -
- Dimiliki hingga jatuh tempo	18,640,180	12,427,744	Held-to-maturity -
Penyertaan saham	57,169	35,793	Equity investments
Aset lain-lain - neto*)	5,665,671	2,987,305	Other assets - net*)
<b>Neto</b>	<b>564,401,799</b>	<b>468,056,193</b>	<b>Net</b>

\*) Aset lain-lain - neto terdiri dari piutang bunga, piutang terkait transaksi ATM dan kartu kredit, piutang lain-lain dan piutang premi asuransi.

\*) Other assets - net consist of interest receivables, receivables from transactions related to ATM and credit card, other receivables and insurance premium receivables.

Eksposur risiko kredit terhadap rekening administratif konsolidasian pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

Credit risk exposures relating to consolidated administrative accounts items as of 31 December 2016 and 2015 are as follows:

Keterangan	Eksposur maksimum/ Maximum exposure		<i>Description</i>
	2016	2015	
Fasilitas kredit kepada debitur yang belum digunakan ( <i>committed</i> ) <i>Irrevocable letters of credit</i> yang masih berjalan	1,800,036	1,640,062	Unused loan facilities ( <i>committed</i> ) Outstanding irrevocable letters of credit
Garansi bank yang diterima	10,514,690	9,147,646	Bank guarantees received
Garansi yang diterbitkan	18,696,786	16,405,866	Guarantees issued
<b>Total</b>	<b>85,306,755</b>	<b>72,918,062</b>	<b>Total</b>

Tabel di atas menggambarkan eksposur maksimum atas risiko kredit bagi Grup pada tanggal 31 Desember 2016 dan 2015, tanpa memperhitungkan agunan atau pendukung kredit lainnya. Untuk aset laporan posisi keuangan konsolidasian, eksposur di atas ditentukan berdasarkan nilai tercatat neto seperti yang diungkapkan pada laporan posisi keuangan konsolidasian.

The table above represents credit risk exposures of the Group as of 31 December 2016 and 2015, without taking into account any collaterals held or other credit enhancements. For assets on the consolidated statement of financial position, the exposures set out above are based on net carrying value as reported in the consolidated statement of financial position.

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**49. RISIKO KREDIT (lanjutan)**

- (i) Eksposur maksimum risiko kredit tanpa memperhitungkan agunan dan pendukung kredit lainnya (lanjutan)

Pada tanggal 31 Desember 2016 dan 2015, masing-masing sebesar 66,72% dan 67,10% adalah jumlah eksposur risiko kredit maksimum terhadap aset pada laporan posisi keuangan konsolidasian yang berasal dari pinjaman yang diberikan.

Manajemen yakin akan kemampuan Bank untuk mengendalikan dan memelihara eksposur risiko kredit yang berasal dari kredit yang diberikan, berdasarkan hal-hal sebagai berikut:

- Proses peningkatan pengelolaan kredit secara berkelanjutan melalui penyempurnaan proses kredit, pengembangan produk penyempurnaan organisasi perkreditan, peningkatan kemampuan SDM di bidang perkreditan dan pengembangan perangkat kredit berbasis Teknologi.
  - BNI telah memiliki pedoman tertulis mengenai kebijakan dan proses kredit yang mencakup seluruh aspek pemberian kredit yang dilakukan. Setiap pemberian kredit harus senantiasa mengacu pada kebijakan tersebut.
  - BNI telah menetapkan *risk appetite* dan *risk tolerance* yang selaras dengan sasaran strategis Bank, yang digunakan sebagai acuan tingkat risiko yang akan diambil Bank dalam pencapaian sasaran bisnis.
  - BNI telah melakukan *stress test* risiko kredit untuk menilai kemampuan Bank bertahan dalam kondisi tidak normal serta sebagai alat untuk pengambilan keputusan Bank.
  - BNI telah memiliki sistem deteksi dini permasalahan melalui "early warning system" dan pemantauan yang disiplin.
  - Seluruh kredit diberikan dengan agunan kecuali untuk jenis kredit tertentu seperti kartu kredit, *personal loans* dan fasilitas antar bank.
- (ii) Analisa eksposur maksimum terhadap risiko kredit setelah memperhitungkan dampak agunan dan mitigasi risiko kredit lainnya

Nilai tercatat dari aset keuangan bank selain kredit yang diberikan dan efek-efek yang dibeli dengan janji dijual kembali menggambarkan eksposur maksimum atas risiko kredit.

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**49. CREDIT RISK (continued)**

- (i) Maximum exposure of the credit risk before collateral held and other credit enhancements (continued)

As of 31 December 2016 and 2015, the total maximum credit risk exposure in consolidated statement of financial position from loans is 66.72% and 67.10%, respectively.

Management is confident in its ability to control and sustain exposure of credit risk to the Bank resulting from its loans based on the following:

- The process of improving credit management in a sustainable manner by improving credit processes, product development credit organization improvement, credit capability improvement of human resources and development of technology based for credit application.
- BNI has a documented credit policies and manual procedures that cover all aspects of the Bank's lending activities. Each loan transactions must adhere to the requirements of the Bank's policy.
- BNI has set risk appetite and risk tolerance in accordance with the Bank's strategic objectives, which are used as a reference level of risk to be taken by the Bank in achieving business goals.
- BNI has done stress test on credit risk to assess the ability of Bank to stay in the non-normal condition and as an instrument for decision making for the Bank.
- BNI has an early problem detection system through "early warning system" and disciplined monitoring.
- All loans are secured by collaterals, except for certain loans such as credit cards, personal loans and interbank loans.

- (ii) Analysis of maximum exposure to credit risk after taking into account the impact of collateral and other credit risk mitigation.

The carrying amounts of financial assets other than bank loans and securities purchased under agreement to resell is equal to the maximum exposure of credit risk.

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**49. RISIKO KREDIT (lanjutan)**

- (ii) Analisa eksposur maksimum terhadap risiko kredit setelah memperhitungkan dampak agunan dan mitigasi risiko kredit lainnya (lanjutan)

Tabel dibawah ini menunjukkan *net maximum exposure* atas risiko kredit untuk efek-efek yang dibeli dengan janji dijual kembali pada tanggal-tanggal 31 Desember 2016 dan 2015.

Keterangan	2016			Description																																																																																																																			
	Eksposur maksimum/ Maximum exposure	Agunan/ Collateral	Eksposur Neto/ Net Exposure																																																																																																																				
Efek-efek yang dibeli dengan janji dijual kembali	1,664,750	1,807,606	-	<i>Securities purchased under agreements to resell</i>																																																																																																																			
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Keterangan	Eksposur maksimum/ Maximum exposure	Agunan/ Collateral	Eksposur Neto/ Net Exposure	Description																																																																																																																			
	376,215	398,041	-	<i>Securities purchased under agreements to resell</i>																																																																																																																			
(iii) Informasi kualitas kredit atas aset keuangan per tanggal 31 Desember 2016 dan 2015 sebagai berikut:																																																																																																																							
<table border="1"> <thead> <tr> <th colspan="5">2016</th> </tr> <tr> <th colspan="5">Belum jatuh tempo atau tidak mengalami penurunan nilai/ Neither past due nor impaired</th> </tr> <tr> <th>Grup 1/ Group 1</th><th>Grup 2/ Group 2</th><th>Grup 3/ Group 3</th><th>Grup 4/ Group 4</th><th>Grup 5/ Group 5</th></tr> </thead> <tbody> <tr> <td>Giro pada Bank Indonesia</td><td>-</td><td>30,146,853</td><td>-</td><td>-</td></tr> <tr> <td>Giro pada bank lain Penempatan pada bank lain dan Bank Indonesia</td><td>198</td><td>6,299,569</td><td>-</td><td>-</td></tr> <tr> <td>Efek-efek</td><td>12,337,571</td><td>10,893,413</td><td>-</td><td>-</td></tr> <tr> <td>Efek-efek yang dibeli dengan janji dijual kembali</td><td>1,664,750</td><td>-</td><td>-</td><td>-</td></tr> <tr> <td>Wesel eksport dan tagihan lainnya</td><td>1,932,417</td><td>6,666,646</td><td>-</td><td>-</td></tr> <tr> <td>Tagihan akseptasi</td><td>3,969,459</td><td>10,286,881</td><td>376,233</td><td>-</td></tr> <tr> <td>Tagihan derivatif</td><td>-</td><td>249,864</td><td>-</td><td>-</td></tr> <tr> <td>Pinjaman yang diberikan</td><td></td><td></td><td></td><td></td></tr> <tr> <td>    Modal kerja</td><td>9,295,481</td><td>129,419,737</td><td>11,208,883</td><td>456,631</td></tr> <tr> <td>    Investasi</td><td>9,835,768</td><td>67,679,970</td><td>4,108,670</td><td>100,955</td></tr> <tr> <td>    Konsumen</td><td>8,681,700</td><td>46,316,888</td><td>11,696,717</td><td>181,828</td></tr> <tr> <td>    Sindikasi</td><td>2,986,194</td><td>33,840,101</td><td>4,047,491</td><td>-</td></tr> <tr> <td>    Karyawan</td><td>80,527</td><td>2,932,995</td><td>237,816</td><td>5,207</td></tr> <tr> <td>    Program Pemerintah</td><td>-</td><td>277,583</td><td>141,447</td><td>-</td></tr> <tr> <td>    Obligasi Pemerintah</td><td>-</td><td>63,006,339</td><td>-</td><td>-</td></tr> <tr> <td>    Penyertaan saham</td><td>-</td><td>57,169</td><td>-</td><td>-</td></tr> <tr> <td>    Aset lain-lain - neto*)</td><td>-</td><td>5,665,671</td><td>-</td><td>-</td></tr> <tr> <td>Total</td><td><b>50,784,065</b></td><td><b>447,401,847</b></td><td><b>31,817,257</b></td><td><b>744,621</b></td></tr> <tr> <td>Cadangan kerugian penurunan nilai</td><td></td><td></td><td></td><td>(16,890,322)</td></tr> <tr> <td><b>Neto</b></td><td></td><td></td><td></td><td><b>564,401,799</b></td></tr> </tbody> </table>					2016					Belum jatuh tempo atau tidak mengalami penurunan nilai/ Neither past due nor impaired					Grup 1/ Group 1	Grup 2/ Group 2	Grup 3/ Group 3	Grup 4/ Group 4	Grup 5/ Group 5	Giro pada Bank Indonesia	-	30,146,853	-	-	Giro pada bank lain Penempatan pada bank lain dan Bank Indonesia	198	6,299,569	-	-	Efek-efek	12,337,571	10,893,413	-	-	Efek-efek yang dibeli dengan janji dijual kembali	1,664,750	-	-	-	Wesel eksport dan tagihan lainnya	1,932,417	6,666,646	-	-	Tagihan akseptasi	3,969,459	10,286,881	376,233	-	Tagihan derivatif	-	249,864	-	-	Pinjaman yang diberikan					Modal kerja	9,295,481	129,419,737	11,208,883	456,631	Investasi	9,835,768	67,679,970	4,108,670	100,955	Konsumen	8,681,700	46,316,888	11,696,717	181,828	Sindikasi	2,986,194	33,840,101	4,047,491	-	Karyawan	80,527	2,932,995	237,816	5,207	Program Pemerintah	-	277,583	141,447	-	Obligasi Pemerintah	-	63,006,339	-	-	Penyertaan saham	-	57,169	-	-	Aset lain-lain - neto*)	-	5,665,671	-	-	Total	<b>50,784,065</b>	<b>447,401,847</b>	<b>31,817,257</b>	<b>744,621</b>	Cadangan kerugian penurunan nilai				(16,890,322)	<b>Neto</b>				<b>564,401,799</b>
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**49. RISIKO KREDIT (lanjutan)**

(iii) Informasi kualitas kredit atas aset keuangan per tanggal 31 Desember 2016 dan 2015 sebagai berikut: (lanjutan)

	2015					Jatuh tempo dan tidak mengalami penurunan nilai/ Past-due but not Impaired	Mengalami penurunan nilai/ Impaired	Total	Current accounts with Bank Indonesia Current accounts with other banks Placements with other banks and Bank Indonesia Marketable securities Securities purchased under agreements to resell Bills and other receivables Acceptances receivable Derivatives receivables Loans Working capital Investment Consumer Syndicated Employee Government programs Government Bonds Equity investments Other assets - net*)				
	Belum jatuh tempo atau tidak mengalami penurunan nilai/ Neither past due nor impaired												
	Grup 1/ Group 1	Grup 2/ Group 2	Grup 3/ Group 3	Grup 4/ Group 4	Grup 5/ Group 5								
Giro pada Bank Indonesia	-	30,932,177	-	-	-	-	-	30,932,177	Current accounts with Bank Indonesia				
Giro pada bank lain	-	8,999,699	-	-	-	-	-	8,999,699	Current accounts with other banks				
Penempatan pada bank lain dan Bank Indonesia	13,233,096	20,183,712	-	-	-	-	-	33,416,808	Placements with other banks and Bank Indonesia				
Efek-efek	118,603	9,492,019	-	-	-	-	353,181	9,963,803	Marketable securities Securities purchased under agreements to resell				
Efek-efek yang dibeli dengan janji dijual kembali	376,215	-	-	-	-	-	-	376,215	Bills and other receivables				
Wesel eksport dan tagihan lainnya	2,131,992	6,725,831	-	-	-	-	-	8,857,823	Acceptances receivable				
Tagihan akseptasi	2,877,897	7,710,374	232,397	-	-	2,496	76,637	10,899,801	Derivatives receivables				
Tagihan derivatif	-	440,701	-	-	-	-	-	440,701	Loans				
Pinjaman yang diberikan													
Modal kerja	7,759,782	115,787,896	11,246,132	314,490	8,516,960	3,837,751	4,915,677	152,378,688					
Investasi	8,943,780	49,605,618	5,408,154	68,900	4,448,410	2,066,908	2,169,862	72,711,632					
Konsumen	7,286,265	40,857,661	10,329,867	171,106	824,182	3,259,742	1,456,487	64,185,310					
Sindikasi	6,628	16,701,222	13,763,499	-	1,772,789	349,478	146,087	32,739,703					
Karyawan	95,914	2,910,425	254,145	6,082	15,812	17,142	18,397	3,317,917					
Program Pemerintah	14,682	613,504	66,866	202	71,552	1,993	3,100	771,899					
Obligasi Pemerintah	748,208	46,474,111	-	-	-	-	-	47,222,319					
Penyertaan saham	-	59,964	-	-	-	-	536	60,500					
Aset lain-lain - neto*)	-	2,987,305	-	-	-	-	-	2,987,305					
<b>Total</b>	<b>43,593,062</b>	<b>360,482,219</b>	<b>41,301,060</b>	<b>560,780</b>	<b>15,649,705</b>	<b>9,535,510</b>	<b>9,139,964</b>	<b>480,262,300</b>					
Cadangan kerugian penurunan nilai								(12,206,107)	Allowance for impairment losses				
<b>Neto</b>								<b>468,056,193</b>	<b>Net</b>				

\* Aset lain-lain - neto terdiri dari piutang bunga, piutang terkait transaksi ATM dan kartu kredit, piutang lain-lain dan piutang premi asuransi.

\*) Other assets - net consist of interest receivables, receivables from transactions related to ATM and credit card, other receivables and insurance premium receivables.

- **Grup 1** : Debitur baru (kurang dari 6 bulan).

- **Group 1** : New customers (less than 6 months).

- **Grup 2** : Nasabah lama yang tidak memiliki historis pernah menunggak dalam 3 tahun terakhir.

- **Group 2** : Existing customers with no history of overdue for the past 3 years.

- **Grup 3** : Nasabah lama yang memiliki historis pernah menunggak (dibawah 90 hari) dalam 3 tahun terakhir.

- **Group 3** : Existing customers with history of overdue below 90 days in the past 3 years.

- **Grup 4** : Nasabah lama yang memiliki historis pernah menunggak diatas 90 hari dalam 3 tahun terakhir.

- **Group 4** : Existing customers with history of default more than 90 days in the past 3 years.

- **Grup 5** : Nasabah lama yang pinjamannya pernah/telah direstrukturisasi.

- **Group 5** : Existing customers with loans that was/has been restructured.

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**49. RISIKO KREDIT (lanjutan)**

- (iv) Analisis umur pinjaman yang jatuh tempo tetapi tidak mengalami penurunan nilai pada tanggal 31 Desember 2016 dan 2015.

	2016			<i>Total</i>	<i>Working capital Investment Consumer Syndication Employee Government programs</i>
	<i>Kurang dari 30 hari/ Less than 30 days</i>	<i>31 sampai 60 hari/ 31 to 60 days</i>	<i>Lebih dari 60 hari/ More than 60 days</i>		
Modal kerja	706,624	365,518	4,575,578	5,647,720	
Investasi	1,788	3,083	3,283,922	3,288,793	
Konsumen	576,898	5,082	2,403,638	2,985,618	
Sindikasi	-	-	58,503	58,503	
Karyawan	150	29	27,007	27,186	
Program pemerintah	-	-	415	415	
<b>Total</b>	<b>1,285,460</b>	<b>373,712</b>	<b>10,349,063</b>	<b>12,008,235</b>	<i>Total</i>
Cadangan kerugian penurunan nilai	(278,801)	(110,171)	(1,710,687)	(2,099,659)	<i>Allowance for impairment losses</i>
<b>Neto</b>	<b>1,006,659</b>	<b>263,541</b>	<b>8,638,376</b>	<b>9,908,576</b>	<i>Net</i>
	2015			<i>Total</i>	<i>Working capital Investment Consumer Syndication Employee Government programs</i>
	<i>Kurang dari 30 hari/ Less than 30 days</i>	<i>31 sampai 60 hari/ 31 to 60 days</i>	<i>Lebih dari 60 hari/ More than 60 days</i>		
Modal kerja	1,452,114	237,977	2,147,660	3,837,751	
Investasi	32,600	22,766	2,011,542	2,066,908	
Konsumen	836,730	96,774	2,326,238	3,259,742	
Sindikasi	58,522	-	290,956	349,478	
Karyawan	534	-	16,608	17,142	
Program pemerintah	1,599	-	394	1,993	
<b>Total</b>	<b>2,382,099</b>	<b>357,517</b>	<b>6,793,398</b>	<b>9,533,014</b>	<i>Total</i>
Cadangan kerugian penurunan nilai	(656,610)	(32,277)	(1,276,731)	(1,965,618)	<i>Allowance for impairment losses</i>
<b>Neto</b>	<b>1,725,489</b>	<b>325,240</b>	<b>5,516,667</b>	<b>7,567,396</b>	<i>Net</i>

- (v) Konsentrasi risiko aset keuangan konsolidasian dengan eksposur risiko kredit

Tabel berikut menggambarkan rincian eksposur kredit Grup pada nilai tercatat (tanpa memperhitungkan agunan atau pendukung kredit lainnya), yang dikategorikan berdasarkan area geografis pada tanggal-tanggal 31 Desember 2016. Untuk tabel ini, Grup telah mengalokasikan eksposur area berdasarkan wilayah geografis tempat mereka beroperasi.

- (v) Concentration of risks of consolidated financial assets with credit risk exposure

The following table provides details of the Group's credit exposures at their carrying amounts (without taking into account any collateral held or other credit support), as categorized by geographical region as of 31 December 2016. For this table, the Group has allocated exposures to the regions based on the geographical area where activities are undertaken.

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**49. RISIKO KREDIT (lanjutan)**

**49. CREDIT RISK (continued)**

	2016						
	Jawa & Bali	Sumatera	Kalimantan	Sulawesi	Indonesia Timur/ East Indonesia	Lain-lain *%/ Others *)	Total
Giro pada Bank Indonesia	28,922,705	-	-	-	-	1,224,148	30,146,853
Giro pada bank lain	2,902,627	6	834	3,421	2,128	3,390,751	6,299,767
Penempatan pada bank lain dan Bank Indonesia	29,201,543	-	2	-	-	4,460,623	33,662,168
Efek-efek							
Nilai wajar melalui laporan laba rugi	-	-	-	-	-	4,718,833	4,718,833
Tersedia untuk dijual	15,580,306	-	-	-	-	1,499,504	17,079,810
Dimiliki hingga jatuh tempo	1,056,000	-	-	-	-	1,001,214	2,057,214
Efek-efek yang dibeli dengan janji dijual kembali	1,325,260	-	-	-	-	339,490	1,664,750
Wesel ekspor dan tagihan lainnya	7,139,764	19,717	9,762	2,149	-	1,427,671	8,599,063
Tagihan akseptasi	10,182,393	92,673	5,849	112,953	-	4,415,360	14,809,228
Tagihan derivatif	248,326	-	-	-	-	1,538	249,864
Pinjaman yang diberikan	277,452,094	38,941,812	14,930,946	17,065,831	2,989,949	41,894,760	393,275,392
Obligasi pemerintah							
Nilai wajar melalui laporan laba rugi	497,484	-	-	-	-	208,335	705,819
Tersedia untuk dijual	30,353,344	-	-	-	-	13,306,996	43,660,340
Dimiliki hingga jatuh tempo	12,306,544	-	-	-	-	6,333,636	18,640,180
Penyertaan saham	57,169	-	-	-	-	-	57,169
Aset lain-lain - neto**)	5,284,866	68,251	18,662	23,760	4,252	265,880	5,665,671
<b>Total</b>	<b>422,510,425</b>	<b>39,122,459</b>	<b>14,966,055</b>	<b>17,208,114</b>	<b>2,996,329</b>	<b>84,488,739</b>	<b>581,292,121</b>
Cadangan kerugian penurunan nilai						(16,890,322)	
<b>Neto</b>						<b>564,401,799</b>	<b>Net</b>
	2015						
	Jawa & Bali	Sumatera	Kalimantan	Sulawesi	Indonesia Timur/ East Indonesia	Lain-lain *%/ Others *)	Total
Giro pada Bank Indonesia	29,936,441	-	-	-	-	995,736	30,932,177
Giro pada bank lain	4,716,737	5	885	217	15,886	4,265,969	8,999,699
Penempatan pada bank lain dan Bank Indonesia	28,899,621	-	-	-	-	4,517,187	33,416,808
Efek-efek							
Nilai wajar melalui laporan laba rugi	75,997	-	-	-	-	3,628,211	3,704,208
Tersedia untuk dijual	3,749,825	-	-	-	-	968,992	4,718,817
Dimiliki hingga jatuh tempo	1,056,000	-	-	-	-	484,778	1,540,778
Efek-efek yang dibeli dengan janji dijual kembali	376,215	-	-	-	-	-	376,215
Wesel ekspor dan tagihan lainnya	8,215,934	6,656	-	-	-	635,233	8,857,823
Tagihan akseptasi	7,052,969	57,862	97,476	134,182	-	3,557,312	10,899,801
Tagihan derivatif	438,596	-	-	-	-	2,105	440,701
Pinjaman yang diberikan	227,692,643	32,724,069	11,414,292	14,619,386	2,314,036	37,340,723	326,105,149
Obligasi pemerintah							
Nilai wajar melalui laporan laba rugi	386,381	-	-	-	-	70,381	456,762
Tersedia untuk dijual	26,568,642	-	-	-	-	7,769,171	34,337,813
Dimiliki hingga jatuh tempo	8,521,903	-	-	-	-	3,905,841	12,427,744
Penyertaan saham	60,500	-	-	-	-	-	60,500
Aset lain-lain - neto**)	2,507,952	141,505	65,533	29,884	34,794	207,637	2,987,305
<b>Total</b>	<b>350,256,356</b>	<b>32,930,097</b>	<b>11,578,186</b>	<b>14,783,669</b>	<b>2,364,716</b>	<b>68,349,276</b>	<b>480,262,300</b>
Cadangan kerugian penurunan nilai						(12,206,107)	
<b>Neto</b>						<b>468,056,193</b>	<b>Net</b>

\*) Termasuk kantor cabang luar negeri dan Entitas Anak

\*\*) Aset lain-lain - neto terdiri dari piutang bunga, piutang terkait transaksi ATM dan kartu kredit, piutang lain-lain dan piutang premi asuransi.

\*) Includes overseas branches and Subsidiaries

\*\*) Other assets - net consist of interest receivables, receivables from transactions related to ATM and credit card, other receivables and insurance premium receivables..

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**50. RISIKO LIKUIDITAS**

Risiko likuiditas berhubungan dengan adanya kemungkinan bank tidak mampu untuk memenuhi kewajiban jangka pendek terhadap deposan, investor dan kreditur, serta pemenuhan giro wajib minimum (GWM) yang diantaranya disebabkan keterbatasan akses pendanaan atau ketidakmampuan untuk melikuidasi aset yang dimiliki dengan harga yang wajar.

Manajemen Risiko Likuiditas dilakukan oleh Divisi Manajemen Risiko Bank (ERM), Divisi Tresuri (TRS), dan Kantor Cabang Luar Negeri. Kebijakan dan Prosedur Risiko Likuiditas disusun oleh Divisi ERM, selanjutnya dilaksanakan oleh Divisi TRS dan segenap Kantor Cabang Luar Negeri, yang diwujudkan dalam manajemen strategi likuiditas.

Divisi ERM juga melakukan monitoring terhadap pelaksanaan manajemen likuiditas yang dilakukan oleh Divisi TRS tersebut.

Divisi ERM menyusun Kebijakan Risiko Likuiditas berupa Pedoman Penerapan Manajemen Risiko Likuiditas, yang lebih lanjut dijabarkan ke dalam Prosedur Manajemen Risiko Likuiditas yang berisi panduan pelaksanaan manajemen risiko likuiditas, antara lain berupa :

- a. Ketersediaan Alat Likuid: Kas, GWM, Secondary Reserve, Indikator Peringatan Dini, Liquidity Contingency Plan Head Office maupun Kantor Cabang Luar Negeri, dll
- b. Pengukuran Risiko Likuiditas : Rasio Likuiditas, Proyeksi Arus Kas, Profil Maturitas, Rasio Kecukupan Likuiditas, Stress testing, dll
- c. Pemantauan Risiko Likuiditas
- d. Pengendalian Risiko Likuiditas
- e. Penetapan Limit Likuiditas: Pagu Kas, Pagu Kas Bank Wide, SR Ideal, Limit Profil Maturitas, Limit Ketersediaan Kredit Valas.

Dalam mengelola likuiditas, selain mengelola primary reserve (kas dan GWM), BNI menjaga dan mempertahankan secondary reserve untuk memastikan likuiditas berada pada level yang aman. Sebagai antisipasi pemenuhan secondary reserve yang ideal, BNI menjaga dan mempertahankan tertiary reserve. Penetapan dan pemantauan limit, yaitu Secondary Reserve Ideal (SR Ideal) dan limit ketersediaan kredit valas dilakukan secara berkala oleh Divisi ERM. Sedangkan ketersediaan atas keseluruhan reserve dipantau secara harian, mingguan, dan bulanan oleh Divisi TRS dan Divisi ERM.

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**50. LIQUIDITY RISK**

*Liquidity risk relates to the possibility of the bank is unable to meet short-term obligations to depositors, investors and creditors, as well as the fulfillment of Statutory Reserve Requirements, among others, due to limited access to financing or the inability to liquidate assets at reasonable prices.*

*Liquidity Risk Management carried out by the Bank's Risk Management Division (ERM), Treasury Division (TRS), and Branch Offices of Foreign Affairs. Liquidity Risk Policies and Procedures prepared by the Division ERM, subsequently implemented by the Division of TRS and all Branch Offices of Foreign Affairs, which is manifested in the liquidity management strategy.*

*ERM Division also monitors the implementation of the liquidity management performed by the Treasury Division.*

*ERM Division prepare Liquidity Risk Policy Guidelines in Liquidity Risk Management Implementation Guidelines, which is further elaborated into the Liquidity Risk Management Procedures which contains guidelines for liquidity risk management practices, which include:*

- a. Availability Tool Liquid: Cash, Statutory Reserve Requirement, Secondary Reserve, Early Warning Indicators, Liquidity Contingency Plan Head Office or Branch Office of Foreign Affairs, etc.*
- b. Measurement of Liquidity Risk: Liquidity Ratio, Cash Flow Projection, Maturity Profile, Liquidity Adequacy Ratio, Stress testing, etc.*
- c. Liquidity Risk Monitoring*
- d. Liquidity Risk Management*
- e. Limit Liquidity: Ceiling, Cash Ceiling Bank Wide, Ideal SR, Maturity Profile Limit, Credit Availability in Foreign Currency Limit.*

*In managing liquidity, beside addition to managing primary reserve (cash and statutory reserve requirement), BNI keep and maintain secondary reserve to ensure liquidity is at a safe level. As anticipated fulfillment ideal secondary reserve, BNI preserve and maintain tertiary reserve. The setting and monitoring of limits, ie Ideal Secondary Reserve (Ideal SR) and credit availability in foreign currency limit conducted periodically by the ERM Division. While the availability of the whole reserve is monitored on a daily, weekly, and monthly by the Treasury Division and the ERM Division.*

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**50. RISIKO LIKUIDITAS (lanjutan)**

Tabel di bawah ini menunjukkan sisa jatuh tempo kontraktual dari liabilitas keuangan berdasarkan pada *undiscounted cash flows*.

**50. LIQUIDITY RISK (continued)**

The table below shows the remaining contractual maturities of the financial liabilities based on *undiscounted cashflows*.

	2016					
	Kurang dari 1 Bulan/ Less than 1 Month	1 - 3 Bulan/ Months	3 - 6 Bulan/ Months	6 - 12 Bulan/ Months	Lebih dari 12 Bulan/ More than 12 Months	Total
<b>LIABILITAS</b>						
Liabilitas segera	3,285,461	-	-	-	-	3,285,461
Simpanan nasabah	136,457,715	38,599,966	12,526,241	9,317,249	231,075,817	427,976,988
Simpanan dari bank lain	5,117,432	1,134,941	224,993	646,846	2,610,363	9,735,182
Liabilitas derivatif	410,870	-	-	-	-	410,870
Liabilitas akseptasi	859,447	1,912,798	1,285,795	300,497	-	4,358,537
Efek-efek yang diterbitkan	-	11,375	6,886,560	22,750	522,750	7,443,435
Efek-efek yang dijual dengan janji dibeli kembali	-	7,422	1,371,541	14,844	2,371,154	3,764,961
Pinjaman yang diterima	1,413,592	345,868	3,527,790	1,434,252	30,425,588	37,147,090
Liabilitas lain-lain*)	11,218,087	-	-	-	-	11,218,087
<b>Total</b>	<b>158,762,604</b>	<b>42,012,370</b>	<b>25,822,920</b>	<b>11,736,438</b>	<b>267,006,279</b>	<b>505,340,611</b>
<b>Total aset</b>	<b>80,656,485</b>	<b>2,869,480</b>	<b>2,906,403</b>	<b>2,092,358</b>	<b>55,704,799</b>	<b>144,229,527</b>
<b>KOMITMEN DAN KONTINJENSI</b>						
Fasilitas kredit kepada debitur yang belum digunakan	54,547,648	-	-	-	-	54,547,648
Irrevocable letter of credit yang masih berjalan	4,151,512	1,715,885	1,790,561	2,135,362	721,370	10,514,690
Garansi yang diterbitkan	14,945,090	8,339,978	5,198,623	6,808,291	19,003,261	54,295,243
<b>Total</b>	<b>73,644,250</b>	<b>10,055,863</b>	<b>6,989,184</b>	<b>8,943,653</b>	<b>19,724,631</b>	<b>119,357,581</b>
	2015					
	Kurang dari 1 Bulan/ Less than 1 Month	1 - 3 Bulan/ Months	3 - 6 Bulan/ Months	6 - 12 Bulan/ Months	Lebih dari 12 Bulan/ More than 12 Months	Total
<b>LIABILITAS</b>						
Liabilitas segera	1,805,494	-	-	-	-	1,805,494
Simpanan nasabah	98,252,493	29,295,389	7,327,511	10,563,866	210,291,080	355,730,339
Simpanan dari bank lain	2,914,290	1,292,534	15,161	14,951	11,122	4,248,058
Liabilitas derivatif	1,161,557	-	-	-	-	1,161,557
Liabilitas akseptasi	1,596,434	2,084,019	1,595,841	911,964	-	6,188,258
Efek-efek yang diterbitkan	-	11,375	153,533	164,908	7,602,908	7,932,724
Efek-efek yang dijual dengan janji dibeli kembali	-	-	341,920	18,119	2,803,103	3,163,142
Pinjaman yang diterima	98,004	1,126,544	327,219	3,951,109	22,710,123	28,212,999
Liabilitas lain-lain*)	6,392,122	1,123	1,197	-	21,318	6,415,760
<b>Total</b>	<b>112,220,394</b>	<b>33,810,984</b>	<b>9,762,382</b>	<b>15,624,917</b>	<b>243,439,654</b>	<b>414,858,331</b>
<b>Total aset</b>	<b>120,924,603</b>	<b>3,268,499</b>	<b>2,973,721</b>	<b>2,375,401</b>	<b>40,820,558</b>	<b>170,362,782</b>

\*) Liabilitas lain-lain terdiri dari utang ke pemegang polis, setoran jaminan, nota kredit dalam penyelesaian, utang reasuransi dan komisi, serta utang nasabah Entitas Anak.

\*) Other liabilities consist of obligation to policy holders, guarantee deposits, credit memo in process, reinsurance payable and commission, and payable to customer - Subsidiary.

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**50. RISIKO LIKUIDITAS (lanjutan)**

**50. LIQUIDITY RISK (continued)**

	2015					<b>KOMITMEN DAN KONTINJENSI</b>	<b>COMMITMENT AND CONTINGENCIES</b>
	<b>Kurang dari 1 Bulan/ Less than 1 Month</b>	<b>1 - 3 Bulan/ Months</b>	<b>3 - 6 Bulan/ Months</b>	<b>6 - 12 Bulan/ Months</b>	<b>Lebih dari 12 Bulan/ More than 12 Months</b>	<b>Total</b>	
Fasilitas kredit kepada debitur yang belum digunakan	38,265,234	-	-	-	-	38,265,234	Unused loan facilities
<i>Irrevocable letter of credit</i> yang masih berjalan	2,143,049	1,466,361	1,217,011	2,360,510	1,960,715	9,147,646	Outstanding irrevocable letters of credit
Garansi yang diterbitkan	8,920,920	3,873,832	6,023,900	8,894,496	18,011,340	45,724,488	Guarantees issued
<b>Total</b>	<b>49,329,903</b>	<b>5,340,193</b>	<b>7,240,911</b>	<b>11,255,006</b>	<b>19,972,055</b>	<b>93,137,368</b>	<b>Total</b>

\*) Liabilitas lain-lain terdiri dari utang ke pemegang polis, setoran jaminan, nota kredit dalam penyelesaian, utang reasuransi dan komisi, serta utang nasabah - Entitas Anak.

\*) Other liabilities consist of obligation to policy holders, guarantee deposits, credit memo in process, reinsurance payable and commission, and payable to customer - Subsidiary.

Dalam rangka meningkatkan ketahanan likuiditas jangka pendek, BNI memelihara *High Quality Liquid Asset* (HQLA) yang memadai untuk memenuhi kebutuhan likuiditasnya selama periode 30 hari ke depan dalam skenario stress, dengan mengelola rasio Kecukupan Likuiditas sesuai ketentuan regulator, baik secara individual (*bank only*) maupun konsolidasi dengan perusahaan anak.

In order to increase the resilience of short-term liquidity, BNI maintaining *High Quality Liquid Assets* (HQLA) are adequate to meet its liquidity needs during the period of the next 30 days in a scenario stress by managing the ratio of adequacy of liquidity in accordance with the regulator, either individually (*bank only*) or consolidated with subsidiaries.

Laporan rasio Kecukupan Likuiditas BNI tersebut dilaporkan secara bulanan kepada Otoritas Jasa Keuangan (OJK).

BNI's Liquidity Coverage Ratio are reported monthly to Otoritas Jasa Keuangan (OJK).

**51. RISIKO PASAR**

Risiko pasar adalah risiko kerugian yang timbul akibat perubahan faktor pasar yang tidak sesuai dengan posisi yang diambil oleh BNI baik pada posisi aset dan liabilitas keuangan dan rekening administratif. Risiko Pasar melekat pada hampir seluruh aktivitas Bank, baik *trading book* maupun *banking book* yang mencakup Risiko Suku Bunga dan Risiko Nilai Tukar.

Pengelolaan Risiko Pasar BNI dilakukan melalui koordinasi beberapa Divisi terkait, yaitu Divisi Manajemen Risiko Bank (Divisi ERM) dan Divisi Tata Kelola Perusahaan (Divisi PGV) yang bertanggung jawab kepada Direktur Kepatuhan & Risiko Perusahaan (Dir. KN), Divisi Tresuri (Divisi TRS) dan Kantor Cabang Luar Negeri dalam pengawasan Divisi Internasional (Divisi INT) yang bertanggung jawab kepada Direktur Tresuri dan Internasional (Dir. TS). Dalam mengelola Risiko Pasar, Direksi didukung oleh *Risk Management Committee* (RMC) dan Komite Aset dan Liabilitas (ALCO) serta dalam pengawasannya didukung oleh Komisaris melalui Komite Pemantau Risiko.

**51. MARKET RISK**

Market risk is the risk of loss due to the adverse volatility of market price movements against BNI's financial assets and liabilities (on balance sheet) including administrative accounts (off balance sheet). Market risk is embedded in the Bank's business activities, both in trading and banking books, which cover Interest Rate risks and Foreign Exchange risks.

Market Risk Management is done through coordination with BNI's several related divisions such as: Enterprise Risk Management Division (ERM) and Policy Governance Division (PGV) which report to the Director of Compliance & Enterprise Risk Management; and Treasury Division (TRS) as well as Overseas branches supervised by the International Division (INT) which report to the Director of Treasury and International. The Market Risk Management is also supported by Risk Management Committee (RMC) and Assets and Liabilities Committee (ALCO) and supervised by the Board of Commissioners through the Risk Monitoring Committee.

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**51. RISIKO PASAR (lanjutan)**

BNI telah memiliki Aplikasi Manajemen Risiko Pasar untuk mendukung proses pengelolaan Risiko Pasar. Pengukuran potensi Risiko Pasar untuk pengendalian internal BNI dilakukan secara harian menggunakan Model Internal - *Value at Risk (VaR) Methodology*, sedangkan pengukuran Risiko Pasar dalam rangka perhitungan Kewajiban Penyediaan Modal Minimum dilakukan secara bulanan menggunakan Metode Standar. BNI juga melakukan pengukuran Risiko Suku Bunga pada *banking book* secara bulanan menggunakan *Assets & Liabilities Gap Report* serta pengukuran Risiko Nilai Tukar pada *banking book* melalui perhitungan Posisi Devisa Neto (PDN) secara harian dan bulanan sesuai ketentuan Regulator.

Sehubungan dengan penggunaan Model Internal (VaR) dalam pengukuran Risiko Pasar, BNI telah melakukan proses validasi melalui *Back Testing* setiap 3 (tiga) bulan sekali untuk menilai akurasi pengukuran VaR yang digunakan. Selain itu, BNI telah melakukan proses *Stress Testing* terhadap instrumen keuangan yang terekspos Risiko Nilai Tukar dan Risiko Suku Bunga (portofolio obligasi) untuk menilai ketahanan Bank dalam menghadapi perubahan faktor pasar yang ekstrim pada saat kondisi pasar abnormal. *Stress Testing* dilakukan setiap 6 (enam) bulan sekali atau periode yang lebih pendek jika terjadi kondisi abnormal.

Limit Risiko Pasar BNI sebagai bagian dari proses pengendalian Risiko Pasar ditetapkan dan dikaji ulang secara periodik oleh Divisi ERM dan Divisi PGV yang independen terhadap *risk taking units* (TRS dan cabang-cabang luar negeri). Limit-limit Risiko Pasar adalah sebagai berikut:

a. Limit Risiko Pasar pada *trading book*:

- (i) Limit *Value at Risk (VaR)*
- (ii) Limit nominal transaksi
- (iii) Limit nominal *open position*
- (iv) Limit kerugian

Limit ditetapkan pada masing-masing *desk* (*Currencies Trading, Rates Trading, Banking Management* - Surat Berharga *Available For Sale, Funding and Gapping* – Surat Berharga Likuiditas).

b. Limit Risiko Pasar pada *banking book*:

- (i) Limit Gap Aset & Liabilitas – Rupiah
- (ii) Limit Gap Aset & Liabilitas – Valuta Asing
- (iii) Limit Posisi Devisa Neto internal BNI.

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**51. MARKET RISK (continued)**

BNI has market risk tools to support the implementation of the Market Risk Process. The measurement of potential market risk, for internal control purposes, is conducted on a daily basis using an Internal Model -Value at Risk (VaR) Methodology. On the other hand, the market risk measurement for Capital Adequacy Ratio purposes, is conducted on a monthly basis using the Standard Method. BNI also conducts on a monthly basis the measurement of interest rate risk on banking book using Assets & Liabilities Gap Report (A/L Gap Report) and the measurement for foreign exchange risk on banking book by calculating the Net Open Position (NOP) both daily and monthly in accordance with Regulator regulation.

In line with the use of the Internal Model (VaR) in measuring market risk, BNI conducts Back Testing on a quarterly basis to assess the accuracy of the VaR methodologies used. Stress Testing has also been conducted for the financial instruments that are exposed to foreign exchange risk and interest rate risk (limited to bond positions) in order to assess the Bank's resilience in encountering extreme change of risk factors in abnormal market conditions. Stress Testing is done every 6 (six) months or whichever is earlier in case there is an abnormal condition.

BNI Market Risk limit as a part of the risk controlling process is set and reviewed periodically by ERM and PGV which are independent from risk taking units (TRS and overseas branches). The Market Risk limits are as follows:

a. Market Risk limits on *trading book*:

- (i) Value at Risk (VaR) limit
- (ii) Transaction nominal limit
- (iii) Open position limit
- (iv) Loss limit

These limits are performed for each trading desk (*Currencies Trading, Rates Trading, Banking Management* - Available For Sale Bonds, Funding and Gapping – Liquidity Bonds).

b. Market Risk limits on *banking book*:

- (i) Gap Asset & Liability Limit – Indonesian Rupiah
- (ii) Gap Asset & Liability Limit – Foreign Currency
- (iii) Internal BNI Net Open Position Limit.

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**51. RISIKO PASAR (lanjutan)**

Pemantauan Risiko Pasar dilakukan melalui laporan yang memberikan informasi mengenai eksposur risiko pasar dan kepatuhan terhadap limit-limit. Laporan VaR diberikan kepada manajemen BNI secara berkala (harian, mingguan dan bulanan) melalui laporan sirkulasi atau forum RMC. Khusus terkait dengan laporan perkembangan Risiko Suku Bunga pada *banking book* disampaikan kepada manajemen setiap bulan melalui forum *Asset & Liabilities Committee* (ALCO).

BNI menggunakan model *Value at Risk* (VaR) untuk menghitung potensi risiko pasar yang timbul akibat perubahan faktor pasar yang dapat mempengaruhi nilai pasar pada portofolio produk Bank. Cakupan Risiko Pasar adalah sebagai berikut:

- a. Risiko Nilai Tukar pada *trading book* dan *banking book*.
- b. Risiko Suku Bunga pada *trading book* dan *banking book* (tidak termasuk aset-aset/investasi yang dimiliki hingga jatuh tempo).

Metode untuk menghitung VaR yang digunakan BNI adalah *Variance Covariance/Risk Metrics*. Metode ini menggunakan formula dengan memasukkan parameter-parameter seperti volatilitas dan korelasi. Metode ini mengasumsikan bahwa segala perubahan dalam faktor risiko yang mempengaruhi kondisi pasar normal akan mengikuti distribusi normal.

VaR tidak menyediakan informasi potensi laba atau rugi pada kondisi pasar yang ekstrim atau *stress*. BNI melakukan *stress testing* untuk kondisi pasar yang ekstrim tersebut.

Pengukuran VaR adalah estimasi maksimum potensi kerugian Risiko Pasar untuk 1 (satu) hari ke depan dengan tingkat keyakinan 99% dengan posisi portofolio yang dimiliki tidak berubah. Penggunaan tingkat keyakinan 99% berarti dalam rentang waktu satu hari, kerugian harian yang melebihi VaR dalam kondisi pasar normal tidak akan terjadi lebih dari 1 (satu) kali dalam 100 hari.

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**51. MARKET RISK (continued)**

Market Risk monitoring is conducted through reports which give information about the market risk exposures and the limit compliance. The VaR reports are submitted to BNI management on a periodic basis (daily, weekly, and monthly) through circular reports or RMC forum. Specifically the report for interest rate risk on banking book is submitted to management on a monthly basis through the ALCO forum.

BNI uses Value at Risk model (VaR) to measure potential market risk arising from possible changes of market factors which can affect the market value of the Bank portfolio. The scope of Market Risk are as follows:

- a. Foreign exchange risk on trading book and banking book.
- b. Interest rate risk on trading book and banking book (excluding held-to-maturity assets/investments).

The VaR method used in BNI is Variance Covariance/Risk Metrics. This method uses formulas with some parameters such as volatility and correlation. It assumes that any changes that occurs in the risk factors affecting the normal market conditions will follow normal distribution.

VaR does not provide information for potential gain or loss in the extreme or stress market condition. BNI performs stress testing in the extreme market condition.

The VaR calculation is an estimate which using a 99% confidence level, of the potential loss that is not expected to be exceeded if the current market risk positions were to be held unchanged for one day. The use of a 99% confidence level means that, within a one day horizon, losses exceeding the VaR figure should occur, on average under normal market conditions, not more than once every hundred days.

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**51. RISIKO PASAR (lanjutan)**

Karena VaR adalah bagian dari pengelolaan Risiko Pasar Bank, limit-limit VaR telah dibentuk untuk seluruh *trading operation* dan eksposur perlu direview oleh manajemen secara harian terhadap limit-limit.

Tabel dibawah ini menunjukkan VaR agregat pada portofolio *trading book* dan *banking book* milik Bank:

31 Desember 2016 dan tahun yang berakhir pada tanggal tersebut/ 31 December 2016 and the year ended			
Risiko mata uang asing/ Foreign exchange risk	Risiko nilai wajar suku bunga/ Fair value interest rate risk		
	Trading book	Banking book	
2016 - 31 Desember	11,450	2,912	2016 - 31 December
2016 - Rata-rata harian	20,105	5,928	2016 - Average daily
2016 - Tertinggi	37,673	7,863	2016 - Highest
2016 - Terendah	9,119	2,762	2016- Lowest

31 Desember 2015 dan tahun yang berakhir pada tanggal tersebut/ 31 December 2015 and the year ended			
Risiko mata uang asing/ Foreign exchange risk	Risiko nilai wajar suku bunga/ Fair value interest rate risk		
	Trading book	Banking book	
2015 - 31 Desember	11,908	2,723	2015 - 31 December
2015 - Rata-rata harian	3,970	2,805	2015 - Average daily
2015 - Tertinggi	16,993	10,780	2015 - Highest
2015 - Terendah	336	86	2015- Lowest

**(i) Risiko tingkat suku bunga**

Risiko tingkat suku bunga timbul pada instrumen keuangan yang mempunyai kemungkinan kerugian akibat perubahan tingkat suku bunga yang akan berdampak pada arus kas masa depan atau nilai wajar instrumen keuangan.

Komite Risiko dan Kapital Bidang Manajemen Risiko (KRK-RMC) BNI, bertanggung jawab untuk menetapkan, melaksanakan serta menjaga kebijakan pengelolaan risiko tingkat suku bunga sesuai dengan pedoman umum BNI. Tujuan utama Komite Risiko dan Kapital Bidang Manajemen Risiko (KRK-RMC) BNI adalah memaksimalkan hasil usaha BNI dengan tetap memperhatikan *limit* risiko yang ditetapkan.

**51. MARKET RISK (continued)**

Since VaR is an integral part of the Bank's market risk management, VaR limits have been established for all trading operations and exposures are required to be reviewed daily against the limits by management.

The table below presents the aggregate VaR on the Bank's trading book and banking book portfolio:

**(i) Interest rate risk**

Interest rate risks arise from financial instruments which have the loss possibilities from changes in interest rates that will affect future cash flows or fair value of the financial instruments.

BNI's Risk and Capital Committee sub division Risk Management (KRK-RMC) which consists of members of the Board of Directors and selected members of senior management held responsible for determining, executing and overseeing the interest rate risk management policy in accordance with the overall guidelines of BNI. The main objective of the Risk and Capital Committee sub division Risk Management (KRK-RMC) is to maximize BNI's returns within the predetermined risk limits.

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**51. RISIKO PASAR (lanjutan)**

**(i) Risiko tingkat suku bunga (lanjutan)**

Tabel di bawah ini merupakan kisaran tingkat suku bunga kontraktual per tahun untuk aset dan liabilitas konsolidasian yang signifikan pada tanggal 31 Desember 2016 dan 2015:

2016						
	Rupiah %	Dolar Amerika Serikat/ United States Dollar %	Euro %	Dolar Singapura/ Singapore Dollar %	Won Korea/ Korean Won %	Yuan China/ Chinese Yuan %
<b>ASSET</b>						
Penempatan pada bank lain dan Bank Indonesia	3.90-10.00	0.01-1.77	-	-	1.25-1.35	1.53
Efek-efek	6.05-13.60	0.88-7.75	-	-	-	-
Efek-efek yang dibeli dengan janji dijual kembali	7.30-8.50	-	-	-	-	-
Wesel ekspor dan tagihan lainnya	8.21-9.21	0.80-6.32	6.50-3.00	-	-	2.80-3.00
Pinjaman yang diberikan Obligasi Pemerintah	4.00-22.00	2.25-9.00	0.75	1.83 - 7.00	2.50	7.00
- Tingkat bunga tetap	4.87-12.04	0.63-7.75	-	2.25-3.25	-	-
- Tingkat bunga mengambang	6.28-6.56	-	-	-	-	-
<b>LIABILITAS</b>						
Simpanan nasabah	0.00-8.10	0.00-1.95	0.00-0.15	0.00-0.75	0.1-1.00	-
Simpanan dari bank lain	0.00-8.40	0.00-1.85	-	0.00-1.96	-	-
Efek-efek yang dijual dengan janji dibeli kembali	4.40 - 5.50	2.30	-	-	-	-
Efek-efek yang diterbitkan	-	4.13	-	-	-	-
Pinjaman yang diterima	5.50-11.50	0.45-4.45	0.20-0.30	-	-	3.30
<b>ASSETS</b>						
Placements with other banks and Bank Indonesia						
Marketable securities						
Securities purchased under agreements to resell						
Bills and other receivables						
Loans						
Government Bonds						
Fixed interest rate -						
Floating interest rate -						
<b>LIABILITIES</b>						
Deposits from customers						
Deposits from other banks						
Securities sold under agreements to repurchase						
Securities issued						
Borrowings						

2015				
	Rupiah %	Dolar Amerika Serikat/ United States Dollar %	Euro %	Dolar Singapura/ Singapore Dollar %
<b>ASSET</b>				
Penempatan pada bank lain dan Bank Indonesia	5.50 - 11.25	0.32 - 0.60	-	-
Efek-efek	0.09 - 13.60	0.08 - 13.10	-	-
Efek-efek yang dibeli dengan janji dijual kembali	8.25	-	-	-
Wesel eksport dan tagihan lainnya	0.00 - 9.00	0.00 - 2.00	-	-
Pinjaman yang diberikan Obligasi Pemerintah	4.09 - 22.00	5.00 - 7.25	2.50	7.00
- Tingkat bunga tetap	4.45 - 12.90	0.25 - 11.63	-	2.25 - 3.25
- Tingkat bunga mengambang	5.31 - 8.75	-	-	-
<b>LIABILITAS</b>				
Deposits from customers				
Deposits from other banks				
Securities sold under agreements to repurchase				
Securities issued				
Borrowings				

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**51. RISIKO PASAR (lanjutan)**

**(i) Risiko tingkat suku bunga (lanjutan)**

Tabel berikut menunjukkan sensitivitas terhadap kemungkinan perubahan suku bunga dalam Rupiah yang wajar, dengan semua variabel lainnya tetap konstan, dalam laporan laba rugi Bank. Sensitivitas laporan laba rugi adalah dampak dari perubahan asumsi suku bunga pada laporan laba rugi pada periode tersebut. Sensitivitas total laba atau rugi didasarkan pada asumsi bahwa ada pergeseran paralel kurva hasil.

2016	
Perubahan presentase/ Percentage change	Pengaruh terhadap laporan laba rugi/ Impact to profit or loss
±25	± 74,175
±50	± 148,349

2015	
Perubahan presentase/ Percentage change	Pengaruh terhadap laporan laba rugi/ Impact to profit or loss
±25	± 12,933
±50	± 25,866

BNI memiliki eksposur terhadap risiko tingkat suku bunga dalam mata uang Dolar Singapura, Dolar Amerika Serikat, Euro dan lainnya. BNI telah melakukan penilaian atas dampak dari risiko tingkat suku bunga tersebut dan hasilnya tidak signifikan.

**(ii) Risiko mata uang**

Risiko valuta asing timbul sebagai akibat adanya aset dan liabilitas keuangan dalam valuta asing dan rekening administratif konsolidasian baik pada sisi aset konsolidasian maupun liabilitas konsolidasian. Posisi valuta asing BNI dapat dikelompokkan dalam dua aktivitas yaitu: *trading book*, yang dilakukan dalam rangka memperoleh keuntungan transaksi valuta asing, dan *banking book*, yang dilakukan dalam rangka mengendalikan Posisi Devisa Neto BNI secara keseluruhan.

BNI memiliki kebijakan untuk menjaga eksposur mata uang asing dalam batas yang wajar dan berdasarkan peraturan yang berlaku. Manajemen berkeyakinan bahwa saat ini eksposur mata uang asing atas aset dan liabilitas masih dalam batas yang konservatif.

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**51. MARKET RISK (continued)**

**(i) Interest rate risk (continued)**

The following tables demonstrate the sensitivity to a reasonable possible change in IDR interest rates, with all other variables held constant, in the Bank's profit or loss. The sensitivity of profit or loss is the effect of the changes in interest rates assumptions on the profit or loss for the period. The total sensitivity of profit or loss is based on the assumption that there are parallel shifts in the yield curve.

2016

Perubahan presentase/ Percentage change	Pengaruh terhadap laporan laba rugi/ Impact to profit or loss
±25	± 74,175
±50	± 148,349

2015

Perubahan presentase/ Percentage change	Pengaruh terhadap laporan laba rugi/ Impact to profit or loss
±25	± 12,933
±50	± 25,866

BNI has other exposure to interest rate risks in Singapore Dollar, United States Dollar, Euro and others. BNI assessed that the impact of that interest rate risk is not significant.

**(ii) Currency risk**

Foreign currency risks arise from consolidated financial assets and liabilities and administrative accounts in foreign currency positions, both on the consolidated assets and liabilities. BNI's foreign currency position is divided into two activities: the trading book, which is prepared to generate profit from the exchange rate, and the banking book, which is prepared to control BNI's overall Net Open Position.

BNI's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Management believes that its current profile of foreign currency exposure on its assets and liabilities is within conservative limits.

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**51. RISIKO PASAR (lanjutan)**

**(ii) Risiko mata uang (lanjutan)**

Berikut adalah Posisi Devisa Neto (PDN), dalam nilai absolut, BNI pada tanggal 31 Desember 2016 per mata uang, sesuai dengan peraturan Bank Indonesia:

2016				
Mata Uang	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position	Currencies
<b>KESELURUHAN (LAPORAN POSISI KEUANGAN DAN REKENING ADMINISTRATIF)</b>				
Yuan China	5,262,942	4,125,634	1,137,308	Chinese Yuan
Dolar Amerika Serikat	212,493,893	212,673,075	179,182	United States Dollar
Euro	5,298,087	5,304,794	6,707	Euro
Yen Jepang	2,652,761	2,680,795	28,034	Japanese Yen
Dolar Singapura	2,494,486	1,755,287	739,199	Singapore Dollar
Poundsterling Inggris	480,171	539,841	59,670	British Pound Sterling
Dolar Hongkong	412,913	288,686	124,227	Hong Kong Dollar
Lain-lain	841,033	251,328	589,705 *)	Others
<b>Total</b>			<b>2,864,032</b>	<b>Total</b>

**LAPORAN POSISI KEUANGAN**

STATEMENT OF FINANCIAL POSITION				
Mata Uang	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position	Currencies
Dolar Amerika Serikat	111,745,668	106,129,299	5,616,369	United States Dollar
Euro	1,374,127	1,380,986	6,859	Euro
Yen Jepang	1,644,894	1,968,195	323,301	Japanese Yen
Dolar Singapura	2,234,502	1,495,301	739,201	Singapore Dollar
Poundsterling Inggris	136,127	187,519	51,392	British Pound Sterling
Dolar Hongkong	317,347	71,926	245,421	Hong Kong Dollar
Yuan China	3,157,864	3,900,467	742,603	Chinese Yuan
Lain-lain	642,167	37,877	604,290 *)	Others
<b>Total</b>			<b>8,329,436</b>	<b>Total</b>

Total Modal Tier I dan Tier II  
dikurangi penyetaraan pada  
Entitas Anak (Catatan 54)

Total Tier I and II Capital less  
investment in Subsidiaries (Note 54)

Rasio PDN (Keseluruhan)  
Rasio PDN (Laporan Posisi  
Keuangan)

NOP Ratio (Aggregate)  
NOP Ratio (Statement of  
Financial Position)

\*) Merupakan penjumlahan absolut dari selisih antara aset dan  
liabilitas dari beberapa mata uang asing lainnya

\*) Sum of the absolute values of the difference between assets and  
liabilities of some foreign currencies

Berikut adalah Posisi Devisa Neto (PDN), dalam nilai absolut, BNI pada tanggal 31 Desember 2015 per mata uang, sesuai dengan peraturan Bank Indonesia:

Presented below is the Net Open Position, in  
absolute amounts, of BNI as of 31 December  
2015 by currency, based on Bank Indonesia  
regulations:

2015				
Mata Uang	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position	Currencies
<b>KESELURUHAN (LAPORAN POSISI KEUANGAN DAN REKENING ADMINISTRATIF)</b>				
Dolar Amerika Serikat	210,864,286	209,910,173	954,113	United States Dollar
Euro	5,785,028	5,826,597	41,569	Euro
Yen Jepang	2,722,502	2,718,985	3,517	Japanese Yen
Dolar Singapura	3,283,553	3,314,850	31,297	Singapore Dollar
Poundsterling Inggris	814,196	863,228	49,032	British Pound Sterling
Dolar Hongkong	487,590	487,807	217	Hong Kong Dollar
Lain-lain	5,734,243	5,597,816	136,427 *)	Others
<b>Total</b>			<b>1,216,172</b>	<b>Total</b>

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**51. RISIKO PASAR (lanjutan)**

**(ii) Risiko mata uang (lanjutan)**

Mata Uang	Aset/ Assets	Liabilitas/ Liabilities	Posisi Devisa Neto/ Net Open Position	2015	
				Currencies	STATEMENT OF FINANCIAL POSITION
<b>LAPORAN POSISI KEUANGAN</b>					
Dolar Amerika Serikat	118,505,747	110,515,751	7,989,996	United States Dollar	
Euro	1,664,031	1,703,040	39,009	Euro	
Yen Jepang	1,341,878	1,707,644	365,766	Japanese Yen	
Dolar Singapura	3,118,324	3,149,622	31,298	Singapore Dollar	
Poundsterling Inggris	439,462	488,495	49,033	British Pound Sterling	
Dolar Hongkong	376,420	155,507	220,913	Hong Kong Dollar	
Lain-lain	5,011,942	4,562,438	449,504 *)	Others	
<b>Total</b>			<b>9,145,519</b>	<b>Total</b>	
Total Modal Tier I dan Tier II dikurangi penyertaan pada Entitas Anak (Catatan 54)			73,798,800	Total Tier I and II Capital less investment in Subsidiaries (Note 54)	
Rasio PDN (Keseluruhan) Rasio PDN (Laporan Posisi Keuangan)			1.65% 12.39%	NOP Ratio (Aggregate) NOP Ratio (Statement of Financial Position)	
*) Merupakan penjumlahan absolut dari selisih antara aset dan liabilitas beberapa mata uang asing lainnya				*) Sum of the absolute values of the difference between assets and liabilities of some foreign currencies	

**52. RISIKO OPERASIONAL**

Dalam rangka menerapkan manajemen risiko operasional, BNI mengacu kepada ketentuan Bank Indonesia/Otoritas Jasa Keuangan serta *International Best Practices*. Pengelolaan risiko operasional meliputi proses identifikasi, pengukuran, pemantauan dan pengendalian risiko operasional. Salah satu perangkat yang digunakan untuk melakukan pengelolaan risiko operasional di BNI adalah PERISKOP (Perangkat Risiko Operasional). PERISKOP terdiri dari tiga (3) modul utama, yaitu:

- Modul *Self Assessment*, merupakan salah satu metode yang digunakan untuk mendeteksi kemungkinan terjadinya risiko operasional di suatu unit. Metode ini terdiri dari serangkaian kegiatan penilaian yang dilakukan sendiri (*self assessment*) oleh setiap unit pemilik risiko (*risk owner*) secara independen dalam mengidentifikasi, menilai, mengontrol dan memantau risiko operasional yang terjadi di unitnya. Modul *self assessment* wajib diisi oleh segenap unit setiap tiga bulan sekali, dengan melakukan pengukuran terhadap frekuensi dan dampak setiap *risk issue* di unitnya serta mencari penyebab risiko tersebut timbul.

**51. MARKET RISK (continued)**

**(ii) Currency risk (continued)**

**52. OPERATIONAL RISK**

In order to implement operational risk management, BNI made reference to Bank Indonesia or Financial Authority Regulations, also International Best Practices. Operational risk management encompasses the identification, measurement, monitoring and operational control processes. One of the tools used to perform risk management at BNI is PERISKOP (Perangkat Risiko Operasional). Periskop consists of three (3) main modules:

- Self Assessment Module*, is a methodology to detect the possibility that an operational risk has occurred. This method is a self-assessment process conducted by every risk owner independently in identifying, assessing, controlling and monitoring operational risk in each unit. Self Assessment module should be filed by all units, once every three-month; by conducting an assessment of the existing risk issue frequency and impacts; and finding solutions to mitigate emerging operational risks.

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## 52. RISIKO OPERASIONAL (lanjutan)

- *Loss Event Database*, merupakan sarana yang digunakan untuk mencatat setiap peristiwa risiko operasional yang menimbulkan dampak finansial yang meliputi *actual loss* dan *near miss* secara langsung. Setiap kali unit pemilik risiko (*risk owner*) mengalami kerugian risiko operasional, maka unit tersebut harus melakukan input dalam modul *Loss Event Database* tersebut. Dari modul ini akan diketahui tipe risiko yang terjadi, penyebab kejadian tersebut, lokasi (lini bisnis) tempat terjadinya risiko serta besarnya (*amount*) risiko yang terjadi atau liabilitas hukum yang terjadi serta pengembalian kerugian (*recovery*). Sarana ini sangat penting untuk memonitor profil risiko operasional secara teratur. Data yang diperoleh dari *Loss Event Database (LED)* merupakan input data utama bila Bank akan mengaplikasikan metode *Advanced Measurement Approach (AMA)* dalam pengukuran kecukupan modal minimum risiko operasional.
- *Key Risk Indicator*, merupakan serangkaian parameter yang ditetapkan untuk mengidentifikasi potensi kerugian risiko operasional yang utama/ dominan, yang berpotensi mengganggu pencapaian *Key Performance Indicator (KPI)* unit kerja, sebelum peristiwa risiko operasional tersebut terjadi. Perangkat tersebut akan memberikan *warning/alert* jika nilainya sudah di luar *range/threshold* yang ditetapkan sebelumnya (*early warning signal*) yang menuntut adanya tindak lanjut manajemen Unit untuk mengatasi permasalahan tersebut.

Selain PERISKOP, BNI saat ini telah memiliki rekening Beban Risiko Operasional (BRO) serta Recovery BRO, yang digunakan untuk membukukan kerugian atau recovery yang disebabkan oleh risiko operasional. Pembukuan pada rekening BRO juga akan berdampak kepada penilaian kinerja serta tergambar dalam *Performance Measurement System (PMS)* Unit yang bersangkutan. Setiap bulan dilakukan monitoring terhadap rekening BRO dan Recovery BRO ini guna mitigasi risiko operasional.

Terkait dengan kelangsungan usaha bila terjadi kondisi *disaster* (bencana), BNI juga sudah mempunyai kebijakan *Business Continuity Management (BCM)*, yaitu suatu mekanisme formal yang merupakan kombinasi antara strategi, kebijakan, prosedur, dan organisasi yang dikembangkan untuk memastikan kelangsungan operasional dari fungsi-fungsi usaha yang kritikal pada tingkat layanan tertentu pada saat terjadi gangguan atau bencana. Kebijakan ini mencakup semua unit usaha yang ada di BNI, baik di dalam negeri maupun diluar negeri.

## 52. OPERATIONAL RISK (continued)

- *The Loss Event Database is a system to identify and record every operational risk that causes direct financial impact. Each time the risk owner unit experienced financial loss from operational risk, the unit should record it in the Lost Event Database module. The module will generate information such as type of risk, cause of risk, location where the risk emerge and the amount of risk or legal obligation and the recovery (if any). This system is very important to monitor operational risk exposure and profile in an orderly manner. The data gathered from the Loss Event Database will become the main input when the Bank applies advance approaches to measure its minimum operational risk capital adequacy ratio.*
- *Key Risk Indicators, is a series of parameters established to identify main potential loss from operational risk, that potentially interfere the achievement of Key Performance Indicator (KPI) before it happens. The module will give a warning/alert when the exposure exceeds a predetermined range/threshold that has been set and requires follow up from Unit's management to overcome the problems.*

Besides PERISKOP, BNI has Operational Risk Expense (Beban Risiko Operasional (BRO)) and BRO Recovery accounts, which will be used to record losses or recoveries caused by operational risks. The recording in BRO accounts would also affect the performance assessment and also described in the Performance Measurement System (PMS) of the units concerned. To mitigate the operational risk, BRO account and recovery will be monitored monthly.

Regarding the business resilience when disaster occurs, BNI has a Business Continuity Management (BCM) policies, which is a formal mechanism which combined strategies, policies, procedures and organizations developed to ensure operational continuity of critical functions under certain levels of services when a disturbance or disaster is encountered. This policy is applied for all business units in BNI for both domestic and overseas.

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**52. RISIKO OPERASIONAL (lanjutan)**

BNI memiliki infrastruktur yang dibutuhkan dalam implementasi BCM seperti Disaster Recovery Center (DRC), Dual Data Center (DDC), Lokasi Alternatif Gedung BCM dan Command Center. Secara rutin BNI melakukan pengujian sistem dan aplikasi pada divisi/unit kritis setiap 3 (tiga) bulan sekali, melakukan site visit dan simulasi pada cabang dan wilayah guna memastikan kesiapan menghadapi bencana.

**53. NILAI WAJAR ASET DAN LIABILITAS KEUANGAN**

Tabel berikut menyajikan perbandingan antara nilai tercatat dan nilai wajar dari semua aset dan liabilitas keuangan disajikan per kategori dari instrumen keuangan. Nilai wajar yang diungkapkan adalah berdasarkan informasi relevan yang tersedia pada tanggal 31 Desember 2016 dan 2015, dan tidak diperbarui untuk mencerminkan perubahan dalam kondisi pasar yang telah terjadi setelah tanggal ini.

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**52. OPERATIONAL RISK (continued)**

BNI has the infrastructure needed to implement BCM such as Disaster Recovery Center (DRC), Dual Data Center (DDC), BCM alternative building and Command Center. Regularly BNI perform a system and application testing on critical Division/Unit every 3 (three) months, do a site visit and simulation to the branch and region to ensure the disaster readiness.

**53. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The next table summarises the comparison between the carrying amounts and fair values of all financial assets and liabilities presented per category of financial instruments. The fair values disclosed are based on relevant information available as of 31 December 2016 and 2015, and not updated to reflect changes in market conditions which have occurred after this date.

	2016		2015		<b>Financial Assets</b>
	Nilai Tercatat/ Carrying Value	Nilai wajar/ Fair value	Nilai Tercatat/ Carrying Value	Nilai wajar/ Fair value	
<b>Aset Keuangan</b>					
Kas	11,167,643	11,167,643	12,890,427	12,890,427	Cash
<b>Nilai wajar melalui laporan laba rugi</b>					
Efek-efek	4,718,833	4,718,833	3,704,208	3,704,208	Fair value through profit or loss
Obligasi Pemerintah	705,819	705,819	456,762	456,762	Marketable securities
Tagihan derivatif	249,864	249,864	440,701	440,701	Government Bonds
	<u>5,674,516</u>	<u>5,674,516</u>	<u>4,601,671</u>	<u>4,601,671</u>	Derivatives receivable
<b>Tersedia untuk dijual</b>					
Efek-efek	17,033,703	17,033,703	4,685,094	4,685,094	Available-for-sale
Obligasi Pemerintah	43,660,340	43,660,340	34,337,813	34,337,813	Marketable securities
	<u>60,694,043</u>	<u>60,694,043</u>	<u>39,022,907</u>	<u>39,022,907</u>	Government Bonds
<b>Dimiliki hingga jatuh tempo</b>					
Efek-efek	2,012,214	2,056,423	1,538,192	1,352,698	Held-to-maturity
Obligasi Pemerintah	18,640,180	19,610,830	12,427,744	13,958,756	Marketable securities
	<u>20,652,394</u>	<u>21,667,253</u>	<u>13,965,936</u>	<u>15,311,454</u>	Government Bonds
<b>Total</b>	<b>87,020,953</b>	<b>88,035,812</b>	<b>57,590,514</b>	<b>58,936,032</b>	<b>Total</b>

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**53. NILAI WAJAR ASET DAN LIABILITAS KEUANGAN (lanjutan)**

**53. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)**

	2016		2015		<b>Total</b>
	Nilai Tercatat/ Carrying Value	Nilai wajar/ Fair value	Nilai Tercatat/ Carrying Value	Nilai wajar/ Fair value	
<b>Pinjaman dan piutang</b>					
Pinjaman yang diberikan	376,594,527	376,594,527	314,066,531	314,066,531	Loans
Tagihan akseptasi	14,724,394	14,724,394	10,820,613	10,820,613	Acceptances receivable
Wesel eksport dan tagihan lainnya	8,567,795	8,567,795	8,831,444	8,831,444	Bills and other receivables
Giro pada Bank Indonesia	30,146,853	30,146,853	30,932,177	30,932,177	Current accounts with Bank Indonesia
Giro pada bank lain	6,298,019	6,298,019	8,998,793	8,998,793	Current accounts with other banks
Penempatan pada bank lain dan Bank Indonesia	33,661,668	33,661,668	33,416,808	33,416,808	Placements with other banks and Bank Indonesia
Efek-efek yang dibeli dengan janji dijual kembali	1,664,750	1,664,750	376,215	376,215	Securities purchased under agreements to resell
Penyertaan saham	57,169	57,169	35,793	35,793	Equity investments
Aset lain-lain - neto*)	5,665,671	5,665,671	2,987,305	2,987,305	Other assets - net*)
	477,380,846	477,380,846	410,465,679	410,461,733	
<b>Total</b>	<b>575,569,441</b>	<b>576,584,301</b>	<b>480,946,620</b>	<b>482,292,138</b>	
<b>Liabilitas keuangan</b>					
<b>Nilai wajar melalui laporan laba rugi</b>					
Liabilitas derivatif	410,870	410,870	1,161,557	1,161,557	Derivatives payable
<b>Liabilitas keuangan lainnya</b>					
Liabilitas segera	3,275,668	3,275,668	1,805,494	1,805,494	Other financial liabilities
Simpanan nasabah					Obligation due immediately
Giro	122,076,228	122,076,228	90,763,359	90,763,359	Deposits from customers
Tabungan	151,784,973	151,784,973	129,364,312	129,364,312	Current accounts
Deposito berjangka	141,591,884	141,591,884	133,809,209	133,809,209	Savings account
Simpanan dari bank lain					Time deposits
Pinjaman pasar uang antar bank	1,339,177	1,339,177	1,661,864	1,661,864	Deposits from other banks
Giro	1,883,551	1,883,551	1,503,186	1,503,186	Interbank call money
Deposito berjangka	1,591,054	1,591,054	521,282	521,282	Current accounts
Negotiable Certificate of Deposit	3,246,040	3,246,040	-	-	Time deposit
Simpanan lainnya	1,675,360	1,675,360	561,726	561,726	Negotiable Certificate of Deposit
Efek-efek yang dijual dengan janji dibeli kembali	3,764,961	3,764,961	3,163,142	3,163,142	Other deposits
Liabilitas akseptasi	4,358,537	4,358,537	6,188,258	6,188,258	Securities sold under agreements to repurchase
Efek-efek yang diterbitkan	6,731,115	6,782,393	6,870,667	7,004,641	Acceptances payable
Pinjaman yang diterima	32,965,422	32,965,422	22,523,581	22,523,581	Securities issued
Liabilitas lain-lain**)	9,757,460	9,757,460	6,415,760	6,415,760	Borrowings
	486,041,429	486,092,708	405,151,840	405,285,814	Other liabilities**)
<b>Total</b>	<b>486,452,299</b>	<b>486,503,578</b>	<b>406,313,397</b>	<b>406,447,371</b>	

\*) Aset lain-lain - neto terdiri dari piutang bunga, piutang terkait transaksi ATM dan kartu kredit, piutang lain-lain dan piutang premi asuransi.

\*) Other assets - net consist of interest receivables, receivables from transactions related to ATM and credit card, other receivables and insurance premium receivables.

\*\*) Liabilitas lain-lain terdiri dari utang ke pemegang polis, setoran jaminan, nota kredit dalam penyelesaian, utang reasuransi dan komisi, serta utang nasabah - Entitas Anak.

\*\*) Other liabilities consist of obligation to policy holders, guarantee deposits, credit memo in process, reinsurance payable and commission, and payable to customer - Subsidiary.

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**53. NILAI WAJAR ASET DAN LIABILITAS  
KEUANGAN (lanjutan)**

Bank menggunakan hirarki berikut untuk menentukan dan mengungkapkan nilai wajar dari instrumen keuangan:

- (i) Tingkat 1: Harga dikutip (tidak disesuaikan) dari pasar yang aktif untuk aset atau liabilitas keuangan yang identik;
- (ii) Tingkat 2: Input selain harga yang dikutip dari pasar yang disertakan pada Tingkat 1 yang dapat diobservasi untuk aset dan liabilitas keuangan, baik secara langsung (yaitu sebagai sebuah harga) atau secara tidak langsung (yaitu sebagai turunan dari harga);
- (iii) Tingkat 3: input untuk aset atau liabilitas keuangan yang tidak didasarkan pada data pasar yang dapat diobservasi (informasi yang tidak dapat diobservasi).

Tabel di bawah ini menunjukkan instrumen keuangan yang diukur pada nilai wajar yang dikelompokkan berdasarkan hirarki nilai wajar:

	2016				<i>Financial Assets</i> <i>Fair value through profit or loss</i> Marketable securities Government Bonds Derivatives receivable	
	Nilai tercatat/ <i>Carrying value</i>	Nilai wajar/ <i>Fair value</i>				
		Tingkat/ <i>Level 1</i>	Tingkat/ <i>Level 2</i>	Tingkat/ <i>Level 3</i>		
<b>Aset Keuangan</b>						
Nilai wajar melalui <i>laporan laba rugi</i>						
Efek-efek	4,718,833	-	4,718,833	-		
Obligasi Pemerintah	705,819	705,819	-			
Tagihan derivatif	249,864	-	249,864	-		
	5,674,516	705,819	4,968,697	-		
<b>Tersedia untuk dijual</b>						
Efek-efek	17,033,703	-	17,033,703	-		
Obligasi Pemerintah	43,660,340	35,161,970	8,498,370	-		
	60,694,043	35,161,970	25,532,073	-		
<b>Dimiliki hingga jatuh tempo</b>						
Efek-efek	2,012,214	2,056,423	-	-		
Obligasi Pemerintah	18,640,180	19,610,830	-	-		
	20,652,394	21,667,253	-	-		
Pinjaman yang diberikan	376,594,527	-	363,711,880	12,882,647		
Aset tetap	17,132,843	-	17,132,843	-		
<b>Total</b>	<b>480,748,323</b>	<b>57,535,042</b>	<b>411,345,493</b>	<b>12,882,647</b>	<b>Total</b>	
<b>Liabilitas Keuangan</b>						
Nilai wajar melalui <i>laporan laba rugi</i>						
Liabilitas derivatif	410,870	-	410,870	-		
<b>Total</b>	<b>410,870</b>	<b>-</b>	<b>410,870</b>	<b>-</b>	<b>Total</b>	

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**53. FAIR VALUE OF FINANCIAL ASSETS AND  
LIABILITIES (continued)**

*The Bank adopts the following hierarchy for determining and disclosing the fair value of financial instruments:*

- (i) *Level 1: Quoted prices in active market for the same/identical financial asset or liability;*
- (ii) *Level 2: Inputs other than quoted market prices included in Level 1 that are observable for the financial asset or liability, either directly (as a price) or indirectly (derived from prices);*
- (iii) *Level 3: Inputs for the financial asset or liability that are not based on observable market data (unobservable information).*

*The table below show the financial instruments measured at fair value grouped according to the fair value hierarchy:*

2016

Nilai wajar/*Fair value*

Tingkat/  
*Level 1*

Tingkat/  
*Level 2*

Tingkat/  
*Level 3*

*Financial Assets*

*Fair value through  
profit or loss*

Marketable securities  
Government Bonds  
Derivatives receivable

*Available-for-sale*

Marketable securities  
Government Bonds

*Hold to maturity*

Marketable securities  
Government Bonds

*Loans*

Fixed Assets

*Total*

*Financial Liabilities*

*Fair value through  
profit or loss*

Derivatives payable

*Total*

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**53. NILAI WAJAR ASET DAN LIABILITAS  
KEUANGAN (lanjutan)**

Tabel di bawah ini menunjukkan instrumen keuangan yang diukur pada nilai wajar yang dikelompokkan berdasarkan hierarki nilai wajar: (lanjutan)

**53. FAIR VALUE OF FINANCIAL ASSETS AND  
LIABILITIES (continued)**

The table below show the financial instruments measured at fair value grouped according to the fair value hierarchy: (continued)

2015				
	Nilai wajar/Fair value			
	Nilai tercatat/ Carrying value	Tingkat/ Level 1	Tingkat/ Level 2	Tingkat/ Level 3
<b>Aset Keuangan</b>				
Nilai wajar melalui laporan laba rugi				
Efek-efek	3,704,208	-	3,704,208	-
Obligasi Pemerintah	456,762	456,762	-	-
Tagihan derivatif	440,701	-	440,701	-
	4,601,671	456,762	4,144,909	-
Tersedia untuk dijual				
Efek-efek	4,685,094	-	4,685,094	-
Obligasi Pemerintah	34,337,813	22,477,571	11,860,242	-
	39,022,907	22,477,571	16,545,336	-
Dimiliki hingga jatuh tempo				
Efek-efek	1,538,192	-	1,352,698	-
Obligasi Pemerintah	12,427,744	-	13,958,756	-
	13,965,936	-	15,311,454	-
Pinjaman yang diberikan	314,066,531	-	314,066,531	-
Aset tetap	17,071,415	-	17,071,415	-
<b>Total</b>	<b>388,728,460</b>	<b>22,934,333</b>	<b>367,139,645</b>	<b>-</b>
<b>Liabilitas Keuangan</b>				
Nilai wajar melalui laporan laba rugi				
Liabilitas derivatif	1,161,557	-	1,161,557	-
<b>Total</b>	<b>1,161,557</b>	<b>-</b>	<b>1,161,557</b>	<b>-</b>

**Financial Assets**

**Fair value through  
profit or loss**

Marketable securities  
Government Bonds  
Derivatives receivable

**Available-for-sale**

Marketable securities  
Government Bonds

**Hold to maturity**

Marketable securities  
Government Bonds

**Loans**

**Fixed Assets**

**Total**

**Financial Liabilities**

**Fair value through  
profit or loss**

Derivatives payable

**Total**

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**53. NILAI WAJAR ASET DAN LIABILITAS  
KEUANGAN (lanjutan)**

Tidak terdapat perpindahan antara tingkat 1 dan tingkat 2 hirarki nilai wajar.

Nilai wajar instrumen keuangan yang diperdagangkan dalam pasar aktif (contohnya surat berharga yang diperdagangkan dan tersedia untuk dijual), ditentukan dengan berdasarkan harga pasar yang dikutip pada tanggal pelaporan. Suatu pasar dianggap aktif apabila informasi mengenai harga kuotasi dapat diakses dengan mudah dan tersedia secara berkala dari suatu bursa, pedagang efek, broker, kelompok penilai harga pasar industri tertentu, regulator dan harga tersebut mencerminkan transaksi pasar yang aktual dan regular pada tingkat yang wajar. Harga pasar dikutip untuk aset keuangan yang dimiliki Grup adalah harga penawaran (*bid price*). Instrumen-instrumen tersebut digolongkan dalam Tingkat 1. Instrumen yang termasuk dalam Tingkat 1 umumnya meliputi investasi yang diklasifikasikan sebagai surat berharga yang dimiliki untuk diperdagangkan dan tersedia untuk dijual.

Nilai wajar instrumen keuangan yang tidak diperdagangkan di pasar aktif (contohnya derivatif *over-the-counter*) ditentukan dengan teknik penilaian. Teknik-teknik penilaian tersebut menggunakan data pasar yang dapat diobservasi dan sedapat mungkin meminimalisir penggunaan estimasi spesifik dari entitas. Apabila seluruh input yang dibutuhkan untuk menentukan nilai wajar instrumen keuangan dapat diobservasi, maka instrumen keuangan tersebut dikategorikan dalam Tingkat 2. Sebaliknya, jika salah satu atau lebih data tidak didasarkan pada data pasar yang dapat diobservasi, instrumen ini termasuk dalam Tingkat 3.

Teknik penilaian spesifik yang digunakan untuk melakukan penilaian pada instrumen keuangan, antara lain:

- Harga yang dikutip dari pasar atau pedagang efek instrumen serupa
- Nilai wajar dari swap tingkat suku bunga yang diperhitungkan sebagai nilai kini dari estimasi arus kas masa datang berdasarkan kurva imbal hasil yang dapat diobservasi
- Nilai wajar dari kontrak berjangka valuta asing yang ditentukan berdasarkan kurs berjangka pada tanggal pelaporan keuangan, dan
- Teknik-teknik lainnya, seperti analisis arus kas diskontoan yang digunakan untuk menentukan nilai wajar instrumen keuangan lainnya

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**53. FAIR VALUE OF FINANCIAL ASSETS AND  
LIABILITIES (continued)**

*There is no transfer between level 1 and level 2 of the fair value hierarchy.*

*The fair value of financial instrument trade in active market (i.e traded and available for sales securities), is based on quoted market price at reporting date. A market is regarded as active if quoted prices are readily and regularly available from exchange, dealer or broker, industry group pricing service or regulatory agency, and those prices represent actual and regularly occurring market transaction on an arm's length basis. The quoted market price used for financial asset held by group is bid price. These instruments are included in Level 1. Instrument included in Level 1 comprise primarily on securities that is classified as held-for-trading and available-for-sale.*

*The fair value of financial instrument that are not traded in an active market (i.e over-the-counter derivatives) is determined by using valuation techniques. These valuation technique maximise the use of observable market data where it is available and rely as little as possible on entity's specific estimates. If all significant inputs required to fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.*

*Specific valuation technique used to value financial instruments include:*

- Quoted market prices or dealer quotes for similar instruments
- Fair value of interest rate swap is calculated as the present value of estimated future cashflow based on observable yield curves
- Fair value of foreign exchange contracts is determined using forward exchange rates at reporting date, and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for other financial instrument

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**53. NILAI WAJAR ASET DAN LIABILITAS KEUANGAN (lanjutan)**

(i) Giro pada Bank Indonesia, giro pada bank lain, penempatan pada bank lain dan Bank Indonesia, efek-efek, wesel ekspor dan tagihan lainnya, efek-efek yang dibeli dengan janji dijual kembali, penyertaan saham, tagihan akseptasi dan aset lain-lain.

Penempatan pada bank lain dan Bank Indonesia merupakan penanaman dana dalam bentuk Fasilitas Simpanan Bank Indonesia (FASBI), FASBI syariah, *call money*, penempatan "fixed term", deposito berjangka dan lain-lain.

Nilai tercatat dari kas dan setara kas, serta penempatan dengan suku bunga mengambang adalah perkiraan yang layak atas nilai wajar.

Estimasi nilai wajar terhadap penempatan dengan suku bunga tetap, efek-efek, wesel ekspor dan tagihan lainnya, tagihan akseptasi dan aset lain-lain ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga pasar uang yang berlaku untuk utang dengan risiko kredit dan sisa jatuh tempo yang serupa. Karena sisa jatuh tempo di bawah satu tahun sehingga nilai tercatat dari penempatan dengan suku bunga tetap, wesel ekspor, tagihan lainnya, efek-efek yang dibeli dengan janji untuk dijual kembali, penyertaan saham, tagihan akseptasi dan aset lain-lain adalah perkiraan yang layak atas nilai wajar.

(ii) Pinjaman yang diberikan

Portofolio kredit Bank secara umum terdiri dari pinjaman yang diberikan dengan suku bunga mengambang dan pinjaman yang diberikan jangka pendek dengan suku bunga tetap. Pinjaman yang diberikan dinyatakan berdasarkan *amortized cost*. Nilai wajar dari pinjaman yang diberikan menunjukkan nilai diskon dari perkiraan arus kas masa depan yang diharapkan akan diterima oleh Bank dengan menggunakan suku bunga pasar saat ini.

Nilai tercatat dari pinjaman yang diberikan dengan suku bunga mengambang dan nilai tercatat atas pinjaman jangka pendek dengan suku bunga tetap adalah perkiraan yang layak atas nilai wajar.

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**53. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)**

(i) Current accounts with Bank Indonesia, current accounts with other banks, placements with other banks and Bank Indonesia, marketable securities, bills and other receivables, equity investments, acceptances receivable, securities purchases under agreements to resell and other assets.

Placements with other banks and Bank Indonesia represent placements in the form of Bank Indonesia Deposit Facility (FASBI), sharia FASBI, *call money*, "fixed-term" placements, time deposits and others.

The carrying amount of cash and cash equivalents, as well as placements with floating rates are a reasonable approximation of fair value.

The estimated fair values of fixed interest bearing placements, marketable securities, bills and other receivables, acceptances receivable and other assets were based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity. Since the maturity is below one year, the carrying amounts of fixed rate placements, bills and other receivables, equity investments, acceptances receivable, securities purchased under agreements to resell and other assets were a reasonable approximation of its fair value.

(ii) Loans

Generally, the Bank's portfolio consists of loans with floating interest rate and short-term loans with fixed interest rate. Loans are stated at amortized cost. The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received by the Bank using the current market rates.

The carrying amount of floating rate loans and short-term fixed rate loans are the reasonable approximation of their fair values.

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- (iii) Liabilitas segera, simpanan nasabah dan simpanan dari bank lain, liabilitas akseptasi dan liabilitas lain-lain

Estimasi nilai wajar liabilitas segera, simpanan tanpa jatuh tempo, termasuk simpanan tanpa bunga adalah sebesar jumlah yang harus dibayarkan kembali sewaktu-waktu.

Estimasi nilai wajar terhadap simpanan dengan tingkat suku bunga tetap dan liabilitas akseptasi ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga utang baru dengan sisa jatuh tempo yang serupa. Karena sisa jatuh tempo dibawah satu tahun sehingga nilai tercatat dari simpanan dengan suku bunga tetap, liabilitas akseptasi dan liabilitas lain-lain adalah perkiraan yang layak atas nilai wajar.

- (iv) Efek-efek dan Obligasi Pemerintah

Nilai wajar untuk efek-efek dan Obligasi Pemerintah yang dimiliki hingga jatuh tempo ditetapkan berdasarkan harga pasar atau harga kuotasi perantara (*broker*)/pedagang efek (*dealer*). Jika informasi ini tidak tersedia, nilai wajar diestimasi dengan menggunakan harga pasar kuotasi efek yang memiliki karakteristik kredit, jatuh tempo dan *yield* yang serupa atau dinilai dengan menggunakan metode penilaian.

- (v) Efek-efek yang diterbitkan, pinjaman yang diterima dan efek-efek yang dijual dengan janji dibeli kembali

Nilai wajar agregat berdasarkan model diskonto arus kas menggunakan kurva *yield* terkini yang tepat untuk sisa periode jatuh temponya.

**54. MANAJEMEN MODAL**

Tujuan manajemen permodalan Bank adalah untuk mempertahankan posisi modal yang kuat untuk mendukung pertumbuhan bisnis dan mempertahankan investor, deposan, pelanggan dan kepercayaan pasar. Dalam pengelolaan permodalan, Bank mempertimbangkan faktor-faktor seperti: pengembalian modal yang optimal pada pemegang saham, menjaga keseimbangan antara keuntungan yang lebih tinggi dengan *gearing ratio* serta keamanan yang diberikan oleh posisi modal yang sehat.

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**53. FAIR VALUE OF FINANCIAL ASSETS AND  
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- (iii) Obligations due immediately, deposits from customers and deposits from other banks, acceptances payable and other liabilities

The estimated fair value of obligations due immediately, deposits with no stated maturity, which include non-interest bearing deposits, are the amounts repayable on demand.

The estimated fair values of fixed interest-bearing deposits and acceptances payable are based on discounted cash flows using interest rates for new debts with similar remaining maturity. Since the maturity is below one year, the carrying amounts of fixed rate deposits, acceptances payable and other liabilities are the reasonable approximation of their fair values.

- (iv) Marketable securities and Government Bonds

The fair value for held-to-maturity marketable securities and Government Bonds are based on the market prices or broker/dealer price quotations. When this information is not available, the fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics or using internal valuation model.

- (v) Securities issued, borrowings and securities sold under agreements to repurchase

The aggregate fair values are based on discounted cash flow model using current yield curve appropriate for the remaining term to maturity.

**54. CAPITAL MANAGEMENT**

The Bank's capital management objectives is to maintain a strong capital position to support business growth and to sustain investor, depositor, customer and market confidence. In managing its capital, the Bank considers factors such as: providing optimal capital rate of return to shareholders and maintaining a balance between high return gearing ratio and safety provided by a sound capital position.

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**54. MANAJEMEN MODAL (lanjutan)**

Pada tanggal 31 Desember 2016 dan 2015, Bank telah memenuhi semua persyaratan modal yang diwajibkan.

**Rasio Liabilitas Penyediaan Modal Minimum**

Rasio Liabilitas Penyediaan Modal Minimum (*Capital Adequacy Ratio (CAR)*) adalah rasio modal terhadap aset tertimbang menurut risiko (*Risk - Weighted Assets (RWA)*). Berdasarkan peraturan Bank Indonesia, jumlah modal untuk risiko kredit terdiri dari Modal Inti ("Tier I") dan Modal Pelengkap ("Tier II") dikurangi penyertaan pada Entitas Anak. Sesuai dengan Peraturan OJK No. 34/POJK.03/2016 tentang Kewajiban Penyediaan Modal Minimum Bank Umum dan Surat Edaran OJK No. 43/SEOJK.03/2016 tentang Transparansi dan Publikasi Laporan Bank Umum Konvensional, sejak akhir bulan September 2016, Cadangan Tujuan tidak dapat lagi diperhitungkan sebagai komponen Modal Bank.

Rasio Kecukupan Modal (hanya BNI) pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

**54. CAPITAL MANAGEMENT (continued)**

*As of 31 December 2016 and 2015, the Bank has complied with all capital requirements.*

**Capital Adequacy Ratio**

*The Capital Adequacy Ratio (CAR) is the ratio of the Bank's capital over its Risk - Weighted Assets (RWA). Based on Bank Indonesia regulations, the total capital for credit risk consists of core capital (Tier I) and supplementary capital (Tier II) less investments in Subsidiaries. In accordance with OJK Regulation No.34/POJK.03/2016 concerning the Minimum Capital Requirement for Commercial Banks and OJK Circular Letter No.43/SEOJK.03/2016 on Transparency and Publication Conventional Commercial Bank Report, since the end of the month of September 2016, Specific Reserves can no longer be taken into account as a component of Capital Bank.*

*The CAR of BNI (BNI only) as of 31 December 2016 and 2015 are as follows:*

	<b>2016</b>	<b>2015</b>	
<b>BNI - tanpa memperhitungkan risiko pasar</b>			<b><i>BNI - without considering market risk</i></b>
Aset Tertimbang Menurut Risiko	378,715,505	329,342,843	<i>Risk Weighted Assets</i>
Total Modal	84,278,075	73,798,800	<i>Total Capital</i>
Rasio Liabilitas Penyediaan Modal Minimum BNI	22.25%	22.41%	<i>Capital Adequacy Ratio</i>
Rasio Liabilitas Penyediaan Modal Minimum yang diwajibkan oleh Bank Indonesia	9.80%	9.70%	<i>Minimum Capital Adequacy Ratio required by Bank Indonesia</i>
<b>BNI - dengan memperhitungkan risiko pasar</b>			<b><i>BNI - considering market risk</i></b>
Aset Tertimbang Menurut Risiko	381,255,562	330,818,593	<i>Risk Weighted Assets</i>
Total Modal	84,278,075	73,798,800	<i>Total Capital</i>
Rasio Liabilitas Penyediaan Modal Minimum BNI	22.11%	22.31%	<i>Capital Adequacy Ratio</i>
Rasio Liabilitas Penyediaan Modal Minimum yang diwajibkan oleh Bank Indonesia	9.80%	9.70%	<i>Minimum Capital Adequacy Ratio required by Bank Indonesia</i>
<b>BNI - dengan memperhitungkan risiko operasional, mulai berlaku sejak 1 Januari 2010</b>			<b><i>BNI - considering operational risk, effective since 1 January 2010</i></b>
Aset Tertimbang Menurut Risiko	435,353,579	378,564,646	<i>Risk Weighted Assets</i>
Total Modal	84,278,075	73,798,800	<i>Total Capital</i>
Rasio Liabilitas Penyediaan Modal Minimum BNI	19.36%	19.49%	<i>Capital Adequacy Ratio</i>
Rasio Liabilitas Penyediaan Modal Minimum yang diwajibkan oleh Bank Indonesia	9.80%	9.70%	<i>Minimum Capital Adequacy Ratio required by Bank Indonesia</i>

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**55. AKTIVITAS JASA LAINNYA**

BNI menyediakan jasa kustodi, trustee, pengelolaan investasi dan reksadana kepada pihak-pihak ketiga. Aset yang terdapat dalam aktivitas jasa lainnya tidak termasuk dalam laporan keuangan konsolidasian ini. Jumlah komisi yang diterima dari pemberian jasa ini adalah masing-masing sebesar Rp45.106 dan Rp36.132 untuk periode yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015.

**Kegiatan Jasa Kustodian**

Jasa Kustodian BNI mendapat izin operasi oleh Bapepam dan LK berdasarkan Surat Keputusan No. KEP-162/PM/1991 tertanggal 9 Desember 1991. Kustodian BNI merupakan bagian dari Divisi Operasional, dimana jasa-jasa yang ditawarkan adalah sebagai berikut:

- a. Penyimpanan (*safekeeping*) dan administrasi (*administration*) atas efek-efek maupun dokumen berharga lainnya;
- b. Penyelesaian transaksi (*settlement*) jual dan beli efek berbentuk warkat (*script*) maupun tanpa warkat (*scriptless*);
- c. Pengurusan hak-hak nasabah atas kepemilikan efek-efek yang disimpan sehingga hak tersebut efektif di rekognisi nasabah (*corporate action*);
- d. Perwalian (*proxy*) pada Rapat Umum Pemegang Saham dan Rapat Umum Pemegang Obligasi;
- e. Penyampaian laporan (*reporting*) dan informasi (*information*) yang terkait dengan efek-efek dan/atau dokumen berharga milik nasabah yang disimpan dan diadministrasikan oleh Kustodian BNI.

Untuk memenuhi kebutuhan investor dalam melakukan investasi pada berbagai instrumen efek-efek, Kustodian BNI memfasilitasinya dengan menyediakan beragam layanan:

- a. Kustodian umum untuk melayani investor yang melakukan investasi pada instrumen pasar modal dan pasar uang di Indonesia;
- b. Sub-Registry untuk melayani investor yang melakukan transaksi dan investasi pada Surat Utang Negara (SUN - Obligasi Pemerintah atau Surat Perbendaharaan Negara) serta Sertifikat Bank Indonesia (SBI);
- c. Kustodian reksadana (*mutual fund*) dan kontrak pengelolaan dana (*discretionary fund*) yang diterbitkan dan dikelola oleh manajer investasi;

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**55. OTHER ACTIVITIES**

BNI provides custodian, trustee, investment management and mutual fund services to third parties. Assets that are held in other activities are not included in these consolidated financial statement. Total fees received from these services amounted to Rp45,106 and Rp36,132 for the period ended 31 December 2016 and 2015, respectively.

**Custodian Services**

BNI Custodian Services has obtained a operating license based on the Decision Letter of Bapepam and LK No. KEP-162/PM/1991 dated 9 December 1991. BNI's Custodian Department, which is part of the Operational Division, provides a full range of custodian services such as:

- a. Safekeeping and administration of marketable securities and other valuable assets;
- b. Settlement and handling services for script and scriptless trading transactions;
- c. Corporate action services related to the rights of the marketable securities;
- d. Proxy services for its customers' shareholder meetings and bond holder meetings;
- e. Generate reports and information regarding customers' marketable securities which are kept and administered by BNI's custodian department.

In order to fulfil the investors' needs in investing in various marketable securities and instruments, BNI's Custodian Operations facilitates it:

- a. General custodian which provides services to investors investing in capital markets or money markets in Indonesia;
- b. Sub-Registry service provider for settlement of Government Debenture Debt (SUN - either Government Bonds or Surat Perbendaharaan Negara) and SBI transactions;
- c. Custodian for mutual funds and discretionary funds issued and managed by investment manager;

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**55. AKTIVITAS JASA LAINNYA (lanjutan)**

**Kegiatan Jasa Kustodian (lanjutan)**

- d. Kustodian *Euroclear* bagi nasabah yang akan melakukan investasi dan penyelesaian transaksi efek-efek yang tercatat di *Euroclear Operations Centre*, Brussels. Kustodian BNI merupakan anggota langsung dari *Euroclear*.

Pada tanggal-tanggal 31 Desember 2016 dan 2015, Kustodian BNI memiliki 255 nasabah (tidak diaudit) dan 124 nasabah (tidak diaudit). Nasabah utama terdiri dari dana pensiun, perusahaan asuransi, bank, yayasan, perusahaan sekuritas, reksadana, institusi/badan hukum lain dan perseorangan. Nilai portofolio yang disimpan pada tanggal 31 Desember 2016 dan 2015 adalah masing-masing sebesar Rp156.765.440 (tidak diaudit) dan Rp119.730.069 (tidak diaudit).

BNI mengasuransikan portofolio nasabah yang disimpan di Kustodian terhadap kemungkinan kerugian yang timbul dari penyimpanan dan pemindahan efek-efek sesuai dengan ketentuan OJK, dahulu Bapepam dan LK.

**Kegiatan Wali Amanat**

BNI mendapat izin operasi untuk kegiatan wali amanat berdasarkan Surat Keputusan No. 01/STTD-WA/PM/1996 tertanggal 27 Maret 1996. Jasa-jasa yang ditawarkan oleh wali amanat adalah sebagai berikut:

- a. Jasa Wali Amanat untuk obligasi dan *medium-term notes* (MTN)
- b. Jasa Agen Pengelola Rekening Penampungan
- c. Jasa Agen Pembayaran
- d. Jasa Penampungan Dana IPO
- e. Jasa Agen Penjaminan

BNI selaku Wali Amanat telah mengelola 20 emisi dengan nilai emisi (obligasi dan MTN) sebesar Rp23.238.000 (tidak diaudit) pada tanggal 31 Desember 2016 dan 18 emisi dengan nilai emisi (obligasi dan MTN) sebesar Rp16.136.000 (tidak diaudit) pada tanggal 31 Desember 2015.

**56. RENCANA BARANG MODAL**

BNI memiliki komitmen barang modal terkait dengan pembangunan gedung kantor cabang serta pengadaan perlengkapan komputer dan ATM adalah sebesar Rp1.746.296 (tidak diaudit) dan Rp1.745.137 (tidak diaudit) masing-masing pada tanggal-tanggal 31 Desember 2016 dan 2015.

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**55. OTHER ACTIVITIES (continued)**

**Custodian Services (continued)**

- d. Euroclear Custodian for customer who is conducting investment and settlement of securities transactions listed in Euroclear Operations Center, Brussels. BNI Custodian is a direct member of Euroclear.

As of 31 December 2016 and 2015, BNI's custodian operations has 255 customers (unaudited) and 124 customers (unaudited), respectively. The customers are primarily pension funds, insurance companies, banks, foundations, securities companies, mutual funds, other institutions/legal entities and individual customers with a total portfolio value as of 31 December 2016 and 2015 of Rp156,765,440 (unaudited) and Rp119,730,069 (unaudited), respectively.

BNI carries insurance on custodian services against potential losses from safekeeping and transit of securities in accordance with OJK, previously Bapepam and LK regulation.

**Trust Operations**

BNI has obtained the operating license for trustee services based on Decision Letter of Capital Market and Financial Institutions Supervisory Agency No. 01/STTD-WA/PM/1996 dated 27 March 1996. The Trustee Services Business (TSB) provides a full range of the following services:

- a. Trustee for bond and medium-term notes (MTN)
- b. Escrow Account Agent
- c. Paying Agent
- d. Initial Public Offering / IPO Receiving Bank
- e. Security Agent

BNI as a Trustee, has 20 trusteeship arrangements with the total value of bonds and MTN issued amounting to Rp23,238,000 (unaudited) as of 31 December 2016 and 18 trusteeship arrangements with the total value of bonds and MTN issued amounting to Rp16,136,000 (unaudited) as of 31 December 2015.

**56. CAPITAL EXPENDITURE COMMITMENTS**

BNI has capital expenditure plans in relation to the construction of branch offices and procurement of computer equipment and ATMs amounting to Rp1,746,296 (unaudited) and Rp1,745,137 (unaudited) as of 31 December 2016 and 2015, respectively.

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## 57. KREDIT KELOLAAN

BNI mengelola dana yang langsung dikeluarkan oleh Pemerintah Republik Indonesia (didanai oleh kreditur luar negeri) yang ditujukan kepada penerima pinjaman untuk keperluan pembiayaan proyek tertentu. Penerima pinjaman ini telah disetujui oleh Pemerintah Republik Indonesia. Pembayaran yang diterima oleh BNI dari penerima pinjaman dikembalikan lagi ke Pemerintah. BNI tidak menanggung risiko kredit atas transaksi-transaksi tersebut. Pinjaman tersebut bukan merupakan aset BNI dan dana yang diterima dari Pemerintah Republik Indonesia bukan merupakan liabilitas BNI, pinjaman tersebut tidak dibukukan dalam laporan keuangan konsolidasian BNI. BNI memperoleh pendapatan atas pengelolaan pinjaman tersebut sebesar 0,25% dari rata-rata saldo baki debet pinjaman dalam mata uang Rupiah dan 0,15% dari rata-rata saldo baki debet pinjaman dalam mata uang Dolar Amerika Serikat.

Jumlah kredit yang dikelola oleh BNI atas nama Pemerintah tersebut pada tanggal-tanggal 31 Desember 2016 dan 2015 (tidak diaudit) adalah sebagai berikut:

<b>Sektor</b>	<b>2016</b>	<b>2015</b>	<b>Sector</b>
Listrik, gas dan air	4,098	413,650	Electricity, gas and water
Pertanian	2,899	33,485	Agriculture
Pengangkutan, pergudangan dan komunikasi	2,747	128,865	Transportation, warehouse and communications
Perdagangan, restoran dan hotel	2,283	4,044	Trading, restaurant and hotel
Jasa pelayanan sosial	1,876	2,942	Social services
Jasa dunia usaha	1,680	1,706	Business services
Perindustrian	1,133	2,309,408	Manufacturing
Konstruksi	6	1,101,721	Construction
Lain-lain	9,484	17,435	Others
<b>Total</b>	<b>26,206</b>	<b>4,013,256</b>	<b>Total</b>

## 58. STANDAR AKUNTANSI BARU

Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK-IAI) dan Dewan Standar Akuntansi Syariah Ikatan Akuntan Indonesia (DSAS-IAI) telah menerbitkan standar baru dan revisi atas standar akuntansi pada tahun 2016. Standar ini belum berlaku efektif untuk tahun 2016. Perubahan tersebut antara lain:

- Amandemen PSAK 2: Laporan Arus Kas tentang Prakarsa Pengungkapannya\*
- Amandemen PSAK 46: Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi\*
- PSAK 3: Laporan Keuangan Interim (Penyesuaian 2016)\*\*

## 57. CHANNELING LOANS

BNI administers loans directly disbursed by the Government of the Republic of Indonesia (financed by overseas creditors) to the borrowers of certain specified projects. These borrowers are approved by the Government of the Republic of Indonesia. Payments received by BNI from borrowers are remitted back to the Government. BNI bears no credit risk on these transactions. These loans are not the assets of BNI and funds received from the Government of Republic of Indonesia are not the liabilities of BNI. These loans are not recognized in BNI's consolidated financial statements. BNI receives fees for administering the loans of 0.25% from the average of loans outstanding balance in Rupiah and 0.15% of the average of loan outstanding balance in United States Dollar.

Following is the outstanding loans balance administered by BNI on behalf of the Government as of 31 December 2016 and 2015 (unaudited):

## 58. NEW PROSPECTIVE ACCOUNTING STANDARDS

Financial Accounting Standard Board (DSAK-IAI) and Sharia Financial Accounting Standard Board (DSAS-IAI) issued new standard and revised of current standard in 2016. The standard is not applied in 2016. Following are new and revised standard:

- Amendments SFAS 2: Statement of Cash Flow on the Disclosure Initiative\*
- Amendments SFAS 46: Income Taxes on the Recognition of Deferred Tax Asset for Unrealized Losses\*
- SFAS 3: Interim Financial Reporting (Improvement 2016)\*\*

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**58. STANDAR AKUNTANSI BARU (lanjutan)**

- PSAK 24: Imbalan Kerja (Penyesuaian 2016) \*\*
- PSAK 58: Aset Tidak Lancar yang Dimiliki Untuk Dijual dan Operasi yang Dihentikan (Penyesuaian 2016) \*\*
- PSAK 60: Instrumen Keuangan: Pengungkapan (Penyesuaian 2016) \*\*
- PSAK Syariah 101: Penyajian Laporan Keuangan Syariah (Revisi 2016)\*\*
- PSAK Syariah 102: Akuntansi Murabahah (Revisi 2016)\*\*
- PSAK Syariah 104: Akuntansi Istishna (Revisi 2016)\*\*
- PSAK Syariah 107: Akuntansi Ijarah (Revisi 2016)\*\*
- PSAK Syariah 108: Akuntansi Transaksi Akuntansi Syariah (Revisi 2016) \*\*

\* Berlaku efektif 1 Januari 2018

\*\* Berlaku efektif 1 Januari 2017

Pada saat penerbitan laporan keuangan konsolidasian, Grup masih mempelajari dampak yang mungkin timbul dari penerapan standar baru dan revisi tersebut serta pengaruhnya pada laporan keuangan konsolidasian Grup.

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**58. NEW PROSPECTIVE ACCOUNTING STANDARDS (continued)**

- SFAS 24: Employee Benefits (Improvement 2016)\*\*
- SFAS 58: Non-Current Assets Held for Sale and Discontinued Operation (Improvement 2016)\*\*
- SFAS 60: Financial Instrument – Disclosure (Improvement 2016)\*\*
- Sharia SFAS 101: Presentation of Sharia Financial Statements (Revised 2016)\*\*
- Sharia SFAS 102: Murabahah Accounting (Revised 2016)\*\*
- Sharia SFAS 104: Istishna Accounting (Revised 2016)\*\*
- Sharia SFAS 107: Ijarah Accounting (Revised 2016)\*\*
- Sharia SFAS 108: Accounting for Sharia Insurance Transaction (Revised 2016)\*\*

\* Effective at 1 January 2018

\*\* Effective at 1 January 2017

As at the authorisation date of this consolidated financial statements, the Group is still evaluating the potential impact of these new and revised standards to the Group's consolidated financial statements.

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	<b>2016</b>	<b>2015</b>	
<b>ASET</b>			<b>ASSETS</b>
Kas	10,991,946	12,743,510	Cash
Giro pada Bank Indonesia	28,922,705	29,936,441	Current accounts with Bank Indonesia
Giro pada bank lain	6,007,102	8,838,765	Current accounts with other banks
Dikurangi: Cadangan kerugian penurunan nilai	-	-	Less: Allowance for impairment losses
	6,007,102	8,838,765	
Penempatan pada bank lain dan Bank Indonesia	30,573,184	29,604,552	Placements with other banks and Bank Indonesia
Dikurangi: Cadangan kerugian penurunan nilai	-	-	Less: Allowance for impairment losses
	30,573,184	29,604,552	
Efek-efek	20,775,110	9,680,235	Marketable securities
Dikurangi: Cadangan kerugian penurunan nilai	(86,717)	(33,723)	Less: Allowance for impairment losses
	20,688,393	9,646,512	
Efek-efek yang dibeli dengan janji dijual kembali	1,325,260	376,215	Securities purchased under agreements to resell
Dikurangi: Cadangan kerugian penurunan nilai	-	-	Less: Allowance for impairment losses
	1,325,260	376,215	
Wesel ekspor dan tagihan lainnya	8,599,063	8,857,823	Bills and other receivables
Dikurangi: Cadangan kerugian penurunan nilai	(31,268)	(26,379)	Less: Allowance for impairment losses
	8,567,795	8,831,444	
Tagihan akseptasi	14,804,373	10,899,801	Acceptances receivables
Dikurangi: Cadangan kerugian penurunan nilai	(84,834)	(79,188)	Less: Allowance for impairment losses
	14,719,539	10,820,613	
Tagihan derivatif	249,864	440,701	Derivatives receivables
Pinjaman yang diberikan	372,621,478	308,307,475	Loans
Dikurangi: Cadangan kerugian penurunan nilai	(16,121,974)	(11,677,580)	Less: Allowance for impairment losses
	356,499,504	296,629,895	

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	<b>2016</b>	<b>2015</b>	
<b>ASET (lanjutan)</b>			<b>ASSETS (continued)</b>
Obligasi Pemerintah setelah penyesuaian amortisasi diskonto dan premi	53,047,320	39,492,957	<i>Government Bonds adjusted for amortization of discount and premium</i>
Pajak dibayar di muka	619,751	2,289,853	<i>Prepaid taxes</i>
Beban dibayar dimuka	2,211,917	1,476,314	<i>Prepaid expenses</i>
Penyertaan saham Dikurangi: Cadangan kerugian penurunan nilai	2,356,994 -	2,153,994 (22,071)	<i>Equity investments Less: Allowance for impairment losses</i>
	2,356,994	2,131,923	
Aset lain-lain - neto	5,321,508	3,737,906	<i>Other assets - net</i>
Aset tetap Dikurangi: Akumulasi penyusutan	27,623,336 (6,130,240)	25,645,918 (5,308,552)	<i>Fixed assets Less: Accumulated depreciation</i>
	21,493,096	20,337,366	
Aset pajak tangguhan - neto	1,249,473	1,381,402	<i>Deferred tax assets - net</i>
<b>TOTAL ASET</b>	<b><u>564,845,351</u></b>	<b><u>478,716,369</u></b>	<b>TOTAL ASSETS</b>

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	<b>2016</b>	<b>2015</b>	
<b>LIABILITAS DAN EKUITAS</b>			
<b>LIABILITAS</b>			<b>LIABILITIES</b>
Liabilitas segera	3,242,559	1,777,726	<i>Obligations due immediately</i>
Simpanan nasabah	412,147,567	351,281,658	<i>Deposits from customers</i>
Simpanan dari bank lain	9,876,890	4,329,379	<i>Deposits from other banks</i>
Liabilitas derivatif	410,870	1,161,557	<i>Derivatives payable</i>
Efek-efek yang dijual dengan janji dibeli kembali	3,764,961	3,163,142	<i>Securities sold under agreements to repurchase</i>
Liabilitas akseptasi	4,353,682	6,188,258	<i>Acceptances payable</i>
Beban yang masih harus dibayar	849,667	749,521	<i>Accrued expenses</i>
Utang pajak			<i>Taxes payable</i>
- Pajak penghasilan badan	73,301	716,288	<i>Corporate income tax</i>
- Pajak lainnya	45,155	21,216	<i>- Other taxes</i>
Total utang pajak	118,456	737,504	<i>Total taxes payable</i>
Imbalan kerja	3,076,326	3,096,825	<i>Employee benefits</i>
Penyisihan	154,348	98,354	<i>Provision</i>
Liabilitas lain-lain	3,704,259	3,337,967	<i>Other liabilities</i>
Efek-efek yang diterbitkan	6,731,115	6,870,667	<i>Securities issued</i>
Pinjaman yang diterima	32,865,422	22,473,581	<i>Borrowings</i>
<b>TOTAL LIABILITAS</b>	<b>481,296,122</b>	<b>405,266,139</b>	<b>TOTAL LIABILITIES</b>

**INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION**

**Lampiran 1**  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**ENTITAS INDUK**  
**LAPORAN POSISI KEUANGAN (lanjutan)**  
**Tanggal 31 Desember 2016**  
**(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**Schedule 1**  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**PARENT ENTITY**  
**STATEMENT OF FINANCIAL POSITION (continued)**  
**As of 31 December 2016**  
**(Expressed in millions of Rupiah,  
unless otherwise stated)**

	<b>2016</b>	<b>2015</b>	<b>EQUITY</b>
<b>EKUITAS</b>			
Modal saham:			Share capital:
- Seri A Dwiwarna - nilai nominal Rp7.500 per saham (dalam Rupiah penuh)			Class A Dwiwarna - Rp7,500 par value per share (in full Rupiah amount)
- Seri B - nilai nominal Rp7.500 per saham (dalam Rupiah penuh)			Class B - Rp7,500 - par value per share (in full Rupiah amount)
- Seri C - nilai nominal Rp375 per saham (dalam Rupiah penuh)			Class C - Rp375 - par value per share (in full Rupiah amount)
Modal dasar:			Share capital - Authorized: Class A Dwiwarna - 1 share - Class B - 289,341,866 shares - Class C - 34,213,162,660 shares -
Modal ditempatkan dan disetor penuh:			Issued and fully paid: Class A Dwiwarna - 1 share - Class B - 289,341,866 shares - Class C - 18,359,314,591 shares -
- Seri A Dwiwarna - 1 saham			
- Seri B - 289.341.866 saham			
- Seri C - 34.213.162.660 saham	9,054,807	9,054,807	
Tambahan modal disetor	14,568,468	14,568,468	Additional paid-in capital
Cadangan revaluasi aset	12,189,957	12,189,957	Asset revaluation reserve
Rugi yang belum direalisasi atas efek-efek dan Obligasi Pemerintah dalam kelompok tersedia untuk dijual, setelah pajak	(1,247,448)	(1,880,545)	Unrealized losses on available- for-sale marketable securities and Government Bonds, net of tax
Selisih kurs karena penjabaran laporan keuangan dalam mata uang asing	81,715	75,502	Exchange difference in translation of foreign currency financial statements
Saldo laba			Retained earnings Appropriated
Sudah ditentukan penggunaannya			General and legal reserves
Cadangan umum dan wajib	2,778,412	2,778,412	Specific reserves
Cadangan khusus	-	5,705,376	Unappropriated
Tidak ditentukan penggunaannya	46,123,318	31,708,232	
	<u>48,901,730</u>	<u>40,192,020</u>	
Saham treasuri	-	(749,979)	Treasury shares
<b>TOTAL EKUITAS</b>	<b>83,549,229</b>	<b>73,450,230</b>	<b>TOTAL EQUITY</b>
<b>TOTAL LIABILITAS DAN EKUITAS</b>	<b>564,845,351</b>	<b>478,716,369</b>	<b>TOTAL LIABILITIES AND EQUITY</b>

**INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION**

Lampiran 2  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
 ENTITAS INDUK  
**LAPORAN LABA RUGI DAN PENGHASILAN**  
**KOMPREHENSIF LAIN**  
 Untuk Tahun yang Berakhir Pada Tanggal  
 31 Desember 2016  
 (Disajikan dalam jutaan Rupiah,  
 kecuali dinyatakan lain)

Schedule 2  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
 PARENT ENTITY  
**STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
 For the Year Ended 31 December 2016  
 (Expressed in millions of Rupiah,  
 unless otherwise stated)

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
	2016	2015	
<b>PENDAPATAN BUNGA</b>	40,713,575	34,288,945	<b>INTEREST INCOME</b>
<b>BEBAN BUNGA</b>	(12,850,377)	(10,502,250)	<b>INTEREST EXPENSE</b>
<b>PENDAPATAN BUNGA - NETO</b>	<b>27,863,198</b>	<b>23,786,695</b>	<b>INTEREST INCOME - NET</b>
<b>PENDAPATAN OPERASIONAL</b> <b>LAINNYA</b>			<b>OTHER OPERATING INCOME</b>
Provisi dan komisi lainnya	6,531,431	5,600,372	Other fee and commission
Penerimaan kembali aset yang telah dihapusbukukan	1,377,944	1,590,469	Recovery of assets written off
Kerugian dari aset keuangan yang dimiliki untuk diperdagangkan	(12,213)	(25,957)	Loss from financial assets held for trading
Keuntungan dari penjualan aset keuangan yang diklasifikasikan tersedia untuk dijual dan dimiliki untuk diperdagangkan	637,701	285,050	Gain on sale of financial assets classified as available for sale and held for trading
Laba selisih kurs - neto	679,103	510,520	Foreign exchange gains - net
Lain-lain	405,947	396,658	Others
<b>TOTAL PENDAPATAN</b> <b>OPERASIONAL LAINNYA</b>	<b>9,619,913</b>	<b>8,357,112</b>	<b>TOTAL OTHER OPERATING</b> <b>INCOME</b>
<b>PEMBENTUKAN CADANGAN KERUGIAN</b> <b>PENURUNAN NILAI</b>	<b>(7,530,043)</b>	<b>(7,137,282)</b>	<b>ALLOWANCE FOR</b> <b>IMPAIRMENT LOSSES</b>
<b>BEBAN OPERASIONAL LAINNYA</b>			<b>OTHER OPERATING EXPENSES</b>
Gaji dan tunjangan	(7,719,917)	(6,359,233)	Salaries and employees' benefits
Umum dan administrasi	(5,731,971)	(5,367,890)	General and administrative
Beban promosi	(777,034)	(692,415)	Promotion expense
Premi penjaminan	(729,374)	(597,504)	Guarantee premium
Lain-lain	(1,521,796)	(1,189,467)	Others
<b>TOTAL BEBAN OPERASIONAL</b> <b>LAINNYA</b>	<b>(16,480,092)</b>	<b>(14,206,509)</b>	<b>TOTAL OTHER OPERATING</b> <b>EXPENSES</b>
<b>LABA OPERASIONAL</b>	<b>13,472,976</b>	<b>10,800,016</b>	<b>OPERATING INCOME</b>
<b>PENDAPATAN BUKAN</b> <b>OPERASIONAL - NETO</b>	<b>44,358</b>	<b>12,939</b>	<b>NON-OPERATING INCOME - NET</b>
<b>LABA SEBELUM</b> <b>BEBAN PAJAK</b>	<b>13,517,334</b>	<b>10,812,955</b>	<b>INCOME BEFORE</b> <b>TAX EXPENSE</b>
<b>BEBAN PAJAK</b>			<b>TAX EXPENSE</b>
Kini	(2,790,515)	(2,886,135)	Current
Tangguhan	49,481	701,477	Deferred
<b>TOTAL BEBAN PAJAK</b>	<b>(2,741,034)</b>	<b>(2,184,658)</b>	<b>TOTAL TAX EXPENSE</b>
<b>LABA TAHUN BERJALAN</b>	<b>10,776,300</b>	<b>8,628,297</b>	<b>INCOME FOR THE YEAR</b>

**INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION**

Lampiran 2  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
 ENTITAS INDUK  
**LAPORAN LABA RUGI DAN PENGHASILAN**  
**KOMPREHENSIF LAIN (lanjutan)**  
 Untuk Tahun yang Berakhir Pada Tanggal  
 31 Desember 2016  
 (Disajikan dalam jutaan Rupiah,  
 kecuali dinyatakan lain)

**Schedule 2**  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**PARENT ENTITY**  
**STATEMENT OF PROFIT OR LOSS AND OTHER**  
**KOMPREHENSIVE INCOME (continued)**  
 For the Year Ended 31 December 2016  
*(Expressed in millions of Rupiah,  
 unless otherwise stated)*

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
	2016	2015	
<b>LABA TAHUN BERJALAN</b>	<b>10,776,300</b>	<b>8,628,297</b>	<b>INCOME FOR THE YEAR</b>
<b>PENGHASILAN KOMPREHENSIF</b> <b>LAIN:</b>			<b>OTHER COMPREHENSIVE</b> <b>INCOME:</b>
<b>Pos-pos yang tidak akan</b> <b>direklasifikasi ke laba rugi</b>			<i>Items that will not be reclassified to profit or loss</i>
Keuntungan revaluasi aset tetap	-	12,380,091	<i>Gain on revaluation of fixed assets</i>
Pengukuran kembali liabilitas imbalan kerja	250,369	101,002	<i>Remeasurement of post employment benefit</i>
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lain	(50,074)	(202,272)	<i>Income tax relating to components of other comprehensive income</i>
<b>Pos-pos yang akan</b> <b>direklasifikasi ke laba rugi</b>			<i>Items that will be reclassified to profit or loss</i>
Penyesuaian akibat penjabaran laporan keuangan dalam mata uang asing	6,213	17,464	<i>Translation adjustment of foreign currency financial statements</i>
Keuntungan/(kerugian) dari perubahan nilai aset keuangan dalam kelompok tersedia untuk dijual	791,371	(433,142)	<i>Gain/(loss) on changes in value of financial assets categorized as available-for-sale</i>
Pajak penghasilan terkait dengan komponen pendapatan komprehensif lain	(158,274)	93,127	<i>Income tax relating to components of other comprehensive income</i>
<b>PENGHASILAN KOMPREHENSIF</b> <b>LAIN TAHUN BERJALAN</b> <b>SETELAH PAJAK</b>	<b>839,605</b>	<b>11,956,270</b>	<b>OTHER COMPREHENSIVE</b> <b>INCOME FOR THE YEAR</b> <b>AFTER TAXES</b>
<b>TOTAL LABA KOMPREHENSIF</b> <b>TAHUN BERJALAN</b>	<b>11,615,905</b>	<b>20,584,567</b>	<b>TOTAL COMPREHENSIVE</b> <b>INCOME FOR THE YEAR</b>

## INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

**Lampiran 3**  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**ENTITAS INDUK**  
**LAPORAN PERUBAHAN EKUITAS**  
**Untuk Tahun yang Berakhir Pada Tanggal 31 Desember 2016**  
**(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**Schedule 3**  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**PARENT ENTITY**  
**STATEMENT OF CHANGES IN EQUITY**  
**For The Year Ended 31 December 2016**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

Rugi yang belum direalisasi atas efek-efek dan obligasi Pemerintah dalam kelompok tersedia untuk dijual neto setelah pajak/  
*Unrealized losses on available-for-sale securities and Government Bonds, net of tax*

	Modal ditempatkan dan disetor penuh/ <i>Issued and fully paid-up capital</i>	Tambahan modal disetor/ <i>Additional paid-in capital</i>	Saldo per 31 Desember 2015	Saldo laba/Retained earnings *)		Salaham treasury/ <i>Treasury shares</i>	Total ekuitas/ <i>Total equity</i>
				Dicadangkan/ <i>Appropriated</i>	Cadangan umum dan wajib/ <i>General and legal reserves</i>		
9.054.807	14.568.468	(1.880.545)	75.502	12,189,957	2,778,412	5,705,376	73,450,230
	-	633,097	6,213	-	-	10,976,595	11,615,905
	-	-	-	-	-	(5,613,100)	-
	-	-	-	-	-	(92,276)	-
	-	-	-	-	-	-	-
	-	-	-	-	-	(2,266,885)	749,979
	-	-	-	-	-	-	(2,266,885)
<b>Saldo per 31 Desember 2016</b>	<b>9.054.807</b>	<b>14.568.468</b>	<b>(1,247,448)</b>	<b>81,715</b>	<b>12,189,957</b>	<b>2,778,412</b>	<b>83,549,229</b>

Rugi yang belum direalisasi atas efek-efek dan obligasi Pemerintah dalam kelompok tersedia untuk dijual neto setelah pajak/  
*Unrealized losses on available-for-sale securities and Government Bonds, net of tax*

	Dicadangkan/ <i>Appropriated</i>	Cadangan umum dan wajib/ <i>General and legal reserves</i>	Tidak dicadangkan/ <i>Unappropriated**</i>	Saham treasury/ <i>Treasury shares</i>	Total ekuitas/ <i>Total equity</i>
<b>Saldo as of 31 December 2015</b>	<b>73,450,230</b>	<b>73,450,230</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reclassification of specific reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reclassification of overseas branch legal reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Treasury stock</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash dividends</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Saldo as of 31 December 2016</b>	<b>83,549,229</b>	<b>83,549,229</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*) Saldo rugi sebesar Rp58,905,232 telah dieliminasi dengan tambahan modal disetor, laba yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual, cadangan penilaian kembali aset, cadangan khusus dan cadangan umum pada saat kuasi-reorganisasi BNI pada tanggal 30 Juni 2003.

\*\*) Termasuk di dalam saldo laba tidak dicadangkan adalah pengukuran kembali liabilitas imbalan kerja, neto setelah pajak sebesar Rp289,159.

\*) Accumulated losses of Rp58,905,232 has been eliminated against additional paid-in capital, unrealized gains on available-for-sale securities, assets revaluation reserves, specific reserves and general and legal reserves during BNI's quasi-reorganization as of 30 June 2003.

\*\*) Included in unappropriated retained earnings is the remeasurement of post employment benefit, net of tax amounting to Rp289,159.

## INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

Lampiran 3  
PT BANK NEGARA INDONESIA (PERSERO) Tbk  
ENTITAS INDUK

LAPORAN PERUBAHAN EKUITAS (lanjutan)  
Untuk Tahun yang Berakhir Pada Tanggal 31 Desember 2016  
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

Rugi yang  
belum direalisasi  
atas efek-efek  
dan Obligasi  
Pemerintah  
dalam kelompok  
teredia  
untuk dijual,  
neto setelah  
pajak/  
*Unrealized  
losses  
on available-  
for-sale  
securities  
and Government  
Bonds,  
net of tax*

Modal diterima dan disetor penuh/ <i>Issued and fully paid-in capital</i>	Tambahan modal disetor/ <i>Additional paid-in capital</i>		Saldo laba/Retained earnings *)		<i>Dicadangkan/ Appropriated</i>	<i>Cadangan umum dan wajib/ General and legal reserves</i>	<i>Cadangan khusus/ Specific reserves</i>	<i>Tidak dicadangkan/ Unappropriated**</i>	<i>Saham treasury/ Treasury shares</i>	<i>Total ekuitas/ Total equity</i>
			<i>Cadangan revaluasi aset/ Asset revaluation reserve</i>	<i>Transaksi adjustment of foreign currency/ financial statements</i>						
9.054.807	14.568.468	(1.540.530)	58.038	-	2.778.412	3.909.726	27.482.375	-	-	56.311.296
		(340.015)	17.464	12.189.957	-	-	8.717.161	-	-	20.584.567
		-	-	-	-	-	-	-	(749.979)	(749.979)
		-	-	-	-	1.795.650	(1.795.650)	-	-	-
		-	-	-	-	-	(2.695.654)	-	(2.695.654)	-
<b>Saldo per 31 Desember 2014</b>					<b>2.778.412</b>	<b>5.705.376</b>	<b>31.708.232</b>	<b>(749.979)</b>	<b>73.450.230</b>	<b>Balance as of 31 December 2014</b>
Laba komprehensif untuk tahun berjalan										
Salah Treasury										
Pembentukan cadangan khusus										
Dividen tunai										
<b>Saldo per 31 Desember 2015</b>		<b>14.568.468</b>	<b>(1.880.545)</b>	<b>75.502</b>	<b>12.189.957</b>	<b>2.778.412</b>	<b>5.705.376</b>	<b>(749.979)</b>	<b>73.450.230</b>	<b>Balance as of 31 December 2015</b>

\*) Saldo rugi sebesar Rp58.905.232 telah dilimidas dengan tambahan modal disetor, laba yang belum direalisasi atas efek-efek dalam kelompok tersedia untuk dijual, catatan penilaian kembali aset, cadangan khusus dan cadangan umum dan wajib pada saat kusi-reorganisasi BNI pada tanggal 30 Juni 2003.

\*\*) Temasuk di dalam saldo laba tidak dicadangkan adalah pengukuran kembali liabilitas imbalan kerja, neto setelah pajak sebesar Rp88.864.

\*) Accumulated losses of Rp58.905.232 has been eliminated against additional paid-in capital, unrealized gains on available-for-sale securities, assets revaluation reserves, specific reserves and general and legal reserves during BNI's quasi-reorganization as of 30 June 2003.

\*\*) Included in unappropriated retained earnings is the remeasurement of post employment benefit amounting to Rp88.864.

## INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

**Lampiran 4**  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**ENTITAS INDUK**  
**LAPORAN ARUS KAS**  
**Untuk Tahun yang Berakhir Pada Tanggal**  
**31 Desember 2016**  
**(Disajikan dalam jutaan Rupiah,**  
**kecuali dinyatakan lain)**

**Schedule 4**  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**PARENT ENTITY**  
**STATEMENT OF CASH FLOWS**  
**For the Years Ended 31 December 2016**  
*(Expressed in millions of Rupiah,  
unless otherwise stated)*

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
	2016	2015	
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>			
Pendapatan bunga	40,022,127	33,739,599	<i>Interest income</i>
Beban bunga	(12,894,212)	(10,288,818)	<i>Interest expense</i>
Pendapatan operasional lainnya	9,161,985	11,377,441	<i>Other operating income</i>
Beban operasional lainnya	(18,284,948)	(17,823,748)	<i>Other operating expenses</i>
Pendapatan bukan operasional - bersih	43,036	(6,119)	<i>Non-operating income - net</i>
Pembayaran pajak penghasilan	(3,388,349)	(3,294,367)	<i>Payment of income tax</i>
Pembayaran pajak final atas revaluasi aset tetap	-	(190,134)	<i>Payment of final tax from revaluation of fixed assets</i>
<b>Arus kas sebelum perubahan dalam aset dan liabilitas operasi</b>	<b>14,659,639</b>	<b>13,513,854</b>	<b>Cash flows before changes in operating assets and liabilities</b>
Perubahan dalam aset dan liabilitas operasi:			<i>Changes in operating assets and liabilities:</i>
Penurunan/(kenaikan) aset operasi:			<i>Decrease (increase) in operating assets:</i>
Penempatan pada Bank Indonesia dan Bank lain	(1,519,815)	(1,046,328)	<i>Placements with Bank Indonesia and other banks</i>
Efek-efek dan Obligasi			
Pemerintah yang diukur pada nilai wajar melalui laporan laba rugi	(35,106)	(401,780)	<i>Marketable securities and Government Bond at fair value through profit or loss</i>
Wesel ekspor dan tagihan lainnya	258,760	(6,555,451)	<i>Bills and other receivables</i>
Efek-efek yang dibeli dengan janji dijual kembali	(949,045)	5,861,141	<i>Securities purchased under agreements to resell</i>
Pinjaman yang diberikan	(64,314,003)	(45,729,574)	<i>Loans</i>
Tagihan akseptasi	(3,904,572)	1,631,640	<i>Acceptances receivable</i>
Biaya dibayar di muka	(735,603)	(244,937)	<i>Prepaid expenses</i>
Aset lain-lain	777,948	(393,072)	<i>Other assets</i>
Kenaikan/(penurunan) liabilitas operasi:			<i>Increase/(decrease) in operating liabilities:</i>
Liabilitas segera	1,464,833	(4,260)	<i>Obligations due immediately</i>
Simpanan nasabah	60,865,909	52,260,616	<i>Deposits from customers</i>
Simpanan dari bank lain	5,547,511	1,836,985	<i>Deposits from other banks</i>
Beban yang masih harus dibayar	100,146	216,307	<i>Accrued expenses</i>
Imbalan kerja	(111,127)	70,493	<i>Employee benefits</i>
Liabilitas akseptasi	(1,834,576)	(280,345)	<i>Acceptances payable</i>
Utang pajak	(21,217)	(712)	<i>Taxes payable</i>
Liabilitas lain-lain	410,125	166,902	<i>Other liabilities</i>
<b>Kas neto diperoleh dari kegiatan operasi</b>	<b>10,659,807</b>	<b>20,901,479</b>	<b>Net cash provided from operating activities</b>
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>			
(Pembelian)/penjualan efek-efek yang tersedia untuk dijual dan dimiliki hingga jatuh tempo - neto	(11,064,437)	4,001,882	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
Pembelian Obligasi			
Pemerintah - neto	(12,333,639)	(2,426,686)	<i>(Purchases)/sale of marketable securities available-for-sale and held-for-maturity - net</i>
Penambahan aset tetap	(2,030,199)	(2,841,801)	<i>Purchases of Government Bond - net</i>
Hasil penjualan aset tetap	15,811	20,928	<i>Acquisition of fixed assets</i>
<b>Kas neto digunakan untuk aktivitas investasi</b>	<b>(25,412,464)</b>	<b>(1,245,677)</b>	<i>Proceeds from sale of fixed assets</i>
			<i>Net cash used in investing activities</i>

**INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION**

Lampiran 4  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
 ENTITAS INDUK  
**LAPORAN ARUS KAS (lanjutan)**  
 Untuk Tahun yang Berakhir Pada Tanggal  
 31 Desember 2016  
 (Disajikan dalam jutaan Rupiah,  
 kecuali dinyatakan lain)

**Schedule 4**  
**PT BANK NEGARA INDONESIA (PERSERO) Tbk**  
**PARENT ENTITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**For the Years Ended 31 December 2016**  
*(Expressed in millions of Rupiah,  
unless otherwise stated)*

	Tahun yang Berakhir pada tanggal 31 Desember/Year ended December		
	2016	2015	
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>			<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>
Kenaikan pinjaman yang diterima	10,391,841	11,342,190	<i>Increase in borrowings</i>
(Penurunan)/kenaikan efek-efek yang diterbitkan	(139,552)	712,636	<i>(Decrease)/increase in marketable securities issued</i>
Utang atas surat berharga yang dijual dengan janji dibeli kembali (repo)	601,819	671,211	<i>Liabilities on securities sold under repurchase agreement (repo)</i>
Pembayaran dividen	(2,266,885)	(2,695,654)	<i>Payment of dividends</i>
Hasil pembelian Treasury Stock	-	(749,979)	<i>Purchase of treasury stock</i>
<b>Kas neto diperoleh dari kegiatan pendanaan</b>	<b>8,587,223</b>	<b>9,280,404</b>	<i>Net cash provided from financing activities</i>
<b>PENURUNAN NETO KAS DAN SETARA KAS</b>	<b>(6,165,434)</b>	<b>28,936,206</b>	<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>
<b>KAS DAN SETARA KAS PADA AWAL TAHUN</b>	<b>80,018,006</b>	<b>51,075,990</b>	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>
Pengaruh perubahan kurs mata uang asing	17,288	5,810	<i>Effect of foreign currency exchange rate changes</i>
<b>KAS DAN SETARA KAS PADA AKHIR TAHUN</b>	<b>73,869,860</b>	<b>80,018,006</b>	<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>
<b>KOMPONEN KAS DAN SETARA KAS:</b>			<b>COMPONENTS OF CASH AND CASH EQUIVALENTS:</b>
Kas	10,991,946	12,743,510	<i>Cash</i>
Giro pada Bank Indonesia	28,922,705	29,936,441	<i>Current accounts with Bank Indonesia</i>
Giro pada bank lain	6,007,102	8,838,765	<i>Current accounts with other banks</i>
Penempatan pada Bank Indonesia dan bank lain – jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan	27,948,107	28,499,290	<i>Placement with Bank Indonesia and other banks - maturing within three months of acquisition date</i>
<b>Total kas dan setara kas</b>	<b>73,869,860</b>	<b>80,018,006</b>	<b>Total cash and cash equivalents</b>

## INFORMASI KEUANGAN TAMBAHAN/SUPPLEMENTARY FINANCIAL INFORMATION

### CATATAN ATAS LAPORAN KEUANGAN - ENTITAS INDUK

Tanggal 31 Desember 2016 dan untuk  
Tahun yang Berakhir Pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

### NOTES TO THE FINANCIAL STATEMENTS - PARENT ENTITY

As of December 31, 2016  
and For the Year Then Ended  
(Expressed in millions of Rupiah,  
unless otherwise stated)

#### 1. Ikhtisar Kebijakan Akuntansi Signifikan

**Dasar penyusunan laporan keuangan tersendiri entitas induk.**

Laporan keuangan tersendiri entitas induk disusun sesuai dengan Pernyataan Standar Akuntansi Keuangan ("PSAK") No.4 (revisi 2013), "Laporan Keuangan Tersendiri".

PSAK No.4 (Revisi 2013) mengatur dalam hal entitas menyajikan laporan keuangan tersendiri maka laporan tersebut hanya dapat disajikan sebagai informasi tambahan dalam laporan keuangan konsolidasian. Laporan keuangan tersendiri adalah laporan yang disajikan oleh entitas induk yang mencatat investasi pada entitas anak, entitas asosiasi, dan pengendalian bersama entitas berdasarkan kepemilikan ekuitas langsung bukan berdasarkan pelaporan hasil dan aset neto investee.

Kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan tersendiri entitas induk adalah sama dengan kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian sebagaimana diungkapkan pada Catatan 2 atas laporan keuangan konsolidasian, kecuali untuk penyertaan pada entitas anak yang disajikan pada biaya perolehan.

#### 2. Penyertaan Saham

Informasi mengenai entitas anak yang dimiliki Bank diungkapkan pada Catatan 1i atas laporan keuangan konsolidasian.

#### 1. Significant Accounting Policy

**Basis of preparation of the separate financial statements of the parent entity.**

*The separate financial statements of parent entity are prepared in accordance with the statement of Financial Accounting Standards ("PSAK") No.4 (revised 2013), "Separate Financial Statements".*

*PSAK No.4 (Revised 2013) regulates that when an entity related to present the separate financial statements, such financial statements should be presented as supplementary information to the consolidated financial statements. Separate financial statements are those presented by a parent entity, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.*

*Accounting policies adopted in the preparation of the parent entity separate financial statements are the same as the accounting policies adopted in the preparation of the consolidated financial statements as disclosed in Note 2 to the consolidated financial statements, except for investments in subsidiaries which are stated at cost.*

#### 2. Investments in shares

*Information pertaining to subsidiaries of the Bank disclosed in Note 1i to the consolidated financial statements.*





Serving the Country, the Pride of the Nation

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